

THE PRESIDENT'S TAX CUT
PROPOSAL AND THE BUDGET

Mr. NELSON of Florida. Madam President—that has a nice ring to it—it is a privilege for me to take the floor and speak on an unrelated subject but a subject that is of considerable importance to the country and to the decisions we will be making very shortly. That is the adoption of a budget and the decision in that budget of how large the tax cut should be.

Just in the last 24 hours, we have seen a consequence of the tax cut that now is proposed by the administration that is soaring upwards of \$2.5 trillion over the next 10 years, a tax cut that the fiscal effect of \$2.5 trillion would be so large as not only to wipe out all of the available surplus over the next 10 years, but to cause us to suddenly plunge back into deficit spending.

We see a consequence of this in the last 24 hours in the fact that the administration is now not proposing to increase the defense budget. Personally, I think we should be looking at a minimum of increasing the defense budget over the next decade to the tune of \$100 billion.

The administration, now recognizing that its tax cut is going to absorb all of the available surplus, has just, in the last 24 hours, laid out the fact that it will not ask for an increase in the defense budget. When that occurs, I am quite concerned about our existing troops and what their pay is, the fact that there would be no increase for maintenance and operating costs, such as spare parts and rising fuel costs, a part of the defense budget that is absolutely essential to keeping our existing systems and equipment ready in case they have to be deployed, and the sufficient allocation of fuel so that our troops can have the proper training that is essential to their readiness.

I can tell you there are a lot of pilots out there right now whose morale is pretty low because they don't feel as if they are getting enough flying hours, so that if the call comes and they have to go abroad to defend this country—particularly the pilots who are flying these precise pinpoint missions, not even to speak of the ones who have to engage in aerial combat—they will have had that training. This is going to be the consequence of keeping down the defense budget that this administration is reflecting because of its fiscal proposal of a tax cut so large that it is going to absorb all of the projected surplus—and, by the way, that may never materialize—over the next decade.

If you cut the defense budget too severely, you are suddenly going to have systems that have not been upgraded and we will have unsafe planes and ships. That is simply a consequence that I don't think is in the interest of this country. After all, one of the main reasons for a national Federal Govern-

ment is to provide for the common defense. So we are starting to see the ripple effects of this proposed fiscal policy. Why can't this fiscal policy instead be one that is balanced with a substantial tax cut?

The question is not a tax cut or not; the question is how large should the tax cut be? That is where I argue for balance, so that we have a substantial tax cut balanced with the increased spending needs. And I have just given one example of defense.

To give you another example, strengthening the Social Security fund; another example is modernizing Medicare with a prescription drug benefit; to give another example, increased investment in education. I have just listed only four additional areas. In this time of prosperity and budget surpluses, if we are fiscally disciplined, and if we are fiscally conservative, then we can meet all of the needs in a budget that will be balanced and that will protect the investment and spending needs as well as returning part of the surplus in the form of a tax cut.

We have seen the charts offered by the Congressional Budget Office as to the projected surplus. I likened it, from my old position as the State fire marshal in Florida, to a fireman's hose. When that fireman takes that hose into a fire and he starts turning the nozzle, it first goes into fog, a light spray, and then increasingly, as you turn the nozzle, it goes into a straight stream of water.

The charts we saw by the CBO projecting what the surplus would be over the next 10 years look like the spray coming off of a fireman's hose. For the chart with a line up to the present showing what the surplus is today, as you project it over 10 years, the range is from a huge surplus 10 years out to no surplus at all 10 years out indeed, into deficit. That is the inaccuracy of forecasting that CBO has admitted is truth.

They also stated to us in the Budget Committee that the projected surplus—60 percent of it—will not materialize until the last 5 years of the 10-year period—all the more increasing the uncertainty of what is going to be available.

So my plea to our colleagues, Madam President, is to let us be conservative in our planning, let us be fiscally disciplined and not fall back into the trap that I personally experienced when I voted for the Reagan tax cuts in 1981 and suddenly realized that I had made a mistake—and the country at large understood that it was a mistake—because the cut was so big, we had to undo it in the decade of the 1980s not once but three times. It had run us into such deficits in the range of about \$20 billion at the end of the decade of the 1970s to deficits that were in excess of \$300 billion per year by the end of the decade of the 1980s. In other words, the

Government of the United States was spending \$300 billion more each year than it had coming in in revenue, and that was getting tacked on to the national debt, which is what took us from a debt in the 1970s in the range of \$700 billion to a national debt that is in excess of \$3.5 trillion today.

