every year since, or until this year, 2001, and ship half of it in privately owned United States-flagged commercial vessels. That, in essence, was the agreement in 1979.

Despite a level of United States aid in every year since 1984 that has been higher than the 1979–1983 level, Israel never increased its grain imports. That was the quid pro quo: As our rates increased, support would go up, and so would their purchases of commodities. Had proportionality been the test, Israel would have reached the 2.45 million tons at least at one point. It never has. However, Israel has consistently cited proportionality in reference to the 2001 Foreign Operations appropriation act in stating its intent to cut purchases of approximately 1.2 million metric tons in this fiscal year. This cut is disproportionately greater than the reduction of the U.S. aid from the 2000–2001 fiscal period and is not consistent with congressional intent.

My amendment, which will be proposed later this afternoon, reshapes this, ensuring that a side letter agreement, with the terms of at least as favorable treatment as those in the year 2001, would be more consistent with past congressional intent and previous bilateral relations. Proportionality is something that I don’t think can be or should be effectively argued whereas they did not respond when our aid increases went up.

We will be bringing a letter to the floor insisting that Israel stay consistent with what was agreed to following 1979 as it related to turning, if you will, commodity import programs into cash transfer assistance. We think you will, commodity import programs following 1979 as it related to turning, if you will, commodity import programs into cash transfer assistance. We think that is the right policy. I don’t think we should be using the trust funds of Medicare and Social Security for other purposes. After I made that statement, and after I noted that the latest numbers that come from this administration suggest that in fact we will be doing precisely that this year and next year, Mr. Daniels responded by suggesting that means Senator CONRAD favors a tax increase at a time of an economic slowdown.

That is what I have said. I think that is the right policy. I don’t think we should be using the trust funds of Social Security and Medicare for other purposes. After I made that statement, and after I noted that the latest numbers that come from this administration suggest that in fact we will be doing precisely that this year and next year, Mr. Daniels responded by suggesting that means Senator CONRAD favors a tax increase at a time of an economic slowdown. That is not my proposal. That is not what I suggested. In fact, my record is precisely the opposite of that. They know that. They know that as the ranking Democrat on the Budget Committee this year, I didn’t propose a tax increase in the midst of an economic slowdown. It is precisely the opposite of that. I proposed a $60 billion tax reduction as part of the Democratic plan I was engaged in what he referred to as “medieval economics.” I kind of like better the way Mr. Novak referred to me. He accused me of “antique fiscal conservatism.” “Antique fiscal conservatism,” that is the characterization he applied to the policies I proposed. Mr. Daniels called it “medieval economics.”

What is it that I have talked about that has aroused such ire? All I have said is I don’t think we ought to be using the trust funds of Medicare and Social Security for other purposes. After I made that statement, and after I noted that the latest numbers that come from this administration suggest that in fact we will be doing precisely that this year and next year, Mr. Daniels responded by suggesting that means Senator CONRAD favors a tax increase at a time of an economic slowdown.

That is not my proposal. That is not what I suggested. In fact, my record is precisely the opposite of that. They know that. They know that as the ranking Democrat on the Budget Committee this year, I didn’t propose a tax increase in the midst of an economic slowdown. It is precisely the opposite of that. I proposed a $60 billion tax reduction as part of the Democratic alternative to the budget the President proposed. In fact, I supported much more tax relief as fiscal stimulus in this year than the President had in his plan.

So please, let’s not be mischaracterizing my position and suggesting I was for a tax increase at a time of economic slowdown. That is not the truth. That isn’t my record. My record is absolutely clear. Through all of the discussions of the Budget Committee and the debate on the floor, both during the budget resolution and the tax bill, my record is as clear as it can be. I favored fiscal stimulus this year, more fiscal stimulus than the President proposed—not a tax increase, a tax cut. We are going to have a debate, and the debate is required because we have a serious problem developing. Let’s have it in honest terms. Let’s not mischaracterize people’s positions. Mr. Daniels, don’t mischaracterize my position. You know full well I have not been called for a tax increase in times of an economic slowdown. You know full well that my record was calling for a tax cut—in fact, more of a tax cut in this year of economic slowdown than the President was calling for.

It is true that over the 10 years of the budget resolution I called for a substantially smaller tax cut than the President proposed because I was concerned about exactly what happened. Let’s turn to that because this is what set off this discussion.

