Mr. DURBIN. Madam President, historians and political scientists will find this a very interesting morning debate in the Senate. Over the next few months, they ought to take a look at what primarily Republican politicians and the President are saying and mark it as a special part of American history because the American people really have been lobbied by the President and by his supporters to support a tax cut. They have been lobbied to support a tax cut.

This morning we have had an array of Republican Senators coming to the floor to explain why a tax cut is a good thing.

Think about it. The average person in Illinois would think a $300 check for a person or a $600 check for a family is obviously a good thing. That is going to help pay for school expenses, as the Senator from Pennsylvania said. It is going to be around if you need it for whatever the cause—paying off last winter's heating bill or taking care of some expenses around the house. These are real things that families face, and $300 from the Government or $600 from the Government, of course, is a good thing.

But, of course, the reason the Republicans are spending so much time trying to convince us it is a good thing is because there is some doubt as to whether, on a long-term basis, the President's tax cut is really the right thing for America. Do we need an economic stimulus right now? You bet we do. This economy apparently is continuing to go down.

Yesterday the stock market took quite a hit. I hope it recovers soon. Everyone does—anyone who has a pension fund or IRA or 401(k) or any kind of investment. But we do need a stimulus for this economy. Alan Greenspan is desperately looking for the right stimulus. He has reduced the prime rate from time to time to try to stimulate this economy. It has not been working as he hoped because long-term interest rates have not come down, and that is kind of an indicator as to whether or not we are going to be moving forward and the people who make investments believe we are not because we can have some confidence in our future.

To say we need some kind of tax cut now for economic stimulus for families, you bet; I think it is a good idea.
This would have been an easy thing to vote for—$300 for individuals, $600 for a family. But that is not what President Bush proposed. That is not what passed the Senate.

What he passed was a package of tax cuts that span 10 years. How do you get to a point where you can say what America's economy is going to look like 5 years from now, 5 years from now, or 10 years from now? That is where a lot of us think this tax cut proposed by the President went too far. He should have come in with a tax cut as a stimulus for this economy now. The Democrats and Republicans both support that kind of a tax cut. But when you expand it to a 10-year program, when you cannot say with any certainty what this economy is going to look like, you run some real risk.

The fact is, the truth is, in a very short period of time, in a matter of just weeks since the President had his bill signing, we have received some economic information about the current state of the economy that shows that all the economists who painted the rosiest picture in the world to justify a tax cut may have been wrong about all the economists who painted the state of the economy that shows that certainty what this economy is going to do, if you want? Certainly, from my point of view, it would have been to pay down this national debt as fast as possible; get this off the books as quickly as you cut so our children don't have to carry that burden and so we don't have to collect over $350 billion a year to pay interest on our old mortgage, our national debt. That should have been our first priority. It was not the first priority of the Bush budget.

Second, if you are going to have a tax cut, let's have a tax cut to stimulate the economy. But let’s focus it on families who really need the money. Many families who will receive $300 or $600 really need the money.

When you look at the Bush tax cut, it isn't a tax cut that is directed toward working families or those who are struggling to make ends meet. It is a tax cut where 40 percent of the benefits go to people making over $300,000 a year. I find it incredible that the President and his friends in Congress believe that people making over $300,000 a year desperately need a tax cut. In fact, they get 40 percent of all the tax breaks. That is what the Bush tax plan proposed.

As individuals receive $300 with this tax cut, keep in mind that if your income is over $1 million a year you will receive a $300 tax check every other day under the Bush tax cut plan. That is unfairness of this.

For us to really put ourselves on the line in a very short period of time, in a matter of just weeks since the President had his bill signing, we have received some economic information about the current state of the economy that shows that all the economists who painted the rosiest picture in the world to justify a tax cut may have been wrong about all the economists who painted the state of the economy that shows that certainty what this economy is going to do, if you want? Certainly, from my point of view, it would have been to pay down this national debt as fast as possible; get this off the books as quickly as you cut so our children don't have to carry that burden and so we don't have to collect over $350 billion a year to pay interest on our old mortgage, our national debt. That should have been our first priority. It was not the first priority of the Bush budget.