My argument to our distinguished colleagues in this august body is to use balance, let's use fiscal discipline, and let's use fiscal conservatism as we plan and adopt the next budget for the United States of America.

Madam President, I am pleased to yield to the distinguished Senator from Georgia, one of the most able and capable of this body, a former Administrator of the Veterans' Administration in the Carter administration, a former distinguished Secretary of State of the State of Georgia, a distinguished junior Senator, now senior Senator, and even more so, I am proud that he is my good, personal friend. I yield to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. CLELAND. Madam President, it is an honor to share the floor with my distinguished friend from Florida. He and I have known each other for a long, long time. I was out in the corridors and heard a familiar voice and realized that my friend was making his first speech on the floor of the Senate, which was a great pleasure for me to hear. He has eloquence, he has intelligence and everything it takes to make a powerful impact on this body. It is an honor to be with him on the floor.

Mr. NELSON of Florida. I thank the Senator.

HIGH SPEED RAIL IMPROVEMENT
ACT

Mrs. HUTCHISON. Mr. President, I wish to express my gratitude to the leadership of both parties for making good on their commitment to make high speed rail a priority early in the 107th Congress. The support of both Senator LOTT and Senator DASCHLE and a majority of our colleagues will send a message that Congress is serious about establishing rail as a viable alternative to our crowded roads and skies.

This innovative finance bill will provide a dedicated source of capital funding for high-speed rail that will not subtract from the highway or aviation trust funds, or general appropriations. This is not a handout. We will use a modest Federal investment to leverage \$12 billion in rail improvements. Amtrak's congressionally mandated requirement to become operationally self sufficient is not affected by this legislation.

Air traffic congestion is at an all time high and will only worsen over the next ten years. U.S. airports will

have to deal with one billion annual passengers in less than ten years. Already, one in every four flights is delayed or canceled. Meanwhile, highway expansion has become extremely expensive and environmentally sensitive, as our major arteries grow ever more clogged with traffic.

We desperately need a third leg to our national transportation strategy. I believe passenger rail can function in that role.

High-speed rail is a reliable, efficient alternative to both driving and air travel—particularly over distances of 500 miles or less. Investment in high-speed rail will ease overcrowding and delays at the airports that have the worst problems. Of the 20 airports with the most flight delays in 1999, 18 were located on high-speed rail corridors. And most of the airports projected to have the worst flight delay problems over the next ten years are located on high-speed rail corridors.

There has never been so much support at the national, state and local levels for such an innovative rail financing measure. Last year, we had 67 United States Senators, 171 U.S. House Members, the National Governors' Association, U.S. Conference of Mayors, National League of Cities, National Conference of State Legislatures, the environmental community, organized labor and the business community—including such notables as Bank of America and Goldman Sachs, and Morgan Stanley Dean Witter—all support the High Speed Rail Investment Act. Today, we enjoy similar support, with more than half of the Senate joining us in sponsoring this landmark legislation.

High-speed rail projects are ready to go in more than 20 states across the country. States that have promoted passenger rail for years and those which are just now investing in rail alternatives will benefit from this Federal commitment to partnership in passenger rail funding. The 2001 version of the bill provides sufficient financing to ensure that these new corridors can enjoy the benefits of passenger rail.

The United States currently invests less than \$600 million on its rail infrastructure, while spending \$80 billion per year on highways and \$19 billion per year on aviation. We even spend \$1 billion every year clearing road kills and \$1.4 billion salting icy roads, but only a fraction of that amount on rail.

Where adding new highway and aviation capacity is now prohibitively expensive, incremental improvements in rail capacity can provide a viable alternative for intercity travelers who face rising congestion on existing highways. In fact, every dollar invested in new rail capacity can deliver 5 to 10 times as much capacity as a dollar invested in new highway capacity, depending on the location. A comparable mile of new high-speed track is estimated to cost

about \$8 million per track-mile—the equivalent of about 450 passengers per hour for every \$1 million invested.