As we look at the year we are now in, fiscal year 2001, if we start with the total surplus of $275 billion and take out the Social Security surplus of $156 billion and the Medicare trust fund of $28 billion, that leaves us with $92 billion. The cost of the President’s tax cut which actually passed the Congress wasn’t what he proposed. It was substantially different than what was proposed because it was more front-end loaded, $74 billion this year. And $33 billion of that is a transfer out of this year into next year—a 2-week delay in corporate tax receipts in order to make 2002 look better because they knew they were going to have a problem of raiding the Medicare trust fund in 2002.

What did they do? They delayed certain corporate receipts by 2 weeks—$33 billion worth—and put them over into 2002. That added to the cost of the tax bill. There is only $40 billion of real stimulus in this tax bill that is going to go out into the hands of the American people during this year. But what we are actually going to receive is the amount of revenue anticipated—we then see that we are into the Medicare trust fund by $17 billion this year. That is what it shows for this year.

We had distinguished economists testify before the Budget Committee. Based on what they said, next year we are going to not only be using the entire Medicare trust fund surplus but we are actually going to be using some of the Social Security trust fund as well, $24 billion next year; that is, if we take into account a series of other policy choices that are going to have to be made.
That is the question I am raising. Mr. Daniels wants to change that into a discussion of having a tax increase this year. Anyone who is advocating a tax increase this year. I am certainly not. I advocated a tax reduction. But we don't have a forecast of economic slowdown for the next 10 years. That is not the forecast of the administration. They are forecasting strong economic growth. That is their forecast. Yet with a forecast of strong economic growth starting next year, we see that we are into the Medicare trust fund and the Social Security trust fund next year. We have problems with the two funds in 2003 and 2004, and that is before a single appropriations bill has passed.

This is not a question of the Congress spending more money and putting us back in the deficit ditch. That is not this situation. We are in trouble just based on the budget resolution that was passed—the Republican budget resolution, I might add.

Their tax cut—the tax cut supported by this President and the reduction in revenue that they themselves are predicting—we have trouble going into the Medicare and Social Security trust funds just on the basis of those factors: The budget resolution that they endorsed, the tax cut that they proposed and the President signed, and the economic slowdown that they are predicting.

We are into the trust funds already. That is before the President's request for additional funding for defense. He has already asked for $18 billion for next year. That has a 10-year effect of over $200 billion.

The question I am raising is, Where should that money come from? We are already in the trust fund before the President's defense request. Should we cut out of the retirement funds of their employers to fund the Social Security trust funds? Because that is what we are poised to do.

The alternative minimum tax—that now affects some 2 million taxpayers, but under the tax bill that has passed it is going to affect 35 million taxpayers—just to fix the part of the alternative minimum tax that is caused by the tax bill we just passed would cost over $200 billion to fix. That is not in the budget. Should that money come out of the Medicare and Social Security trust funds? Because that is what we are poised to do.

I have said I do not think that is a good policy. I do not think we should pay for a defense buildup out of the trust funds of Social Security and Medicare. I do not think we should pay for additional education funding out of the trust funds. I do not think we should pay for natural disasters or tax extenders or the alternative minimum tax fix out of the Medicare and Social Security trust funds. Because is that what we are poised to do.

I think, as I have said, at a time of strong economic growth—which is what is in the forecast—as a policy what we should not be using the Medicare and Social Security trust funds to fund other parts of governmental responsibility. I think that is a profoundly wrong policy. Any private-sector organization in America that tried to use the retirement funds of their employees to fund the operations of the organization would be headed for a Federal institution, but it would not be the Congress of the United States; they would be headed for a Federal prison because that is fraud, to take money that is intended for one purpose and use it for another.

I hope very much we do not go back to the bad old days of raiding every trust fund in sight in order to make the bottom line look as if it balances. I suggest to my colleagues, using the Medicare trust fund or the Social Security trust fund for the other costs of Government is not a responsible way to operate. That is the point I have made.

I do not advocate a tax increase at a time of economic slowdown. I want to repeat, my proposal that I gave my colleagues was for a substantial tax cut this year, fiscal stimulus, $60 billion of fiscal stimulus that I supported in this year. But we are not talking about an economic slowdown being projected by this administration for the next 10 years.

I just saw the Secretary of the Treasury, the top spokesman on economic policy for this administration, at a meeting overseas saying they anticipated a return to strong economic growth next year. That is their projection. That is their forecast.

