

should offer it at the earliest possible date.

CONCURRENT RESOLUTION ON  
THE BUDGET FOR FISCAL YEAR  
2002—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the conference report to accompany H. Con. Res. 83, which the clerk will report.

The legislative clerk read as follows:

Conference report to accompany the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia is now recognized for 30 minutes.

Mr. BYRD. Mr. President, would the Chair kindly inform me when I have used 25 minutes of my time?

The ACTING PRESIDENT pro tempore. The Chair will notify the Senator.

Mr. BYRD. Mr. President, the Senate will soon vote on the conference report for the fiscal year 2002 budget resolution. I will vote against this conference report. This budget is a bad deal for America. It fails to address critical deficiencies in our Nation's schools, our Nation's highways, our Nation's drinking water and sewage systems, our Nation's law enforcement, and energy independence. The list goes on and on like Tennyson's brook—almost forever. Instead of addressing these deficiencies, instead of planning for the future, this is a budget resolution that places short-term, partisan political gratification ahead of the long-term needs of the Nation.

This Nation faces daunting challenges—if you drove in just this morning to work, or yesterday morning, you can see what I am talking about, the daunting challenges that confront this country on the highways—in the next two decades. We will continue increasingly to face those daunting challenges.

The baby boom generation will begin to retire around the year 2008. That is not far away. Because of the demands of that generation, both the Social Security and Medicare trust funds are expected to be running in the red by 2016—15 years from now. Not a single dime—not one thin dime—is devoted to shoring up Social Security, and the resources allotted to Medicare and prescription drugs are totally inadequate.

We know that 75 percent of our Nation's school buildings are inadequate to meet the needs of the Nation's children. But how many dollars are de-

voted to building and renovating school buildings? How many dollars are devoted to making classrooms smaller? Zero. Zilch. Zip.

The American Society of Civil Engineers, earlier this spring, graded the Nation's infrastructure. How did we do? Abysmally. Roads, D+; aviation, D-; schools, D-; transit, D-; drinking water, D. Overall, in 10 different categories, the Nation's infrastructure received an average grade of D+.

Now my old coal miner dad would have given me a good thrashing if I had brought home a report card with a D on it. I could have depended on that. Well, the dog must have eaten that report card on the way to the White House because this conference report ignores low grades on the Nation's infrastructure.

Now the President—and I have great respect for the President—is fond of saying we ought to give the people their money back. I think we ought to give the people their money's worth. Instead of a massive tax cut today, we ought to look toward tomorrow and repair our outdated infrastructure. Instead of a massive tax cut today, we ought to help provide for safe highways and bridges, airports and transit systems that work, clean air, safe drinking water, safe schools. We ought to plan ahead to ensure that Social Security and Medicare will be available in the long term. The American people expect us to make smart choices. This conference report is not a smart choice.

What is in this conference report?

It contains a \$1.35 trillion tax cut spread out over the next 11 years, based solely on an illusory surplus estimate that even the Congressional Budget Office considers highly unlikely.

This budget also establishes discretionary spending levels that are totally inadequate and unrealistic. For the next fiscal year, the budget limits spending to a 4.2-percent increase. For nondefense programs, the level provided in the conference report is \$5.5 billion below the level necessary to keep pace with inflation.

Now I am wearing my Appropriations Committee hat today. I am the ranking member on the Senate Appropriations Committee. Let me say to my colleagues, you will be coming to the waterhole—I think of the animals in the forest. Occasionally, they have to go to the waterhole. They can't avoid it. And so the people of this country have to go to the waterhole. The waterhole is the Appropriations Committees of the two Houses. And Senators and House Members who represent the people who elect them and send them here also have to go to that waterhole, the Appropriations Committee. Well, I am wearing my appropriations hat today.

Let me say to my colleagues, if you vote for this budget conference report,

don't come to the watering hole. It is not that I would not love to help you, but you are going to make it impossible. Those who vote for this conference report are going to make it impossible for me and for the Appropriations subcommittee ranking members to help you. Hear me: I would love to help you, but you are going to make it impossible when you vote for this conference report, because you are going to cut discretionary spending levels to the point that we cannot help you.

Again, for nondefense programs, the level provided in the conference report is \$5.5 billion below the level necessary to keep pace just with inflation. This level will leave no resources for increases that we all recognize are necessary for education, for infrastructure, for research and development, and for the promotion of our energy independence. We have an energy shortage in this country right now—rolling brownouts. You are going to hear more about them. But what are we doing about it? We are not doing anything positively in this budget conference report. I will tell you what we are doing. We are cutting the moneys for basic research—fossil fuel research—in the budget.

The increases being debated on the floor for elementary and secondary education cannot be fully funded. The resolution provides for an increase of less than \$13 billion above fiscal year 2001 for all nondefense programs. The elementary and secondary education bill now pending in the Senate assumes over \$10 billion in increases for fiscal year 2002 just for elementary and secondary education programs alone. And all we have is less than \$13 billion.

Members should be under no illusions. The budget conference report is not the budget resolution that passed the Senate 65-35 last month. Several of our Democratic colleagues voted for that, and a great majority on the other side did so, too. But you are not voting today for that concurrent resolution on the budget that you voted for a couple of weeks ago on this Senate floor. For fiscal year 2002 alone, the conference report you will be voting for today is \$27 billion below the resolution that passed the Senate a few days ago—\$10 billion lower for defense and \$17 billion lower for nondefense.

Now the President has called this a "people's budget." Imagine that. The President called this a "people's budget." I would almost laugh out loud if it weren't so serious. Imagine that—the President calling this a "people's budget." Well, that may be true if your definition of "the people" is limited to those lucky individuals who earn six-figure salaries. If you limit "the people" in your State to those who are spending their mornings sipping Starbucks coffee and perusing the Wall Street Journal to check on the status of their stocks and bonds, then you are talking about the people.

It may be a people's budget if the people are limited to those lucky souls who spend their winters in the Bahamas and their summers on a Caribbean cruise. But this is not a people's budget for the coal miners, not for the locomotive engineers, not for the brakemen on the railroads, not for the cleaning ladies, not for the schoolteachers. It is not a people's budget for the folks flipping hamburgers for minimum wage. Ask them. They are the people, too, and they have been left out, o-u-t, and left behind in this whale of a deal for the well-to-do.

President Bush, the President of all the people of the Nation, says:

It's a good budget for the working people of America.

He said it. I didn't say that. That may be true if your definition of "working" means calling your broker on your cell phone to tell him to put another million on titanium futures. That may be true if your definition of "working people" is the folks who hop in their Learjets to check out their business interests on three continents.

In my State of West Virginia, we know who the working people are. The working people are the people who earn their living by the sweat of their brow. They are the people who get up early and stay up late trying to make ends meet. They are the working people. They are the people who get their hands dirty while trying to feed their families. Those are the working people.

Working people are the teachers struggling on low pay in a hot classroom while trying to impart some wisdom to our Nation's children.

The working people are the cops on the beat who risk their lives daily and nightly, who try to keep some order in these mean and dangerous streets and alleys.

Working people are the coal miners who end up crippled, who end up sick after long, long years of digging coal from the rugged Earth to produce the electricity for this Senate Chamber, and to produce the electricity for this Nation. They are the people who get their hands dirty. They are the people who wash the grime, the coal dust out of their eyelashes, out of the wrinkles in their faces, grown old too early. They are the working people.

Mr. President, they are the working people, the coal miners, the welders in the shipyard, the produce salesmen in the country, the farmers who toil in the hot Sun of the June and July and August days. They are the working people, Mr. President. They are not the people Mr. Bush is talking about.

The President lauds this budget. He says it contains "reasonable levels of spending." That may be true if you think that costing the American driving public nearly \$6 billion a year because one-third of this Nation's roads are in poor condition, is "reasonable."

Why don't we fix America's roads? If you think highway congestion is bad

now, what will it be 5 years from now? Those of you who spent an hour and 10 minutes yesterday morning to drive ten miles to work in this Capitol, if you think congestion is bad now, think of what congestion will be 5 years from now. What will it be 10 years from now?

The President calls the spending levels in this budget "reasonable." In this Nation, we have so many unsafe or obsolete bridges that it will cost \$10.6 billion every year for the next 20 years to fix them.

We have 54,000 drinking water systems which will cost \$11 billion to make them comply with Federal water regulations.

We have more than 2,100 unsafe dams in this country. Do we recall Buffalo Creek Dam in southern West Virginia? It broke several years ago. Scores of lives were lost. And there are 2,100 unsafe dams in this country today which could cause loss of life.

We have energy delivery systems which rely on old technology.

We have outdated and crumbling schools which will require \$3,800 per student to modernize.

This budget provides little or no money to address any of these needs. It allows for current services adjusted for inflation for all discretionary programs, including defense. Do you know what that means? But for nondefense programs, the conference report is \$5.5 billion below the amount necessary to keep pace with inflation. It means this Nation is essentially frozen in its ability to address backlogs or to anticipate needs.

The backlogs are worsening, and the needs are going unaddressed because the funding levels endorsed by this White House are far too low.

Anyone who calls these levels "reasonable" needs a reality check. Take off the rose-colored glasses, Mr. President; take them off, and once the warm cheery glow of tax cut fever has subsided, we will still have a nation that is very steadily sliding backwards.

This huge tax cut will savage our nation's real and growing needs; it will siphon energy away from the engine that makes this economy run; it will benefit the jet set, but leave the rest of America riding on rusty rails. There is nothing "reasonable" about such a policy.

I am also very concerned that this conference report does nothing to address the growth of mandatory spending. The President claims that he wants to restrain the size of Government, but his budget focuses only on limiting the part of the budget that is subject to the annual appropriations process. That is only one-third of the budget, and growing smaller by the day. The rest of the budget is on auto pilot.

I assure Senators that discretionary spending will not be the cause of any future deficits. If we return to deficits—and we very well could—it will be

because of the massive tax cuts contained in this conference report and the growth of mandatory programs. Discretionary spending is currently only 6.3 percent of the gross domestic product, less than half of what it was in 1967. Under the Budget resolution, it would fall to 5 percent by 2011. Mandatory spending is currently 9.7 percent of GDP, more than double the level in 1966 and under the Budget conference report, mandatory spending will grow to 11 percent of GDP in 2011.

Not only does this resolution not constrain mandatory spending, it includes seven new reserves that empower the House and Senate Budget Committee chairmen to increase spending for mandatory programs.

I have a great deal of faith in our budget chairman, Mr. DOMENICI, and I have seen all the budget chairmen we have had in the Senate since the Budget Act became law, but I do not care if it is a Republican or Democrat chairman, I do not support giving that kind of power to any budget chairman, Democrat or Republican. I would not want it myself if I were a chairman.

I am very concerned that these powers which are being given to the Budget Committee chairmen will be used in a partisan way.

This budget resolution was produced in negotiations between White House officials and the Republican leadership.

There was no involvement—none—of the Democratic Leadership or the ranking members of the House and Senate Budget Committees. To add insult to injury, this Budget Resolution would empower the Budget Committee chairmen to allocate funding to mandatory programs with no assurances that the minority will be consulted. This is just one more example of the one-sided nature of this Budget Resolution. But as Milton said in *Paradise Lost* "who overcomes by force has overcome but half his foe." There is no balance in this budget. It is tipped too far to the tax cut side. As a see-saw, it lifts some people up with generous tax givebacks, but it leaves this nation's needs sitting firmly on the ground.

It is a "for show" budget designed to please a select group, and it was gussied up and trotted out by one party from behind locked doors.

Since January's inauguration, we have heard plenty of lip service being paid to bipartisanship. Lip service. We have all heard the mantra that the tone of Washington is being changed. You better believe—it is not being changed. We have seen the photo-ops of Democrats being courted at the White House. All 535 Members of the House and Senate were invited to the White House a few days ago. All 535 Members. What a sham. That was to be a photo op. Nothing more, nothing less. What a sham. What hypocrisy. This budget deal was crafted without input from the Democratic Leaders, or the Ranking Members of the House and Senate

Budget Committees. When it was time for the rubber to meet the road, bipartisanship had a flat tire. Bipartisanship never was able to wiggle under the cracks in that door. Some Democrats may be willing to vote for this budget—they may be willing to sit at the President's table for this tax-cut feast. But, make no mistake, they were not in the kitchen when the meal was being cooked. They did not get to decide what went in the stew and what stayed out.

The President, in his remarks congratulated the Republican Budget Committee chairmen of the House and the Senate. He congratulated the Republican Leaders of the Senate and the House. He lauds a few Democrats, but there is no mention in his remarks of the Democratic Leaders or the Ranking Members of the House and Senate Budget Committees. They were not privy to the budget pseudo-conference. There was no room for them at the inn. That is no accident. The plain unvarnished truth is that there has been barely a pinch of bipartisanship in the cooking of this final budget omelet, and the result certainly shows in the one-sided way the budget eggs were scrambled.

There simply is not enough money to adequately fund the 13 appropriations bills, get that—there is not enough money to adequately fund the 13 appropriation bills, and so, once again, appropriators will have to scrimp and parse and cannibalize in order to do our work.

For those Senators who vote for this budget deal, I say go ahead and write your press releases. Pat yourselves on the back. Tell your constituents how you voted to cut taxes. That is an easy vote. But don't forget to tell your constituents about the other side of that coin. Be sure and include that in your press release. Don't forget to tell your constituents that you voted to short-change our schools, roads, and water systems; don't forget to include in your press release, that you voted for lower funding for health care and energy research; and be sure to include in your press releases that you turned a blind eye to the looming crises facing Social Security and Medicare. In 1981, we took what Majority Leader Howard Baker called a riverboat gamble with President Reagan's tax cut and we ended up with triple digit deficits for fifteen years. Now the Republican Leadership has forced upon us another bad deal. A deal that will reduce revenues, according to the Joint Tax Committee, by nearly \$300 billion per year in 2011 and beyond at just the moment that the baby boom generation begins to retire.

