

Mr. ALEXANDER. Mr. President, I ask unanimous consent to speak for a couple of minutes to comment on Senator BENNET's speech.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATOR BENNET'S MAIDEN SPEECH

Mr. ALEXANDER. Mr. President, I congratulate the Senator from Colorado on what we call in the Senate his maiden address. I also had the privilege of hearing Senator UDALL's speech when he made his on renewable energy. I was glad to hear these today.

The Senator from Colorado has focused on a subject he has worked on hard and which is central to every part of our ability to improve our schools. It is one recognized by our new Education Secretary who, I think, is President Obama's best new appointee. It is the question of how do we reward outstanding teaching.

Every time we deal with education, we are ultimately reminded that it boils down to the parent and the teacher. What the parent cannot do, the teacher has to step in and finish. In so many cases, whether it is a gifted child or a child who hasn't been read to at home or a child with disabilities or a child who needs a music lesson, it takes a gifted teacher to do the best job to help the child reach his or her potential.

We are still, as the Senator said, 50 or 60 or 70 years behind in recognizing that our country has changed and that women have many opportunities outside the home. We cannot trap them into teaching. We need to attract them and keep them, as well as outstanding men.

Senator BENNET has been successful in his work in Denver and in finding ways to initiate that. The Secretary wants to do that. I worked on that in Tennessee. I have said to the Secretary of Education if he leaves after 4 or 8 years having left a legacy of many different ways of improving ways to reward outstanding teaching, he will have done more than all of the other secretaries of education put together.

As Albert Shanker once said, "If we can have master plumbers, we can have master teachers."

Again, I congratulate the Senator from Colorado for his focus on education in his maiden address. I was happy and privileged to be on the Senate floor to hear that.

The ACTING PRESIDENT pro tempore. The Senator from Colorado is recognized.

Mr. BENNET. Mr. President, I thank the Senator from Tennessee, and I acknowledge his great work as Secretary of Education. This is one of those issues on which I think Republicans and Democrats have a lot of work they can do together. There isn't one solution. This is a time when we are long overdue, and we have been short on an-

swers. I think the Education Secretary is perfectly positioned to carry on the work that needs to be done. I look forward to working with the Senator, and I appreciate him enduring my speech.

I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Mr. UDALL of New Mexico. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BENNET). Without objection, it is so ordered.

Mr. UDALL of New Mexico. Mr. President, I also had the opportunity to be here presiding in the chair to hear the Senator from Colorado in his maiden speech. I want to congratulate him and tell him he has done an excellent job in the Senate, as I have observed him over the last 100 days.

I think Senator BENNET has hit on an issue that is important to all of us. If we are going to move forward as a nation, we are going to have to do it by focusing on education. It is heartening to see that we have a President, President Barack Obama, who cares about education with the same passion, I believe, the Senator from Colorado has.

One of the things the Senator from Colorado noted is that we have to focus on teachers. He talked about a comprehensive approach, an approach to education that is going to move us forward in the 21st century. Teachers have to be a big part of it. Parents have to be a big part of it. As the Senator from Colorado noted, based on his work in Denver and in chairing the Denver education effort, if parents aren't involved, we are not going to be able to move forward.

In addition, one of the big things Senator BENNET knows is, this No Child Left Behind law needs to be revamped. It is not doing right by our children. We have to take a look at that piece of legislation with the ideas that he mentioned and make sure we put into place a piece of legislation and a reauthorization that is going to empower our teachers and our parents and move us forward on the education front.

Again, I just wanted to congratulate Senator BENNET. It was a great start with that maiden speech. I thought the exchange the Senator had with Senator ALEXANDER was a good one. It shows that we can work together.

Senator BENNET from Colorado has shown a bipartisanship in his first 100 days. I very much want to congratulate him and tell him I have enjoyed serving with him and look forward to serving with him for a very long time.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CONRAD. Mr. President, I ask unanimous consent that all time under morning business be yielded back and the Senate now begin consideration of the conference report on the budget.

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2010—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will begin debate on the conference report to accompany S. Res. 13.

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I also want to recognize the excellent first speech that the Senator from Colorado just gave. I had a chance to hear part of it on the Senate floor and part of it in the cloakroom. We welcome him. If his first speech is any measure, he is going to make a significant contribution. So we are delighted to have somebody of his thoughtfulness and quality as part of this body.

Mr. President, the Senate now begins consideration of the conference agreement on the budget for 2010. I think we have to see this budget in its context. We have to understand what this administration has inherited from the previous administration. To be clear, it is a colossal mess—the worst recession since the Great Depression, a doubling of debt under the previous administration, and a more than tripling of foreign holdings of U.S. debt.

I try to suppress partisanship in my discussions on the Senate floor, but it is impossible to overlook the record of the previous administration. They have slammed this economy into the ditch. President Obama is put in the position of the cleanup crew. It is not pretty or easy, and it is going to be a difficult challenge for this country to come out of a policy stew that is impossible to choke down.

Let me be clear in my own view of how we got here. I believe we had an overly loose monetary policy under the control of the Federal Reserve ever since 9/11, an overly loose fiscal policy under the control of the White House and the Congress, record deficits, a massive buildup of debt—when the economy was relatively strong and right before the baby boom generation started to retire. That is remarkable.

If you look back into history, it is rare to have at the same time an overly loose monetary policy, low interest rates, Congress and the White House

running an overly loose fiscal policy with record deficits, even at a time of relative economic strength; on top of that, a dysfunctional trade policy with record trade deficits, which meant we were shipping hundreds of billions of dollars to other countries to buy their goods, over and above what we were producing, and a deregulatory environment administratively and in terms of the laws of this country that allowed things like the AIG derivative fiasco to develop completely without oversight.

Those elements created the seedbed for bubbles to form. So we didn't just get a housing bubble, we got a commodity bubble—wheat prices went to nearly \$20 a bushel; we got an energy bubble, with oil prices up to \$145 a barrel. So if one looks at this historically, we see the formation of these bubbles, and bubbles ultimately burst and create enormous economic wreckage. That is what has occurred here.

All of this was under the direction, fundamentally, of the Bush administration. This was their policy that was pursued for 8 years. Our friends on the other side controlled the House and Senate for 6 of those 8 years. They put into place the policies that have been the guiding principles of policy for this country for the last 8 years.

As a result, we saw a very dramatic deterioration in the budget picture under the Bush administration. They went from inheriting surpluses to putting us into record deficits. For 2009, there is a deficit of \$1.7 trillion. In fairness to them, they are not responsible for that whole amount because part of it is the stimulus package that was enacted.

Clearly, they are responsible for at least \$1.3 trillion of the \$1.7 trillion of deficit in 2009. This is the record on deficit and of debt by the previous administration. After their first year in office, the debt was \$5.8 trillion. We typically do not hold administrations responsible for their first year because they are working off the plan of the previous administration. If you look at the 8 years they are responsible for, the debt went from \$5.8 trillion to over \$12 trillion.