What I am saying is, if we are in a period of strong economic growth, it is not right to raid the trust funds of Medicare and Social Security for other purposes. It is just wrong. It should not be done. But that is exactly where we are headed. The record is just as clear as it can be. We are going to be into the Medicare trust fund and even the Social Security trust fund next year just with the budget resolution that has passed, just with the tax cut that has passed, and just with the slowdown in the economy that we already see. That is where we are. That is before any additional money for defense. That is before any additional money for education. That is before any money for natural disasters or tax extenders or to fix the AMT problem. And that is before additional economic revisions we anticipate receiving in August from the Congressional Budget Office.

When we factor in those matters, what we see is a sea of red ink, what we see is a very heavy invasion of both the Medicare trust fund and the Social Security trust fund. That is where we are headed. They are projecting a strong return to economic growth.

We have stopped that practice. In the last year we stopped raiding the trust funds to use those moneys for other purposes. We have stopped it. We have used that money to pay down debt. That is the right policy.

I do not want to go back to the bad old days of raiding every trust fund in sight in order to make the bottom line look as if it balances.
Mr. DORGAN. I wonder if the Senator would answer the question. Is it not the case that this question of tax cuts and fiscal policy tax cuts always based on surpluses we do not yet have? Is it not the case that this rosy scenario everybody talked about—especially conservatives coming to the floor of the Senate—was: “This economy is going to go forward. It is going to turn these surpluses we have now into deficits. And if we start, at a time of surpluses, by raiding the trust funds, this situation becomes much worse, far more serious.”

I don’t think $36 billion is going to carry the question here. They can accuse me of medieval economics or antique fiscal conservatism. I don’t think it is either one to say you ought to reserve the trust funds of Medicare and Social Security for the purposes intended. You ought not to use the money to finance the other functions of Government, however worthy the other functions are. I don’t think we should use the money at a time of economic growth, which is what was anticipated by the administration is projecting for next year and beyond. Yet we see, according to the most recent numbers, that we are already into the trust funds. That is without a single appropriations bill has passed the Senate, before a single one has passed.

The question is, Are we going to dig the hole deeper? What are we going to do about the President’s defense request? He wants $18 billion next year. The effect over 10 years is in the range of $200 billion from a request like that. That is not in the budget. Since we are already into the trust funds, it simply means that if we were to approve such a request, we would go deeper into the trust funds and Medicare and Social Security to defend or to finance that defense buildup.

How are we going to pay for natural disasters? At a time of economic growth, should we be funding natural disasters out of the trust funds of Medicare and Social Security? I don’t think so. Should we fund the tax extenders by taking the money out of the trust funds of Social Security and Medicare? I don’t think so.

They may call that antique fiscal conservatism. I will wear that as a badge of honor, that policy of protecting the trust funds of Medicare and Social Security. Call me what you want. That is exactly the right thing to do. Certainly in a time of economic growth, you should not be using trust fund money to fund the other needs of Government. That is shortsighted. It is irresponsible. I am not going to support it.

I believe at the end of the day the American people will not support it because they have common sense. They know this doesn’t add up. They know if you have already got a problem, you don’t dig the hole deeper before you start filling it in. That is just common sense.

That is why some of us think we have to save the Social Security trust fund, to save the Medicare trust fund, and that while that is necessary, it is not sufficient. We need to do even more than that to prepare for what is to come because we have a demographic tidal wave called the baby boom generation. They are going to turn these surpluses we have now into deficits. And if we start, at a time of surpluses, by raiding the trust funds, this situation becomes much worse, far more serious.
SUPPLEMENTAL APPROPRIATIONS ACT, 2001—Continued

The PRESIDING OFFICER. The Senator from Ohio.

Mr. VOINOVICH. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The pending amendment is laid aside. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. VOINOVICH], for himself, Mr. HELMS, Mr. SESSIONS, and Mr. CRAPTO, proposes an amendment numbered 865.

Mr. VOINOVICH. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

To protect the social security surpluses by preventing on-budget deficits

At the appropriate place, insert the following:

SEC. 2. PROTECT SOCIAL SECURITY SURPLUSES BY PREVENTING ON-BUDGET DEFICITS. (a) SHORT TITLE.—This section may be cited as the "Protect Social Security Surpluses Act of 2001".

(b) DIVISION OF ENFORCING DEFICIT TARGETS.—Section 233 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 903(c)) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) EXCESS DEFICIT; MARGIN.—The excess deficit is, if greater than zero, the estimated deficit for the budget year, minus the margin for that year. In this subsection, the margin for each fiscal year is 0.5 percent of estimated total outlays for that fiscal year.