This conference report makes a mockery of the Budget Act because it undermines the purpose of the act. The Budget Act was intended to impose predictability and discipline. But the continual manipulation of the Budget

Act to achieve political goals has made it a sham and a shame. Gimmicks and bad policy are the result—gimmicks and bad policy. The demands of a great nation have to be satisfied in spite of fantasy world budgets. The result will probably be that at the end of the process, yet another Budget Resolution will have been ignored because it had to be. It was never grounded in reality. In spite of the President's claims that he would change things in Washington, he has already succumbed to the same old partisan polo game, and the same old swap shop budget bingo we have seen for years. This conference report ought to be defeated.

Mr. President, Senators who vote for this budget conference report, call your mother in advance of Mother's Day. If she is one of the baby boom generations, tell her you voted for this tax cut for the bigwigs. Tell her: "Yes, mother, I voted for the Bush tax cut."

But as to Social Security? There wasn't a dime in the bill for Social Security. Forget it.

I close by this compliment from Milton from "Paradise Lost," and I offer it to our budget ranking member, KENT CONRAD.

Well hast thou fought the better fight, whose single hast maintained against revolted multitudes the cause of truth.

The PRESIDING OFFICER (Mr. ENSIGN). Who yields time?

Mr. CONRAD. Mr. President, I yield 10 minutes to the Senator from South Carolina, the very distinguished senior member of the Senate Budget Committee.

Mr. HOLLINGS. Mr. President, the distinguished Senator from West Virginia said: Tell your mother on Mother's Day that you increased taxes. If you turn to page 4 of the conference report, you will find that the debt goes up from \$5.6 trillion to \$6.7 trillion—\$1.1 trillion.

As we left the last fiscal year, we ended with a \$23 billion deficit, which we had reduced, over the 8 years, from \$403 billion, and now this very minute we are running a slight surplus. But when you vote for this particular measure, and this is our main reason for appearing here this morning, it is to remind everybody that this is Reaganomics II. It is happening here today.

Let me speak advisedly. As the distinguished Senator from West Virginia reminded us, I have been on the Budget Committee since its institution 25 years ago. I have been the chairman. I hasten to comment that our distinguished ranking member, the Senator from North Dakota, has done an outstanding job under the most difficult of circumstances.

Let me tell you about the difficult circumstances, because the very reason for our budget process 25 years ago was to give all the Members a look-see at every facet of Government spending here in Washington. Prior to that time,

we had 13 appropriations bills, we had 13 authorizing bills, and the authorizers authorized without regard to appropriating and the appropriators appropriated without regard to the authorization and the one—namely, defense—didn't know what education was doing, or housing didn't know what the highways were doing.

So we got together in a comprehensive look-see, where the President would submit his budget, we would go before the Budget Committee, and in detail, each one of the particular appropriations measures would be debated, marked up, reported out, and then come to the floor of the Senate.

Here we passed this budget without having the President's budget. He didn't give it until it had passed the House, until it had passed the Senate—absolutely ridiculous. Why? Because he couldn't sell his tax cut. He knew the great reason for the prosperity and comeback of our Democratic Party is that we showed we were fiscally responsible. For 8 years we gave us the greatest prosperity. But it is a sophomoric approach, this "tax cuts, tax cuts, the Government is too big, the money belongs to you" and all that nonsense—and not paying the bills. So the President went to 28-some States. You can't sell a tax cut? He couldn't sell beer on a troop train, I can tell you that right now.

He went everywhere, and he didn't sell his tax cut, so he rammed it, and the leadership on the other side of the aisle went along with it, and the media didn't report it. That is another reason I appear here, because this instrument is an atrocity, a clear, absolute abuse of the process.

We had a deliberate debate back when President Clinton came to office to find in what direction the country was going to head. Lyndon Johnson used to say: It is not whether I am conservative or whether I am liberal, it is whether I am headed in the right direction.

We debated. The President submitted his budget. We had 30 amendments before that Budget Committee. We reported it out, and the last instrument—namely, reconciliation—was not passed until August. We had a real old hoedown, and we said we were going to cut the size of Government. Yes, we were going to cut spending. And, yes, we were going to increase taxes.

When we increased Social Security taxes, the distinguished Senator from Texas said: They are going to hunt you Democrats down like dogs in the street and shoot you.

Where is the Republican tax cut for Social Security? Instead, they are going to spend the Social Security trust fund. If you don't think so, come on up and I will give you a bet.

Congressman Kasich, chairman of the House Budget Committee, said: If this thing works, I'll change parties.

Senator Packwood, Chairman of the Senate Finance Committee, said: If this thing works, I'll give you my house in downtown Washington.

But it worked. We made a great comeback paying down the debt. Now some strayers want to go along with this "Cut taxes, cut taxes," and buying the people's vote, when in essence the debt increases. It goes up.

We had no debate. We had no markup. We had no report. We passed it without all that. Then we got to the conference to be told we were not going to be conferees. Oh, they invite you to the White House when you cannot vote, you just stand up and grin and smile and bow. But when you got a vote in the conference committee, they said no, you are not invited back because you're not going to vote with us.

Thank God we weren't parliamentarians. He wouldn't agree. They fired him. They would like to fire us. That is why they said we will give you all the rhetoric about education, because you look at the report after it comes out: Zero increase for education. What does that mean to us in the game? It means you are going to have to get a majority of 60 votes in order to get your increase, whether it is for class size or whether it is for construction or whether it is for teacher counseling or any of these other things that we need in public education—namely, teachers' pay. No, you are not going to get it.

All of this exercise has been the best off-Broadway show, as they see it, because they are just smiling to themselves: We are going to destroy this Government and we are just as much against education as we were for that 20-year crusade to abolish the Education Department.

What happens on the so-called immediate rebate to get the economy going? By 94 votes to 6, every Republican voted for my \$85 billion rebate plan. But instead of the instant rebate of \$85 billion, they came in here with \$100 billion over 2 years, and they are going to go to the Finance Committee—you can read the reconciliation instructions, and they translate: We are going to use the stimulus dollars for tax cuts.

The main thing to be said this morning in the few minutes given me is that we have tried our best under Senator CONRAD's leadership. We have called their hand at every turn. We have been very courteous, very tactful in trying to get the report. We know the distinguished chairman of the Budget Committee has to practically do what the Senator from Texas tells him. And the Senator from Texas is tied into the Office of Management and Budget. And the Office of Management and Budget tells the President what he wants. So you want to get on the record how it is being worked this year: It is a total abuse, an absolute atrocity. There is no question about it. Everybody seems to go along. And the headline will say: We

passed the budget. No. We don't even have a defense figure.

We don't have a budget. We have a tax cut. That is what the President wanted. That is what they had back with Reaganomics I: \$750 billion. Now this is going to go up to about \$1.6 trillion. If you analyze it carefully, it will probably be nearer to \$2.6 trillion.

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

Mr. HOLLINGS. I thank the distinguished Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I thank the very outstanding Senator, who is a member of the Senate Budget Committee, Mr. HOLLINGS from South Carolina, for his remarks this morning.

As I understand it, Senator BREAUX wants time off of Senator DOMENICI's allocated time. The staff director for Senator DOMENICI tells me that is acceptable to their side.

We had lined up Senator CLINTON to go next on our side. I don't know if Senator BREAUX would like to go at this point.

I would like to recognize Senator CLINTON.

Mr. BREAUX. Absolutely.

Mr. CONRAD. How much time would the Senator like?

Mrs. CLINTON. Oh, 6 minutes.

Mr. CONRAD. I yield 6 minutes to the Senator from New York, an outstanding member of the Senate Budget Committee, who has made a real contribution to the work on our side of the aisle on the Senate Budget Committee.

The PRESIDING OFFICER. The Senator from New York is recognized for 6 minutes.

Mrs. CLINTON. Mr. President, I thank my ranking member, the Senator from North Dakota, who, as my good friend from South Carolina has put so well, has led with honesty and directness, and believes so passionately in the issues that we are addressing today.

I rise because I cannot remain silent in the face of both a budget process and a budget product that I think will be so harmful to our country. I really wish I did not have to rise today. I wish, given the opportunities that lie before us as a nation, what we were debating was the kind of balanced approach to the budget that I could wholeheartedly support—a balanced approach that included an affordable, reasonable tax cut, that fairly went to all Americans, giving every one of our families a Mother's Day present, as Senator BYRD so wonderfully reminded us is around the corner.

I wish this budget were filled with the kind of careful analysis about the investments that we need to make our country rich and smarter and stronger in the years ahead. And I wish this budget continued to pay down the debt in the way that we had been doing.

In the last 3 years, we paid off more than \$600 billion of our debt. We took it off the backs of all these schoolchildren who are watching us. We said: We are not going to pass on the debts of your parents. Your grandparents, the greatest generation, did not leave us in debt the way that this country did in the 1980s with the quadrupling of our national debt. I cannot stand here and say that.

I look at all these faces. I meet with schoolchildren from throughout New York nearly every day. I wish I could say: I am going to go to the Senate Chamber and support a budget that will invest in education the way we need it, that will continue to pay down the debt so that you are not faced with that debt when you are my age, or even younger, and that it will invest in Social Security and Medicare so that you do not have to worry about your parents, your grandparents, or yourselves. Unfortunately, I cannot say that.

I have thought hard about what it is that has happened in the Senate in the last several months because I sat through 16 hearings in the Budget Committee. They were informative, very helpful hearings, laying out the priorities of our Nation, talking about the amount of money we had that we could count on, not pie in the sky, not projections that were unlikely ever to come true but realistically what it was we, as a nation, could count on. And then how could we have a tax cut, pay down the debt, and invest in education, health care, the environment, as well as taking care of Social Security and Medicare?

I do not exactly know what happened, how we arrived at this point. We had those hearings, and then we were shut out of the process. We did not have a markup, which is a device in a committee to get everybody together to try to hammer out a bill.

Then the Democrats, with decades of experience—with distinguished Senators such as Senator HOLLINGS and Senator CONRAD—were shut out of the process between the House and the Senate.

So here we are today on the brink of passing a tax cut that will, I believe, do to our country what was done in the 1980s. I can only think that this is a tax cut proposal that was born in the passion of a primary political campaign, in the snows of New Hampshire, when the President was running for his life to be President and had to come up with something, so he plucked out of the air \$1.6 trillion and said that was what it was going to be and felt compelled to come and present it to us.

I was proud of the Senate when, in the process of the budget debate, we made some good changes. We made those changes not only on the tax cut side but on the investment side. I thought: If the House can go along with that, maybe at the end of the process

we can have a better balance. I did not think it went far enough, but I was proud of the fact that we had a negotiation.

What we have today has zero increases in education. We have spent a heck of a long time talking about education. The President says it is his first priority. I can only look at the documents I am handed. I have only been handed them recently. I was not part of the process, even though I serve on the Budget Committee. And it looks to me as if we are turning our back on education.

As I thought back, I could not think of any analogy, I could not think of any guidance that would help illuminate what it is we are going through. So I went back and looked at 1981. I read about what happened when another President said: Pass this big tax cut, and we are going to have surpluses. And we went further and further and further in debt.

It is always easier to pass a tax cut. Who doesn't want a tax cut? I want a tax cut. But I don't want to have a tax cut at the expense of hurting my country. I don't want a tax cut at the expense of preventing the kind of investment in education that we need. I don't want a tax cut where I have to go and tell my mother that Medicare may not be viable for the rest of her natural life. I don't want that kind of tax cut.

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

Mr. CONRAD. Mr. President, I give an additional minute to the Senator from New York.

Mrs. CLINTON. So I, with great regret, stand in this Chamber and express the disappointment I feel in that we had an opportunity to do what our country needs—to invest in education, health care, the environment, pay down our debt, and provide affordable tax cuts—but, instead, we are taking a U-turn back to the 1980s. Mark my words, we will be back here—maybe under the same President, or maybe under a different President—having to fix the fiscal situation we are throwing our country into today. I lived through that once. I do not look forward to it. But I will be a responsible Member of this body in trying to fix the problem that we are causing for our Nation because of this tax cut and budget.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. The Senator from Louisiana is recognized for 10 minutes off Senator DOMENICI's time.

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

The Senator from Louisiana is recognized.

Mr. BREAUX. Mr. President, I thank the ranking Democrat on the Budget Committee for his consideration in allowing me to have the time that I need to make comments on this budget. I

also thank Senator DOMENICI for being willing to yield me some time.

Let me start, first, by commending Senator CONRAD for the work that he has done, under some very difficult circumstances, with regard to putting together this product. It has not been easy. It has been very difficult. It has been very emotional—with a great deal of pressure on both sides to try to come up with something that makes sense and that is a rational guideline for how we handle the affairs of this country over the next 2 years.

I also commend the Democratic leader, Senator TOM DASCHLE, as well as the Republican leader, Senator LOTT, because I know that within their own caucuses there are vast differences as to how we should approach the passage of the budget for this coming year. It has not been an easy job for either of the budget leaders—Senator CONRAD and Senator DOMENICI—or for our two respective leaders. I think they have both done about as good a job as anyone could ever ask for them to do considering the circumstances.

Mr. President, and my colleagues, I will make the point that governing in a democracy is about the art of the possible; it is not about the art of the perfect. Is this budget a perfect document? Of course not. But does it advance the cause of governing in a democracy that is almost evenly divided among the two parties?

The answer is, yes, it does. Republicans, as we need to remind ourselves, control the House with the narrowest of margins in years. The President was elected after losing the popular vote and narrowly winning the electoral college vote. Our Senate, indeed, is the perfect tie, 50/50.

Now is not the time, with these circumstances, to figure out how we can disagree. There are plenty of opportunities to find where we disagree with this document, but now is not the time to concentrate on how we disagree but, rather, now is the time to figure out how we can reach an agreement for the good of all the people whom we represent.

It is very clear that we could have 535 budgets and each author would think theirs is the best one. But we can only have one.

The two principal parts of this budget consist of how we handle revenues or taxes and how we go about spending what is left, a challenge every American family must make for themselves when they work out their family budgets. We are fortunate today to have what CBO tells us is a projected surplus of \$5.6 trillion over the next 10 years. That \$5.6 trillion is more than is necessary to run all of our Government functions at the current level.

Most Members, but not all Members, would say it is appropriate to give a portion of that surplus back to the citizens who created that surplus when

they paid their taxes. The question then before this body is, How much do we give back?