Mr. President, that is not the only part of this that is important to keep in mind. It took 42 Presidents 224 years to build up \$1 trillion of foreign debt held by foreign entities. The previous administration tripled that. They ran up another \$2.5 trillion of U.S. debt held abroad. Some say it is a sign of strength that people are willing to lend us all this money. I personally don't think it is a sign of strength. I think it is a sign of vulnerability that we are running record trade deficits, meaning record borrowing, much of that borrowing done abroad.

Last year, of the debt we had to finance, 68 percent of it was financed by foreign entities.

Mr. President, this President walked into a truly astounding set of circumstances. Here is what they are: Record deficits, doubling of the na-

tional debt under the previous administration, the worst recession since the Great Depression, and financial market and housing crises. Everywhere you look, this President inherited a crisis—in housing, in the financial sector, and in the fiscal sector. Also, 3.7 million jobs have been lost in the last 6 months, and we have ongoing wars in Iraq and Afghanistan.

So what do we do about it? The budget is a document that outlines the fundamental priorities of the country.

In this conference agreement, we have attempted to preserve the President's priorities of reducing our dependence on foreign energy—critically important to our economic future—a focus on excellence in education, and fundamental health care reform.

If we look ahead to the fiscal future of America, no single thing is more important than reforming the health care system. Already, we are spending nearly 18 percent of our gross domestic product on health care. That is \$1 of every \$6 in this economy going to health care. We are on a trajectory to have 37 percent of our gross domestic product going to health care. That would be more than \$1 in every \$3 in our economy going to health care. Clearly, that is unsustainable. At the current rate of nearly 18 percent of our GDP going to health care, we are spending twice as much as any other industrialized country.

We are on an unsustainable course, and the President says we have to alter that, we have to expand health care coverage so that everybody is included so we can then institute the kind of cost controls that will be necessary. I know it is counterintuitive to think: How can it be that we are going to reduce costs if we are expanding coverage? The thing we know in our current system is that people without coverage still get health care, but they are getting it in the most expensive setting: they are getting it in the emergency rooms of our hospitals all across the country. We would be much better off having them have coverage and having them in a system that is a wellness system, one that is designed to keep people from getting ill and, if they become ill, managing their illness in a way that prevents the most costly of outcomes.

This conference report also provides \$764 billion in tax cuts focused on the middle class. I know there has been a lot of talk in the press about some tax increases, and indeed there are. For those of us who are fortunate enough to make more than a quarter of a million dollars a year, we will be expected to pay somewhat more—not a lot more but a little bit more. If we are going to get our fiscal house in order, those of us who are most fortunate are going to have to pay a little bit more. But on a net basis, when you add in the tax increases asked for from those who are the most fortunate, with all of the other tax changes, the overall effect is to reduce taxes from current law by

\$764 billion over the next 5 years, and those tax reductions are focused on the middle class.

We also cut the deficit in half by 2012 and by two-thirds by 2014. We get it down to 3 percent of gross domestic product by 2014. Most of the economists say that is the key metric because at 3 percent of GDP, growth of the debt relative to our national income is stabilized. We keep the debt from growing the way it has been.

The discretionary spending level in this conference report is \$10 billion below the President's proposal. We have cut his spending plan by \$10 billion. In addition, there are reconciliation instructions for health care and education. They require at least \$2 billion in deficit reduction.

I personally believe reconciliation, which is a special process here, a fast-track process, will not be used for health care because as people get into it, I think they will find it is a very difficult way to write major, substantive legislation. My own prediction is that reconciliation will not be used for health care. The committees of jurisdiction have until October 15 to report legislation in the regular order of business using the regular procedure. I have talked with the chairman of the committee that has most of the responsibility for health care, and, of course, that is the Finance Committee. Senator BAUCUS says it is his full intention to proceed under the regular order, not using the reconciliation instruction. But it is there as an insurance policy.

We also have the alternative minimum tax fix for 3 years, so we will not see a big increase in the number of people affected by the alternative minimum tax. There are some 3 million or 4 million people now paying. If we did not take these steps, 24 million people would be expected to pay the alternative minimum tax. Nobody wants to see that happen. So we have a fix for the next 3 years.

We also have disaster relief for the next 2 years. We call it a placeholder because it is an estimate of what disaster relief will cost for the next 2 years based on looking back over the last 5 years and doing an average.

This is a break from how we have typically dealt with disaster funding. Typically, we have done it through emergency designations. The President thought: Look, we know we are going to have disasters. Why don't we budget for them? It is a worthy experiment, and we will see how it works.

Even though none of us can predict what disasters might occur, we know the strong likelihood is that there will be disasters. Certainly, my state has experienced them. We have had flooding all across the State of North Dakota from one end to the other. I have been home three times in the last several weeks going from town to town all across North Dakota, from the Red River Valley in the east, to the Souris Valley in the central part of the state, the James, the Cheyenne—all of them,

are experiencing flooding that is unlike anything we have ever seen in recorded history.

We know there are disasters. There are going to be costs. In my state, hundreds of millions of dollars have already been experienced in terms of losses, roads, bridges devastated. We have even had dams significantly eroded by these weather events. We know there are costs associated with it, and we have tried to anticipate them in this budget.

Most important, this budget coming from the conference committee focuses on three key priorities: reducing our dependence on foreign energy, putting a focus on excellence in education, and fundamental health care reform.

First, with respect to energy, it reduces our dependence on foreign energy, creates green jobs, helps protect the environment, and helps with high home energy costs. It does that in three ways. One, it creates a reserve fund to accommodate legislation to invest in clean energy and address global climate change. Second, it provides \$500 million above the President's level of discretionary funding for energy for fiscal year 2010. Third, it builds on the economic recovery package investments in renewable energy, efficiency and conservation, low carbon coal technology, and modernizing the electric grid.

By the way, modernizing the electric grid presents this country with an amazing opportunity to have a leap forward because we are really dealing almost in the horse-and-buggy era with the grid that we have that is not permitting us to shift power from places we can produce it—clean, green power—to places that need it.

In addition, we have in this budget coming back from the conference a focus on excellence in education. We generate economic growth and jobs. We prepare the workforce to compete in this global economy. We make college more affordable. We attempt to improve student achievement, which is at the heart of what education is all about. We do it again in three ways: by providing a higher education reserve fund to facilitate the President's student aid increases; we provide for education tax cuts to make it more affordable for our young people to go to college and other institutions of higher learning; and we provide the President's requested level of \$5,550 for Pell grants and fully fund his education priorities, such as early childhood education.

The third key priority is fundamental health care reform, and that is accommodated in the conference report. We attempt to bend the health care cost curve to get costs under control, to improve health care outcomes for our nation's people, to expand coverage because we have more than 40 million people now without any health care insurance. We increase research, especially devoted to those areas of highest opportunity to make meaning-

ful progress, and we promote food and drug safety. Again, we do that in three ways with a reserve fund to accommodate the President's initiative to reform the health care system; by funding for at least 2 years a reserve fund that further addresses Medicare physician payments; and continues investment in key health care programs, such as the NIH and the FDA.

