If we look back and remember the history of what occurred, if we go back to the 1980s when we had those massive deficits, the blue line shows the outlays, the expenditures of the Federal Government. The red line shows the revenue of the Federal Government. It is not hard to figure out why we had massive deficits. The spending line was much higher than the revenue line.

It wasn't until 1993—we passed a 5-year plan that took down the spending line and raised the revenue line—that we were able to balance the budget. That is the history of what has worked. We should stay on this course. We shouldn't go out and go on a big new spending binge. We shouldn't go out and have a massive, risky tax scheme that threatens this economic expansion and this economic success story. Why would we do that? We have a plan that is working. We have a plan that is producing results for this country.

As we look ahead, some say because the revenue line has gone up that we have the highest taxes in our country's history; not true. We have the highest tax revenue. We don't have the highest taxes. I know that seems odd to people. How can that be? How can you have high revenue but not high taxes? The reason is this economic boom has generated dramatic revenue. We are in a virtuous cycle where good fiscal policy and good monetary policy have helped this economy grow. And the genius of the American people has developed the circumstance in which our economic expansion is extraordinary. Because we have this revenue, we are in a situation that has allowed us to actually reduce taxes on individual taxpayers.

That is not just KENT CONRAD's statement. That is a review of the Federal tax system that shows that the Federal tax level falls for most people. The studies show the burden now less than 10 percent. In fact, as this newspaper story says, for all but the wealthiest Americans, the Federal income tax burden has "shrunk" to the lowest level in four decades.

Those who come out here and say we have the highest tax ever—no, no. We have the best tax revenues ever. We have the most income ever. We don't have the highest taxes ever. Tax rates for individual American taxpayers have gone down. That is not the result of some study by some liberal think tank. This is a result of the work of the Congressional Budget Office. This is the work of the Treasury Department. This is the work of the conservative Tax Foundation. These are their conclusions—that tax rates have actually gone down.

Let's look at what those studies reveal. This is for a family of four earning $39,000 in 1999. This is according to the Congressional Budget Office. This is their total tax burden for Federal income taxes. You can see their Federal income taxes have gone down from 8.3 percent to 5.4 percent from 1981 to 1999. It is not just a family earning $39,000, but this is what happened to the income tax burden for a median-income family earning $68,000 in 1999. Their tax burden has gone from 10.4 percent in 1957 to 8.9 percent in 1998. This is according to the very conservative Tax Foundation.

Mr. President and colleagues, this is the history. This is how we have gotten to where we are today—by getting our fiscal house in order; by cutting spending; yes, by raising revenue on the wealthiest 1 percent in this country and lowering taxes on the vast majority of the American people through expansion of the earned-income tax; by the $500 child care credit; lowering taxes on the vast majority of the American people; and now we are in this position of being able to actually retire the publicly held debt by the year 2013.

Virtually every economist that has come before us on the Budget Committee and on the Finance Committee said this is exactly what you should do—make the priority paying down the debt.

Alan Greenspan, the head of the Federal Reserve, says pay down debt first.

"The best use of surplus is to reduce red ink, the Fed chief says."

RECESS

The PRESIDING OFFICER. The time is 12:30. The agreement is the Senate will go into recess at 12:30.

Mr. LAUTENBERG. I ask unanimous consent the time be extended because there are Senators who want to speak.

The PRESIDING OFFICER. In my capacity as a Senator from Colorado, I object.

Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:30 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. INHOFE].

FISCAL YEAR 2001 BUDGET—Continued

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I inquire how much time we have used up totally off the resolution?

The PRESIDING OFFICER. The majority has used 1 hour, 31 minutes; the minority, 1 hour, 23 minutes.

Mr. DOMENICI. For a total of what?

The PRESIDING OFFICER. About 3 hours.

Mr. LAUTENBERG. It is 2 hours 54 minutes.

Mr. DOMENICI. I understand from the minority they want to let Senator CONRAD complete his speech, and I am more than willing to do that. Will he be along shortly?

Mr. LAUTENBERG. I am told he will be. But I do not want to hold up the process if there is someone on the other side who seeks recognition.

Mr. DOMENICI. Senator HUTCHISON has an amendment. I have indicated to her we are trying to work on a process for 5 amendments, and hers would probably be one of those from our side. So I would rather we not proceed with any amendments for now.

Mr. LAUTENBERG. I appreciate that. There has to be an orderly structure here. There are lots of Senators who want to offer amendments and Senators who want to just speak on the resolution itself. We will need some time to do that. If we can ask our Members to just hold off until an agreement has been reached, then I think we will have a more orderly process.

Mr. DOMENICI. Would Senator HUTCHISON like to deliver a speech about her subject rather than offering the amendment? She can do both, speak to the issue and then we can work out if hers is one of the amendments. We will know about that shortly. If not, she is going to be free to offer it, subject to a second-degree amendment, of course.

Would the Senator want to speak to the marriage penalty a little bit just as a matter of substance for the Senate?

Mrs. HUTCHISON. Let me ask a question. If I started with the speech on the marriage penalty, then Senator CONRAD would start on his speech and we would be negotiating how the amendments are handled, is that what the Senator is suggesting?

Mr. LAUTENBERG. If I might, Mr. President, Senator CONRAD wanted to finish his opening remarks. Certainly we invite anybody, from either side, to do that. But if we can hold off until he makes his remarks, assuming he will be here momentarily, then we can talk together about whether or not we can make an agreement that would constitute a specific number of amendments, equally distributed here, so we can begin a process of amendments. I would certainly like to do that.

Mr. DOMENICI. Senator HUTCHISON's remarks, if she makes them now, would not prejudice her coming along later, with reference to the same subject, and offering an amendment. But I can't assure her hers would be the first amendment up. I am trying to work out a five and five, so we can get on using up some of the time on the resolution. I can yield to the Senator if she desires. If not, I will suggest the absence of a quorum call.

Mrs. HUTCHISON. Mr. President, I would love to talk for maybe 5 minutes, prefatory, but I prefer to have my real debate on the issue come during the debate on the amendment.

Mr. DOMENICI. I yield 5 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, while the negotiations are going on, I will say it is my intention to offer an amendment, which would be a sense-of-the-Senate amendment, that we would eliminate the marriage tax penalty in this country. Certainly, the sense-of-the-Senate is quite short and pretty clear. The Senate would find that marriage is the foundation of American society; that the Tax Code should not penalize those who choose to marry; that a report to the Treasury Department's Office of Tax Analysis estimates that, in 1999, 48 percent of married couples will pay a marriage penalty under the present system; that averages $1,400 a year. The sense-of-the-Senate amendment will be that Congress shall pass marriage penalty tax elimination legislation that begins a phaseout of this penalty in 2001, pass marriage penalty tax legislation that does not discriminate against stay-at-home spouses, and consider such legislation prior to April 15, 2000.

We are scheduled to debate marriage penalty relief next week. It is certainly appropriate that we say to these people the week they are beginning to write their checks to the IRS: If you are paying $600 more or $1,000 more or $1,400 more just because you are married, help is on the way; the Senate is committed to eliminating this tax.

I do not even think we ought to call it a tax cut. This is a tax correction. This is a correction of an inequity in our code.

That clearly and simply is what my sense-of-the-Senate amendment is. It is provided for in the budget resolution before us. The Senator from New Mexico has provided $150 billion in this budget for tax relief for hard-working Americans.

If one looks at the tax relief we have already passed in the Senate, it still would not reach $150 billion. We passed tax relief for Social Security recipients so people between the ages of 65 and 70 could work without being penalized. We have passed tax relief for small businesspeople who are hard hit with the many regulations and taxes that are put on their businesses. We have provided tax relief for families who are trying to provide enhancements for their children's education. Senator COVERDELL has been the lead on that bill which gives people the ability to take tax credits and tax deductions when they have to buy their children computers, books, tutors, or enhance college tuition or private school tuition—whatever the cost is to parents, to give children the enhancement their parents believe they need and that their parents would be able to give from tax cuts. And we add on top of those marriage penalty relief.

We met with some wonderful people this morning—real people—who are suffering from the marriage penalty. The bill that will come up next week has the elimination of that penalty.

Kervin and Marsha Johnson met with us today. Kervin is a District of Columbia police officer. His wife is a Federal employee. They were married last July. This year they will owe $1,000 more in taxes because they got married. They are newlyweds. They were shocked that this happened.

We also met with Eric and Ayla Hemeon. Eric is a volunteer firefighter who also works for a printing company. She works for a small business. They have been married for 2 years and are expecting their first child in about a month. Ayla talked to us about what this means. What it means to them is $1,100 they are paying to Uncle Sam instead of doing something to benefit their first child who is almost here.

We had the two newlyweds, and then we had an older couple who met with our group this morning, Lawrence and Brendalyn Garrison. He is a corrections officer at Lorton, and she is a teacher in Fairfax County. Last year, they paid about a $600 marriage penalty.