President Bush said: Give back \$1.6 trillion over the next 10 years. Vice President Al Gore, as a candidate, suggested a tax cut of \$500 billion. This budget consists of a \$1.25 trillion tax cut over the next 10 years, plus a \$100 billion stimulus package in the first 2 years. Some would think that is too high; others argue that it is far too low and not enough.

It is, in fact, sufficient to give money back to all Americans with a balanced and a fair tax cut.

We can, within this budget, reduce all marginal rates. We can, within this budget, create a new 10-percent bracket for lower income Americans, which would also benefit all income Americans. We can, within this budget, reduce the estate tax to a level that almost eliminates everyone from paying it. We can, within this budget, fix the alternative minimum tax problem. And we can, within this budget, increase the child credit that families take. We can make it refundable, and we can make it retroactive within this budget. And we can help education within the tax structure of this budget by making tuition taxes deductible for all American families. We can, within this budget's tax structure, fix the marriage penalty.

With regard to spending contained in this budget, it is important for us to put the figures in proper perspective. Last year our Democratic President, President Clinton, proposed a budget for discretionary spending calling for \$614 billion. The House and Senate Republicans and the budget, indeed, ended up saying we were going to spend \$596 billion for discretionary spending. We ended up spending \$635 billion.

We did that because of emergencies that occurred during the year. We did that because of new spending priorities that were brought to our attention during the year that were unforeseen at the time of the budget enactment. This Congress responded to those needs as they occurred. This Congress will respond to those needs as they occur in the upcoming months of this fiscal year.

This budget provides \$661 billion in discretionary spending. That is without any emergency money being designated. It is not designated because it is clear that this Congress will add that emergency money as the emergencies occur. If there is a hurricane, if there is an agricultural emergency, if there is an earthquake, if there are any other kinds of emergencies, it is clear, from the history of this body, that this Congress will address those needs because they are true emergencies.

That \$661 billion is a \$26 billion increase over last year. That is a \$47 billion increase more than President Clinton asked for last year when he submitted his budget to the Congress.

I know some of my colleagues will argue that it is not enough, that we don't have enough money, for instance, for education in this budget. My reading on education is that there will be a lot more money than last year for education, a lot more. President Bush has offered a \$4.6 billion increase for the Department of Education over last year's \$18.3 billion in spending. That is larger than the \$3.6 billion President Clinton won for this fiscal year.

As Senator KENNEDY, who is the master of putting together good policy deals, has said:

We have exceeded the budget every year in education appropriations, and we are going to do it again.

That is a correct assessment of what we are going to do and have done in the past, when it comes to meeting the educational needs of the people of this country. We will provide sufficient funds to educate our children.

It is important to bear in mind that most of the money for education comes from the local and State levels. In fact, 94 percent, on average, of the money on education doesn't come from Washington; it comes from the States; it comes from the local communities that fund the educational programs they determine are their priorities. On average, only 6 percent of the total education budget comes from Washington, DC. The money will be adequate to address the demands.

My recommendation is that we pass this imperfect document to allow the Finance Committee and the Appropriations Committee to begin their work. This document is important as an outline of our priorities, but it is written on paper. It is not written in concrete. It can and will be modified as we have done so every single year as we move through the legislative process.

This is a time of great emotion. It is a time of great pressure. Our leaders, TOM DASCHLE and KENT CONRAD on the Budget Committee and also Senator DOMENICI and Senator LOTT, have had a very difficult job trying to reach an agreement in truly a divided Government. I respect all of them for their sincerity and their honesty and their dedication to try to reach an agreement that everyone can support.

It is, however, time for us to move ahead. There is other work to be done. Now is the time to begin that work by adopting this budget and moving on to the next step.

I yield the floor.

Mr. DOMENICI. Mr. President, I thank Senator BREAUX for his assessment of where things are. I think he included in his remarks that there is still a contingency fund of \$500 billion. For those who think we ought to do other things and that we have to, that is still in this budget. I think what Senator BREAUX said about the appropriated account is right on the money. We don't know where the appropriators are

going to put the money, no matter what we say in this Chamber.

But there is a \$31 billion increase year over year, and \$6.2 billion more than the President asked for, if you really are talking apples and apples and the money to be spent by the appropriators. I think Senator BREAUX summarized that just about right. I thank him for his support.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thought the distinguished Senator, my ranking member, was going to yield to somebody on his side before he and I used our final time.

Mr. CONRAD. I thank the Senator. The Senator from Minnesota requested time. I yield 5 minutes to Senator DAYTON.

Let me alert Senators on our side that I now have, other than the wrap-up reserved for Senator DOMENICI and myself, only have 2 minutes. I alert colleagues to the circumstance that exists.

I yield to the Senator from Minnesota, Mr. DAYTON, for 5 minutes.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DAYTON. Mr. President, I thank the distinguished Senator from North Dakota for granting me this time, and also for his outstanding leadership on this issue on behalf of our Democratic caucus.

I rise to say that I intend to vote against this budget today because I believe it allocates too much to the richest Americans and too little to our schoolchildren, senior citizens, veterans, and most of our other citizens. It also wrongly provides a blank check for additional military spending without congressional review or approval.

This budget purports to be a bipartisan creation. In fact, I am told that the Democratic Senators on the Senate-House conference committee were completely excluded from the deliberations and decisions about this budget agreement. As a result, a bipartisan Senate amendment to increase funding for elementary and secondary education was eliminated. The amendment of my colleague, Senator WELLSTONE, which increased funding for veterans' programs, was eliminated. Funds for farm aid, prescription drug coverage, Head Start, health care, child care, transportation, and other important government services were reduced. Except for military spending, all other federal government discretionary services were cut by 2 percent below their inflation-adjusted baselines.

Why? Why, despite huge projected budget surpluses, must the funds for these essential public services be denied? For a tax cut which favors the rich, rather than working, middle-income Americans.

There is enough surplus projected to provide immediate tax cuts and rate reductions for all American taxpayers, so long as they are targeted to the first tax brackets. Unfortunately, this budget places greed ahead of need. People who already have the most get even more, while people who have the least receive even less.

There is no compassion in this budget. There is no bipartisanship in this budget. There is no new education funding to "leave no child behind" in this budget. Its pretenses are a sham. Its promises are a scam.

Furthermore, this budget expressly does not protect either the Social Security or the Medicare Trust Funds from being raided for other spending programs. Instead, it sets up an all-purpose contingency fund, which pretends to cover every imagined funding need. First, however, it must fund a literal blank check for whatever additional military spending the Secretary of Defense shall recommend to the chairmen of the Senate and House Budget Committees. In an unprecedented procedure, with no further congressional review or approval, these two men alone can add whatever amounts of additional spending are proposed by the Secretary of Defense. Thus, this budget provides blank checks for the military, big checks for the rich, and bounced checks due to "insufficient funds" for all other Americans.

I support, and will vote for, a large tax cut benefiting all Minnesota taxpayers. I also support, and will fight for, additional federal funds for special education, for student aid, for prescription drug coverage, for farm price supports, for veterans' health care, for flood victims, and for other important government services. I believe in a balanced budget. I believe we have enough resources available to us to improve the quality of life for our citizens and to reduce taxes. I believe this budget squanders that opportunity. That is why I am voting against it.

I yield the floor.

Mr. CONRAD. Mr. President, how much time remains?

The PRESIDING OFFICER. Eighteen minutes.

Mr. CONRAD. Mr. President, I yield 3 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I thank my colleague from North Dakota.

I think this budget proposal on the part of my Republican colleagues should be called "leave no dollars behind" when it comes to Robin-Hood-inverse tax cuts with over 40 percent of the benefits going to the top 1 percent of the population. That is what we have.

I had an amendment to provide \$17 billion for veterans' health care over

the next 10 years, filling in the gaps to make sure we would do well and say thanks to our veterans—eliminated.

I joined with Senator HARKIN to provide \$250 billion for education, after-school programs, and title I kids with special needs—you name it. It was eliminated from the budget proposal.

This is about the most hard-hitting thing I can say, because I really believe in the chair of this committee, a Senator for whom I have tremendous respect. He is a great Senator. But I am in profound disagreement with his proposal.

I have been following the discussion about education. I hope my colleagues on the Democratic side will have the courage to challenge this education bill on the floor, which will not have the resources.

Senators, if you love children, then you don't rob them. If you love this little boy or girl, then you don't take their childhood away. If you love these children, you help them for 10 years from now, or 7 or 8 years from now. You must be willing to step up to the plate and make sure you invest some money so these kids will all have the best opportunity to learn. That means that they are kindergarten ready. That means you help the kids who come from low-income backgrounds. That means, just as Senators' children when they go to school, and our grandchildren, they have the best teachers and the schools and the technology and all of the facilities. This is no way to love children. That is to say, do not rob them by not making the investment in children in Minnesota and around the country and instead giving 40 percent-plus of the benefits to the top 1 percent of the population.

These are distorted priorities. There is going to be a pittance for children and education, a pittance for health care, and not anywhere near enough for affordable prescription drug costs for the elderly.

Whatever happened to that campaign promise?

I resist this budget. I will vote against this budget.

I am going to have a lot of amendments on this education bill that are going to make people step up to the plate, and we will see who is willing to talk about the resources for children and education.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time do I have?

The PRESIDING OFFICER. Twenty-nine minutes.

Mr. DOMENICI. I understand Senator FRIST is going to come down and wants to use a little time. Would you please instruct me when I am down to 15 minutes remaining. I hope not to use that.

I first want to say to the distinguished new Senator, Mr. DAYTON, that

I listened carefully to his remarks. Everyone is entitled to their opinion. But we have not given a carte blanche to the Defense Department of the United States.

We were confronted with a very interesting situation. One, the President asked for a low number for defense, with the assumption in this budget that his task force, headed by the Secretary, his top-to-bottom review, could not come up with the answers of what we needed by way of change by the time we were doing this work. What would one do? Would one shut all of that out and say whatever it is when that task force is finished, they can wait until next year?

We allocated to the appropriators the amount of money the President asked for in defense—a low number. Then we said if and when the task force is finished—and we are still in this year—whatever the task force recommends in changes we will put in the defense pot allocated in this budget. But it would have to be appropriated by the Congress of the United States item by item, line by line, and system by system. You might say that is an open door for defense with no controls.

You said subject to no congressional controls. I don't believe that is the case. What I just described is true. And is that without congressional concurrence? I think not.

I don't know any other way we could have done it. We could have said we will produce a new budget with a new defense number and debated that thoroughly and then came back, and we would have had the year behind us before we could have done anything. Guess what. They would come along and appropriate for defense and say: Too late. It has taken too long. We are putting it in, in excess of the budget.

We are trying to have a little common sense on defense.

In my closing remarks, I will allude to some other aspects, but a lot has been said about spending. Is there enough in this budget for the appropriators to spend?

Let me suggest it is pretty clear that there are many who would accept a much higher number. But I want to tell you the numbers as they are.

It is \$31.3 billion above the 2001 budget available to be appropriated. Take out all of the things that are not spending and just do apples and apples. It is \$31.3 billion.

Of that number, \$6.2 billion is new money over and above the President's budget. That means you have what the President recommended, plus \$6.2 billion more, which gives you \$31.3 billion over last year to spend. This \$661.3 billion, which is the number, is real money. It will be sent to the appropriators to be spent. With that figure, we assume—and that is all we can do—that \$44.5 billion of it will go to the Department of Education for the year

2002. We assume—and that is all we can do—that there will be an 11.5-percent increase. This is new money. Nobody can say that 11.5 percent isn't well above inflation. What kind of money are we talking about in the 4.6? The highest ever level of funding for education of disabled children, a \$460 billion increase in title I, including a 78-percent increase in assistance to low-performing schools; a \$1 billion increase in Pell grants; \$1 billion for new reading programs; \$320 billion to ensure accountability with State assessments. We can go on. There is \$472 million to encourage schoolchildren, some kind of innovative choice that we might pass; \$6.3 billion to serve 916,000 Head Start children.

I guess it is easy to stand up and say there is nothing in this budget for education. I just read it to you. Actually, the appropriators will probably do more because we gave them more to spend, and they have always favored more money for education. So, frankly, whatever we have heard rhetorically on the floor about education, we have done better by education than we have in modern times. This is the highest, most dedicated budget for education that we have ever produced.

I note the presence of the Senator from Tennessee. Would the Senator like to speak to the matter before us?

Mr. FRIST. For 4 or 5 minutes.

Mr. DOMENICI. How much time do I have?

The PRESIDING OFFICER. The Senator has 23 minutes.

Mr. DOMENICI. The Senator wants 5 minutes. And then Senator NICKLES wants 5 minutes. I yield to them in that order.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 5 minutes.

Mr. FRIST. Mr. President, I rise because I think in 30 minutes or so we will be voting on the conference report. I want to give my colleagues my strongly felt support for what we have arrived at today. I believe it does, in a very consistent way, represent what at least I hear as I travel around the country, and through the State of Tennessee, from every day people who are looking at their lives, the qualities of life, looking at Washington, DC, and Government and what it can be both for them and against them, and they tell you simple things. Those things are: We do have a debt today, which one generation has given another. Please address that debt.

They say we have some important things to pay for, and that is the role of Government. That includes things such as Medicare, research in health care, education, defense of the country. And they say: After you pay down that debt—and in this conference report we pay down that debt from \$2.4 trillion from where it is, and they say: Thank you, that is what we want.

They say: What about teacher quality? We have \$2.6 billion in the budget for teachers and we know, when we look at that teacher-pupil interaction in the classroom, that this is important. In higher education for Pell grants, they say: After graduating from high school, let's give people that opportunity to have, in essence, a pool of resources to take wherever they choose to go, and that is Pell grants—and indeed it is in this bill—for disadvantaged students; we assume \$9.8 billion for Pell grants. They say: In health care, make sure you address this issue of prescription drugs. Very specifically in this budget \$300 million is provided for expansion of Medicare prescription drug benefits. The exact mix, the exact bill, the exact nature—yes, couple it with modernization but do it in a way that we can see it soon. They say think about the future.