I want to at this moment indicate that one of the key staff persons on our Budget Committee is himself in the hospital. Joel Friedman, who is the deputy staff director for the Budget Committee, a remarkable person, truly gifted, somebody who has the respect of people on both sides of the aisle, is in the hospital. Our thoughts and prayers are with Joel and his family. I don't know if he is able to watch this. Last week, he was not able to because he did not have C-SPAN in his room. But I want him and his family to know that the entire Budget Committee family—and that goes for Republicans and Democrats—is thinking of him and hoping for his swift recovery.

While we have focused on these key priorities of the President—excellence in education, reducing our dependence on foreign energy, health care reform—we are doing it all in the context of dramatically reducing the deficit. In fact, we cut the deficit by two-thirds by 2014. As measured by the gross domestic product, which economists say is the best measure, we do even better than that, as measured by share of the gross domestic product, we are reducing the deficit by 75 percent, by three-quarters, from 12 percent of GDP in this year to 3 percent of GDP in 2014.

Again, that metric of 3 percent of GDP in 2014 is especially important because economists tell us that at that rate, we have about stabilized the growth of the debt. In other words, the debt will not continue to grow faster than our national income if we can continue deficits of 3 percent of GDP. My own view is we should do even better than that. Certainly, in the second 5 years, I think it is incredibly important that we do better than that given the fact the baby boom generation will be retiring.

In terms of the revenue changes in the budget resolution, I indicated earlier that if you look at total tax changes in the budget resolution—and this is CBO scoring, this is not my invention—the taxes are cut by \$764 billion over the 5 years, and here is where: middle-class tax relief, \$512 billion. That includes the 10-percent bracket, the marriage penalty relief, the child tax credit, education incentives, and all of the other 2001 and 2003 tax cuts that affect those earning less than \$250,000 a year. All of those tax cuts are extended for the entire 5 years.

In addition, we have provided for alternative minimum tax relief for 3 years at a cost of \$214 billion. We have provided for estate tax reform at a cost of \$72 billion that will permit couples to avoid any estate tax if they have es-

tates of \$7 million or less. Let me say that excludes 99.8 percent of estates. Mr. President, 99.8 percent of estates will pay nothing—zero—under the budget proposal.

In addition, we provide \$63 billion for the so-called tax extenders. Tax extenders are items such as the research and development tax credit. Those have to be extended every year or every other year, depending on which one we are talking about, and we provide for those as well.

Those tax cuts that amount to \$861 billion are offset by loophole closers of \$97 billion. And what we are focused on here is the offshore tax havens; the abusive tax shelters.

We now know, from the Permanent Committee on Investigations, that we are losing over \$100 billion a year to these offshore tax havens; billions of dollars more to abusive tax shelters. I have shown on the floor of the Senate many times pictures of European sewer systems, and people have asked me: What has that got to do with the budget of the United States? Well, it turns out it increasingly has something to do with the budget of the United States because we have the spectacle of wealthy investors here and companies here buying European sewer systems—not because they are in the sewer business but because they want to depreciate those assets on their books for U.S. tax purposes—and they turn around and lease the sewer systems back to the European cities that built them in the first place.

I picked out sewer systems, because that is most graphic, but it doesn't end there. We actually have companies buying city halls in Europe and depreciating on their books for U.S. tax purposes here leasing those city halls back to the European cities that built them in the first place.

Some say if you go after that kind of scam, you are increasing somebody's taxes. Well, I suppose in some sense you are. But you know what. Shame on the people who are doing it. The vast majority of us pay what we owe. But unfortunately, we have an increasing group of companies and individuals who are dodging what they legitimately owe here and they are doing it in these offshore tax havens.

I have shown on many occasions a picture of this little five-story building in the Cayman Islands that claims to be the home to 14,000 companies—14,000 companies. They say they are all doing business out of this little five-story building in the Cayman Islands. They are not doing any business out of there. They are doing monkey business. And the monkey business they are doing is to avoid their taxes in the United States. Shame on us if we don't close that down.

Some say: Well, this is a big spending budget—big spending. Really? That can only be the statement of people who haven't read this budget, because this budget takes domestic discretionary spending as a percentage of our gross

domestic product from 4.4 percent in 2010 to 3.4 percent in 2014. So as a share of our national income, domestic discretionary spending is going down.

Facts are stubborn things. Over the life of this budget, non-defense discretionary spending in dollar terms—in dollar terms—is being increased 2.9 percent a year. That is below the rate of growth of our national income. That is why, as a share of our economy, domestic discretionary spending is going down, not up. So when you hear claims this is a big spending budget, it is not this budget. They may be talking about some other budget, but the budget before us is the budget reported by the conference committee, and that budget is tough on spending, it is tough on deficits, it is tough on getting our country back on a more sustainable course.

We have a series of budget enforcement tools in this budget resolution that I am particularly proud of: discretionary caps for 2009 and 2010. We maintain a strong pay-go rule. We have a point of order against long-term deficit increases; a point of order against short-term deficit increases. We allow reconciliation for deficit reduction only. And we provide a point of order against mandatory spending on an appropriations bill.

This last one I want to emphasize I think is especially important. Because what we have found is our friends on the Appropriations Committee have found a new way around the rules here and they have started to put mandatory spending on discretionary spending bills. Let me be clear. Mandatory spending is for things such as Medicare, for Social Security. If you are eligible, if you qualify, you get your benefits. So that is called mandatory spending, and that is most of the spending of the Federal Government. Most of the spending is now mandatory spending. Medicare and Social Security are the biggest ones. We also have certain veterans benefits, which is mandatory spending for some of it, much of it discretionary.

Discretionary means under the discretion of the appropriations process each year. That is why it is discretionary. And discretionary spending, as I have indicated, is going down under this budget as a share of our gross domestic product. But we don't want mandatory spending to be increased in discretionary spending bills, and that started to happen a couple of years ago and we put this point of order in place to provide a barrier, a hurdle, against that bad practice.

We also have in this budget resolution provisions addressing our long-term fiscal challenges. I think everybody understands that health care is the 800-pound gorilla. Health care in our Federal accounts—Medicare, Federal share of Medicaid, and other aspects of health care spending—is where we see spending of the Federal Government soaring and continuing to grow out of control. So there is the health

care reform reserve fund that I previously described that is critically important to getting our fiscal future back in line.

We also provide program integrity initiatives to crack down on waste, fraud, and abuse in Social Security and Medicare. This is especially prevalent in Medicare. The previous Secretary—Secretary Leavitt—whom I had high regard for, came to see me one day. He had with him information about scams that were being conducted across the country to defraud Medicare, and he had pictures of phony operations in Florida that were in shopping malls where they had individual storefronts set up that were supposedly providing Medicare services, each of them billing \$500,000 to \$1 million a year in so-called services to Medicare-eligible patients.