When we talked to them about what the bill which will come up next week would do for them, they said: Gosh, do you think you could make it retroactive? Because they have been married for 25 years.

These are real people with real faces who would get marriage penalty relief.

Mr. President, I will stop and yield the rest of my time to Senator SESSIONS. I ask the Senator from New Mexico if he will allow me to take 5 extra minutes for the Senator from Alabama.

The PRESIDING OFFICER. The Senator's time has expired. Does the Senator from New Mexico yield 5 minutes to the Senator from Alabama?

Mr. DOMENICI. I yield as much time as the Senator from Texas wants.

Mrs. HUTCHISON. I will be happy to yield such time to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I thank the Senator from Texas for her leadership in this effort, Senator ROTH for his determination to make it a reality, and Senator DOMENICI for providing us an opportunity in this budget to try to end a penalty on marriage in America.

The time has come. We have talked about it long enough. We have a national consensus to end this penalty. I have 425,000 Alabama families, 48 percent of the married couples, who are paying excess taxes simply because they got married. I know a couple who divorced and found they had received a $1,600 bonus by being divorced.

Think about that. The U.S. Government is saying to married couples: If you divorce, on average you will receive a $1,400 tax benefit. At the same time, if you get married, you are going to pay a $1,400 tax increase—unbelievable in a society that is experiencing substantial social problems from the breakup of families.

I chair the Youth Violence Subcommittee in the Judiciary Committee. We have had a lot of testimony, and I have done a study over the years as a prosecutor, about why crime is occurring. Why are so many young people involved in crime? Why is the crime rate higher with young people than among older people?

One reason is we have an extraordinary decline in the unity of the family. More families have broken up in the last 20, 30 years than in the history of the world. In fact, the distinguished senior Senator from New York, Mr. MOYNIHAN, who studied these issues, said one time that in the history of the world, no nation has ever gone forward with the kind of family breakups we have in America today.

We do not know what the long-term consequences are. But more and more studies indicate that all in all, it is better if we have an intact family. We have a U.S. Government policy to penalize marriage. That is not the right way for us to go.

I am so thankful we are now moving to a vote on this piece of legislation. People are going to have to stand up and be counted and defend the practice of taxing people who decide to get married and raise a family in America.

The numbers, as the Senator from Texas said, are stunning. We have a policeman and civil servant paying $1,000 extra a year, married for 2 years; a volunteer fireman, a printer, and a small businessperson paying $1,100 extra per year.

What does that mean? That is $100 a month. That is $100 a month aftertax money that could have been in their pockets, but the Federal Government reached in and took it out to spend on programs.

I am of the belief that is wrong. What can that young couple do with $100 a month? They can maybe start a savings account, maybe buy a new set of tires for their car—at least maybe a couple tires each month—or put a muffler on their car, or send their child to school with money for a project or a program, let them go to a movie or two every other week. This is real money for real people. I am glad we had Senator HUTCHISON and others this morning who brought forth couples who are paying this tax to help us recognize that we are dealing with a problem that needs to end.

I believe, and our Nation has always believed until recent years, that public policy does affect behavior.

What we want to do when we adopt a public policy position is, we want to ask ourselves, will this foster good behavior or will it encourage bad behavior? I suggest we have a policy that is not only unfair but it is damaging to our goal as a nation to affirm and encourage marriage, to encourage partnership in the marital union in the raising of families. Taxing that is not good public policy. The end of it is long overdue.

I am glad we will soon have a vote. I do hope and pray that the vote will be overwhelmingly to end this penalty.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG. Mr. President, I yield such time as he needs to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the budget process is our chance to set clear priorities for America's future. The budget which the Senate adopts this week will say a great deal about the values of those who vote for it. Our vote on this budget will emphasize what each of us supports. It is easy to pay lip service to meeting the Nation's unmet needs, but are we willing to allocate resources in a manner that will effectively address those needs?

This is a time of unparalleled prosperity. Both the CBO and OMB project budget surpluses far into the future. We will never have a greater opportunity to meet America's unmet needs than we have today—to improve the quality of education for all children; to strengthen Social Security and Medicare in a way that will provide a secure and healthy retirement for future generations, as well as a prescription drug benefit; to provide access to good health care for millions of uninsured families; to make communities safer by keeping guns out of the wrong hands, and by increasing the number of police officers on our streets; and to expand scientific research to keep America on the cutting edge of progress.

These are the great challenges of our time. Unfortunately, the budget presented by the Republican majority does not meet those challenges. It would actually cut spending on domestic discretionary programs by more than 6 percent, by well over $100 billion over the next 5 years.

These cuts are far from necessary to curb uncontrolled Federal spending or to reduce inflationary pressure on the economy. In fact, even according to the Senate Budget Committee, and its Republican staff, the amount provided for nondefense discretionary spending as a percentage of GNP is the lowest share for this category since such statistics have been compiled.

We are already spending less on domestic discretionary programs as a percent of GNP than we ever have before. So why do our Republican friends propose more drastic reductions? The answer is, so they can provide more tax cuts for the wealthy.

The Republican budget would use up essentially the entire surplus with extravagant tax cuts, primarily benefiting the wealthiest individuals and corporations in our society.

CBO projects an on-budget surplus over the next 5 years of $171 billion. The proposed GOP budget would use all but $3 billion of that total amount to finance ill-conceived tax cut schemes. They propose a minimum of $150 billion in tax cuts over the next 5 years. Because those tax cuts will delay repayment of the national debt, they will cost an additional $18 billion in higher interest payments on the debt, as well.

Also, according to this GOP budget, if the projected surplus increases, the additional amount must be used for even larger tax cuts. The extra amount cannot be used to restore any portion of the serious cuts in domestic programs.

But this is only the tip of the tax-cut iceberg.

Last year, Republicans proposed a ten-year budget to the Congress. They did so because using 10-year numbers enabled them to emphasize how large their proposed tax cut was—$792 billion. It demonstrated how rapidly the size of their tax cut would grow—from $156 billion in the first 5 years, to $635 billion in the second 5 years—or more than four times as much revenue.

But the Republicans badly miscalculated the reaction of the American people. By large margins, the public agreed that the tax cut was far too large, because it would harm the economy and make it impossible for us to achieve the priority national investments needed to keep our economy and the country strong for the future.

The American people consistently said that Congress should use the surplus to put Social Security and Medicare on a sound financial footing, before acting on large tax cuts. In fact, the American people displayed a great deal more common sense than the Republican leadership.

This year, Congressional Republicans have responded to these concerns by using a 5-year projection instead of a 10-year projection. By considering only the first 5 years, they hope to conceal the true magnitude of their tax cut scheme. Rather than reducing the size of their tax cut, they are simply attempting to change the terms of the debate from 10 years to 5 years. But this Republican accounting gimmick won't work. The GOP tax cuts being proposed this year are just as large, if not larger, than last year. The Republican strategy is now to enact a stealth tax cut, concealing its true long-term cost from the public.

How do we know their intent, since the budget is silent beyond fiscal year 2005? Consider the tax cut plans which the Republicans have already brought to the floor this year. The House version of marriage penalty relief would cost $51 billion over the first 5 years—but rises sharply to $182 billion over 10 years. The plan produced by Senate Republicans would cost $70 billion over 5 years, and dramatically increases to $248 billion over 10 years.

The Senate tax package attached to the minimum wage legislation costs $18 billion over the first 5 years—but grows to $76 billion over 10 years. The annual cost by the 10th year would be nearly as large as the cost over the entire first 5 years. Similarly, the House tax package tied to the minimum wage costs $46 billion from fiscal year 2000 to 2005—but $123 billion over the full 10-year period.

Clearly, Republicans have not abandoned their plan for tax breaks costing far more than the country can afford. They are now spending the tax cuts over several bills, rather than combining them in one massive measure, and they're attempting to limit discussion of the budgetary impact to the first 5 years. All of these GOP tax breaks are steeply backloaded. They mushroom in cost after the first 5 years. It is a stealth tax break strategy, and it cannot stand the light of public debate.

Defenders of the budget resolution contend that it does not mandate the form which the tax cut will take, and it is wrong to claim that the tax cuts will disproportionately benefit the wealthiest taxpayers. That argument is truly disingenuous. It asks us to ignore the abundant evidence provided by the recent history of Republican tax cut proposals. Let us look at the record.

Last year, Republicans passed their ill-fated $800 billion tax cut. Under that legislation, 81 percent of the tax benefits would have gone to the wealthiest 20 percent of taxpayers. The richest 1 percent of taxpayers—those with incomes averaging $800,000 a year—would have received 41 percent of the total tax benefits, a tax saving of as much as $46,000 a year. In stark contrast, working families comprising 60 percent of taxpayers would have shared less than 8.5 percent of the tax savings, an average tax cut of only $138 a year.