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For us to really put ourselves on the line and to imperil our economic future by enacting a tax cut based on economic assumptions that have already proven to be wrong because we didn’t pay down the national debt as we should have when we had the chance to do it but instead declared a bank holiday with $300 checks for everybody is where the Bush budget led us.

It is not popular to say pay down the national debt. People do not rise, cheer, applaud, and say they really love that Senator who wants to pay down the debt. No. As you go down the parade route, they say: Cut my taxes. I heard it before the July break, and I heard it last week as long as I have been in this business.

What is the responsible thing to do for this country? As we see now, it isn’t enacting the Bush budget, which has us this year already raiding the Medicare trust fund to pay for the tax cut and soon to be raiding the Social Security trust fund to do the same.

What else is at risk? Secretary of Defense Donald Rumsfeld, who has been doing a review of the Department of Defense, has said we need to make some significant changes in the way we defend our country. All of us, I hope, agree that is our highest single priority—the common defense of America. Yet when Secretary Rumsfeld is put on the spot, when came forward with the tax cut, he is at a loss. He can’t answer it. The money has already been spent. The money has been spent on a tax cut projected for the next 10 years.

I think that is shortsighted. Instead of focusing on paying down the national debt and on the defense of America as our highest priority, we have decided that a tax cut primarily for the wealthiest people in America is a much higher priority.

I don’t think history is going to judge us well for that. The men and women in uniform who put their lives on the line for the country expect us to do the very best we can for them. They expect that equipment works. They expect to be well armed and trained so they can defend America and its interests.

For us to have to shortchange that or cut back on that because of this Bush budget and tax cut I don’t think makes much sense.

Let me add another thing. If you ask American families, What is the highest priority issue in your life that you think the Government can deal with time and again, whether it is a State poll or a Federal poll or a local poll, the answer always comes back: education. The answer is education. People believe education is really what America is all about. That has been our ladder of opportunity in this country.

The President came forward with a bipartisan education bill supported by Democrats and Republicans. I supported it, too. I thought it was a good piece of legislation. I might have made some changes here and there, but on balance I thought it really moved us in the right direction. It said for the first time in a long time that the President’s party was committed to investing in education.

It wasn’t that long ago that the President’s party and its party platform wanted to eliminate the Department of Education in Washington. They said this is a State and local issue; it shouldn’t be Federal. They
have changed. Thank goodness they have. I think it is a wise course they have taken not to say that the Federal Government should make strategic investments in education for the good of our country.

That is what the bill said—include accountability for teachers and tests for students. It included a lot of incentives to deal with afterschool programs and to improve the quality-of-reading programs, mathematics and science programs. These are all great ideas and great investments. But the sad news is, because of the Bush budget, the money is not going to be there to invest in education. We will pass legislation saying this is a good thing to do. We will authorize it. We will approve it as a concept. But when it comes to appropriating the money and actually spending the money, we are going to find that it is not there. That is the difficulty, too.

Again, as we receive these tax cut checks in the mail, we have to put it in perspective. Life is a tradeoff. Politics is a tradeoff. In this tradeoff, we have decided that a tax cut plan by President Bush that is primarily loaded for the rich is far more important than paying down the national debt, improving America's national defense, and investing in education. In the long run, I think that is going to be viewed as very shortsighted. I think we should have been more careful and more prudent in the approach that we took.

When you look at the long-term outlook for the amount of money that will be taken from the Social Security trust fund and the Medicare trust fund, next year we will have to raid the Social Security trust fund by some $24 billion and the Medicare trust fund by $38 billion. That means people who are paying Social Security taxes today to sustain today's Social Security retirees have to understand that the trust fund they are counting on to be there when they retire is going to be diminished because of the Bush budget and because of the Bush tax plan. This is something that is a reality. It is a reality that we have to face in Congress. It is not one we are happy to face but one we must face.

Let me also say that when it comes to other economic assumptions in the President's budget, there are some real weaknesses, too. The President's budget did not include appropriate contingencies for natural disasters. I hope there will never be another one. I know there will be. When there is a disaster, we will rise to the occasion—whether it is a flood in Illinois or a hurricane or a tornado. All of these things cause problems, and the Federal Government relies to help families solve them. It costs money. The Bush budget, sadly, does not have enough money for that help.

Tax extenders are programs such as investment in research for corpora-