When they pierced the veil, what they found was they weren't providing any services, they were just doing the billing. They were billing but they weren't providing any services. It was a complete scam. And there were dozens of them—dozens of these storefront operations. The Secretary himself went to some of them in the middle of the day and they were closed. They were closed for the public, but they were open for scam. We have provided funds to go after those kinds of fraudulent operations.

We have also provided a long-term deficit increase point of order to try to prevent any action by the Congress to increase the long-term deficit without facing a supermajority point of order hurdle.

Let me close on this quote by President Obama, because it is something I agree with very much. While I believe this budget has made good progress at getting our fiscal house back in order for the next 5 years, we have to do much more—much, much more. President Obama said this at the Fiscal Responsibility Summit he hosted at the White House at the end of February:

Now, I want to be very clear. While we are making important progress towards fiscal responsibility this year, in this budget, this is just the beginning. In the coming years, we'll be forced to make more tough choices, and do much more to address our long-term challenges.

That is true. We have got much more work to be done, especially in the second 5 years. This is a 5-year budget, because of the 34 budgets written by the Congress, 30 of the 34 have been 5-year budgets. The President sent us a 10-year budget. Some have asked why we didn't do a 10-year budget. Very simply, because Congress almost always has done 5-year budgets because we know that the projections for the second 5 years are highly unreliable—highly unreliable. Frankly, a forecast for 5 years is a bit of a crap-shoot.

I used to have the responsibility of forecasting the revenue for my State. I had to do it for 3 years. I know how difficult it was to do that for 3 years. Five years is extraordinarily difficult, especially at a time like this of dramatic

economic changes and a very steep downdraft. The reality is that 10-year forecasts have very little reliability. So we have done a 5-year budget here. That, as I say, has been done 30 of the 34 times Congress has written a budget under the Budget Act. Thirty of the 34 times, it has been a 5-year budget.

I say to my colleagues, I believe this budget is part of economic recovery. We are facing very tough winds. We are facing a very tough economic environment—the steepest downturn since the Great Depression—and we are going to have to be aggressive in terms of preventing a deflationary spiral that could suck this economy down. We saw it in the Great Depression—a failure of Government to act effectively until tremendous damage had been done: the unemployment rate rose to 25 percent, the stock market fell by nearly 90 percent. We had a circumstance in which 25 percent of the people—more than 25 percent of the people—were unemployed, with staggering devastation to the strength of America.

The Chairman of the Federal Reserve, Mr. Bernanke, has made it his life's work to study how to avoid another Great Depression. In his analysis, and others like it—as historians look back—the conclusion is there was a failure of the Government to act proactively. It waited too long. It believed the markets would correct themselves. It believed that somehow everything would work out without intervention. That proved to be a fatal mistake.

All of the elements of the Federal response have taken a different direction in this downturn, and it started with the previous administration, to their credit. The Federal Reserve has done a great deal to provide liquidity in this economy. Instead of pulling back, it has extended credit. The Federal Government, instead of pulling back in order to balance our budget in the short term, has put forward hundreds of billions of dollars in a stimulus package to provide an increase in aggregate demand to provide stimulation to the economy, to provide liquidity. Without it, I believe the collapse would be far steeper, far more serious, and far more threatening. And remember, what we are faced with is not just a national crisis, it is a global crisis, with global economic activity falling very dramatically all around the world. The response of almost every industrialized country has been like ours, to provide liquidity, to provide stimulus. China has a major stimulus program, Japan, and Europe; virtually all the countries of Europe. Russia has announced a major stimulus plan.

I believe those are the right policy responses, however imperfect—and imperfect they are, the specific packages that have been developed. I myself thought we could have done much better in our stimulus package. I would have liked to have seen much more funding for infrastructure. I wanted much more funding for infrastructure

because I personally believe that is a place where you get a two-fer: You get a lift for the economy and you also get an investment that strengthens our economic competitive position for the future. But look, there was a substantial infrastructure component. I would have liked to have seen it be far bigger and more robust, but nonetheless, we are moving in the right direction.

This budget moves in the right direction. It is a contribution to economic recovery. It does preserve the President's key priorities of reducing our dependence on foreign energy, which must be done. It focuses on excellence in education, because if we are not the best educated, we are not going to be the strongest country in the world for very long. And it provides for fundamental health care reform—because that is the 800-pound gorilla that could swamp the fiscal boat of the United States, not to mention the boats of every American family and American companies that absolutely need cost containment—at the same time improving health care outcomes for the American people.

Finally, yes, dramatically reducing the deficit, reducing it by two-thirds in dollar terms, by three-quarters as a share of the gross domestic product of the United States over the next 5 years.

This is not a perfect document. If I were able to write it just by myself I think I could have improved it. I think every Member here believes that; that if they were able to write this document it would be a better document.

That is not our option. We have a Senate, we have a House of Representatives, we have a President. This is the work of all three entities: The President of the United States, the Senate of the United States, the House of Representatives. I believe we have produced an important step in economic recovery.

I urge my colleagues to support the conference report. I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. ISAKSON. Mr. President, I thank the Budget chairman for a lot of things. One is his openmindedness. But I particularly thank him for the closing he presented because it relates directly to the subject I would like to discuss, but I would like to yield to the chairman to ask him two questions to make sure I am accurate about the conference report. First, it is my understanding that there is a \$634 billion account set up for health care; is that correct?

Mr. CONRAD. Mr. President, answering through the Chair, that was in the President's budget. We did not provide for that in this conference report. What we did provide for is a deficit-neutral reserve fund. We did not specify an amount that would be necessary for health care because we do not know whether the right number is \$200 billion, \$400 billion or \$600 billion, as the Senator referenced. What we do say is

whatever that number is, it has to be dealt with in a deficit-neutral way. It has to be paid for.

Mr. ISAKSON. I thank the chairman. Second, is it not true that the amendment the Senate unanimously adopted that set forth a deficit-neutral account of \$34.2 billion for a housing tax credit was deleted from the conference report?

Mr. CONRAD. The Senator is correct. Mr. ISAKSON. I thank my distinguished chairman.

I wish to make my remarks not to the Senate. I commend the chairman and the Senate for adopting the amendment as we did on the floor 3 weeks ago. I wish to direct my remarks to the President of the United States, to Dr. Summers, to Dr. Christina Romer, the head of the Council of Economic Advisers to the President, to Secretary Geithner, and my friend, Rahm Emanuel. I wish to make a case for what the Senate did, which is deleted from this budget resolution, and I wish to start it looking back 15 months ago.

Fifteen months ago, when we came in, in January of last year, we were beginning to see foreclosures, beginning to see the housing market decline, and I introduced at that time, along with other Members of the Senate, a housing tax credit for the purchase of foreclosed and vacant houses. It was scored at a cost of \$11.4 billion. The Finance Committee rejected that amendment in the Senate, saying it cost too much.

Ninety days later, the Senate passed a \$150 billion economic stimulus bill recommended by President Bush that gave every American \$300, or up to \$1,200 per family, to stimulate the economy—and the economy spiraled down.