The Republican Presidential nominee, Governor George W. Bush, tells us his tax cut is designed to ''take down the toll booth on the road to the middle class.'' However, 73 percent of the overall tax benefits in his massive tax cut proposal—$1,8 trillion over 10 years—would go to the wealthiest 20 percent of taxpayers—37 percent of the tax breaks would go to the richest 1 percent of taxpayers. That ''toll booth'' Governor Bush loves to talk about is on a highway most Americans never travel. Just 11 percent of the tax benefits under the Bush plan would go to the less affluent 60 percent of working men and women.

This year, congressional Republicans have rushed to pass tax cut proposals before the budget is even adopted. These tax cuts have already consumed $115 billion of the surplus over the next 5 years and $443 billion over 10 years. The Marriage Penalty Relief Act passed by the House would cost $182 billion over 10 years, and 77.8 percent of the tax benefits would go to the most affluent 20 percent of taxpayers. The Senate version reported out of the Finance Committee last week would cost even more, $248 billion over 10 years, and gives an even larger share of the tax savings—78.3 percent—to the wealthiest taxpayers. In both bills, the majority of the tax benefits actually go to couples who are not even paying a marriage penalty.

In addition, as the Republican leadership's price for allowing a modest increase in the minimum wages the House recently passed a $123 billion/10-year package of tax cuts. Eighty-nine percent of the tax breaks in that bill would go to the richest 5 percent of taxpayers, while 90 percent of taxpayers would share less than 8.5 percent of the tax benefits.

In light of this history, there is no doubt that the benefits of any tax cut passed by this Republican Congress will be distributed in a blatantly unfair way, and will be designed to benefit the richest individuals and corporations in our society.

I support reasonable, targeted tax cuts that benefit low- and middle-income working families. But by enacting tax cuts of the magnitude proposed by the Republicans, we will lose the best opportunity in decades to meet America's unmet needs. We will also forfeit the opportunity to strengthen Social Security and Medicare for future generations of retirees. Our shortsightedness will be justifiably condemned by future generations as they struggle to deal with the national needs we are so irresponsibly ignoring.

The larger the tax cut, the less is available for debt reduction and investments in national priorities, such as education, prescription drugs for senior citizens, and research on energy and health.

The Republican budget shortchanges all of these priorities. Alongside their massive tax cuts, Republicans make reductions in domestic investments that are historically unprecedented. They want to reduce discretionary spending on domestic priorities, as I mentioned, by more than 6 percent in real dollars over the next 5 years, even though our population is growing and even though present funding for many programs is already inadequate.

We are not talking about creating new programs or expanding existing programs. By reducing the Government's ability to maintain even the current level of services, Republicans forfeit any hope of addressing the Nation's unmet priorities. Even in this time of prosperity, we are not meeting the basic needs of large numbers of our people.

One in five of the Nation's children lives in poverty. Three out of four third graders read below grade level. Hunger in low-income working families has become a national crisis, with food pantries and soup kitchens unable to meet the daily needs for their services. Forty-three million people have no health insurance. That number is increasing by a million a year. The number of low-income renters who pay more than half of their income for housing or who live in dilapidated housing has reached an all-time high—a searing problem in many different parts of the country.

One of the darker sides of this extraordinary economic boom has been the explosion of the cost of housing, the cost of rent for working families. The need for decent, affordable housing for working families is prohibitive in so many parts of America. There is very little in this budget that would address that particular need.

Low-income families are forced to place thousands of children in poor-quality child care while they meet their work responsibilities under the welfare reform. Every State in this country has long lines of working parents who desire to have child care for their children while they continue to work—and work hard—to provide for them.

This Republican budget would eliminate our ability to respond to these grave concerns. Make no mistake about it, the spending cuts that would be required to pay for these Republican tax breaks would have very real consequences for the Nation.

Compared to the President's budget, Republicans would force the following cuts in the next year alone:

20 million fewer meals delivered to ill and disabled seniors;

2 million fewer uninsured people with access to health care;

1.6 million fewer children in quality afterschool programs;

750,000 fewer infants receiving nutrition supplements;

644,000 fewer at-risk students helped with college preparation;

400,000 fewer families assisted with heating costs;

152,000 fewer State and Federal law enforcement officers;

120,000 fewer housing vouchers for families in poverty;

118,000 fewer dislocated workers helped to reenter the workforce;

88,000 fewer job opportunities for youth;

71,000 fewer college students assisted with Pell grants;

62,000 fewer children in Head Start;

30,000 fewer children immunized;

20,000 fewer elementary school teachers hired to reduce class sizes; and

11,000 fewer public schools prepared and ready for the 21st century.

That is what happens. We talk about a percentage of cuts in existing programs. When you apply those cuts to programs that are targeted for these needy groups, these figures that I have related indicate what the results will be.

These are only a small part of the opportunities that will be lost if the Republicans' risky tax cut becomes law. All nondefense discretionary programs will be cut by an average exceeding the 6 percent under the Republican plan. These cuts include meat and poultry inspection, Superfund toxic waste cleanups, National Science Foundation research, the Coast Guard, antidrug efforts, NASA, National Parks, and HIV/AIDS treatment and prevention.

Republicans have had a long history of cutting needed programs. They tried to abolish the Department of Education and the Department of Energy, both of which are essential for addressing today's urgent problems. Last year's GOP resolution also called for a massive cut in non-defense discretionary spending. After months of fighting Democrats and further threats of government shutdowns, the Republicans gave up their attempt to slash Head Start, education, worker protection, environment, and energy programs. In the end, Democrats succeeded in protecting non-defense discretionary programs from real cuts last year. I want to put my Republican friends on notice that, just like last year, we will stay here as long as it takes this year to ensure that the reckless and heartless cuts in this budget resolution do not become law.

This is not the first, but the fourth, time that Republicans have tried and failed to sacrifice domestic investments for tax breaks for the wealthy. So we can anticipate how they'll attempt to avoid the consequences of their actions this time. They'll begin by promising to increase funding for a few programs. They will emphasize only these increases, while neglecting to mention the hundreds of other programs that will be drastically cut. OMB estimates that if Republicans keep their promises to increase or hold harmless programs in elementary and secondary education, the National Institutes of Health, and veterans' health, all other non-defense discretionary programs will have to be cut by 10 percent.

Another Republican gimmick used to conceal their harsh spending cuts is to compare spending levels without accounting for inflation. Even George W. Bush does not use this tactic. When candidate Bush claimed that spending only increased 2.5 percent during his years as Texas Governor, he accounted not only for inflation, but also for population growth over this time. If Republicans followed this reasonable accounting method, the average domestic discretionary spending cuts required by Republicans under this budget resolution would far exceed 6 percent.

After Republicans finish trying to convince us that their spending cuts will be painless, we can expect them once again to oppose waste, fraud, and abuse. All of us support eliminating waste, fraud, and abuse—in defense and non-defense programs alike. But the proponents of this GOP budget resolution are living in a fantasy world if they believe that preventing waste fraud, and abuse is going to make up for anything more than a small fraction of the massive cuts in their budget resolution.

Thanks in large part to Vice President GORE's leadership in his Reinventing Government Initiative, the federal government is leaner, more efficient, and more citizen-friendly than ever. If Republicans think they can find $105 billion over 5 years in waste, fraud, and abuse, then they should condition their tax cut on finding it. They should not condition the education or health or other priorities on abstract, unproved, and never-before-realized savings in waste, fraud, and abuse.

The party that gives us this budget resolution is the same party that last year brought us "smoke and mirrors," and untold numbers of accounting gimmicks. The Republican bag of tricks is doubtless full again this year, and we need only stay tuned to see how they can make their numbers add up to protect their tax breaks for the rich.

Our Democratic alternative budget is in sharp contrast to the Republican budget resolution. These two alternatives provide Americans with a clear picture of the opposite directions that the two parties want to take the nation.

Rather than squandering the surplus on tax breaks for the rich, Democrats continue to strengthen the basic priorities to ensure that all Americans can reach their full potential. Not only is this the right way to treat our fellow citizens, it is the only sound policy for strengthening the nation's future and maintaining its world leadership. On investments in the nation's future, the differences between Republicans and Democrats are like night and day.

I believe that the American people will support our Democratic alternative, and will reject the wholesale ravaging of domestic programs proposed by the Republican budget. The Democratic alternative sets forth a more balanced and fiscally prudent way to allocate our resources. It provides more for debt reduction than the Republican budget. It does not endanger the Social Security surplus, by making unrealistic budget assumptions which cannot be met.

It provides substantial support to assist senior citizens with the cost of prescription drugs, and it sets a firm date for the Finance Committee to act on a prescription drug proposal. The Republican prescription drug proposal underfunded, and it is subject to so many contingencies that it is unlikely to ever materialize.