In this bill we think about the future in the field of health research. The resolution includes the President's \$2.8 billion increase in the National Institutes of Health. It goes through the defense spending, agriculture, attention to the veterans. Then they say: After addressing the debt, after protecting the Social Security trust fund, after protecting that Medicare trust fund, both of which give security to our seniors today, let us keep, instead of sending to Washington, DC, a little bit more of our hard-earned money.

Indeed, we do that. All of this is our money, say the people throughout Tennessee, not yours because you represent the Federal Government. So if after we invest in those priorities of health care, education, quality of life, agriculture, defense, and the veterans—after we make that commitment to substantially pay down that debt, allow us to keep the dollars with us. Trust us, the American people, to spend, to save, to invest.

"Trust us," the people across Tennessee tell me. We do that by allowing the taxpayer to keep \$1.35 trillion over the next 11 years in their pockets, instead of on April 15 sending it to Washington, DC, when it is not needed.

In addition to that \$1.35 trillion that we allow taxpayers to keep is the \$100 billion stimulus, which answers the question of: What are you doing today to restore that hope in our economy, that hope in job creation? And the answer is that we are taking \$100 billion and targeting it for a short-term stimulus to help turn this economy around—something that everybody feels each and every day—a change, something different than 2 years ago, than 3 years ago.

Finally, in this bill we authorize the additional tax relief, or debt relief, if surpluses exceed those expectations.

Mr. President, this conference report reflects what the American people want. There is compromise and negotiation in there. I, for one, would like

to see taxpayers keep a little bit more money in their pockets as we look to the future. But recognizing the realities of this body pulling together people on both sides of the aisle, I believe the conference report is strong, and it reflects the will and spirit of people throughout Tennessee. Therefore, I look forward to heartily supporting this conference report as we go forward.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I compliment my friend and colleague, the chairman of the committee, Senator DOMENICI, for his work. We have been on the Budget Committee for many years. I have been on it for 20 years and have had the pleasure of working with him. Most of the time, unfortunately, the budgets are pretty partisan. I wish they weren't. I know Senator DOMENICI wishes they weren't. Many times they are difficult to put together. This has been one of the toughest. It is not an easy task in any way, shape, or form. Certainly, with a 50/50, evenly divided Senate, it is a very difficult task.

I compliment my friend and colleague who has had battles with Democrats, Republicans, with liberals on both sides of the aisle and conservatives on both sides. He has wrestled with a very difficult task. He has come up with a product that I think is a giant step in the right direction. It is not perfect. The Senator from Tennessee, whom I compliment, is a member of this committee. He said he would like to have a larger tax cut. This is a small tax cut in relation to the surplus. We have an estimated surplus of over \$5 trillion. The total tax cut, at maximum, is \$1.35 trillion, with one-fourth going to taxpayers. The majority is used to pay down the national debt. We have colleagues on both sides who said let's do it.

The Senator from New Mexico said we are paying down the national debt from publicly held debt, as of this year, \$3.2 trillion, and in 10 years it will be less than \$1 trillion. We are paying it down to the maximum extent that we possibly can. Nowhere in the history of our country have we ever paid down the national debt the way we are projecting to do it this year, next year, and throughout the next 10 years.

So I compliment my friend from New Mexico. We still have a significant surplus. He says let's give a portion of that to taxpayers. I have heard people objecting and saying we are not taking care of our Nation's domestic needs. Either we need more money for education, or veterans, or defense, and so on; we need more money to spend.

The spenders have been winning for the last 3 years. The people who have wanted for the last 3 years to give some of the surplus to the taxpayers or let the taxpayers keep some of the surplus have lost.

We passed tax cuts in 1999 and 2000. President Clinton vetoed them. We did not have the votes to override, so the taxpayers did not get a break. They just kept sending in more money. As a matter of fact, taxpayers today, on a per capita basis, send in \$1,000 more than the Federal Government is spending. The Federal Government today is spending \$7,000 for every man, woman, and child in the United States. That is a surplus of about \$1,000.

Let's give a portion of that back to the taxpayers. Let's let them keep some of their own money. They are sending in too much. Granted, there is no limit to the ideas we have in Congress on spending people's money, and people obviously think Congress can spend it better than the American people.

Let the taxpayers keep a portion of it and take the bulk of the surplus and pay down the national debt. That is exactly what we are doing in this proposal. Spending continues to grow. Maybe it has not grown as much as it has in the past. Thank goodness. Spending got out of hand in the last couple of years. I will put in a chart showing domestic spending last year grew 14.1 percent. Defense spending grew at 3.5 percent.

Some people say spending grew at 8 percent last year. Nondefense spending grew at 14 percent last year. That is not sustainable. The education function last year grew in budget authority 29.9 percent. That is not sustainable.

Yet on top of those enormous increases we had last year and large increases in the previous year, this budget says let's grow spending more, actually 5 percent more.

I heard people say: We are not doing enough in education despite the enormous increases we had in education. Education funding is projected under this budget to grow at 11 percent, and all of us suspect, with the large support we have in education led by our President and others, that education within these functions will probably grow by even more than that amount.

My point is, we are spending a lot of money, over \$7,000 for every man, woman, and child, and it should be enough. Surely, we can give some tax relief to taxpayers.

I heard some of my colleagues say the tax bill benefits the rich. I am in the process of working with others on the Finance Committee to put together a bill. It does not just benefit the rich; it benefits taxpayers. It is weighted towards taxpayers who are in the lower income categories. We are talking about large percentage cuts for individuals who pay the lowest rates, not the highest rates. The largest beneficiaries, certainly in the first few years, are the people at the lower end of the brackets who are now paying 15 percent. They will pay 10 percent, or 12 percent under the House bill, or people who are paying 28 percent will pay 15 percent. We

are going to expand the 15-percent bracket.

My point is, please do not prejudge the tax bill as benefitting the rich. A lot of that is class warfare demagoguery that is not going to be sustained by the facts. Let's allow taxpayers to keep a portion of the surplus and take the bulk of the surplus to pay down the debt and limit the growth of

spending to 4 or 5 percent as proposed under this budget. It is affordable and sustainable.

I thank my colleagues for supporting this budget resolution. We had 65 votes in favor of the budget a week or two ago. There is no reason those individuals who supported this budget a week or so ago would not support it today. The differences in the tax cut are mini-

mal from what we passed a couple weeks ago. I urge my colleagues to support the budget resolution.

Mr. President, I ask unanimous consent that the chart to which I referred earlier be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APPROPRIATIONS BY SUBCOMMITTEE

(In billions of dollars)

	Fiscal year 2000	Fiscal year 2001	Growth from fiscal year 2000 (percent)	Fiscal year 2002 request	Growth from fiscal year 2001 (percent)
<b>Agriculture:</b>					
BA .....	15.0	16.1	7.3	15.4	-4.3
OT .....	14.7	16.3	10.9	16.4	0.6
<b>Commerce/Justice/State:</b>					
BA .....	38.8	37.6	-3.1	37.9	0.8
OT .....	36.9	37.5	1.6	39.6	5.6
<b>District of Columbia:</b>					
BA .....	0.5	0.5	0.0	0.3	-40.0
OT .....	0.4	0.5	25.0	0.3	-40.0
<b>Defense:</b>					
BA .....	278.8	287.5	3.1	301.0	4.7
OT .....	273.5	276.2	1.0	296.1	7.2
<b>Energy/Water:</b>					
BA .....	21.6	23.6	9.3	22.5	-4.7
OT .....	21.7	23.3	7.4	23.2	-0.4
<b>Foreign Operations:</b>					
BA .....	16.2	14.9	-8.0	15.2	2.0
OT .....	14.8	15.7	6.1	15.7	0.0
<b>Interior:</b>					
BA .....	15.4	19.0	23.4	18.1	-4.7
OT .....	15.6	17.9	14.7	18.3	2.2
<b>Legislative Branch:</b>					
BA .....	2.5	2.7	8.0	3.0	11.1
OT .....	2.5	2.6	4.0	3.0	15.4
<b>Labor/HHS:</b>					
BA .....	87.1	109.4	25.6	116.4	6.4
OT .....	87.4	100.3	14.8	110.3	10.0
<b>Military Construction:</b>					
BA .....	8.7	9.0	3.4	9.6	6.7
OT .....	8.5	8.9	4.7	8.6	-3.4
<b>Transportation:</b>					
BA .....	14.4	18.3	27.1	16.2	-11.5
OT .....	44.0	48.2	9.5	52.7	9.3
<b>Treasury/Postal:</b>					
BA .....	13.7	15.8	15.3	16.6	5.1
OT .....	13.7	16.1	17.5	16.3	1.2
<b>VA/HUD/IND:</b>					
BA .....	71.8	80.7	12.4	83.1	3.0
OT .....	81.1	85.9	5.9	89.0	3.6
<b>Emergency Reserve:</b>					
BA .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	5.3	( <sup>1</sup> )
OT .....	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	2.4	( <sup>1</sup> )
<b>Total:</b>					
BA .....	584.4	634.9	8.6	660.6	4.0
OT .....	614.8	649.4	5.6	691.7	6.5
<b>Defense:</b>					
BA .....	300.8	311.3	3.5	325.1	4.4
OT .....	295.0	299.6	1.6	319.2	6.5
<b>Domestic:</b>					
BA .....	283.6	323.6	14.1	335.5	3.7
OT .....	319.8	349.8	9.4	372.5	6.5

Source: OMB.

<sup>1</sup> Not applicable.

Mrs. FEINSTEIN. Mr. President, a month ago I voted in support of the budget resolution which passed the Senate and which contained \$688 billion in discretionary spending for fiscal year 2002 and \$1.18 trillion in tax cuts.

I continue to support the elements of the tax package that made for half of the budget agreement. I support providing broad-based tax relief, eliminating the marriage penalty, and providing significant estate tax reform. And I believe that a stimulus package will be important in assuring that the economy does not slip into a recession.

But it was the allocation of resources in the Senate budget resolution—particularly funding for education programs—that made it possible for me

and many of my colleagues to support the tax cuts.

Without the allocation of adequate spending to allow us to meet pressing domestic needs, especially in education, it seems to me that the other half of the understanding that made my support of the budget resolution is now missing.

As I understand it, the conference report currently before the Senate, provides discretionary budget authority of \$661.3 billion ion 2002, \$27 billion below the amount agreed on by the Senate, and even below the amount that the CBO estimates is needed to keep pace with inflation.

In fact, overall funding for all non-defense discretionary spending is \$5.5

billion less than last year's level, adjusted for inflation.

And on education, the bottom line appears to be that although the President's budget included an increase in education spending, the conference report which is currently before the Senate does not.

There is no new funding for education in the conference report, and, in fact, the discretionary education totals in the budget resolution are nearly \$1 billion less than the increases provided in the President's budget.

There is no new funding provided for Head Start, and only minimal increases for Title I and the Individuals with Disabilities Education Act, IDEA. This is not an approach which is calibrated to "leave no child behind."

And while it is true that this conference report provides up to \$6.2 billion in additional unallocated discretionary budget authority for funding domestic priorities beyond the President's budget request, which some have argued can all be used on education, discretionary education funding is only one of the priorities that this money will be needed for. This \$6.2 billion is all that is available for all domestic priorities, not just education.

I supported the Senate budget resolution because I thought that it represented a good balance at a time of unprecedented surpluses, providing both significant tax relief and making significant investments in our children and in our nation's future.

This conference report, unfortunately, no longer contains that balance, and I find that I cannot, in good conscience, support it.

Mr. JEFFORDS. Mr. President, first I must congratulate the chairman of the Budget Committee, Senator DOMENICI, for his hard work on the budget. It is a thankless task that earns the Senator few if any points with his New Mexico constituents. Unfortunately, I am greatly troubled by certain elements in this budget, and will vote against the fiscal year 2002 budget resolution conference report now before the Senate.

In approving this budget, Congress is missing a significant opportunity to address some of our nation's most critical needs. Key among these needs is education. A nation that does not invest in its people, that does not provide its citizens with an excellent education, that does not ensure that its children can read, and that does not train them for eventual entry into the workforce, is acting irresponsibly.

We must grant the American people a tax cut. We must pay down the debt. We must protect social security. But we must not ignore a most critical responsibility, to provide a free and adequate education to every child in America.

I was proud to play a key role in making the tax cut contained in this budget more responsible. I have the greatest respect for my centrist colleagues who joined me in striking this agreement. But I cannot support a budget that puts large tax cuts and unlimited defense spending ahead of educating our nation's children. By voting against this budget agreement today, I am committing to the nation that I will continue my efforts to bring more resources to our schools and children to improve education.

I can not hide my disappointment that the Congress once again will not fulfill its pledge to fully fund special education. This year, I tried and failed to have language included in the budget that would have made the Individuals with Disabilities Education Act, IDEA, mandatory spending.

When I first arrived in Congress, one of the very first bills that I had the privilege of working on was the Education of All Handicapped Children Act of 1975. As a freshman Member of Congress, I was proud to sponsor that legislation and to be named as a member of the House and Senate conference committee along with then Vermont Senator Bob Stafford.

At that time, despite a clear constitutional obligation to education all children, regardless of disability, thousands of students with disabilities were denied access to a public education. Passage of the Education of All Handicapped Children Act offered financial incentives to states to fulfill this existing obligation. Recognizing that the costs associated with educating these children was more than many school districts could bear alone, the Federal government pledged to pay 40 percent of the additional costs of educating these students.

The budget resolution that is before the Senate continues to make a mockery of this pledge. However, I will work with members of the Senate Appropriations and Finance Committees both to increase annual spending for IDEA and convert the program into mandatory spending. Additionally, the budget sets overall discretionary education spending at a level below what was passed in the Senate and below what is needed for our children and the future of our country.

The budget resolution allows up to \$1.35 trillion in tax cuts over eleven years. While I agree some level of tax cuts are warranted, I continue to be troubled with making surplus assumptions ten years into the future. The level of tax cuts called for in this resolution gives the Congress little leeway should projected surpluses not materialize.