In July of last year, we dealt with a housing bill that created HOPE for Homeowners and an FHA program expansion. I tried to amend that with a housing tax credit and, to the credit of the House and Senate, the conferees ended up creating a \$7,500 interest-free loan for first-time home buyers. It did not work, but it was a sincere effort to try.

Then we came back this year and Senator LIEBERMAN, myself, and others reintroduced the \$15,000 tax credit for any family who buys and occupies their home, any single-family residence in America, for at least 3 years. The tax credit of \$15,000 is a substantial incentive. It is tied directly to exactly what happened in this country in 1975, when America offered a \$2,000 tax credit for anyone to buy any one of the 3 years' worth of standing vacant inventory that was on the market in the United States. We passed it at that time and exited that recession within 12 months, restimulating the housing market which had led us into that particular recession.

It is housing that led us into this recession and it is housing that is causing precisely what the chairman referred to and that is the deflation that is going on in the United States of

America. One in five homes today is underwater, meaning they owe more on their home than it is worth. The equity lines of credit have been wiped out. Families' basic major estate and their net worth has been wiped out and the housing market continues to be a collection of short sales and foreclosures.

The current tax credit we have, which is now \$8,000 to a family as long as their income doesn't exceed \$150,000 and as long as it is their first home purchase, is a fair effort to start, but our problem is not with first-time home buyers. Our problem is with move-ups, with transferees, people who have been playing by the rules, making their payments. If they are transferred, they are afraid to take the transfer because they are afraid they can't sell their house, and they are afraid there is no buyer incentive to help get them there. I urge the President, Dr. Summers, Secretary Geithner, Dr. Romer, and Rahm Emanuel to consider this: That \$15,000 tax credit, if it were passed today in America for 12 months, would cost, as scored by CBO, \$34.2 billion. How much is \$34.2 billion? It is 5.4 percent of the President's set-aside of \$634 billion for health care. It is one one-hundredth of 1 percent of the \$3.5 trillion budget—one one-hundredth of 1 percent of the amount of the budget.

Don't you think we could provide an incentive that is that inexpensive to motivate a housing market to return, to begin to reflate values back and put equity in the pockets of the American people and return our economy?

Experts have estimated—and I am not saying I am an expert, this is experts who have estimated—that if that tax credit had passed last year it would have created 700,000 home sales and 587,000 jobs. Mr. President, 587,000 jobs is the number of jobs we have been losing a month. We need to find a way to create that kind of number.

More important, let me give you the intriguing fact about the 700,000 house sales. Current home sales in America are at 500,000. An average year in this decade in this country was 1.2 million, a good year was 1.5 million. If you add that estimated 700,000 produced by the credit to the existing 500,000, you would return the United States to a balanced housing market. You would begin to appreciate the value of those houses back to where they were. You would restore equity lines of credit for the men and women of the United States of America. You will employ people in the construction industry.

My last point is very important. This housing recession and the difficulties in it now are in the developed lots that are standing, developed and unsold, and the A, D, and C loans that have been made by the major banks funded around the country to fund those developments. Those loans are beginning to come due. They are threatening the integrity of the U.S. banking system, and there is only one thing that will solve that and that is for those lots to begin to be absorbed. The only way to

do that is to get house buyers back in the market with an incentive to come back in and buy.

If the tax credit passed, we do not have that much of a vacant inventory available in the country. It would immediately stimulate the employment of construction workers to go into homebuilding.

My thanks to the Senate for its wisdom in adopting the \$15,000 credit. I express my deep disappointment in the conference committee dropping it, and I encourage our President and the leadership of our country to give a second thought to what this credit could do. It seems to me one one-hundredth of 1 percent of the budget is worth a gamble to create almost 600,000 jobs and 700,000 home sales, restore equity lines of credit to America's families and, most important of all, reenergize the great engine that is the American economy. The greatest stimulus in the world is not a gift of money, it is an incentive to invest and for American families to return their confidence in this great economy we have in this great country.

I urge the leadership of the country to consider that. I, again, thank the chairman of the Budget Committee and every Member of the Senate for their unanimous support of it, and I yield the floor in sincere hopes that when this speech goes to the White House they will read it, they will check the numbers, and they will ask the question: Is one one-hundredth of 1 percent of this budget worth the chance to restore the economy of America?

I yield the floor.

The PRESIDING OFFICER (Mrs. GILLIBRAND). The Senator from Maryland is recognized.

Mr. CARDIN. Madam President, last November the American people voted for change. I think it is appropriate today, as we are considering the conference report on the budget, which is the blueprint for our Nation, and we also celebrate the 100th day of Barack Obama's Presidency and his administration—I think it is time to reflect where we have been in these last 100 days and the changes that have occurred. But first it is important to point out the mess President Obama inherited.

The United States is engaged in two wars. We have the worst economic crisis since the Great Depression inherited by this administration. We have record deficits inherited by this administration. The international reputation of the United States is badly damaged.

In 100 days, the Obama administration, working with us in Congress, has an impressive record of accomplishments. I think it is important to point out that the No. 1 priority, as all my constituents tell me on a daily basis, is to fix our economy. Our economy is in deep trouble. The American Recovery and Reinvestment Act put the recovery of our economy first by creating jobs. We need more jobs, to save jobs, create jobs. The Obama administration put that as their top priority.

But they also invested in America's future in education, in health care, and in energy; protecting our essential services for America's most vulnerable people; and providing tax cuts to help restore consumer confidence in our economy.

That was the first priority. That bill has passed and its impact is now being felt in our country. But in the Congress, under the leadership of President Obama working with us, other things were accomplished in a very short period of time.

The Lilly Ledbetter Fair Pay Equity Act was passed, guaranteeing we have an enforceable right for equal pay.

We passed the Children's Health Insurance Program that now covers 4 million more children with health insurance. I am particularly pleased that law includes dental care so children will be able to see a dentist.

We passed legislation protecting public lands and protecting our environment for future generations.

We passed the Edward M. Kennedy Serve America Act, for Americans to be able to engage in volunteer service to their country throughout their lifetime.

The Obama administration, working with this Congress, has restored America's international leadership. We have made it clear from the beginning that this Nation will not permit the use of torture, focused our missions in both Iraq and Afghanistan of going after the terrorists—which is what we should do to make America safe—and prepared to join the international community in combating global climate change.

We have done a lot during the first 100 days—quite a record. Today we are on the verge of passing the budget conference report which will provide a new blueprint for America's future. What are the priorities? The priority first, is the economy. Again, we have to get out of this recession. This budget allows us to invest in creating new jobs. It will do it in a fiscally responsible way and will invest in health care, energy, and education.

President Obama, as I pointed out earlier, inherited quite a fiscal mess. President Bush, during the 8 years of his Presidency, started with a surplus. Let me remind you, 8 years ago we had a surplus, a \$236 billion surplus in 2000. The current year's deficit is \$1.75 trillion. This was the fiscal recklessness of the Bush administration that has been inherited by the Obama administration. It has cost us jobs. We are losing half a million jobs each and every month. That is what was confronting the President back when he took office.

