

going to be able to spend yourself into debt. You pay as you go. That is the way most businesses operate but not the Federal Government. The Federal Government can continue to print money and spend money it doesn't have and pass the debt down to our children and grandchildren.

If you take into account this unfunded liability of \$66 trillion because of the entitlement crisis—the gathering storm I mentioned a moment ago—that boils down to about \$175,000 per person—every man, woman, and child—that we owe now for those unfunded liabilities unless we take action now. But the pay-go farce the Wall Street Journal article mentions—and the date of this article is December 10, 2007—quotes Speaker NANCY PELOSI in remarks she made on December 12, 2006. She said:

Democrats are committed to ending years of irresponsible budget policies that have produced historic deficits. Instead of compiling trillions of dollars of debt onto our children and grandchildren, we will restore pay-as-you-go budget discipline.

Now, I have to tell you, just taken at face value, that sounds pretty good. We do need to take responsibility. We do need to do that on a bipartisan basis. But the pay-go promise made by this Congress looks like Swiss cheese. There are so many holes in it that you could drive—not to mix my metaphors—but you could drive a truck through it. And let me explain why.

First of all, these pay-go rules that promise financial discipline do not apply to discretionary spending. That is about \$1 trillion a year. And it doesn't restrain spending increases under current law in entitlements, such as Medicare or Medicaid, the programs I mentioned a moment ago. The main goal, and this is a problem, is that it is designed to make tax relief for working families and small businesses almost impossible.

Now, we ran into this pay-go requirement when it came to relieving middle-class taxpayers from the alternative minimum tax this last December. And I agree in that instance it was important to waive the pay-go requirement. Because, frankly, if you will recall, the alternative minimum tax was never designed to hit the middle class. But because it was not indexed for inflation this last year, it covered 6 million taxpayers. If we hadn't acted, it would have hit 23 million middle-class taxpayers. So I agree it was appropriate not to require pay-as-you-go principles for that alternative minimum tax that Congress never intended the middle class to have to pay.

As a matter of fact, back in the 1960s, the alternative minimum tax was adopted, as a result of a report issued by the Department of Treasury that said that 155 high-income taxpayers did not pay Federal income tax because of other deductions. But as is typical in

schemes designed to “tax the rich,”—we have heard that before—eventually it grows and grows and grows to cover the middle class. So be wary when Congress says: We are only going to tax the rich. That means we all need to put our hand on our wallet because it eventually grows into a middle-class tax.

Another time Congress used the pay-go gimmick, which gives rise to the title of this article called “The Pay-go Farce,” was on SCHIP. Now, you will recall that is the State Children's Health Insurance Plan, something we all support on a bipartisan basis. But the way it was proposed by the leadership last year, to fund the 140-percent increase in this program, was a joke. The SCHIP bill included a spending cliff that disguised its actual cost. It assumed spending would rise to \$14 billion by 2012, but then pretended the costs would fall to less than half in 2013, which just so happens to fall outside the 5-year budget scoring window. Some \$60 billion in spending over the next 10 years were hidden through this ploy of creating a cliff in spending, suggesting that somehow Congress would cut this program in half and deny children access to health insurance, something we all know would not happen.

So that is why the pay-go requirement has been called a farce and why I likened it to Swiss cheese. It has so many holes in it, it doesn't do what it has promised to do, which is to restore budget discipline; and it unfairly impacts the ability to provide tax relief to working families in a way that can grow the economy and allow people to keep more of what they earn—money they can use to pay for things like education, health care, and transportation.

As a matter of fact, as a result of the 2001–2003 tax relief that this Congress voted on and passed in the wake of 9/11, in the wake of the stock market scandals, and with the recession at the beginning of that decade, we saw more than 50 months of uninterrupted job growth in the country, with 9 million new jobs being created. It should not be surprising that tax relief ends up being one of the best stimulæ we could possibly give the economy. We saw Federal revenues at historic highs and that is because more people working means more people paying taxes and more revenue to the Federal Government; and thus the budget deficit reduced from roughly 1.9 percent of the gross domestic product to about 1.2 last year.

So, in closing, I would say this debate we are going to have next week is vitally important, and the question is: Are we going to wreck the Federal budget or will we find ways to help families balance their budget, especially with the economic challenges that they face? It is all about taxing, it is all about spending, it is all about whether we are going to increase the Federal debt, it is all about whether we

are going to meet our responsibilities as elected officials to deal with the impending entitlement crisis which threatens to act similar to a tsunami and engulf us in a huge wave of red ink.

Mr. President, I appreciate the courtesy of the majority leader, and I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS CONSENT REQUEST— S. 2664

Mr. REID. Before my friend leaves the floor, I have a unanimous consent request to make.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 583, S. 2664, which is the 30-day extension of the Protect America Act; further, the bill be read a third time and passed, and the motion to reconsider be laid upon the table with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. CORNYN. Mr. President, reserving the right to object, I don't believe this extension includes the immunity provision for the telecoms; thus, I will object.

The PRESIDING OFFICER. Objection is heard.

FISA EXTENSION

Mr. REID. Mr. President, let me say a few words about a number of issues today. I think we have had a productive week. I did wish to say a few words about the FISA bill—the Foreign Intelligence Surveillance Act.

Both the House and the Senate have passed bills to strengthen the 1978 FISA law. The House passed its bill in November, and we passed our bill several weeks ago. Since Senate passage, the chairmen of the Senate and House Judiciary and Intelligence Committees have been working to resolve their differences between the two pieces of legislation.

Democratic staffers have been meeting to work out a strong and broadly supported final bill, but with the exception of Senator SPECTER, Republicans have instructed their staffs not to participate in these negotiations.

Today, the Republican leader asserted on the Senate floor once again that the Senate bill should be jammed through the House. As my friend, the Republican leader, knows, that is not how Congress works and never has worked that way. The law-making process dictates the House pass a bill, the Senate then passes a bill, or vice versa, and then Members in both Chambers work through their differences in a conference to see if they can work out a compromise.

On numerous occasions, the Republican leader himself has insisted upon