While the budget resolution sets the overall level of tax cuts that will be considered by the Congress this year under reconciliation rules, I intend to be an aggressive advocate for children when the tax bill is debated in the Finance Committee. I also will strongly advocate that the Congress not attempt this year to exceed \$1.35 trillion in tax cuts by writing additional tax bills. We can and should enact all of this year's tax cuts within a ceiling of \$1.35 trillion.

We dare not risk a return to the era of deficits, especially with the coming retirement of millions of baby boomers and the burden that this will place on the Social Security and Medicare systems.

On the positive side, I am pleased that this resolution protects Social Security. Not one penny of the Social Security surplus is touched. Second, it balances the budget every year without using the Social Security surplus. Thirdly, this resolution retires the national debt held by the public—about \$2 trillion over the next ten years.

I should add that it has been a pleasure these past weeks to work with a bipartisan group of centrist Senators who believe that tax relief is warranted, but not at the expense of education, veterans health, job training, child care, environmental and other important discretionary programs.

This budget, like all budgets passed by Congress, is an expression of political intent, priorities, and a starting point for bargaining. Much work remains to be done to pass the 13 appropriations bills that actually fund the Federal Government. In areas where I disagree with the budget resolution, I plan to work hard with appropriators to adjust spending levels and turn this budget into reality.

Mr. KOHL. Mr. President, I rise today with great disappointment to oppose this budget. I am disappointed that I am forced to vote against a tax cut number, \$1.25 trillion over the next ten years, that I support and think is reasonable. I am disappointed that Congress, by the slimmest of margins, is passing a spending plan that includes zero funding for education reforms, school modernization, teacher training, or any education initiative that will empower our local communities to improve their schools.

But mostly I am disappointed that a budget that left this chamber a reasonable compromise, with significant investment in education, veterans, and Medicare and an over \$1 trillion tax cut, has returned a political document in bipartisan clothing.

I want to make it clear that I do not oppose the tax cut set up by this budget. I believe that we can afford, and should give, a tax cut of over \$1 trillion. In fact, I have every intention of voting for the tax cut bill that will be on the floor in the next couple of weeks. Our strong economy, and our fiscal discipline over the last few years makes it possible to let taxpayers keep more of their money while still making essential investments in our children, our communities, our veterans and our seniors.

The Senate vote last month proved that. We had 65 votes, mine included, for a budget that envisioned a \$1.2 trillion tax cut, an unprecedented increase in education investment, a substantial commitment to veterans health, significant debt reduction, and the deserved title of bipartisan.

The budget before us today chooses to keep the tax cut, and I support that, but to sacrifice investment on education, health care, NIH, and other domestic priorities. Why? In order to allow a blank check for defense spending.

Let me repeat that. This budget allows an unspecified and unlimited amount of resources to go to defense while holding flat spending on education and other domestic programs, completely flat. The budget before us

right now has less education spending than any other budget considered this year—the Senate Budget Resolution passed last month had more, the House Budget Resolution passed last month had more, the President's budget submission had more. I pride myself on being a tightwad when it comes to spending taxpayer money, but I have always said the one area I will not shortchange is our children's education. I cannot support the lowest offer for education on the table, yet that is exactly what we have before us today.

I very much wanted to support this budget today. I look forward to supporting portions of it in the future. And I sincerely hope that, as we work through the tax and spending bills this year, we return to the compromise and broad support that marked the Senate Budget Resolution—and reject the extremism and political polarization that scars the final budget before us now.

Mr. BIDEN. Mr. President, when I came to the Senate almost 30 years ago, we were just entering what became a generation of Federal deficit spending. We lost the key to balanced budgets, the discipline to match our spending with our income.

The economic impact of those decades of deficits was profound. The accumulating debt grew faster than our economy, and we slipped from our position as the world's leading creditor nation to the world's biggest borrower.

While the Federal Government borrowed money as if nobody else needed it, private borrowers from first-time home buyers to major corporations all paid more for their loans. Our inability to balance our budgets was a dead weight burden on the economy here, and our high interest rates affected international finance as well.

But perhaps the most important cost of those deficits was the loss of faith suffered by Americans in their Government. A lot of factors contributed to that cynicism and skepticism, but I am convinced that the cumulative effect of decades of unbalanced budgets was a major reason Americans for so long held their Government in such low esteem.

Those deficits had another major effect. As we struggled every year to match our spending with our income, the priorities I came to the Senate to fight for, support for those among us who need it most, protection of the environment, quality education for everyone, safe streets and homes, those priorities were the first hit by spending cuts.

And as we cut back on those programs, we cut back on the basic responsibilities of a democratic government. The era of budget deficits was marked by a deficit of democracy itself.

Today, we can congratulate ourselves on not only balancing our budgets, but

on producing substantial budget surpluses. On the foundation of an historical economic boom, the longest period of high-productivity growth in our history, we have restored the health of our Federal budgets.

History will judge how we manage this success, what we do with the opportunity before us. Will we build a foundation for future growth, will we pay down the burden of debt that we built up in the generation of deficits, will we continue to meet the demands of our citizens for world class education, health care, and technology, for safe streets, clean air and water? Or will we put all of this at risk, along with the hard-won victory over deficits?

I will vote against the Budget Resolution before us today, because it gives the wrong answer to those questions.

As the distinguished ranking member of the Appropriations Committee reminded us so eloquently last week, Americans rightly expect us to make sure that the basic functions of government are taken care of. When we fail to provide the safe streets, the clean water, the good schools, that the citizens of the world's richest nation have every reason to expect, we have failed to live up to our responsibilities. I am sorry to say that this budget marks such a failure.

Because of the size of the tax cuts, \$1.35 billion, and their shape, they increase in cost in future years, this budget puts at risk all we have gained through years of hard work on the budget. And it puts at risk our ability to meet the basic demands our citizens make of us to manage our common affairs effectively and efficiently.

We have real needs in this country, as the distinguished Senator from West Virginia reminded us last week. Almost a third of our bridges are in need of repair, many of our school rooms are crumbling, our water and sewer systems are in disrepair. In the midst of all of the private wealth our economy has created in the last decade, our public investments have failed to keep pace.

This budget fails to provide any new funds for education, for health care, for clean air and water, for police protection, for safer roads and bridges—none. This budget spends less per citizen, after inflation, for all of those priorities.

The President claims, and I believe him, that he wants to spend more on education. I support him in that effort. However, because there is not enough money in this budget to keep present levels of support for any domestic priorities, any increase in education spending will have to come out of police protection, out of drug interdiction, out of health care research.

There is no increase in spending for education, unless you count a vague promise that we would like to spend

more. But a budget is not about vague promises. It should tell us the facts about how much we have to spend on our priorities. And the sad fact is that this budget has no new money for education, period.

This budget fails to meet the basic test of facing up to reality, there are more demands on our budget than there are funds to meet them, and this budget gives us no idea of where the cuts will fall to pay for any of the new priorities we face.

When the Senate voted on its version of the budget last month, we called for \$225 billion in additional investments in education. That money is gone from the Budget Resolution before us today, gone.

In fact in this resolution, there is actually \$5.5 billion less than last year's spending for education, allowing for inflation.

The Federal budget is already smallest it has been since 1960 as a share of our economy. It is simply not realistic to assume that it will continue to shrink, in real terms, not just next year but for the next ten years. But that is just what this budget assumes.

These cuts in domestic priorities will happen even if the economic projections on which this budget is based, ten-year projections that have proved wrong every time in the past, even if those projections turn out to be true. If the economy grows more slowly, if we face natural disasters, national security threats or other inevitable but unpredictable emergencies, there will be even more cuts.

But there are other assumptions built into this budget, assumptions that I believe will be wrong no matter what happens to those economic projections. This budget assumes we will do nothing to protect millions of Americans from increases in the alternative minimum tax, that we will fail to renew popular and important programs such as the research and development tax credit, it assumes that we can undertake a major overhaul of our defense policy with a relatively small increase in spending. But recent statements by Defense Secretary Rumsfeld suggest hundreds of billions of dollars in new spending, that is not in this budget.

If any of those assumptions, or a lot of other similar costly issues that are assumed away in this budget, prove to be wrong, there will be even less money for education, for health care research, for clear air and water, for cops on the beat.

But this budget does not face up to those problems, it assumes them away.

With the underlying health of our economy, with the hard work we put into restoring balance to our budgets, I am convinced we can afford tax cuts, tax cuts that would in any other context sound huge.

Prudent budgeting, that makes full allowance for domestic and defense priorities and that is cautious about ten-

year economic forecasts that have huge margins of error, would still leave room for hundreds of billions of dollars in tax cuts.

There is no economic reason behind the tax cut numbers in this resolution. Those numbers date back to the Republican primaries, in 1999, when the economy was booming, the stock market was soaring and unemployment was falling. The Bush campaign picked a tax cut number they thought would help them beat Steve Forbes in the New Hampshire primary.

They certainly were not concerned with formulating a ten-year budget plan during a slack economy. But those are the numbers we are told are still basically right for today.

If we go into this thinking that we can afford a tax cut of this size, and a defense build-up many times greater than this budget allows for, with promises to increase spending on education, expectations that health care spending will go up, some kind of plan to shore up Social Security and Medicare with funds from outside those systems, I think we can all see where we are headed.

One of the first things to go will be the surpluses that we ought to use to pay down the debt, the burden that raises interest payments today and that our children and grandchildren will have to pay off. For all the talk about the surpluses belonging to the American people, we have to remember that the national debt belongs to them, too.

Playing fast and loose with the assumptions in the budget could leave us with a bigger debt, and higher continuing interest payments on the debt burden, than we would have if we stayed on the course that restored balance to our budgets.

We have come too far to go that way again.

This budget does not build on the successes of the last decade; it threatens to return us to the time when we failed to make the hard choices that Americans expect us to make. I will vote against this budget resolution, and I hope my colleagues will join me.

Mrs. CARNAHAN. Mr. President. Last month, I joined a bipartisan group of centrist Senators to support a \$1.25 trillion tax cut along with an economic stimulus for this year. The tax cut agreed upon after negotiations with the White House and House of Representatives totals \$1.35 trillion. I support a tax cut of this size and think that the people of Missouri also believe it to be a commonsense compromise.

This tax cut should provide immediate tax relief to help stimulate the economy, cut personal income taxes for all taxpayers, eliminate the marriage penalty, and eliminate the estate tax for all family farms and family-owned small businesses. I also want to ensure that the tax cut is distributed fairly and responsibly by focusing on the peo-

ple who need tax relief the most—the working men and women of America.

The other key component of the budget voted on by the Senate last month was an approximately \$300 billion investment in education over the next decade. That budget plan included sufficient funds to meet the Federal Government's commitment to fund 40 percent of the cost of special education. Meeting this commitment would enable states and localities to spend billions of dollars of their own funds on improving educational quality at the local level. The Senate budget also included funds for student loans, programs for disadvantaged students, and the testing and accountability reforms currently being debated on the Senate floor.

Unfortunately, the conference report before us completely eliminated the educational investments contained in the Senate passed budget. Indeed, this conference report does not even fund the education increases contained in President Bush's budget proposal.

Not only is this approach to education inconsistent with the bipartisan actions taken on the budget by the Senate a few weeks ago, but it is dramatically at odds with the votes being cast by the Senate on the education reform bill. Last week, the Senate unanimously voted to fully fund the Individual with Disabilities Education Act at a cost of \$120 billion over ten years. Earlier this week, the Senate agreed to fully fund the largest federal education program for disadvantaged students at a cost of \$130 billion. The vote on that amendment was 79-21.

I am a newcomer to the Federal budget process, but it defies common sense to be voting to support major increased investments in education on the one hand, while on the other hand voting for a budget that does not meet these commitments.

Some of my colleagues have stated that the lack of education funding in the budget should not be of concern because, eventually, Congress will provide additional support for education during the appropriations process. But I ask, what purpose does a budget serve if we vote based on an intention not to abide by it?

So, while I strongly support the \$1.35 trillion in tax cuts for the American people contained in the conference report, I cannot support this budget agreement. I look forward to working on the tax cut legislation scheduled for later this month and on the appropriations bills that follow. Hopefully, in the end, we will provide both a tax cut of \$1.35 trillion that provides needed tax relief to the public and an investment plan that meets our vital national priorities.

Mr. DODD. Mr. President, today the Senate will complete action on the conference report to the 2002 budget resolution. While we all know that a

budget resolution is a non-binding document that does not require the President's signature, it is, nonetheless, still an important document because it should serve as the blueprint that reflects the priorities for America. Sadly, the document before us does not fulfill that purpose.

At the outset, let me first express my disappointment with the process that was undertaken to produce this misguided conference report. In the Senate, Budget Committee members were denied the opportunity to mark up a budget resolution and the decision was made to bring one directly to the floor for consideration without any committee input. The conference report itself was negotiated by the White House and Republican congressional leaders without allowing Democratic members a meaningful seat at the table. As a result, the Senate will be voting on a partisan conference report that is flawed, unbalanced, and out of touch with the needs of the American people. We need to take a lesson from this year's experience to improve upon how we deal with one of the most important pieces of legislation that we consider as a body each year. This conference report isn't worthy of the Senate and it's certainly not worthy of the Americans it is intended to serve.

The budget outlined in this conference report fails on a number of important counts and I take this opportunity to briefly discuss why I believe this budget is wrong for this country and why I will be voting against it.

First, this conference report is unrealistic as it fails to take into account numerous costs that will most likely be incurred in the months and years ahead. Specifically, it ignores the cost of Alternative Minimum Tax reform, something that we all know will be absolutely necessary as more and more taxpayers find themselves subject to this tax. It does not address the additional interest costs associated with the tax cut required in the conference report or the funds that will be needed for the extension of popular expiring tax provisions. It also does not consider the costs that are likely to arise as a result of the President's National Defense Review. Preliminary estimates indicate that this new defense spending could carry a price tag of at least \$250 billion over the next 10 years. Yet, none of these costs are reflected in the document up for consideration today.