We have a housing crisis, people losing their homes. They are still losing their homes today. We have to pay attention to that. We have got to give confidence so that people can keep their homes. It is important for individuals, it is important for our communities, it is important for our economy.

Banks are not lending money. They still are not lending money. We have

got to get our financial system working the way it should so that America can grow. We have got to help small business. That is the growth engine of America in order to create jobs and move forward with innovation.

What we need to do is have a budget that puts our priorities on America's future. Well, the budget President Obama has that we are about ready to pass does that. It helps our economy but does it in a fiscally responsible way. It puts us on a glide path to reduce the Federal budget by two-thirds by the year 2014.

We are working on the economy, working on creating jobs, but we are also working on fiscal responsibility to get out from this deficit. Because we not only have a moral obligation to our children and grandchildren to pay our bills, it is critically important for the fiscal strength of America that we get our budget back into balance. So as we come out of this recession, as we create the jobs that this budget will allow us to do, we also put us on a glidepath toward fiscal responsibility.

But the budget recognizes another essential point. We are not going to do things the way we have done them in the past. We have an administration that is prepared to tackle the tough problems. It is one thing to get out of this recession and to try to balance the budget and get our budget balanced, but we have got to deal with the underlying problems that America confronts. We have got to fix a broken health care system, because it is too expensive and drains our economy.

We have got to become energy independent, because that drains our economy and our budget. And we have got to invest in education. Our children are our future. We have got to put our resources with our children.

The budget recognizes that for America to be able to have a strong budget in the future, we need to fix our health care system. We talked about this for a long time. We have talked about fixing it. Well, we now have a President who has said the only option that is not on the table is the status quo. I agree with President Obama, we have got to fix the system. Why?

First, it is way too expensive. Not only is it a drain on Federal taxpayers but to every person in this country. Our health care system is twice as expensive, per capita, than the next most expensive system in the world. And yet we have seen, during the Bush years, the 8 years of his Presidency, the number of uninsured grow from 40 million to 47 million. There are 47 million Americans who do not have health insurance. And we do not have the health care results that would warrant such a large expenditure of our Federal economy in health care. We should have better results. We do not have those results, so we have got to fix our health care system.

What does this budget resolution do, the conference report that is before us—that will shortly be before us for a

vote? What this budget resolution does is allows us to move boldly toward universal health coverage, toward universal coverage. Why is that so important? Well, you see, someone who has no health insurance today enters a health care system in a very expensive way. They use our emergency rooms for primary care, to the extent that they get primary care. They do not have prevention. And they enter our system in a much more costly way. Illnesses that could have been detected early are left untreated. They enter our system in a very expensive way.

Many times people without health insurance do not pay their bills. But they get paid. Guess who pays them. The taxpayers of this country. Those who have insurance pay more for their premiums and doctors and hospitals because of people who have no health insurance.

It is in our national interest to get everyone covered by insurance. This budget conference report will allow our committee to bring in a bill to fix our health care system to provide universal coverage that will provide better quality care and save us money.

This budget allows us to save money in the health care system by investing in preventive health care. If we get more people tested for early detection of diseases, it will save us money. We invest in health information technology so we can eliminate a lot of the waste in our health care system, the administrative costs. Not only will it eliminate costs, unnecessary costs, but you will have better management of care. Doctors and hospitals will be able to communicate with each other. They will understand the complexities of your own individual health history and be able to build health protocols to give you more cost-effective, quality care. That is using technology. This will help us.

We need to deal with the disparities in health care. We know there are gaps across racial and ethnic lines. We need to narrow that, pay attention to that. This budget allows us to move in that direction to eliminate these disparities.

The budget allows us to reform our own Medicare system. Medicare is the largest insurance program in our country. Our elderly and disabled depend upon our Medicare system. But our Medicare system needs to be changed and reformed. Ask any physician about the sustainable growth rate methodology for reforming, for paying their fees every year. We have got to change that. We have got to eliminate this physical therapy and rehab cap. It makes no sense at all.

This budget resolution allows us to reform the Medicare system to make it more cost effective, and the budget resolution provides for the backup of budget reconciliation instructions.

What does that mean? I want to give you my interpretation. That allows us to use regular order to get this issue dealt with, to get health care dealt

with. We have been talking about it for years. It is time to act. It is time to fix our health care system. And this is not a partisan issue. It is not a Democratic issue or a Republican issue. This is an issue that affects our country. It is an American issue. We need to work together on it. But it is not regular order to use a filibuster to prevent this body from taking up these issues. And that is what the budget reform process was all about many years ago.

I hope every Member of this body will work together so we can fix this health care system. That is what we need to do. Nobody has a monopoly on the best ideas. President Obama has reached out and said: Look, I know what we need to accomplish. You know what we need to accomplish. Let's work together and get it done so we can make health care more accessible, and people can get quality care in a much more cost-effective way, saving the taxpayers of this country money, helping our economy grow, making American companies more competitive internationally. If we fix the health care system, all of that is possible if we get it done right.

I want to compliment—I see the Chairman of the Budget Committee is on the floor, Senator CONRAD. I want to thank him for his leadership on these issues. You now have a budget that will allow us to deal with these priorities. But the budget resolution also recognizes that for America to be strong, we also need to become energy independent. And the budget resolution allows us, our committees, to do that. We need to become energy independent for the sake of our economy.

We saw the impact on our economy when energy prices went up and down, and we had very little to do with it. But if we get the energy policy right, we are going to create green jobs, more jobs in America. This is about our economy. This is about helping America grow. So smart energy, energy independence, is the right thing to help our economy. By the way, it is also important for national security. We should not be challenged to fight wars because we need imported oil. Let us become energy independent for the sake of our national security, and, yes, let us become energy independent using good green technology, because it is good for our environment and we can do something about global climate change, working with the international community.

But the budget goes further and says, look, if we are going to be a strong nation, if we are going to get our future budgets in balance, if we are going to be competitive internationally, if our economy is going to grow, and the American standard of living is going to grow, we are going to invest in education. Education has got to be our top priority.

We can do a much better job at pre-K through 12 and quality education. Every child should have access to a quality school. This budget resolution

allows our committees to move in that direction, and to bring down the cost of higher education for the typical family. Too many families today are being denied the opportunity to send their child to college because they simply cannot afford the cost of higher education. We have increased Pell grants. It is another great record of this Congress. We increased the Pell grants. This budget resolution allows us to go further to bring down the cost of higher education.

The budget resolution recognizes that we have to empower families to be able to afford and to participate in our economy. So tax relief to middle-income families is extended and expanded in this budget resolution.

The budget resolution recognizes that small businesses are the driving force behind job creation. Most of our jobs are going to be created by small businesses. Innovation comes from small companies. So this budget resolution allows us to continue the incentive so that small companies can get the credit they need, can get the help they need to be able to not only survive this economic downturn but to turn it around and create new jobs.