The Democratic budget also makes a concrete commitment to strengthening Medicare by reserving a portion of the surplus expressly for Medicare each year. The Republican budget does not. The Democratic budget fully funds the President's requests for education, health care, and other domestic priorities, and contains his proposed increase in defense spending. It does not shortchange investment in the vital domestic programs which improve the lives of millions of Americans. While accomplishing all of these goals, our Democratic plan still is able to offer $59 billion in tax cuts over the next 5 years, targeted to working families.

There is no reason to threaten the well-being of the American people by enacting tax cuts far larger than we can afford. The magnitude of the Republican tax cut would deprive us of the flexibility we will need, if revenues do not meet projections due to a slowing in the economy, or if emergency spending is required to address domestic and international crises.

The precarious balance achieved by the Republican budget depends on a reduction in the rate of spending on domestic programs which would be unprecedented. Congress will not and should not cut domestic priorities that deeply. By setting unrealistically low spending levels, the Republicans actually undermine compliance with the budget process. Just as they did last year, members on both sides of the aisle will refuse to make the deep domestic cuts called for by the Republican budget. If the surplus has already been used for excessive tax cuts, revenues will not be there to restore funding for these urgent domestic programs.

This type of irresponsible budget also jeopardizes the Social Security surplus. Both parties have pledged to use the Social Security surplus solely to meet Social Security's future needs. That is the right thing to do. But, as the events of last year amply demonstrate, the Social Security surplus is threatened when we fail to reserve sufficient funds to adequately support domestic priorities and cover emergency needs. In fact, CBO determined last fall that the lock box protecting the Social Security surplus was in danger of being broken. The threat was not eliminated until January, when revenue estimates increased beyond earlier projections. If we are serious about protecting the Social Security surplus, we should not consume the entire on-budget surplus in tax cuts. These massive tax cuts are irresponsible. They do not deserve to pass.

Mr. President, if we are serious about protecting the Social Security surplus, we should not consume the entire projected on-budget surplus, and these massive tax cuts are irresponsible. They do not deserve to pass. The Democratic alternative does.

Mr. President, the point I was making was that virtually every economist who has come before the Budget Committee or the Finance Committee has told us our highest priority in this budget ought to be to pay down the debt. Not only have the economists told us that, but Chairman Greenspan, head of the Federal Reserve, has told us that clearly and unequivocally.

This is from the January 27, 2000, Washington Post, Business Section. The headline is: ''Pay Down the Debt First, Greenspan Urges.'' It reads, ''He says the best use of the surplus is to reduce red ink.''

I think the Federal Reserve Chairman has it exactly right. In this budget the Democrats will be proposing, we save every penny of Social Security for Social Security. We put an emphasis and priority on paying down the debt. We also have sufficient resources to protect Medicare, to provide prescription drugs, and to make an investment in education, which I think all of us believe is our future. Also, we provide for a tax cut for working families.

In the Democratic budget proposal, debt reduction is the highest priority. This may come as a surprise to many. Debt reduction is the priority of the Democratic budget because this is what will most assure our financial security into the future. Over the 10 years of the Democratic budget plan, 82 percent of all the projected surpluses are dedicated to debt reduction; debt service is 3 percent; 14 percent is for health initiatives, tax cuts, and other high-priority domestic needs.

Mr. President, in looking at the non-Social Security surplus, our priorities are as follows: Again, the top priority is given to debt reduction—36 percent of the non-Social Security surplus to debt reduction; 29 percent to tax cuts; 23 percent to prescription drugs and other initiatives; 11 percent to interest costs. We think those are the appropriate priorities for the country, the appropriate priorities for the Senate, and the appropriate priorities for the Congress. We very much hope that people will give close consideration to that alternative when it is voted on.

Let me conclude by again publicly commending the chairman of the Budget Committee, Senator DOMENICI. It is not easy to bring a budget resolution to the floor. I think there is perhaps no more difficult job in the Senate than bringing a budget resolution. Once again, Senator DOMENICI has done it and he has done it under challenging circumstances. It is always challenging to bring a budget resolution to the floor. I commend him for his leadership. I also thank our ranking member, Senator LAUTENBERG, who has given extraordinary leadership to those of us on the Democratic side.

I am proud of the budget alternative we will offer. It is a budget that is in line with the priorities of the American people, which puts debt reduction first, focuses on securing Social Security, extending the solvency of Medicare, and providing for high-priority domestic needs such as defense and education and agriculture, and that also has room for tax cuts targeted to working families with an emphasis on incentives for savings. That is one area where we are not doing so well in the national economy. We are not doing a good job with savings as a society. We should provide the incentive for people to save more.

I yield the floor. I thank the Chair. I thank my colleagues for their courtesy.

The PRESIDING OFFICER. Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, although we should be rotating, on our side Senator GRAMS has been willing to have Senator BYRD go next, and then Senator GRAMS, if that is all right with Senator LAUTENBERG.

Mr. LAUTENBERG. I yield the remainder of my time.

Mr. DOMENICI. Mr. President, if I may speak for 2 minutes, I don't have any big charts to show you, but I want to put this up. It may be the best way to explain our budget. It is very simple.

The non-Social Security surplus total for the years 2001 through 2005 is $400 billion. That is the amount of surplus that will be available during the next 5 years, locking up Social Security in a lockbox. Don't use it. That is $400 billion.

That $400 billion, as we see it, will be spent using $230 billion for new spending, $150 billion for tax reductions and tax relief and debt reduction, with an additional $20 billion to go along with the Social Security money. That is going toward the debt.

Frankly, the other side will not have a chart such as this because they will assume we have to spend $230 billion to increase every function of Government, by inflation, for each of the next 5 years, and that it is automatic. They don't call that ''spending,'' they call it ''automatic.'' Everybody is entitled to that.

We start with a real zero. We start with no growth and say how much we put back. We put back $230 billion. If my arithmetic is right, that is about $46 billion a year of new money appropriated.

In addition to what we are already spending to start with, we are already spending this amount. There is $46 billion more a year for each year. That comes out of this surplus.

We have tax relief of $150 billion, which is only $13 billion in the first year, and then we have an extra $20 billion going on the debt.

I think that is a pretty fair approach. In fact, Democrats keep saying they are doing what the American people want. I think if the American people understand ours—and they will—they will say that is plenty of new spending; some of this overpayment we ought to get back. That is what we provide.

I yield the floor.

The PRESIDING OFFICER (Mr. FRIST). The Senator from West Virginia.

Mr. BYRD. Mr. President, it has been said that the more things change, the more they stay the same. We are warned by the American philosopher George Santayana (1863–1952) that, ''those who cannot remember the past are condemned to repeat it.'' Those words of warning, I think, are appropriate to have in mind as the Senate debates the Fiscal Year 2001 Budget Resolution.

It was less than two decades ago that the Nation inaugurated a new President, who campaigned on a pledge to cut taxes, cut federal spending except for defense, and pay down the Federal debt. The so-called ''Reagan Revolution'' was based on the supply-side economic ideology that massive tax cuts would generate large increases in revenues to the Federal Treasury, sufficient to allow a large build-up in military spending; while, at the same time, balancing the Federal budget. That was the blueprint—the budgetary plan of the Reagan-Bush Administration. To be sure, there were those who doubted that this supply-side program would achieve the results that were projected in the Reagan-Bush budget. Indeed, during his campaign against Reagan for the GOP nomination, Mr. Bush called Reagan's supply-side economic plan ''voodoo economics.'' Senate Majority Leader Howard Baker called the Reagan-Bush budget blueprint a ''riverboat gamble.''

Despite those ominous warnings in 1981, Congress did enact a massive tax cut, and Congress increased the military budget. But, entitlement spending continued to grow, while projected increases in revenues did not materialize. As a result, the Reagan-Bush Director of the Office of Management and Budget, David Stockman, resorted to what amounted to ''cooking the books'' in the annual Reagan-Bush budgets. Mr. Stockman, I believe, was the person who came up with the strategy, later termed ''Rosy Scenario'' to describe the fanciful budget forecasts during his service as OMB Director.

As a result of those budgetary policies, rather than being able to pay down the federal debt, or even to reduce deficit spending, the twelve Reagan-Bush years brought the Nation the largest annual deficits in its history and, consequently, the Federal debt grew to levels that endangered the Nation's economic prosperity.

In fact, as this chart entitled ''National Debt'' shows, on the day that Mr. Reagan was sworn into office on January 20, 1981, the national debt stood at $932 billion. As Mr. Reagan alluded in his State of the Union Address that year, it would take a 63-mile high stack of one dollar bills to equal $932 billion.

That $932 billion represented the debt that had been accumulated through all of the previous administrations from George Washington's administration, the first administration, on down through those years.