Second, the conference report provides no safeguards for Social Security and Medicare. Once one adds up all the real costs which, again, are noticeably absent from this budget, raiding both the Social Security and Medicare trust funds will become an unfortunate reality. What is more troubling is the fact that this budget does not provide any real protections for these trust funds that would guarantee that their surpluses would be used only for the

purposes of Social Security and Medicare. We seem to be moving in the wrong direction on Social Security and Medicare at a time when the demands being placed on them will be at their greatest. These trust funds should not become a piggy bank, but I fear that this conference report does nothing to ensure that they won't.

Third, one of this conference report's most obvious failures, is the fact that it limits our ability to invest in the priorities that are so important to the American public like preserving the environment, law enforcement, new highways, and quality health care. One of the areas in which I, personally, take the greatest exception is the conference report's utter disregard for education.

Many of us in the Senate agree that education is one of the most critical priorities facing our nation. Proof of this was evident during the Senate's consideration of the budget resolution when, on a bipartisan basis, the Senate voted for a smaller tax cut and increased investments for children and education.

In a bipartisan vote, the Senate approved an amendment offered by Senator HARKIN which added \$250 billion to support student achievement and to help failing schools. Again, on a bipartisan basis, the Senate supported an amendment from Senators BREAUX and JEFFORDS which increased funding for the education of children with disabilities by \$70 billion. In addition, last week, by an overwhelming vote of 79-21, the Senate supported an amendment to the ESEA reauthorization bill that I offered with Senator COLLINS to add \$135 billion over the next 10 years to the title I of the Elementary and Secondary Education Act, which helps to meet the educational needs of the poorest, most vulnerable children in our country.

And does this conference report reflect any of these bipartisan votes? No. It rejects them and provides no new dollars for us to commit to education in this country. It prevents us from making any of those investments on behalf of the neediest school children in America that the Senate has gone on record as supporting.

I have heard my Republican colleagues claim that this conference report increases funding for education. While we may be reading the same document, we do not share the same interpretation of its meaning. As a result, there are no increases to be found. None.

In fact, when I read this conference report, all I see are cuts. There are no increases for education because total non-defense discretionary funding in this conference report is actually \$5.5 billion below what is needed to maintain even current programs and services. This decrease becomes \$62 billion less over the next 10 years. Con-

sequently, to pay for any proposed increases in education will require severe cuts in other programs which are already operating on less than adequate funding. So, in effect, this conference report will squeeze resources from critical priorities such as education, health care, and the environment in order to help finance a massive tax cut that heavily favors the most affluent.

I am aware that the conference report provides a \$6.2 billion earmark for education. Unfortunately, this money is a mirage. It is in the form of non-binding, unenforceable "sense of the Congress" language expressing that Congress should spend this money on education. This is in no way a guarantee and it is a far cry from the resources that the Senate believed were necessary to truly improve education in this country.

The one thing that is abundantly clear in this conference report is the amount of money that will be spent on a tax cut. I find it interesting that the language in the report with respect to the tax cut is straightforward and directs Congress to cut taxes by \$1.25 trillion over the next 10 years. Yet, we can't seem to make the same kind of unequivocal commitment to education.

I support tax relief and I believe that Americans need tax relief. But tax relief must be affordable fair. The tax cut in this conference report is neither. I believe it is unwise to commit \$1.25 trillion to tax cuts that will benefit the wealthiest Americans, that we may not be able to pay for in years to come, and that may risk a return to runaway deficits.

The conference report also can't seem to commit to the idea of an immediate economic stimulus which many economists feel would boost our slowing economy. With the way the language is structured in the conference report, the \$100 billion that should be used as a stimulus in 2002 could potentially be spread over the next decade, thereby losing its stimulatory impact.

One way to make this tax cut more fair would be to double the child tax credit and make \$500 of it refundable. Senator SNOWE and I have introduced legislation to do precisely that. This bill would, with just a few words, lift one million children out of poverty.

It seems fair to me that at the same time that we consider cutting taxes by \$1.25 trillion over the next 11 years, we could work to find the resources to provide these working families with some kind of modest relief. Senator SNOWE and I introduced what I believe is a bill that acts as a first step in truly helping these families. This legislation won't eliminate child poverty entirely, but it's a start. I hope that the Finance Committee will keep the millions of children who live in poverty in this country in mind as it begins work on a tax bill.

I represent a State with the highest per capita income in the nation. Yet, surprisingly, I do not many people asking for a \$1.25 trillion tax cut. What I do hear is that people want Social Security and Medicare to be strengthened, they want cleaner drinking water, they want better roads, and they want quality teachers and safer schools for their kids.

Unfortunately, this conference report virtually ignores all of their concerns and offers only vague, empty promises. This conference report has got it all wrong. It's wrong on the environment, it's wrong on defense, it's wrong on Social Security and Medicare, it's wrong on education, and it's most especially wrong on tax cuts.

As such, I hope my colleagues will join me in opposing this conference report so that we can begin work again, in a bipartisan fashion, to prove to the American people that we are truly listening. And should it pass—as it probably will on a largely partisan basis—I hope that we will, before the year is out, honor and support the important priorities of the American people.

Mr. LEAHY. Mr. President, I must oppose this budget resolution conference report because it is an irresponsible gamble with our economic future. Despite the best efforts of the Senate to reduce the President's risky tax cut plan, this conference report does not adequately protect the interests of low- and medium-income American men, women, and children.

This resolution sets aside trillions of projected budget surpluses for tax cuts proposed by President Bush that are steeply tilted to the wealthy. It pays for the Bush tax plan at the expense of needed investments in Social Security, Medicare, education, and the environment. In addition, the cost of the Bush tax plan imperils our ability to pay off the national debt so that this nation can finally be debt free by the end of the decade.

We should remember that the nation still carries the burden of a national debt of \$3.4 trillion. Like someone who had finally paid off his or her credit card balance but still has a home mortgage, the federal government has finally balanced its annual budget, but we still have a national debt to pay off. In the meantime, the Federal government has to pay almost \$900 million in interest every working day on this national debt.

Paying off our national debt will help to sustain our sound economy by keeping interest rates low. Vermonters gain ground with lower mortgage costs, car payments and credit card charges with low interest rates. In addition, small business owners in Vermont can invest, expand and create jobs with low interest rates.

I want to leave a legacy for our children and grandchildren of a debt-free nation by 2010. We can achieve that

legacy if the Congress maintains its fiscal discipline. But this budget resolution tosses out fiscal responsibility for skewed tax breaks. It is based on a house of cards made up of rosy budget scenarios for the next ten years. Any downturn in the economy, are of which we are now beginning to experience, threatens to topple this house of cards.

Mr. President, the \$5.6 trillion surplus that President Bush and others are counting on to pay for huge tax cuts is based on mere projections over the next decade. It is not real. Many in Congress have been talking about the \$5.6 trillion surplus as if it is already money in the United States Treasury. It is not.

While none of us hope that the budget surpluses are lower than we expect, to be responsible we need to understand that this is a real possibility. In its budget and economic outlook released in January 1st, CBO devotes an entire chapter to the uncertainty of budget projections. CBO warns Congress that there is only a 10 percent chance that the surpluses will materialize as projected by saying: "Considerable uncertainty surrounds those projections." This is because CBO cannot predict what legislation Congress might pass that would alter federal spending and revenues. In addition, CBO says—and anyone whose watched the volatility of our markets over the past few months knows—that the U.S. economy and federal budget are highly complex and are affected by many factors that are difficult to predict.

With all of this uncertainty in projecting future surpluses, it is amazing to me that the budget resolution insists on a fixed \$1.35 trillion tax cut. I was one of five Senators still in the Senate who voted against the Reagan tax plan in 1981. We saw what happened there: We had a huge tax cut, defense spending boomed, and the national debt quadrupled.

The conference report includes the full \$1.5 billion increase in budget authority (\$32.4 billion total) for essential Department of Justice programs to help state and local law enforcement programs contained in the Leahy/Harkin amendment that unanimously passed the Senate. However it reduces the outlays increase to \$1.1 billion (\$31.8 billion total) in FY 2002. The conference report also waters down the Sense of the Senate language to drop all references to specific grant programs that are targeted for cuts by the President.

I cosponsored and supported a successful, bipartisan amendment in the Senate to increase funding for agriculture conservation programs on private lands by \$1.3 billion. This funding was to support nationally-successful programs like the Environmental Quality Incentive Program, the Farmland Protection Program, and the Wildlife Habitat Incentive Program—programs

that truly help farmers and ranchers keep their working lands and that help private landowners enhance their communities' water quality, open space, and wildlife habitat.

Unfortunately, though communities all over the nation have asked Congress for help to protect and restore water quality and open space, Republican negotiators chose to strike funds for our amendment in the final conference report.

The conference report also ignores communities' cries for cleaner energy and energy conservation—especially communities in the Northeast who breathe the downwind fumes of 1960's-era, dirty energy production further west. By following the Bush plan to significantly cut funding for the Department of Energy's conservation, energy efficiency, and clean energy programs, the Republican negotiators continue to ignore the 21st century energy needs of our people.

During consideration of the budget resolution in the Senate, I joined many of my colleagues in supporting amendments to increase funding for education programs. Despite the passage of these important amendments, this budget resolution conference report ignores the Senate's actions and does not provide sufficient funds for our students, teachers and schools.

This conference report contains no increase for K-12 or higher education discretionary spending. Mandatory spending for education and training is essentially the same as the House-passed resolution and therefore reflects none of the Senate's bipartisan actions. The conference report rejects the Harkin education amendment that provided increased funds for so many important education programs. It rejects the Jeffords/Breaux amendment, which increased funding for the Individuals with Disabilities Education (IDEA) Act—fulfilling the Federal government's responsibility. This conference report also fails to accommodate the Hagel-Harkin amendment—adopted unanimously by the Senate to the Elementary and Secondary Education Act (ESEA)—without additional cuts to student loan programs.

At a time when the Senate is debating reauthorization of ESEA and considering a significant change to our education system, it makes no sense to me that we reduce education funds as is the case in this conference report. If we really want to leave no child behind, then we must acknowledge that we have a financial responsibility to support our children's education. This conference report fails to do that.

The conference report includes a \$1 billion increase in discretionary veterans health spending. That increase barely covers inflation in the Department of Veterans Affairs' current programs, let alone provides the department flexibility to increase the avail-

ability and quality of care. I am also concerned that this budget squeezes this money out of critical veterans health research programs, leaving investigations into spinal injuries and war wounds at inadequate levels.

This conference report also drops a provision passed by the Senate that would have allowed military retirees to receive their full VA disability and retiree pay earned during their lifelong service. Once again, the other side has made it a priority to top-off the bulging piggy-banks of the wealthy with change pilfered from the fixed income checks of those who have sacrificed for our country.

Mr. President, after years of hard choices, we have balanced the budget and started building surpluses. Now we must make responsible choices for the future. Our top four priorities should be paying off the national debt, passing a fair and responsible tax cut, saving Social Security, and creating a real Medicare prescription drug benefit. This budget falls far short of these priorities. For the sake of our economy and the working families of America, I will vote against this budget resolution.

Mr. KENNEDY. Mr. President, yesterday I cited chapter and verse how this Republican budget flunks the test of education reform. It puts tax cuts for the wealthy first, and the needs of America's children last. But that is not the only fundamental flaw in this budget. America's seniors, too, will be left out and left behind.

Too many elderly Americans today must choose between food on the table and the medicine they need to stay healthy or to treat their illnesses. Too many senior citizens take half the pills their doctor prescribes, or don't even fill needed prescriptions—because they can't afford the high cost of prescription drugs.

Too many seniors are paying twice as much as they should for the drugs they need, because they are forced to pay full price, while almost everyone with a private insurance policy benefits from negotiated discounts.

Too many seniors are ending up hospitalized—at immense cost to Medicare—because they aren't receiving the drugs they need at all, or can't afford to take them correctly.

Pharmaceutical products are increasingly the source of miracle cures for a host of dread diseases, but senior citizens are left out and left behind in this republican budget.

The crisis senior citizens face today will only worsen if we refuse to act, because insurance coverage continues to go down, and drug costs continue to go up.

Twelve million senior citizens—one third of the total—have no prescription drug coverage at all. Only half of all senior citizens have prescription drug coverage throughout the year. Coverage through employer retirement

plans is plummeting. Medicare HMOs are drastically cutting back. Medigap plans are priced out of reach of most seniors. The sad fact is that the only senior citizens who have stable, reliable, affordable drug coverage today are the very poor on Medicaid.

Prescription drug costs are out of control. Since 1996, costs have grown at double-digit rates every year. In the stunning report released earlier this week, cost increases continue to accelerate, with prescription drug costs growing an enormous 18.8 percent last year. No wonder access to affordable prescription drugs has become a crisis for so many elderly Americans.

Every Member of Congress understands that this is a crisis—but this budget offers no solution. It refuses to give senior citizens the help they deserve. Yet it gives lavish tax breaks to millionaires.

Compare the language in this budget for prescription drugs to language on tax cuts and you have a sense of the relative priorities in this budget.

If the Republicans gave a real priority to coverage of prescription drugs under Medicare, there would be a reconciliation instruction—not a reserve fund. The budget resolution could require the Finance Committee to report a prescription drug bill and set a date certain for action, just as the GOP resolution does for tax cuts.

If Republicans gave a real priority to this proposal, they would not condition life-saving prescription drugs for seniors on “reforming” Medicare. The supporters of the resolution are saying that prescription drugs for seniors will be held hostage to controversial reforms in other parts of Medicare. But the resolution contains no requirement that the tax code must be reformed before millionaires get their tax breaks.

If the Republicans were serious about a prescription drug proposal, the resolution would specify that the reserve fund is for coverage of prescription drugs under Medicare. That is what senior citizens want and deserve. But this resolution doesn't require that. These funds are available for any program that “improves access to prescription drugs for Medicare beneficiaries.” That could be a welfare program. It could be an expansion of Medicaid. It could even be President Bush's proposed block grant that would reach only one-third of senior citizens.