"(2) by striking subsection (c) and inserting the following:

"(c) ELIMINATING EXCESS DEFICIT.—Each non-exempt account shall be reduced by a dollar amount calculated by multiplying the baseline level of sequesterable budgetary resources in that account at that time by the uniform percentage necessary to eliminate an excess deficit.

"(3) by striking subsections (g) and (h).

(c) ECONOMIC AND TECHNICAL ASSUMPTIONS.—Notwithstanding section 254(j) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 904(j)), the Office of Management and Budget shall use the economic and technical assumptions underlying the report issued pursuant to section 108 of title 31, United States Code, for purposes of determining the excess deficit under section 253(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by subsection (b).

(d) APPLICATION OF SEQUESTRATION TO BUDGET ACCOUNTS.—Section 256(k) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 906(k)) is amended by—

(1) striking paragraph (2); and

(2) designating paragraphs (3) through (6) as paragraphs (2) through (5), respectively.

(e) STRENGTHENING SOCIAL SECURITY POINTS OF ORDER.—

(1) IN GENERAL.—Section 312 of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended by inserting at the end the following:

"(g) STRENGTHENING SOCIAL SECURITY POINTS OF ORDER.—It shall be in order in the House of Representatives or the Senate to consider a resolution on the budget (or any amendment thereto or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would violate or amend section 13301 of the Budget Enforcement Act of 1990.

(2) SUPER MAJORITY REQUIREMENT.—

(A) POINT OF ORDER.—Section 904(d)(1) of the Congressional Budget Act of 1974 is amended by inserting "312(g)," after "310(d)(2)."

(B) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting "312(g)," after "310(d)(2)."

(C) ENFORCEMENT FOR EACH FISCAL YEAR.—The Congressional Budget Act of 1974 is amended in—

(A) section 301(a)(7) (2 U.S.C. 632(a)(7)), by striking "for the fiscal year through the period and inserting "for each fiscal year covered by the resolution"; and

(B) section 311(a)(3) (2 U.S.C. 632(a)(3)), by striking "beginning with the fiscal year" through the period and insert the following: "for any of the fiscal years covered by the concurrent resolution.

(i) EFFECTIVE DATE.—This section and the amendments made by this section shall apply to fiscal years 2002 through 2006.

Mr. VOINOVICH. Mr. President, one of the primary reasons I wanted to serve as a Senator was to have the opportunity to bring fiscal responsibility to our Nation and help reduce our national debt. As many of my colleagues know, for decades successive Congresses and Presidents spent money on items that, while important, they were unwilling to pay for with an alternative, do without. In the process, Washington ran up a staggering debt and mortgaged our future. Today our national debt stands at about $5.7 trillion. That costs about $200 billion a year in interest payments.

From the time I arrived in the Senate, I have worked to rein in spending and lower the national debt. Over the past 2½ years, I have cosponsored and sponsored a number of amendments designed to bring fiscal discipline to the Federal Government. In March of 1999, I offered an amendment to use whatever on-budget surplus as calculated in the fiscal year 2000 budget to pay down the debt. In March of 2000, I again offered an amendment to use the on-budget surplus calculated for fiscal year 2001 for debt reduction. In an effort to bring spending under control, Senator ALLARD and I offered an amendment in June of 2000 to direct $12 billion of fiscal year 2000 on-budget surplus toward debt reduction. The amendment passed by an overwhelming 95-3 and committed Congress to designate the on-budget surpluses to reduce the national debt, keeping these funds from being used for additional Government spending. Our amendment provided the mechanism to assure that Congress would begin the serious task of paying down the debt.

Further, this past April, Senator FEINGOLD, Senator GREIg, and I offered an amendment to put the fiscal year 2002 budget designed to tighten enforcement of existing spending controls. Our amendment created an explicit point of order against directed scoring and abuses of emergency spending. Even with all the amendments I proposed and cosponsored to bring Federal spending under control, I have never lost sight of the fact that we need to enact a Social Security lockbox. Make no mistake, adopting a Social Security lockbox will not have an impact at all on the benefits. Social Security beneficiaries will not know the difference if we pass or do not pass a Social Security lockbox. What we are doing today will not have an impact at all on the benefits. The amendment I am offering today will permanently lockbox the Social Security surplus and prevent it from being used for any other purpose.

For decades, the Social Security surplus was used by Congress after Congress and President after President to offset Federal spending. For many of those years, Members of both the House and Senate worked to put the Social Security surplus off limits from