What was the fiscal health of the Nation when this supply-side fiscal conservative, President Reagan left office? As shown on the chart, on January 20, 1989, the day that Mr. Reagan left office and Mr. Bush was sworn in to succeed him, the Nation's debt was some two trillion, six hundred and eighty three billion dollars. It took the Nation over 200 years to get to $1 trillion in national debt. It took the Reagan-Bush Administration just 8 years to nearly triple the national debt—from $932 billion on the day Mr. Reagan took office to $2.683 trillion on the day he left office.

Let me say that again. From $932 billion on the day that Mr. Reagan took office to $2.683 trillion on the day he left office.

In other words, the stack of $1 bills, which was supposed to be 63 miles high, as Mr. Reagan spoke to a nationally televised audience, an accumulation through all of the administrations prior to the Reagan administration—that stack of $1 bills he portrayed very vividly, I recall, as being 63 miles high—on the day he left office, that stack of $1 bills would be 182 miles into the stratosphere.

Then, we had the Bush-Quayle Administration for the next four years. Did that Administration make progress in reducing deficit spending and begin to pay down the national debt? Unfortunately, such was not the case. The national debt just kept right on going. It was as if someone were feeding it growth hormones! The debt reached over $4 trillion by the time Mr. Bush was voted out of office and President Clinton was sworn in on January 20, 1993.

That stack of $1 bills then as represented by the national debt would have been 277 miles high. In other words, it had grown from 63 miles high at the beginning of the Reagan administration to 277 miles high at the end of the Reagan-Bush administration.

Supporters of the Reagan and Bush Administrations, over the years, have attempted to lay the blame for this massive increase in debt at the doorstep of Congress, claiming that Congress holds the purse strings. I have two responses. First, during the first 6 of the 8 years of the Reagan Presidency, the Republicans were in the Majority in the United States Senate. Second, during the entire 12 years of the Reagan and Bush Administrations, only a handful of times did President Reagan veto an appropriations bill for containing too much funding; and President Bush did not do so even once. Furthermore, the total of all the appropriations bills during the 12 years of the Reagan/Bush and Bush/Quayle Presidencies amounted to more than $60 billion in cuts below the budget requests of both Presidents.

Since the Presidencies of Reagan and Bush, the fiscal condition of the Nation has greatly improved, for a myriad of reasons. Among those are the monetary policies of the Federal Reserve, and the great increases in productivity of the American workforce and in our industries. Some of the credit, I believe, can also rightly be attributed to the Federal budgetary policies of the past several years. The deficit reduction packages of 1990, 1993, and 1997 set out very stringent targets on Federal spending, which helped reduce deficits to the point that in 1998, we enjoyed the first unified budget surplus in 30 years—a surplus of $69 billion.

Both of the latest OMB and Congressional Budget Office forecasts project huge federal budget surpluses far into the future. The CBO now projects unified budget surpluses ranging from $3.2 trillion to more than $4.2 trillion, over the next 10 years, depending on spending levels under various scenarios.

Of those 10-year surpluses, some $2.3 trillion will be generated by contributions into the Social Security Trust Fund, in excess of the payments to retirees over the period of Fiscal Years 2001–2010. There is virtually unanimous agreement that any and all Social Security surpluses over the next 10 years should go toward reducing the national debt, rather than being spent. This means that, if CBO's projections turn out to be correct, the national debt would go down by more than $2 trillion over the next 10 fiscal years.

The question, then, is what to do with any remaining, or non-Social Security surpluses over the next 10 years. Should we cut spending further; should we maintain spending at current levels; or should we increase spending? Should we use some of the non-Social Security surpluses to pay down the debt, and perhaps even eliminate the publicly held debt by 2031? Or, should we enact huge tax cuts that eat up all of the projected non-Social Security surpluses?

Unfortunately, Mr. President, the Budget Resolution now before the Senate, as was the case last year, chooses the worst possible fiscal course for the Nation. This Budget Resolution proposes a huge tax cut, which would drain the Treasury of more than $150 billion over the next 5 years, and could easily cost in excess of $800 billion over the next 10 years. Combining that size tax cut with the resulting increase in interest payments on the debt that it would cost, could drain the Treasury of as much as $950 billion over 10 years. That figure is larger than the total $893 billion in non-Social Security surpluses that CBO has projected for the next 10 years.

What that means is that, in order to pay for the tax cut in this fiscal blueprint, we will either have to go back to deficit spending, or raid the Social Security Trust Fund. That is assuming the CBO projected surpluses actually occur. Is that likely? What has been the record of CBO projections in the past? Have their projections been fairly close to what actually occurred? The answer is ''no.'' Not so close as to enact tax cuts that would use up all of the CBO projected surpluses, and then some. In fact, over the period of 1980 through 1998, the CBO projections of revenues contained in budget resolutions were off by an absolute average of $38 billion per year! Over 5 years, that is $190 billion, Similarly, the CBO's deficit projections erred by an absolute average of $54 billion per year over the period of 1980–1998.

Like last year, the tax cuts proposed in this budget resolution are unwise in the extreme. The American people won't buy this plan. They are not clamoring for tax cuts. The American people have learned that locking in huge tax cuts before the money to pay for them has materialized is just plain, old, common, country gambling. They want to make sure that the money is there before we mandate huge tax cuts. The people don't wont to go back into debt, with the interest charged to them.

Now, let's turn to discretionary spending. That's the portion of the Federal budget that is funded in the annual appropriations bills. Discretionary appropriations amount to about one-third of the Federal budget and include spending for Defense, as well as a wide array of domestic investments, including education, health, veterans' medical care, highway and airport construction, parks and recreation, the FBI and other law enforcement agencies, water projects, environmental programs, Head Start, and the operational costs of all of the departments and agencies of the Executive Branch, as well as those of the Legislative Branch and the Judiciary. These are the programs that support the physical and human infrastructure of this Nation.

What is being proposed for the discretionary portion of the budget in this Budget Resolution? As this chart shows, this budget plan would increase spending for the military by $24 billion above what is required to maintain current levels, over the next five years. For all other discretionary spending, this budget plan would cut $105 billion, or 6.5%, over the next 5 years below what is needed to maintain current services, adjusted for inflation.

To get right to the point, let's look at what is being proposed in this Budget Resolution for Fiscal Year 2001. That is the fiscal year which will begin on October 1 of this year. This budget proposes budget authority totaling $597 billion for discretionary programs for the upcoming fiscal year. That is a cut of $10 billion below what will be needed to maintain this year's discretionary spending levels, adjusted for inflation.

It would take $607 billion just to keep up with inflation and avoid real cuts in discretionary spending for Fiscal Year 2001; only $597 billion is allowed in this budget resolution. Of that amount, what is allowed for Defense? The CBO tells us it would take $298 billion in budget authority to maintain this year's level of Defense spending. But, the Budget Resolution before the Senate would provide $307 billion—a real increase of $9 billion above what it would take to maintain this year's level of Defense spending, adjusted for inflation.

For all other discretionary programs, CBO says it would take $309 billion in budget authority to maintain this year's spending levels. This resolution provides only $290 billion, a cut of $19 billion in budget authority. Yet, at the same time, the budget resolution promises to increase funding for education, veterans' health care, and other popular initiatives. This means that all of the other unprotected programs will have to be cut even more in order to accommodate the protected ones.

What does that mean in real terms? For an example, let's take a look at national crime-fighting programs. According to the Office of Management and Budget, the Senate Budget Resolution does not appear to provide any funds for the hiring of additional police officers, or for community crime-prevention programs. For the Coast Guard, this budget resolution would severely impact their ability to carry out their missions in the areas of drug interdiction, national security, and fisheries enforcement.

Despite claims to the contrary, funding for education would be cut by more than $5 billion below the President's request in Fiscal Year 2001. This would require cuts of some 62,000 children from Head Start; and it would make it impossible to hire some 20,000 additional teachers for public schools or provide urgent repairs for some 5,000 schools across the Nation.

For Science, a reduction of this magnitude would result in more than 19,000 fewer researchers; educators and student receiving support from the National Science Foundation. It would appear that a lot of this rhetoric about protecting education is just that—rhetoric.

Is it realistic to suggest that the Nation's important domestic investment needs will be cut by almost $20 billion this year? Is that what we want to propose to the American people? I do not support any such proposition. To follow this budget plan will mean endorsing large permanent tax cuts, based on budget surplus projections which may or may not come to pass. If the tax cuts are enacted, they will be real. They will be in law. But, the money to pay for them may be only a figment of the forecasters' imaginations. The result may make it a virtual certainty that this flawed budget plan would lead the Nation, once again, down the road of annual triple-digit billion dollar deficits. We slew that gremlin after the twelve Reagan-Bush years. Let us heed the warning of Santayana and not condemn ourselves and the American people to repeat those failed policies. Let the evil, bloated deficit monster sleep.

