a $5.6 trillion surplus and a surplus in our budget 3 years in a row.

At the same time that the administration pushes for new tax relief, it does little to acknowledge that tax relief already scheduled to occur is, in fact, taking place. I don't understand. If I were President of the United States, I would be out on the hustings saying: The Congress, in 2001, gave you tax relief, Mr. and Mrs. America, and this is what it looks like: In 2001, $41 billion was paid out to taxpayers. In 2002, $71 billion was paid out in tax cuts to taxpayers. In 2003, $90 billion is going to be paid out in tax cuts to taxpayers. That totals, Mr. and Mrs. America, $202 billion that you have already or are getting from the 2001 tax cut. And next year, 2004, you will get another $100 billion. That totals over $300 billion being paid out in tax cuts today from the 2001 tax cut.

Why, in our current fiscal circumstances, should we add on such a large amount of tax relief when that relief is now beginning to take effect from the 2001 tax cut? Next year, which is the earliest a new tax cut could reasonably take effect, we are already scheduled to see a 1-percent drop in marginal income tax rates, an increase in the individual estate tax exemption from $1 million to $1.5 million, and relief from the alternative minimum tax, or AMT. So these things are happening as a product of our 2001 tax cut. Why doesn't the President speak about them? That would reassure the American public, I believe.

Today I have heard two primary arguments in favor of this tax cut. I have found neither argument to be logical or persuasive. The first argument is that the tax cut will be stimulative. In fact, we know it will have little or no stimulative impact as it is currently structured. Let me mention a few of the reasons why.

Less than 20 percent of the tax cut can take effect within a year. Less than 20 percent of it can take effect within the next year. Economists agree that in order for tax cuts to be stimulative, they must be front loaded, and they must be large enough to make a meaningful impact.

The President's package fulfills neither requirement because its benefits largely accrue in the outyears. They would amount to a stimulus of less than 1 percent of GDP over the next 12 months.

A dynamic analysis of the effect of the package on the economy predicts it will generate little or no economic growth. The newly appointed head of the Congressional Budget Office, Douglas Holz-Eakin, recently conducted CBO's first foray into dynamic scoring. Dynamic scoring is a method of economic analysis that looks at the ripple effects of tax and spending bills on economic growth beyond their direct cost or benefit.

The results of the CBO study were eye opening. The President's tax cut proposal was projected to have little or no impact on economic growth and could actually reduce growth in the later years. The administration's own economic team released data indicating that over the long term, the plan creates few new jobs.

The tax cuts included in the plan provide very little bang for the buck.

The second argument in favor of the President's tax cut is that without the threat of large budget deficits, Congress will never act to rein in spending. Therefore, large budget deficits are actually a tool of responsible government. To me, this argument boggles the mind. Far from reining in spending, large deficits will actually increase spending by sending interest costs on our debt skyrocketing. Discretionary spending over the past several years has, in fact, been held tightly in check, and nearly all new discretionary spending is allocated to defense and homeland security.

Mr. President, the only way I believe we can return to the path of long-term growth is by balancing our budget and by proving our ability to act as long-term stewards of our economy. Right now, the biggest drags on this economy are uncertainty and distrust. Corporate leaders remain uncertain about geopolitical developments, such as the war against Iraq, North Korea, India/Pakistan, and what might happen next, and the risk of domestic terrorism. They are holding off investments until those concerns abate. Consumers share similar concerns and fear the loss of jobs or further deterioration in their retirement savings. Remember, large companies have crashed—Enron, Arthur Andersen, Global Crossings—and with them went retirement benefits. People have fear, and fear has entered the marketplace.

At the same time, small investors show little inclination to get back into the stock market as corporate scandals continue. So I believe the appropriate medicine for this uncertainty and distrust is strong regulatory action by agents such as the Securities and Exchange Commission and the Accounting Oversight Board, to increase accounting transparency and to stop corporate criminal behavior before it begins.

In the Senate, I have tried to push for corporate accountability in the energy sector. God knows it is necessary, and I hope to introduce an amendment on the energy bill.

The return of investor confidence will have a positive impact on our markets and our economy. Coupled with strong congressional leadership committed to keeping our budget in balance, I believe we can quickly return to healthy rates of economic growth.

What will not work, however, is further deficit spending for tax cuts we cannot afford. When I last voted for a tax cut in March of 2001, we were projected to run a $5.6 trillion surplus through 2010. Our economic outlook at that point could not be more different than our current circumstances.

Now we face cumulative deficits of approximately $2 trillion over 10 years, if interest costs are included. Those are unified deficits and do not reflect the one-time boost we are getting from surpluses in the Medicare and Social Security trust funds. If those surpluses were not included, our deficits over 10 years would add up to over $3 trillion.

Unfortunatey, Congress cannot ensure an immediate return to economic growth. What we can do, however, is prove to those Americans who contribute to the economy that Congress can properly manage the government's finances. Yet our current course is taking us in the opposite direction.

I urge my colleagues to oppose any new tax cuts, no matter what the size, and focus on laying the groundwork for a return to long-term economic growth.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

ENERGY POLICY ACT OF 2003—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A bill (S. 14) to enhance the energy security of the United States, and for other purposes.

Pending:

Frist-Daschle amendment No. 539, to eliminate methyl tertiary butyl ether from the United States fuel supply, to increase production and use of renewable fuel, and to increase the Nation's energy independence.

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

Mr. DOMENICI. Mr. President, I think the Senate now knows that S. 14, a comprehensive energy policy, is before the Senate. Obviously, we are going to have to take some time in this calendar of ours to get it done.

We always speak of a comprehensive energy bill and we tell the country we need one. We have one before us. There are many of us who think it is very good. We won't know how good the Senate thinks it is until we have had a chance to go through it and vote on it. I am very hopeful that those who have amendments will start thinking about coming down here to offer them.

The pending amendment is a major one—the so-called ethanol amendment. That is the bill which establishes a national goal of 5 billion barrels by the year 2012. It is a very important contribution to America's independence and a component of the bill, if adopted, when adopted, that will create diversification. It will be moving toward independence rather than dependence. Obviously, it has fantastic side effects for rural America, agricultural America, which those who have been working on it for years have already spoken to, and many more will.