At bottom, the amount the resolution allocates for Medicare prescription drugs is grossly inadequate. The maximum it provides is \$300 billion over ten years. But, according to the Congressional Budget Office, senior citizens will have to spend \$1.1 trillion on prescription drugs over the next ten years. The maximum amount that can be provided under this budget resolution is only about a quarter of that amount. That is not the kind of help senior citizens need, and it is not what

Congress should provide. To add insult to injury, the Republican budget resolution allows the Medicare drug benefit to be funded by taking money from the Medicare Hospital Insurance fund, which seniors have paid into over their working lives to protect them against the high cost of health care.

There is a reason for the inadequate promises of this budget resolution. The budget does not contain enough funds to provide a real prescription drug benefit under Medicare, because it squanders too much of the budget surplus on new tax breaks for millionaires.

Medicare is a solemn promise to senior citizens. It says, “Work hard, pay into the trust fund during your working years, and you will have health security in your retirement years.” But this promise is being broken every day, because Medicare does not cover prescription drugs, and this budget does not mend that broken promise.

It has been said that the measure of a society is how it treats its young and its old. By this measure, the Republican budget is a sad commentary on our values. It shortchanges young and old alike. It is a budget that is anti-child, anti-education, and anti-senior citizen. Its priorities are not the priorities of the American people, and it should be rejected.

This budget spends \$1.6 trillion over the next ten years on tax cuts, but only \$153 billion on Medicare prescription drugs. Almost half the tax cut goes to the richest one percent of Americans—people with incomes averaging more than a million dollars a year. The GOP budget gives this small number of wealthy families more than five times as much as it provides for essential prescription drugs for forty million elderly and disabled Americans.

The President and the sponsors of this budget say that they want to provide prescription drug coverage for every elderly American under Medicare. But adoption of this budget will make this goal much more difficult to achieve. This budget squanders the surplus and saves only token amounts for Medicare prescription drugs.

In fact the budget does not even fund the low income program fully. If the block grant program is adjusted for inflation, it will cost \$210 billion over 10 years, not the \$153 billion that this budget provides. Clearly, there is not enough money in this budget to fund a Medicare benefit for all senior citizens.

The choice could not be clearer. Do we stand with America's senior citizens—or with the privileged few? Do we believe the budget surplus should be used to benefit all Americans—or just the wealthiest Americans? Do we believe it is more important for people who already have incomes of more than a million dollars a year to get an additional \$50,000 a year, than it is for senior citizens scraping by on limited incomes to get the life-saving drugs their doctors prescribe?

For all of these reasons, I urge my colleagues to vote against this anti-senior citizen budget.

Mr. LIEBERMAN. Mr. President, I rise today to express my serious disappointment with the budget resolution and to explain why I cannot vote for it. This resolution is irresponsible. It is irresponsible to the citizens and businesses of this nation, to the fundamental economic principles for which we stand, and to the values that define us as Americans. As I have stated often, the government does not create jobs or economic success. However, through fiscal discipline the government can create an environment in which the private sector thrives. Fiscal responsibility produced an environment that enabled the historic economic growth of the past several years and the unprecedented surplus we have today. I am sorry to say this resolution abandons that discipline.

Government should tend to the people's money with the same care and consideration that individuals, families, and businesses demonstrate when handling their own dollars and cents. As I look at the budget resolution that we are voting on, I conclude that it lacks not only fiscal responsibility, but also a sense of reality. It is based entirely on large projected surpluses that we are not confident will materialize. And, if these surpluses are not realized, this budget resolution puts us at risk of returning to deficit spending financed by borrowing from the Social Security and Medicare Trust Funds.

The tax cut provided for in this budget resolution is simply too large. At the very least, it will cost \$1.35 trillion over 11 years. In addition, if you add in other required or likely to pass tax provisions, including AMT reform, increased interest payments, extension of expiring tax provisions, pension reforms and business tax cuts, this package easily rises to above \$2 trillion. While I support significant tax cuts, that amount is more than we can afford. This budget resolution spends too much of the projected surplus on a tax cut that is too large and it uses too little of the surplus for other priorities.

Additionally, this resolution does not seriously address debt reduction. Aside from funds already committed to the Medicare and Social Security Trust Funds, this budget does not devote a single dollar over the entire decade towards paying down our national debt. Because this resolution is so irresponsible, it is not at all clear that even the Medicare and Social Security Trust funds will be available for debt reduction if they are used instead to pay for the tax cut. Sadly, this budget resolution sacrifices the unique opportunity that we have at this point in time to successfully pay down our publicly held debt—the key to low interest rates and economic growth.

This budget resolution sets us on course for an appropriations train

wreck later this year and in the future. The spending levels do not even keep up with inflation. The resolution provides total discretionary spending levels for FY02 that are \$2 billion below CBO's baseline with inflation. For the 10-year period, they are \$24 billion below inflation. Despite the rhetoric, it removes nearly \$300 billion in additional education funding that the Senate had added to its budget resolution. It provides an increase of only \$3.3 billion above inflation for defense in FY02 and only \$40 billion over ten years—\$22 billion less than the President's request prior to the Rumsfeld review. According to the resolution, any increased spending as a result of the Rumsfeld review which is likely to be at least \$250 billion over 10 years—would come out of the contingency reserve fund. This fund may not even exist if surplus projections do not materialize or if Congress taps it for other purposes, including additional tax cuts.

This budget resolution does not represent reality, but fantasy. It abandons fiscal discipline and blithely overspends a surplus whose size six months down the road or six years down the road is at best theoretical. This agreement sets our country on a dangerous path toward resurrecting the deficits we worked so hard to eliminate over the past several years. Finally, this resolution does not add up because the Administration and the Majority here in Congress prefer to sound the call for compassionate conservatism rather than engage in honest accounting. It is "dejavoodoo economics." It commits us to the same fiscal mistakes of the early 1980s that had a horrendous and long-lasting impact on our economy.

So I call on centrists of both parties here in the Senate to not waste a decade's worth of hard work invested in re-building our economy. I urge my colleagues to look closely at this resolution. It is not what the American people deserve, nor is it what they expect it to be. In support of progress and prosperity, I must vote no and I encourage my centrist colleagues to do the same.

Mr. NELSON of Nebraska. Mr. President, I want to express my support for the conference report on the budget resolution. My affirmative vote on this report will be cast for several reasons, but the most important one among them is that this resolution provides the American people with a substantial tax cut—without neglecting our national budgetary obligations. The concerted effort from Senators and Members of Congress on both sides of the aisle in the negotiating process has culminated in a victory for American taxpayers.

The vote on the budget resolution will succeed in doing a great deal for our country and for our future. Today we are authorizing the third largest tax cut in the history of our Union.

The men and women of Nebraska, as well as the men and women across the Nation, will directly benefit from the \$1.25 trillion tax cut over 11 years that will enable us to still pay down the national debt and meet our domestic budgetary priorities. The American people deserve a tax cut, and it is the role of Congress and the administration to deliver it. This conference report is our delivery vehicle.

Of even greater consequence than the tax cut spread over 11 years is the inclusion of a \$100 billion up-front stimulus package, which will help strengthen our economy sooner rather than later. I firmly believe that our economy, which has been showing all the symptoms of a slow-down, needs a jump-start from a stimulus package to blunt the effect of what could become a serious economic recession. As any doctor will tell you, you should not wait until the patient is on life support before you begin treatment. It is critical that we heed the warning signs of a slowing economy, and use the tools within our legislative power to prevent the situation from metastasizing. The 2-year, \$100-billion economic stimulus package prescribed by this conference report will put the American economy back on the road to recovery.

Another important aspect of the resolution, in addition to the substantial tax cut and the upfront stimulus package, is the increased support of agriculture. When our budget negotiations started, agriculture was a mere footnote in the margin. While it remains a footnote, it is now a little bolder and a little bigger. I am anxious to see agriculture removed altogether from "footnote" status, or more accurately, out of emergency spending mode; but I am pleased in the interim that at least we are increasing agriculture funding to a more substantial—and realistic—level. While a new farm bill would be more welcome than prolonging the endless cycle of emergency spending, the \$79 billion over 11 years that has been included in this Report does recognize and consider the unfavorable odds and inequities that our farmers and ranchers are forced to contend with due to a problematic farm bill and unpredictable hardships dispensed by Mother Nature.

As with any compromise, the conference report on the budget resolution is not representative of my ideal budgetary blueprint. I accept, however, that "giving and taking" is an integral part of the bicameral, bipartisan negotiating process. While this report could be stronger in some areas—namely, education—I am comfortable casting an affirmative vote, because it meets an important criterion I have consistently promoted throughout the process. This report authorizes a substantial tax cut—including an up-front economic stimulus package—that allows us to still provide for our critical do-

mestic priorities, such as preserving Social Security and Medicare, paying down the national debt, and funding agriculture. As a result, I will vote in favor of this conference report.

While the final outcome of the budget resolution cannot be described accurately as a triumph for bipartisanship, it can be characterized as a triumph for American taxpayers. It is my hope that we will forge ahead on other issues in a stronger and more cohesive spirit, more united in our efforts and less divided in our cause. It is time to make "politics as usual" synonymous with progress, not partisanship.

The PRESIDING OFFICER (Mr. ALLARD). Who yields time?

The Senator from North Dakota.

Mr. CONRAD. Mr. President, I yield myself the remaining time and I ask the Chair if he would inform me when I have 5 minutes remaining.

The PRESIDING OFFICER. The Senator will be so notified.

Mr. CONRAD. I thank the Chair.

Mr. President, first, I thank the chairman of the Budget Committee for his courtesy as we have considered the budget conference report. I respect him. I admire him. I have affection for him. I disagree with him with respect to this budget, and I disagree with him strongly with respect to this budget.

I do not believe this is the right budget plan for our country, and it is not an opinion limited to me. We have heard on our side of the aisle how deficient we believe this budget is.

I noticed in this morning's New York Times the lead editorial was entitled "An Irresponsible Budget Plan." I will read the first sentence:

After several days of back room negotiations, the House approved a federal budget plan yesterday that is a model of fiscal evasion and irresponsibility.

I echo those words.

Earlier the Washington Post called this budget we are considering today an unreal budget. They concluded their editorial by saying:

The theme of this budget is tax cuts first, sweep up afterward. It's the wrong way around. Budget resolutions are supposed to foster fiscal responsibility. This one will have the opposite effect.

Unfortunately, that is the case. The reason for it is quite clear. First, this entire budget is based on a 10-year forecast—10 years. This is not money in the bank; these are projections over 10 years. The people who made the projections have warned us of the uncertainty. In fact, they told us that in the fifth year alone, based on the previous variances in their forecasts, we could have anywhere from a \$50 billion deficit to more than a \$1 trillion surplus.

In fact, they have told us there is only a 10-percent chance the forecast number that is being used, that is being relied on, will come true. There is a 45-percent chance there will be more money; a 45-percent chance there

will be less money. And that forecast was made 8 weeks ago before we saw additional weakness in the economy.

Just yesterday, we saw the productivity growth forecast come out on the first quarter of this year. They were expecting a 1-percent increase. Instead, they got a reduction. If there is just a 1-percent reduction in productivity over the forecast period, instead of having a \$5.6 trillion surplus, we will have a \$3.2 trillion surplus. It seems to me that advises caution in what we do on this budget resolution.

Those are not the only defects of this budget. There are huge chunks of spending that are not even in this budget, that have not been included. For example, here is a story from USA Today, Friday, April 27. "Billions Sought for Arms." The story says that the Secretary of Defense and this administration are expected to seek a large boost in defense spending, \$200 billion to \$300 billion over the next 6 years.

That money is not in the budget. None of that money is in the budget. Why not?

Perhaps we heard the reason in an interview this last weekend on "Meet the Press." The Secretary of Defense was there. He was asked:

Will you get the \$10 billion more in defense money this year that you need?

His response:

I don't know. I have not gone to the President as yet. He wanted to wait until after some of the studies had been completed and until the tax bill was behind us. . . .

That is the real reason this budget is unreal. It is the real reason this budget is irresponsible, because they are not telling us the full story. They do not really have the budget before us. What they have is a part of the budget because they know what we know. If they put the full budget in place on one piece of paper, on one document, it would not add up. That is the problem with this budget.

It goes to education. The President says education is his highest priority, and yet there is no new money in this budget for education. In the Senate, when we considered the budget, we passed the Harkin amendment that added \$225 billion for education. It took \$450 billion away from the tax cut and put \$225 billion into education and put \$225 billion into paying down more of the debt. What came back from the conference committee? Not one penny of that amendment survived.

We passed a bipartisan amendment on the floor of the Senate when the budget resolution was considered, with \$70 billion of additional funding for education to address the disabilities act. Not one penny of that increase came back from the conference committee. That is true throughout the education budget.

We have heard a lot of talk that somehow there is money in this bud-

et, new money for education. Here is the document. Here it is by fiscal year. What it shows is the increase in budget authority and outlays over what is in the so-called baseline is zero. It is zero for 2002; it is zero for 2003; it is zero for every single year.

There were a lot of brave speeches about education being the priority, but it is clearly not a priority in the budget because there is no new money in the budget for education.

It doesn't stop there. Not only is it the case that the defense buildup that we all know is going to be announced, perhaps as early as next week, is not in the budget, the President says education is a priority, but that is not in the budget. And then we see the President has a meeting at the White House and says he is going to strengthen Social Security but there is no money in the budget for that.

We have an editorial from the Columbus Dispatch that says:

The tax-cut proposal works against [the President's] plan to begin privatizing Social Security. . . . experts differ on how much this "transition cost" will be, but it won't be cheap. . . . thus, the Bush's 10-year, \$1.3 trillion tax cut would deprive the Government of the cash it would need to pay for the \$1 trillion transition cost for the first 10 years of Bush's Social Security privatization plan. The goals are contradictory.

Do you see a pattern? The administration is calling for a major defense buildup but the money is not in the budget. The President says education is a top priority but the money is not in the budget. The President says he is going to fix Social Security but the money is not in the budget.

Why? I think we all know the reason why. Because if the money were in the budget for the defense buildup, if the money were in the budget for the education initiatives, if the money were in the budget to strengthen Social Security, then the budget does not add up. In fact, it would show they are raiding the Medicare trust fund by over \$200 billion. They are raiding the Social Security trust fund by over \$200 billion. That is the dirty little secret of this budget. It is the reason whole chunks of what is really intended have been left out.