If we follow the plan before us today, we will probably see another in a series of session-ending omnibus appropriations negotiations with the White House. Such a process demeans the Congress, elevates the Executive, and allows the President's aides to sit at the table and become instant appropriators while Congress completes its appropriators' work. That process always reminds me of a high stakes poker game—''I'll see your veterans' programs and raise you five billion more for defense.'' Unfortunately, it is often the American taxpayer who ends up the loser. I implore my colleagues to reject this Budget Resolution. Let's get off this treadmill to nowhere. We should not give tax cuts with money we don't yet have, and may never have. To do so is like writing checks before the money is firmly in the bank.

In recent testimony before the Senate Special Committee on Aging, Federal Reserve Chairman Alan Greenspan repeated his longstanding view that, ''The most effective means of raising the level of future resources, in my judgment, is to allow the budget surpluses projected in the coming years to be used to pay down the Nation's debt.'' I agree with Mr. Greenspan in that statement. We should adequately invest in our Nation's infrastructure needs and use the balance of future surpluses to pay down the Federal debt, thereby enhancing the ability of the Nation to be in the position to meet the future needs of both Social Security and Medicare. The American people, I believe, recognize the wisdom of such an approach. They instinctively realize that massive tax cuts at this time, based on flimsy projections and on promises to cut spending far below levels that could sustain the economy into the 21st century, are precisely the opposite of sound fiscal policy. The American people will not buy these Disney World policies anymore. They expect a fair deal in budgeting, and this Senate should, as well. To fail to do so would amount to deja-voo-doo all over again!

I yield the floor. I thank the distinguished Senator from Minnesota for yielding to me.

Mr. GRAMS. Mr. President, I wish to take a few minutes this afternoon to talk, not of the budget in general but about a particular part of the budget. I wish to speak in support of the amendment of Senator KAY BAILEY HUTCHISON of Texas. I commend her efforts and leadership on a very important issue; that is, the marriage penalty tax that is part of this overall budget. I know we are still working on an agreement dealing with this amendment but, because of other commitments, I wanted to take time to come to the floor and speak on this issue, the marriage penalty tax, a little bit out of order. I want to at least voice my strong support for the issue. I support, strongly, the elimination of the marriage penalty entirely and I believe that Congress should pass this legislation and we should do it as quickly and as early as possible.

There is compelling reason to repeal the marriage penalty tax: The family has been and will continue to be the bedrock of our society. Strong families makes strong communities; strong communities make for a strong America. We all agree that this marriage penalty tax treats married couples unfairly. Even President Clinton agrees that the marriage penalty is unfair, although he said—well, we just can't help it; we need the money here in Washington.

If we do not get rid of this bad tax policy that discourages marriage, millions of married couples will be forced to pay more taxes simply for choosing to commit to a family through marriage.

In fact, the Tax Code contains 66 provisions that can affect a married couple's tax liability.

Let me give a real example of how average Americans have been hit by the marriage penalty. Newly wedded Alicia Jones from my state of Minnesota and her husband graduated from college and had just begun working full-time 2 years ago. In 1998, Alicia and her husband both worked full time in professional careers. They had no children and were renting an apartment, saving to buy a house. They had to pay at least an additional $1,400 for simply being married. As a result, on top of the over $10,000 tax they already paid, they had to take an additional $700 from their limited savings account to pay for Federal taxes—taxes that they wouldn't have had to pay if they weren't married.—The marriage penalty.

She wrote to me:

> I am frustrated by this, I'm frustrated for the future—how do we get ahead, when each year we have to take money from our savings to pay more for our taxes. I hope that you will remember my concern.

Alicia's story is not uncommon. There were 21 million American families in the same situation.

A 1997 study by the Congressional Budget Office entitled For Better or Worse: Marriage and the Federal Income Tax, estimated 21 million couples or 42 percent of couples incurred marriage penalties in 1996. This means 42 million individuals paid $1,400 more in tax than if they are divorced, or were living together. It has grown to even more in the year 2000.

But marriage penalties can run much higher than that. Under the current tax laws, a married couple could face a Federal tax bill that is more than $20,000 higher than the amount they would pay if they were not married.

This is extremely unfair. This was not the intention of Congress when it created the marriage penalty tax in the 1960s by separating tax schedules for married and unmarried people.

The marriage penalty is most unfair to married couples who are both working, it is discriminative against low-income families and is biased against working women.

The trend shows that more couples under age 55 are working and the earnings between husbands and wives are more evenly divided since 1969. As a result, more and more couples have received, and will continue to receive, marriage penalties and fewer couples benefit under the Tax Code.

The marriage penalty creates a second-earner bias against married women under the Federal tax system. The bias occurs because the income of the secondary earner is stacked on top of the primary earner's income. As a result, the secondary earner's income may be taxed at a relatively higher marginal tax rate. In many cases it even forces the whole family budget into a higher tax bracket so the whole family faces this marriage penalty. Married women are often the victims of the second-earner bias.

As more and more women go to work today, their added incomes drive their households into higher tax brackets. In fact, women who return to the work force after raising their kids face a 50 percent tax rate—not much of an incentive to work.

The marriage penalty tax has discouraged women from marriage. It even has led some married couples to get friendly divorces. They continue to live together, but save on their taxes.

Repealing the marriage penalty will allow American families to keep an average of $1,400 more each year of their own money to pay for health insurance, groceries, child care, or other family necessities.

This is what we hear all the time, whenever we want to cut a tax or reduce the tax burden on average Americans—it is a windfall for the rich. No one else is going to benefit. This is completely false. The fact is, the elimination of the injustice of the marriage penalty will primarily benefit minority, low- and middle-class families. Studies suggest the marriage penalty hits African-Americans and lower-income working families hardest.

Couples at the bottom end of the income scale who incur penalties paid an average of nearly $800 in additional taxes which represented 8 percent of their income. Eight percent, Mr. President. Repeal the penalty, and those low-income families will immediately have an 8 percent increase in their income. They would be able to keep it to spend on what their families need, rather than shipping it off to Washington.

It is unfair to continue marriage penalty tax. It is time now to end it. I strongly support Senator HUTCHISON of Texas and her efforts to repeal the marriage penalty too. I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself as much time as I need.

I was here for most of Senator BYRD's remarks. I do not choose to discuss the history of 10, 12, or 14 years ago. That does not mean there is not a different version to his well charted speech. There is another version.

All I want to talk about is right now and what we plan and how we see things a little differently in terms of what we are going to do with the surplus that does not belong to Social Security.

Remember that we already have established a new dynamic, and it is probably a very salutary one and maybe, as the Federal Reserve Chairman has said, the most significant fiscal policy change if we follow through for a decade or so. That is, if all of the Social Security surplus goes to debt service, that means we do not spend it and the debt owed to the public that we have out there in Treasury bills that banks have bought, that countries have bought, that we really have to pay interest on every year, all this money from Social Security reduces that.

I believe when the President suggested we only save 62 percent of the Social Security surplus, that was the first time we ever invented and used the budget for longer than 5 years. He wanted to do 10 years then. Almost everyone thought: How in the world will we do 15 years, and why? I can tell my colleagues why.

One starts with a proposition that if we only put 62 percent of the Social Security money into a fund that belongs to Social Security, we have to tell the American people that sooner or later we are going to pay all the Social Security money back. It took 15 years to do that. It just happened almost miraculously. So the President drew up a 15-year budget. After the fifth year, it was pretty irrelevant. In the 7th, 10th, 14th, and 15th years, it got to be speculative. Nevertheless, it kept showing a very big and increasing surplus.

I got the idea, as all of us heard the 62-percent speech, why not 100 percent? I am very proud that as to the new dynamic to which I was just alluding, that the Chairman of the Federal Reserve says is positive thinking and a positive approach to the future, I said why not 100 percent of the Social Security fund? Then we thought up the idea of a Social Security lockbox. Whether one likes the lockbox or not, it is pretty descriptive. We make it darn hard to get the money out of the lockbox. We put it in there every year.

This budget does that again. For the next 5 years, it says every penny of Social Security surplus goes to the debt; it cannot be used for anything of a general government nature. That turns out to be a very large number. I will give you the number in just a moment.

Believe it or not, for the next 5 years, in addition to that big number, the surplus that goes to Social Security, there is another big number, and it is a surplus that does not belong in Social Security. I share with the Senate and with my friend, Senator BYRD, how big the on-budget surplus is, that which does not belong to Social Security. It is $400 billion over the next 5 years—$400 billion.

The point is, we are deciding what ought to happen to that $400 billion. The Democrats would say there really isn't $400 billion—I am not saying where Senator BYRD would be, but I think his speech indicates this is a fair statement. They would say there isn't $400 billion because, each of the years, all of the accounts of Government must grow by inflation. They say anything above that—that is, $171 billion—is all that would be left over out of the $400 billion if you give every account in Government an inflation increase every year.