I particularly thank the conferees for continuing to include the increases, the 2-percent increases, in the Small Business Administration, an agency that was decimated under the prior administration. I offered an amendment in the committee that was adopted that increased that appropriation to \$880 million. We want the SBA to be the advocate for the small business community, to fight Government agencies to make sure they make contracts available to small companies, to help mentor small companies so they have a business plan that can get a loan from a bank. That is what we want the SBA to do. And now with this budget support, the SBA should be able to build and help our small businesses in America.

Last November America voted for a change. We are delivering on that expectation. This budget resolution that has come out of the conference committee allows our committees, working with President Obama, to tackle the challenges confronting our Nation. The conference committee gives us the blueprint we need by focusing on different areas for helping in tax relief, for bringing our budget better into balance, helping working families, and investing in universal health care and educational opportunities and energy independence.

I urge my colleagues to support the work that has been done by our conferees. Let's work together to refuel and revitalize our Nation.

I yield the floor.

THE PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Madam President, I thank the Senator from Maryland, Mr. CARDIN, who is a very important member of the Budget Committee. We were very lucky to have Senator CARDIN join

the Budget Committee when he became a Member of the Senate, having come from the House where he served on the Ways and Means Committee.

If you look at Senator CARDIN's career, it is a career of leadership, being elected at a young age in Maryland, rising to the most powerful position in the Maryland legislature, coming to the House of Representatives, and now to the Senate. We are very fortunate to have his background, his knowledge, and his skills helping us form a budget resolution for the country. I am indebted to him and I appreciate very much his wise counsel.

I ask unanimous consent that all quorum calls be charged equally to both sides for the duration of the debate on the conference report accompanying the concurrent resolution on the budget.

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

Mr. CONRAD. I want to indicate, for the purposes of our colleagues, that we have a series of speakers. We do not have this firmly locked in in terms of an order, but we are expecting Senator ENZI momentarily; Senator GREGG—I see Senator ENZI now; Senator BUNNING approximately at 12:30; Senator JOHANNIS at roughly 1 o'clock; Senator LINDSEY GRAHAM at approximately 1:30. I will answer, to the extent I determine necessary, as we go through these speeches. But I want to indicate that that is roughly the order of where we are: Senator ENZI, Senator GREGG, Senator BUNNING, Senator JOHANNIS, Senator GRAHAM, and Senator MURRAY after that.

We have other Senators also in the train. But if other Senators wish to join this debate and discussion, they are certainly welcome. It will be important for them to call the cloakroom so they can get in the queue so that they do not have to waste their time waiting here on the floor as others speak.

With that, I see Senator ENZI has come to the floor. I will give him a few minutes to get ready, because he is, as is so often the case with Senator ENZI, not only on time but ahead of his scheduled time, and we appreciate that very much.

We are delighted to have Senator ENZI here. He is also an important member of the Senate Budget Committee. While we have differences—no doubt he will have a different view of this budget resolution than perhaps do I—nonetheless, we have great respect for the contributions he makes.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. Madam President, I thank the chairman for his kind remarks and for the great job he does on very difficult issues.

Anytime you talk about money, whether it is at home, at work, or here in the Senate, it raises a lot of concern and difficulty.

I know this has been a difficult process to work through. Of course, I have

a major disagreement with the budget that I want to concentrate on because I am not only on the Budget Committee, I am also on the HELP Committee, which is a big bite of the apple, especially since the President has placed so much emphasis on health care reform and education reform this year. I also happen to be on the Finance Committee. So the three committees have to interact on those issues, particularly the health care issue. I have never been involved in an issue with as many moving parts or as difficult as health care reform, probably because it involves 100 percent of the American people. Seldom do we have a bill that involves that. This also involves every single business and every single health care provider. All of them are nervous and probably ought to be as long as we are in session. I will speak in opposition because of a particular part of the budget resolution conference agreement that I am disappointed in.

As I review the agreement before the Senate, it once again reminds me of the old adage that I have referred to before: You can pay me now or you can pay me later. This budget conference agreement leaves the bills for later. It taxes too much, it spends too much, and it borrows too much. I ask my colleagues if this is the legacy we want to leave our children and grandchildren. Actually, we are going to be paying for it within our lifetimes; it will not be just the next generation. We ought to know better.

Yesterday, we were having a hearing in the HELP Committee where we were talking to several States that have done something significant in the area of health care. I like the roundtable approach. That is where we bring in people who have done something, and they explain how they did it, why, what the results were, what they would do differently. It is not like a regular hearing where one side invites in some of the witnesses, the other side invites one of the witnesses, and then everybody shows up to beat up on the witnesses. This is to get information. It was fascinating because we had Massachusetts, California, Vermont, and Utah—four States that have tried or done something in the area of health care.

Yesterday, California explained their health care reform and had to mention that it failed. I asked why. They said it was primarily because they had a \$14 billion deficit they were trying to figure out how to cover, and health care costs money. I did have to point out that our deficit is significantly bigger each and every year. Even proportionately, it is significantly bigger. So that will raise some difficulties. This budget resolution conference agreement doesn't get near to solving that problem, not even in the long run. So we are not considering a conference report that will confront any of the tough financial priority choices that face our country.

As I have said repeatedly, we cannot sustain the current level of spending without inflicting grave danger on the fiscal health of the country. Recently, I noticed that England tried to sell some bonds. They had difficulty selling them. They didn't sell them. Everyone will recall that China has been asking what additional guarantees we would give on our bonds. What does that say? That says that we have maxed out our credit cards. Every individual in America who has ever had a maxed-out credit card knows what that means. It means you can't get more credit. We run on credit, particularly if we run deficits.

One of the most offensive and dangerous parts of this conference agreement is the use of budget reconciliation. It is a procedural tool, and it is a backdoor method to bypass the full and fair legislative process. The Senate was designed to include minority views, and there aren't issues where it is more important to do this on than with health care reform and education reform. I am hoping that on either of those, in order for the American people to have confidence in what we are doing, we will put together a bill that will have 75 or 80 votes. We need to have that kind of agreement in order to have a plan that will work. And Lord help the party that designs one that does not work or that stops the process of getting one to work. Both sides have a tremendous responsibility in the health care and education debates. Either one can end their party with either of those bills. Reconciliation's intended use is for meaningful deficit reduction on budgetary issues. If you attack those problems purely from a budgetary issue, you cannot get to the core of the problem and you cannot resolve it.

I just came from a Senate Finance Committee meeting where we are talking about the Senate Finance Committee piece of health care. That is separate from the HELP Committee portion of health care. Both have to work together, along with the Budget Committee, in order to come up with a plan. Today, we were going through roughly one-third of the problem. We were going to go through the delivery system part, how do we deliver health care. We have a little eight-page document. The first page is just a cover page. The second page is just a summary. The third page is where we spent the last 2 hours. There are five more pages to go. The other five pages are more difficult than the first page. After we finish all of this and reach some resolution, which we are hoping to do before the middle of May, then we have to look at coverage, what kind of coverage people will be given if they are under health care, and we want to get everyone under health care. The final piece we have to do is how to pay for it. So you can see it is a very complicated process.