Over in the House they had two missing pages. It stalled the budget work for a week. Two missing pages? There are more than two missing pages. There are whole chunks of the real budget that have been left out because they know it doesn't add up.

As we look ahead, it is critical to understand we are in a period of surplus now. These projections of surpluses may hold. They may not. But at least we have a projection of surpluses. We know when the baby boomers start to retire that these surpluses turn to massive deficits. Then the question will be: What did we do when we had the opportunity to prepare for what was to come?

This is what we are doing.

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. CONRAD. I thank the Chair for advising me of the time.

If we go back to the budget that is before us and put back the defense buildup the administration is going to call for and which is authorized in this budget, although the numbers are not included, if we would go back and correct the alternative minimum tax that is going to affect over 35 million taxpayers in this country, one in every four taxpayers who think they are going to get a tax cut but are going to be surprised when they find out they are caught up in the alternative minimum tax and it costs \$290 billion to fix it; if we put in the education amendment that passed on the Senate floor last week on a unanimous consent basis; if we put in the emergencies that we all know are going to occur that run on average \$5 billion a year; and if we put in the associated interest costs with those items, what we find is that we would be deep into the Medicare trust fund; that we would be deep into the Social Security trust fund.

That is the reason all of those items have been left out—because this budget does not add up.

There has been a lot of talk about reducing the public debt, but the part of the debt they have been talking about is the publicly held debt. It is true, the publicly held debt is going down under this budget. It is going down from \$3.2 trillion at the end of this year to \$800 billion at the end of this 10-year period.

Do you know what? While the publicly held debt is going down, the debt to the trust funds of the United States is going up. As a result, the gross debt of the United States, which is currently \$5.6 trillion, will be \$6.7 trillion at the end of this time. It is very interesting—just about the amount of the tax cut is the amount of additional debt our country will have at the end of this 10-year period.

I believe these are the top six reasons to oppose the budget resolution conference report.

No. 1, no new money for education;

No. 2, unaffordable tax cuts crowd out priorities, especially paying down this national debt;

No. 3, it hides defense spending increases by providing a blank check to the Bush administration;

No. 4, it sets up a raid on the Social Security and Medicare trust funds;

No. 5, it cuts spending for high-priority domestic needs by \$56 billion over the next 10 years. They are \$56 billion short of just keeping pace with inflation, not to mention population growth.

Finally, No. 6, it fails to set aside funds for the long-term Social Security and Medicare reform needs we all understand are before us.

Perhaps it is time to review history. Those who are advocating this budget

are the very ones who, back in the 1980s, advocated a similar policy, a policy of a massive tax cut combined with a substantial buildup in defense. What was the result? The result was an explosion of the deficits in the Reagan administration and a further growth of the deficits in the Bush administration. It was only when we had a new administration and a new fiscal plan that deficits started coming down and we began to pay down debt.

Here is the record. It is as clear as it can be. President Reagan came in; he had about an \$80 billion deficit. That exploded to over \$200 billion, with exactly the same kind of economic analysis that has been done and with the same advocates that put in place that plan.

Then the deficit further exploded under President Bush to over \$290 billion. It was only when a new administration came in and we put in place a 5-year plan to bring our fiscal house back into order that we began to reduce deficits, reduce debt, and put this Nation in a position to have the longest economic expansion in our history.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CONRAD. I ask our colleagues to oppose this budget resolution so we do not repeat this history.

The PRESIDING OFFICER. The Senator from New Mexico controls time.

Mr. DOMENICI. Am I correct now, there is no time remaining on the other side and I have how many minutes?

The PRESIDING OFFICER. The Senator has 12 minutes.

Mr. DOMENICI. So our fellow Senators ought to know, we are going to finish in a timely manner and the vote will be sometime after 11:30.

First, I thank all the wonderful staff on both sides of this budget battle. Much more work goes into this than anybody thinks.

In particular, I say to Bill Hoagland, the staff director on our side, and to his staff, thank you so much for all you have done. It has been a great effort.

Mr. President, fellow Senators, those who are listening, this is a budget for prosperity now and prosperity in the future, plain and simple. It is the largest commitment of money for education in our Nation's history. I will go into some details on that momentarily. It keeps our word. Social Security and Medicare are not touched. Their funds are not used.

I know that Senator BYRD said today on the floor that when your mother calls you—implying on Mother's Day—tell her that the Social Security trust fund is being raided, and whatever else he said we should be responding to our mothers on Mother's Day.

I have another response. My mother is not alive. But if she were to call me, I would say: Your Social Security is intact and fully protected. Medicare is

fully protected. But also, mother, there is \$300 billion in this budget for prescription drugs and reform of the Medicare program—\$300 billion. The House wanted only \$146 billion. There is \$300 billion to get started on the program. There is \$300 billion that can be used.

I say, in addition, to my mother, that this budget is good for me, one of your children, and for the other three children, and for the grandchildren, six of whom are working. I am just describing a family. Do you know why it is good for them, mother? Because we are going to give them back some of their hard-earned tax money. You know they are hurting because of gas prices. They are hurting because of electric bills. Everybody is working on some way to fix that.

But wouldn't it be nice if, in fact, your sons and daughters and grandchildren this year and next year got a very significant tax reduction?

Frankly, I could go on and on as to what this budget does.

But let me suggest that to bring into this debate the subject of Social Security and Medicare is just another part of the same old argument. Whenever tax cuts for the American people are close at hand and we are going to do something for them, every argument in the world that can be invented from a budget standpoint is offered in opposition. It is a wonder that the American people ever get a tax cut; we have our minds on so many things that we can do with that money.

But we decided today to take about 25 percent of the surplus—it sounds like we are using all of it—about 25 or 26 percent, and give it back to the Americans in an orderly way for such things as child credits, marriage tax penalty, which everybody knows should be done, and marginal rate reductions with bigger cuts at the bottom end than at the top end.

I don't know what else we can do. I believe we have done everything in this budget that you can do in a rational way to make sure that the surplus is handled in a proper manner and that it is there to have the right things feed on it, use it, and get money out of that surplus for things we must have.

I have already disagreed with my friend on the other side. But I don't disagree from the standpoint of his hard work, his own views, and his own opinions. I would not be asking people to vote for a budget resolution that touched the Social Security trust fund. I wouldn't be asking them to vote for one that touched Medicare because it does not. But neither would I ask them to vote for a budget resolution that some would want that would spend all the money instead of having any of it for the taxpayers of America.

We have heard all kinds of ideas of what should be in this budget. If anybody is adding it up and listening to us, I guess you would conclude that the

Government of the United States is going to take care of every problem in the United States, and if we just didn't give the taxpayers back any money, we would be out there solving all of them.

We know that isn't true. This budget is an increase over last year. In fact, I know that the House and the Senate would do it in their own way.

I see the chairman of the House Budget Committee. I want to tell the Senate that I believe on the nondiscretionary side of this budget there is a little bit more than 5 percent over last year they can spend. The House started at 4; the President started at 4. That is \$6.2 billion more we have for education and other things of significance.

I want to close my remarks where I started. This budget is for prosperity. Now, because it has \$100 billion that will go back to the American taxpayers in these next 2 years, this one and the next, and it is a budget for the future because for America to prosper we have to have low taxes and low tax rates. It has been our history that we compete not through government but through innovation, and through people investing their money, time, talents, and working hard. If you have high taxes, you get less of those things in an economy. That is just it.

Senator NICKLES also told us about how much we are paying in taxes as a group of people, as Americans. It is very high. We are going to reduce it a little bit—not very much; \$1.25 billion over ten years is not very much. In fact, when you look at that as part of the total tax take, what we are going to give back to the American people is rather insignificant.

I close by saying to everyone here: This is your chance today but not the last chance because there is a \$500 billion surplus remaining. But this is your chance to say to the American people before we spend all of your tax money that isn't needed, we are going to give you a little bit of it to be used as you see fit because we trust you. Not only do we trust you, but we think the less you are taxed, the harder you work, and the more you will invest in your life, in productivity, in growth and doing things, and the more you will sit around the family table saying what you can do with your money instead of saying the Government is taking so much of your money.

In conclusion, this has been as tough as it comes. I have been at budgeting for many years. It is tough because there are people on both sides of the aisle, in the White House, and in the House of Representatives, who have their own opinions and nothing was going to change anybody's opinion. A lot of opinions have been changed. There have been many compromises, which is what we have to do to get our work done. This compromise package is the best we can do this year. I believe it is good for our future. I believe

the American people, in about 6 months, will say it is a very good budget. And, yes, I believe those wondering where the education money is coming from will be very happy. There will be over an 11-percent or perhaps as much as a 12-percent increase in education with some highlighted at higher increases than that.

I think that is what we ought to be doing. The highest priority on the domestic side is education.

I want to say to President Bush, you didn't get everything you wanted, Mr. President, but I want to compliment you because you have made us change direction. You have moved us in the direction of giving back taxes to the American people rather than giving them the last cut after the debt. They are going to get some of those taxes back now, next year, and the year after. That is a new direction. Mr. President, you ought to be proud of it.

We will implement it in due course, and, frankly, I think that we will all say this was a job well done, as hard as it was.

I close by saying if we don't want to do this now, when will we do it? How much more surplus will we have to have? I believe we have enough surplus that we should leave part of it in the hands of the taxpayers.

I yield such time as I might have.

The PRESIDING OFFICER. All time is yielded.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The question is on agreeing to the conference report. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 53, nays 47, as follows:

[Rollcall Vote No. 98 Leg.]

YEAS—53

Allard	Enzi	Murkowski
Allen	Fitzgerald	Nelson (NE)
Baucus	Frist	Nickles
Bennett	Gramm	Roberts
Bond	Grassley	Santorum
Breaux	Gregg	Sessions
Brownback	Hagel	Shelby
Bunning	Hatch	Smith (NH)
Burns	Helms	Smith (OR)
Campbell	Hutchinson	Snowe
Cleland	Hutchison	Specter
Cochran	Inhofe	Stevens
Collins	Kyl	Thomas
Craig	Lott	Thompson
Crapo	Lugar	Thurmond
DeWine	McCain	Thurmond
Domenici	McConnell	Voinovich
Ensign	Miller	Warner

NAYS—47

Akaka	Chafee	Edwards
Bayh	Clinton	Feingold
Biden	Conrad	Feinstein
Bingaman	Corzine	Graham
Boxer	Daschle	Harkin
Byrd	Dayton	Hollings
Cantwell	Dodd	Inouye
Carnahan	Dorgan	Jeffords
Carper	Durbin	Johnson

Kennedy	Lincoln	Sarbanes
Kerry	Mikulski	Schumer
Kohl	Murray	Stabenow
Landrieu	Nelson (FL)	Torricelli
Leahy	Reed	Wellstone
Levin	Reid	Wyden
Lieberman	Rockefeller	

The conference report was agreed to. Mr. DOMENICI. I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank everyone who participated in this debate. I believe we have a good product and now we will implement it over the next year.

Once again, I thank everybody who participated on both sides of the aisle. We have a good product. Now everybody can begin to implement it. It means different things to different people, but in the end, it is pretty clear we are going to have a significant tax reduction plan in place. Let's hope, as we work through it, we will get some of the other things that most of us believe are in this budget resolution and see if we can carry them out in the ensuing months.

I thank the ranking member on the Budget Committee for the way he conducted himself, the information he put together, and the knowledge he has obtained. It has been a pleasure working with him. I thank him very much.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I congratulate the chairman of the Budget Committee for his victory today and for the way he has conducted himself. I appreciate the relationship we have. We disagree on this budget, but I have great respect for him as a Senator and as a person.

I also thank the staff on both sides. They worked incredibly hard in these last 2 days, in some cases almost around the clock. I thank my staff director, Mary Naylor, for her extraordinary efforts, Sue Nelson, Jim Horney, and the entire group of budget staffers on our side.

I also want to recognize the professionalism of the staff director on the Republican side. Bill Hoagland is a consummate professional, as are the other members of the staff on the Republican side. We have a very professional working relationship. They have worked very hard to produce this document.

One of the great things about the Senate and the Congress is we will be back. These battles are not over. We have a different sense of what the priorities should be for the country, and we will be speaking out on those issues in the days ahead.

Again, I congratulate those on the other side who prevailed on this vote. I look forward to a continuing debate on

what should be the fiscal course for the country.

I thank the Presiding Officer and yield the floor.

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT—Resumed

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

The senior assistant bill clerk read as follows:

A bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

Pending:

Jeffords amendment No. 358, in the nature of a substitute.

Kennedy (for Murray) amendment No. 378 (to amendment No. 358), to provide for class size reduction programs.

Kennedy (for Dodd) amendment No. 382 (to amendment No. 358), to remove the 21st century community learning center program from the list of programs covered by performance agreements.

Cleland amendment No. 376 (to amendment No. 358), to provide for school safety enhancement, including the establishment of the National Center for School and Youth Safety.

Biden amendment No. 386 (to amendment No. 358), to establish school-based partnerships between local law enforcement agencies and local school systems, by providing school resource officers who operate in and around elementary and secondary schools.

Specter Modified amendment No. 388 (to amendment No. 378), to provide for class size reduction.

Voinovich amendment No. 389 (to amendment No. 358), to modify provisions relating to State applications and plans and school improvement to provide for the input of the Governor of the State involved.

Carnahan amendment No. 374 (to amendment No. 358), to improve the quality of education in our Nation's classrooms.

Wellstone amendment No. 403 (to amendment No. 358), to modify provisions relating to State assessments.

Reed amendment No. 425 (to amendment No. 358), to revise provisions regarding the Reading First Program.

AMENDMENT NO. 403

Mr. WELLSTONE. Mr. President, I call up amendment No. 403.

The PRESIDING OFFICER. The Senator's amendment is now pending.

Mr. WELLSTONE. I thank the Chair.

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

Mr. WELLSTONE. I will be pleased to yield for a question.

Mr. KENNEDY. I am wondering if the Senator would like to have a rollcall vote.

Mr. WELLSTONE. I would like to have a rollcall vote. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Will the Senator be willing to enter into a reasonable time period? It is the noon hour now, just