With this Federal investment, we can increase speeds, further reduce trip times and better compete with airlines. In states like Texas, these funds will be used to increase train speeds of existing Amtrak trains, and to establish better, more reliable service along our three corridors.

NOMINATIONS

GALE NORTON

Mr. CONRAD. Mr. President, I supported the nomination of Gale Norton to be Secretary of the Interior.

As Secretary of the Interior, Ms. Norton will be responsible for the management of nearly half a billion acres of Federal land. She will assume the responsibility of overseeing our Nation's public land treasures—namely our national parks and wildlife refuges. She will also be responsible for enforcing the laws that protect threatened and endangered species. The Secretary is in charge of many agencies that directly affect North Dakota, including the Bureau of Indian Affairs, the Bureau of Land Management, the Bureau of Reclamation, the Fish and Wildlife Service, and the Geological Survey.

I met with Ms. Norton in my office earlier this month to discuss some of the critical issues facing my State and found her receptive to working together to address these challenges. Water development is critical in my State and has been among my highest priorities as Senator from North Dakota. Last year Congress passed the Dakota Water Resources Act, which will redirect the Garrison Diversion Project to meet North Dakota's contemporary water needs. The Bureau of Reclamation, working under the direction of the Secretary, will be responsible for implementing that act, and Ms. Norton indicated her desire to help ensure the DWRA is implemented responsibly.

Ms. Norton will also face significant responsibilities and challenges in maintaining government-to-government relations with tribal nations. The Department of the Interior, which includes the Bureau of Indian Affairs, is the entity most directly responsible for federal policy in Indian country. I know she has worked with Colorado tribes in the past and therefore has an understanding of many of the diverse and complex issues that tribes face. The tribes in my State anticipate building a productive relationship with Ms. Norton and the new head of the Bureau of Indian Affairs. I hope she will take time early in her tenure to meet with the United Tribes of North Dakota and listen to their concerns and goals for the future.

I was also pleased that during her confirmation hearings she was given

the opportunity to explain her beliefs on public land management and to respond to some of the criticisms that had been leveled against her. I hope Ms. Norton will continue to follow the moderate stands she identified during her confirmation hearing. Public land management issues are often very controversial locally as well as nationally, and Ms. Norton will have to work very carefully to balance local interests with the Nation's interests when resolving these conflicts.

Ms. Norton will face tremendous challenges as Secretary of the Interior, and I look forward to working with her on those issues.

ELAINE CHAO

Mr. CONRAD. Mr. President, I supported Elaine Chao's nomination to be Secretary of Labor. I am confident that her experience and intellect will serve her well as she considers issues relating to our Nation's workforce and workplaces.

Elaine's career exemplifies her dedication to public service and commitment to leadership. Elaine served as deputy transportation secretary under former President Bush and later became director of the Peace Corps in 1991. She headed United Way of America between 1992 and 1996, and she currently serves as a Heritage Foundation fellow. Additionally, many of us in this body also know her as the distinguished wife of our colleague, Senator MITCH MCCONNELL.

As a member of the new Administration, I hope that Elaine will be able to build coalitions and work effectively with groups holding a wide range of political views. These skills will be essential as we consider many of the important labor-related issues during the beginning of the 21st Century.

GOVERNOR WHITMAN

Mr. CONRAD. Mr. President, I supported the nomination of New Jersey Governor Christie Whitman to serve as Administrator of the U.S. Environmental Protection Agency.

As one of the organizers of the first Earth Day more than 30 years ago, I understand the importance of protecting and improving our Nation's environment. The Clean Air Act, Clean Water Act, Safe Drinking Water Act, and other major environmental statutes have helped this Nation significantly improve our air and water quality. We have made significant progress over the past three decades, and North Dakota has done well to maintain its clean environment. However, our Nation still has too many areas that have dirty air and unclean water. Too many of our citizens develop diseases as a result of pollution in our environment. We need to continue the progress of the past three decades without sacrificing the tremendous economic growth of the past eight years.

I met with Governor Whitman in my office last week to discuss some of the