We said that is not quite what we think the American people want to measure us by. So we said: Let's start at zero. Let's not have any additions, and then let's go to the $400 billion and put it back in the budget and put it back in other places. What we did, I say to my good friend, Senator BYRD, is we put $230 billion of that $400 billion back into the domestic and defense accounts.

That may not be enough for some, and who knows, the prediction that before we are finished it will not be enough, I do not know about that. But to get the votes to bring a budget to the floor, there is essentially $230 billion in new money on top of inflation divided by 5, which is $46 billion a year—if one does it on an average—$46 billion that we can add to the freeze and see where it turns out.

We think it turns out with almost a 6-percent growth in defense spending this first year and almost 4-percent real growth in the appropriated accounts—I should say growth in each instance. We do that, and there is some money left over.

Frankly, we believe that money ought to be looked at very carefully because it is the American people who are overpaying their taxes. That is why we have a surplus. We decided that over the whole 5 years we would provide a tax reduction of $150 billion, spread out over 5 years. In the first year, it is $13 billion.

Do my colleagues know how much the debt reduction is in the first year? It is $174 billion. What is the ratio? It is $13 billion in debt reduction for $1 of tax relief.

Would the American people say: That's unfair? We ought to spend more of that money? We said: Over the full 5 years, the debt of the American people will be reduced by $1.1 trillion—a huge reduction. We put that alongside of $150 billion in tax relief; and the ratio, over the 5 years, is $8 in debt reduction for $1 in tax relief—a pretty fair ratio.

The whole difference is, when you have $400 billion in surplus, what should you do with it? Some would say: Inflate every account of Government by the rate of inflation for each of the next 5 years, and don't even worry about that. They say: You make that automatic.

We do not make it automatic. We add back each year. As I indicated, if you did it, on average, you could almost add $50 billion a year to a base of about $500 billion. That is the combined defense and nondefense. That is pretty good.

Will it be tough? Of course, it will be tough because in the last 5 years, the tendency was to significantly reduce expenditures in the first 3 years of that 5 years, and then in the last 2 years to start spending it, maybe a 7-percent or 8-percent or 6.5-percent-per-year increase.

I close by saying there is a stark difference between the President of the United States and the Republicans. Believe it or not, the President of the United States would increase domestic discretionary spending in the first year—the year for which we are doing the budget, next year—by 14 percent.

The 14 percent includes inflation, plus a whole bunch more. In fact, that is the biggest increase since one of the years of President Jimmy Carter when there was super inflation.

We say that is too much. In fact, they say there is something bad about $150 billion in tax cuts. But I say, if there is anything that is risky, it is to spend the surplus. A 14-percent-a-year increase, if kept for 3 years, will spend the entire non-Social Security surplus, and we will start using up some of the Social Security surplus. Just think of that.

Why does the President offer $14 billion in 1 year? In fact, I do not even think his loyal minority on the Democrat side has anything like a 14-percent increase in mind. He does because it is an election year, and you get to do it one time on your way out the door; the next administration has to live with what you have left.

But we decided not to do that. We decided we would do it the way we just described: $230 billion in spending over a freeze for the next 5 years, $150 billion in tax relief, and an extra $20 billion in debt reduction besides the Social Security money.

Frankly, why would the President offer such a huge increase in the last year of his Presidency? I would think one of two things is possible: It is a political budget. He would like to make hay out of bean for almost everything or, secondly, he really thinks that is what we ought to spend.

I do not know that there is any other reason in between. If he thinks it is what we ought to spend, then he ought to stop saying we will not spend Social Security money because you cannot increase the budget 14 percent a year and not use Social Security money.

What I know is, we have sound fiscal policy today for which a lot of people can take credit. There are a lot of things which happened that caused it to be this way. But it surely is not solely and significantly because the President offered a proposal that all of his party voted for, and we did not, to raise taxes $195 billion. That happened. Clearly, that cannot be the singular item that caused this 7 years of growth.

In fact, we are very proud that once the Congress became Republican we started really reducing the amount of Federal expenditures per year, year after year. We made a bipartisan deal in 1997 of which we are very proud. It reduced all parts of Government significantly, including some entitlements that we are going back and looking at, such as Medicaid, Medicare, and home health care.

So that, plus the Federal Reserve Board acting prudently—I do not know whether the last increases in the interest rate are as prudent as the previous ones by the Federal Reserve Board Chairman, but he and his Board deserve ample credit for this fantastic growth. But ultimately the growth is because we turned loose American innovation. They changed things. They brought equipment and technology into the marketplace that saves human effort by the thousands of hours per week per business. Thus, more profit is made and more pay can be made. The gross domestic product can grow without inflation. That is where we are today.

We think our budget will keep us there. We think it is too risky to spend more money, especially when we have provided more than adequately, with some discretion to pick and choose between accounts of Government.

The approach of allowing inflation to be added to every account, and that unless you start with that you are cutting something, is an acknowledgement that every one of the 2,800 programs of America—some 30 years old, some 40 years old, some in the Education Department that the Presiding Officer has seen as duplicative, where there are 20 or 30 of the same kind—deserve an increase equally and none deserve to be restrained.

We say many of them should be abolished. If that is what it takes the appropriators to do to live within these numbers, that would be pretty good for America.

Those are my observations. I do not know that we are going to be able to reach an agreement on amendments. But I am going to now ask the distinguished minority leader what he would like to do next, and we will proceed.

Mr. REID. I say to the manager of the bill for the majority, our manager wishes to speak on the bill some more.

Mr. DOMENICI. Sure.

Mr. REID. Perhaps during that time we can work something out as to the order of amendments. We have already worked on that. We will see what we can do.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I want to take a moment for those who may be wanting to take a look at the Budget Committee Democrats' new web site—I do not know how rapidly people can write down the address, but here it is in full colored splendor: http://budget.senate.gov/democratic.

That is the address. We know people will immediately run, in large numbers, to see what is being said there.

At the site they will see a summary of the budget resolution, the Democratic alternative, background on the budget process, links to other budget-related information, presented on a colorful chart. We even provide a budget quiz for those who want to test their perception of what we are doing. We will also be maintaining a mailing list for those people who want to stay up to date about budget matters.

Please take a look, if you will, at the address. Once again, we will provide it in case people want to jot it down. I need not read it. I think it is visible. They ought to be able to contact Democratic Budget Committee members. I thank Rock Cheung of our staff for doing such a great job in putting that web page together.

I now wish to talk about something that has troubled me, something that, frankly, I do not understand. But to put it simply, there was a change from the budget resolution—if I might have the attention of the distinguished Senator.

I want to point out the fact that there was a change from the budget resolution as passed by the committee by a majority vote—a change in numbers, which is hardly allowable, and certainly not acceptable—after the committee deliberation, after the committee passed the bill, after the committee presented it to the Senate body, as we see it now. To make a change in the numbers—whether it is small or large doesn't matter, but the process is not allowed, as I understand it, by virtue of rule XXVI. I want to point out that this resolution is not the same, and it was not only a technical change but, rather, it is dramatically different. It was changed after our markup, after we all sat around and voted; some voted for it and some voted against it. It is a change to the tune of $60 billion in lower spending in each of the fiscal years 2001 and 2002.

There was a reason this was done, Mr. President. While it is understandable, it is not acceptable to change it after the markup, after the contract is signed, essentially. If a contract is signed and somebody decides let's change the terms of the contract, that would be unacceptable in a business structure. As a matter of fact, it would engender a lawsuit in very easy fashion if it were done in the business world. This was done to avoid a point of order against the resolution.

Whenever we talk in this arcane language around here, I believe we need to spell it out. What we are saying to those who don't work here on a regular basis is that instead of 51 votes, you need 60 votes if you want to make a change. Well, in other words, if there is a call for a waiver of the budget, it falls to one side or the other to get 51 votes, which can easily be accomplished by the majority because they have 55 Members. But it doesn't include any of the Democrats. While none of the Democrats voted to move this bill, nevertheless we don't give up our proprietorship on what goes out of there. No Senator does. No Senator gives up their rights without respect for the rule.

This is not appropriate. It is a terrible precedent for the Senate as a whole. When a bill passes out of a committee, it must carry the same message when it arrives on the Senate floor. It ought not be changed on that short trip from the Dirksen Building to this building. It is called a technical modification. We saw initially that $4.4 billion worth of additions were going to be made. When we finally got it here, it was almost a $60 billion cut from programs. It went into a catchall category that can then be distributed. It was $60 billion. So we are looking at something bordering on a 10-percent shift without the public, frankly, being aware of it.

Under the Budget Act, there is a point of order against any budget resolution that exceeds the discretionary spending caps. It is very clear this budget resolution is intended to break those caps. In fact, it says so in section 209, on page 41 of the budget resolution. I will read directly from that subsection:

> The functional totals with respect to discretionary spending set forth in this concurrent resolution, if implemented, would result in legislation which exceeds the limit on discretionary spending for the fiscal year set out in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985.

That is a quote from the budget resolution itself. In effect, it says that we are breaking the caps and the spending limits as modified in 1997. In fact, when the Budget Committee approved this resolution, it did break the caps, just as it claimed it did. It told the truth. But a funny thing happened on the way to this forum—the difference between the close of the markup and arrival on the floor of the Senate. As if by magic, the spending totals were changed dramatically so that they no longer break the caps. The changes were made to what we call function 920 and left completely unspecified, just thrown in there. This is a catchall. But when it has to be distributed—and it does—then it will hit all of the categories for which we appropriate. I am talking about a significant change.

When the committee approved the resolution, the total for function 920, as indicated on the chart, was $4.4 billion in budget authority. In fact, if you look at the committee report—on page 38 and again on page 50—that is what it says: $4.4 billion in budget authority.

Budget authority means that which we are allowed by law to spend. That is what the committee approved. Now, when we look at the resolution before us, which is claimed to be the same, the one approved by the Budget Committee, on page 27, line 7, it says that the total for function 920 is negative $59.931 billion. So in the fiscal year 2001—the one we are preparing the budget for—the resolution includes $59.9 billion in unspecified cuts. But the Budget Committee, I remind you again, only approved $4.4 billion in such cuts for the fiscal year beginning October 1.

If you look at fiscal year 2002, the same type of thing happened. The committee approved a plan this time that had no budget authority for function 920. That means they weren't allowing any expenditure, positive or negative—well, you can't have negative expenditures, but reductions in the account—in fiscal 2002. Now we have a resolution before us that has $59.729 billion in negative budget authority—unspecified cuts that appeared, seemingly, out of thin air.

I have to ask, What is happening here? Well, obviously, the majority is making huge cuts in order to claim they are abiding by the discretionary spending caps, so that they can avoid a point of order and then the need to get 60 votes. They can't get 60 and they know that.

I don't criticize them for exceeding the caps. But they are wrong to hide this back-room change to pretend they are not breaking the caps. That is not being honest with the Senate or the American people.

The fact is, under the Budget Act—which I negotiated with Senator DOMENICI in 1997—it is supposed to take 60 votes to break the caps. That is the law. Yes, it gives the minority, or at least a few of the Members of the minority, a little bit of leverage. It means the Republicans are supposed to seek some Democratic votes to approve their budget resolution.

But instead of playing by the rules, the majority today is flouting them. They are trying to have it both ways—breaking the caps, but then pretending in the resolution that they are not doing that, all to avoid giving the minority a say in this resolution. I think it is wrong that we are here today considering a resolution that isn't the one approved by the Budget Committee; it is a different resolution.

At the end of a budget markup, the staff is given the right to make technical changes. That is not unusual, and I don't object to that. But by cutting spending by $60 billion a year, they are eliminating the prospect that this could be a technical change. I know some people around here are used to sloughing off a few million dollars here and there. But $60 billion in a year? Even here that is a large sum of money. That doesn't just sidestep the rules; in my opinion, it goes over the line. I am going to ask the Parliamentarian now whether or not there are prohibitions to changing a Committee-passed resolution or bill without consulting the committee before it is presented to the floor for consideration.

The PRESIDING OFFICER. Rule XXVI requires a quorum to report out a measure, and it is not in order to change a measure once reported.

Mr. LAUTENBERG. Thank you, Mr. President. I thank the Parliamentarian.

All this then, as I see it, is designed to deny the minority the right to participate meaningfully in this debate and hide the facts from the American people.

Anytime the Senator from New Mexico has a question, I am happy to answer; or shall I finish what I am doing?

Mr. DOMENICI. I am sure. The Senator may finish his speech. I am going to make my point as to why it is in order, if the Senator from New Jersey is talking about this.

Mr. LAUTENBERG. Shall I finish?

Mr. DOMENICI. Sure.

Mr. LAUTENBERG. Mr. President, I am going to have more to say later about the breakdown of the budget process and what I consider the abuse of the minority rights.

I personally believe the exclusion of the minority through the budget resolution and reconciliation process is one reason the whole budget process is in such a difficult mess, and it largely explains why we have these terrible train wrecks and huge omnibus bills at the end of each fiscal year.

Be that as it may, I would be happy, before I leave this place, to have a series of discussions with my colleagues on both sides of the aisle about what maybe we can do to get the fiscal year kicked off in a proper fashion with the budget, and as we should do with the Budget Committee.

But that is not for the moment because that doesn't have anything to do with the $60 billion per year ''technical change'' being simply wrong. I think it is an abuse of the committee process. It is not fair to the minority. Frankly, it does raise a bit of a sad commentary on the whole budget process.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am just without words about such an argument that we did something really wrong. We did nothing wrong. The staff of the minority had an invention in their mind. They kept it quiet.

Have you ever hunted quail? You know that they spread after you shoot. They hunker down and hide and don't want anybody to hear them.

They had in mind knocking this whole budget resolution out because of this issue right here. If we had not made the technical change that is in this resolution, indeed, they would have made the whole thing die and we wouldn't have a budget resolution.

Let me tell you, their budget resolution would fail on the same grounds. The President's would fail on the same grounds. And the truth of the matter is that I sought and received, with a quorum present before the final vote, unanimous consent to make technical amendments. I asked for that. I received consent. And the technical changes are very clear. The language of the chairman's mark made it clear that the caps would be met. That is $540 billion, and an adjustment would be made of nearly $60 billion. We don't cut anything. We say the first appropriations bill will lift the caps, and a $60 billion fund that is in title 14 will become operative.

That is not untoward. It is not making shambles of the budget process. If people want to know what makes a shambles with it, I can stay here for a month and talk about it. But this isn't one.

As a matter of fact, this Senator has been a very loyal supporter of getting things done right. I am absolutely amazed that he would read such language from a piece of paper—that this particular technical change has wreaked havoc.

I would like to meet with both sides to talk about how to fix the budget resolution. Let me tell you, we will meet with both sides. He can be present, and I will be present. We will have a list of 50 items before we ever get around to technical changes that are harming the budget process.

It is absolutely clear to everyone what we are doing. If we were trying to deceive anyone and were really in some way cutting $60 billion out of this budget, and in some clandestine way we were going to do it, then I would be here saying I did something that is untoward. I didn't do that. That is not the case.

There is no objection to this budget resolution based upon what I did and the unanimous consent that was granted. There is no question about it, in my opinion. I wouldn't have done it if there were any question.

Soon I would like to suggest we get on to a couple of amendments. But I don't have them ready yet. So I will sit down and let the minority speak.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I ask unanimous consent to proceed as if in morning business.

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

THE NEED FOR TAX SIMPLIFICATION

Mr. HATCH. Mr. President, in less than two weeks, American taxpayers face another federal income tax deadline. Although this year's deadline falls on a Saturday, and is thus deferred for two days, the date of April 15 stabs fear, anxiety, and unease into the hearts of millions of Americans. Some discomfort with filing tax returns and, especially, with paying taxes, is understandable and probably unavoidable. Paying taxes will never be fun. But neither should it be cruel and unusual punishment.

But because of the complexity of our federal income tax system, for millions of American taxpayers, completing the forms can be sheer torture. According to the Tax Foundation, American taxpayers, including businesses, spend more than 5.4 billion hours and $250 billion each year in complying with tax laws. That works out to more than $2,400 per U.S. household. This is astounding, Mr. President.

Last year, over 126 million individual income tax returns were filed. The good news is that about 25 million of these were filed on Forms 1040EZ or 1040A, which are significantly easier to complete than Form 1040. Nearly six million more taxpayers last year filed over the telephone, simply by pushing buttons. I am pleased to note that the Internal Revenue Service is making strides in improving telefiling and also electronic filing. The bad news is, however, that the majority of taxpayers still face filing tax forms that are far too complicated and take far too long to complete.

According to the estimated preparation time listed on the forms by the IRS, the 1999 Form 1040 is estimated to take 12 hours and 51 minutes to complete. This is an increase of 77 minutes from 1998.

Moreover, Mr. President, this does not include the estimated time to complete the accompanying schedules, such as Schedule A, for itemized deductions, which carries an estimated preparation time of 5 hours, 39 minutes, or Schedule C, for taxpayers with a business, which has an estimated time of 10 hours, 19 minutes. Schedule D, for reporting capital gains and losses, shows an estimated preparation time of 5 hours 34 minutes.

Even though millions of taxpayers are spared having to file the more complex 1040 with its many schedules, I believe the majority of Americans are intimidated by the sheer number of different tax forms and their instructions, many of which they may be unsure whether they need to file. Simply trying to determine that a certain form is not required can itself be an overwhelming task, given the massive set of instructions and the approximately 325 possible forms that individual taxpayers must deal with.

This is the instruction book for 1999 individual tax returns, Mr. President. It includes 116 pages, not counting the forms themselves.