Reconciliation is intended for the use of meaningful deficit reduction on

budgetary issues. The budget resolution that passed this Chamber in March, the Senate version, was silent on reconciliation. Reconciliation is included in the House budget resolution and was, therefore, an item we resolved during the conference process.

The conference agreement provides reconciliation instructions to the Finance Committee and the HELP Committee on both health care reform and higher education. I serve on both committees, and as the ranking Republican on the HELP Committee, I do have expertise on the issues at the heart of the debate.

I also have a track record of legislative accomplishments and getting bills across the finish line. It doesn't do any good to just debate them. If they don't get finished, it never helps anybody. I work on getting them across the finish line. The way to do that is to focus on the 80-percent rule. That means focusing on the issues where there is general agreement 80 percent of the time rather than the 20 percent of the issues where consensus is not likely. On that 80 percent, you have to pick out the 80 percent of the issue that everybody can agree on and find another way, a new way of doing that other 20 percent. Then you can reach the goal. If you are divided at the beginning, you won't get the 80 percent, let alone the other 20. It takes time to keep everybody calm and focused and listening. It takes time to reach solutions, particularly on the 20 percent where you are trying to come up with a new way, where neither side loses face, and get a result.

What we have is a situation where the House of Representatives is dictating the Senate process. How did reconciliation instructions make it into the conference report after so many powerful Senate Democrats—the Budget Committee chairman, the Finance Committee chairman, the HELP Committee chairman, all of the committees involved in this—opposed using reconciliation and said they would fight to keep it out of the budget? How did that many important people get rolled on this thing? How did that happen? They said they opposed it, but it winds up in there.

The House Rules Committee can allow large, comprehensive bills to be cleared in a single afternoon. They don't need it. They can do it irrespective of whether the bill is designated as reconciliation legislation. However, in the Senate, without privileged designation, it could take a week or more to consider the same legislation. It does take longer over here. That is because we want to get it right. Using the reconciliation process does not allow for a full and open debate in the Senate. It does not allow a thorough vetting and amendment process. Its fast-track nature shuts out Members, particularly from the minority party. It also shuts out centrist Democrats. So it is a declaration that Republican ideas and centrist Democratic ideas are going to be left out of the mix. It is counter to the

successful way legislation is typically considered in the HELP Committee. We often work in a bipartisan way that results in much of our legislation being worked out to achieve strong support from both sides of the aisle. Laws such as the Pension Protection Act and the Head Start reauthorization were hundreds of pages in length, and they passed the Senate with little debate and by huge margins.

I am deeply disappointed that the final budget resolution paves the way for a partisan process, particularly on these issues that are important on education and health. I have to say that the most radical on both sides will favor this. The far-left Democrats see this as a way to do it their way. The far-right Republicans see it as a way to delay it so it doesn't get done because they will be able to cause confusion with the amount of time that is involved. That will be bad for both sides. It won't work for the American people. That is why it won't work for either side. That is why we have to be centrist on this and pull together 75 or 80 people who can agree on these issues. That will take time in committee. If we do the proper amount in committee, it will take less time on the floor. We have proven that with past legislation. To just throw out this little bomb that says we are going to do this in a very short period of time really affects the ability to work closely together.

One truly difficult challenge this Congress has to address is how to get control of America's exploding health care costs. Simply throwing more money at the problem is not a solution. Real health care reform has to be bipartisan. It has to have a full and open debate. If we enact the wrong health care fix, we will worsen our budget crisis. Enacting reforms without reducing costs represents an unsustainable promise that the American people will long regret.

It is taking us time to do these roundtables and hearings. Yesterday, Massachusetts, Vermont, California, and Utah talked about their experiences. We learned a lot. Both sides learned a lot. They have learned a lot. The States are really laboratories for the Federal Government. What works at the State level might have some transformation to the Federal level. On the other hand, if we take it all at the Federal level and we do one-size-fits-all, we can damage efforts that can be done at the local level. The local level is where people live.

Health care reform is too big an issue to advance with procedural shortcuts. There never has been a bill with as many moving parts that affects as many people as health care reform will. To get a workable solution, it will require the effort of everybody in the Senate. We can bring them together and do that. If we can't come up with a plan that will garner the support of at least 75 or 80 Senators, this institution will not gain the confidence of the American people. Without that con-

fidence, the plan will fail. We will never overcome the objections that will be raised.

Misusing the reconciliation process to get a health care bill or higher education reforms is not the right approach. It conflicts with the new bipartisan spirit the President has promised. This is a disappointing day in the Senate. Moving a health care reform bill through reconciliation rehashes what we have been suffering from—the PELOSI war cry: We won the election, we get to write the bills. That is not right. This kind of partisanship disenfranchises millions of Americans—not just Senators, millions of Americans—and it is wrong. They are looking for commonsense solutions, not party messages.

The American people deserve a good bipartisan bill that will work. Using reconciliation will make that impossible. While I expect that Chairman CONRAD has the votes to adopt this conference agreement, I am going to urge my colleagues to oppose the resolution and on the basis of needing to have good health care reform done the right way with everybody working on it. That is exactly how it has to be. It cannot be just one side. Anybody who opposes health care reform—unless it is because it was rushed through with just one party listening—will suffer too. If we get everybody together, we can come up with a plan that will work. I regret that ever made it into the budget. I still cannot believe that could be a part of it—the House, that does not need it, imposing it on a Senate that knows better.

Madam President, I yield the floor and reserve the remainder of our time.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, very briefly because I see Senator GREGG is in the Chamber, and I know he is on a very tight timeframe.

I very briefly say to the Senator from Wyoming, I do not favor reconciliation for writing health care. I, personally, do not believe it will be used to write health care reform. It is here as an insurance policy. I think virtually everybody who has been engaged in the debate publicly and privately has now concluded it is not the preferred alternative for writing health care.

One of the things we did do is push back the date to October 15 for the committees to act to give them more time to work under the regular order. Chairman BAUCUS has made an absolute commitment to try to do this in the regular order. I have done the same. The majority leader has done the same.

I sincerely believe health care can and should be written without using the fast-track process of reconciliation. It is true it is here as an insurance policy, as a backstop. I would have strongly preferred it not even be that. But let me say, when it is the President of the United States, the Speaker, the majority leader here, it

gets fairly lonely as a conferee. But I do wish to say to the Senator, I agreed with so much of what he said. He is going to be a major player in health care reform. He already has been—certainly in the CHIP legislation.

I believe there is going to be a full opportunity to write it the way it should be written, which is in the committees of jurisdiction, with both sides fully participating. That is the best way and the right way to do it.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Madam President, picking up on the comments made by the chairman—and I fully accept his sincerity and his belief and his desire not to use reconciliation, but that is not, as he said, the position of the President, the Speaker of the House, and the majority leader. I think we can assume if those three folks want reconciliation to be used, it is going to be used.

The practical implications of reconciliation are to devastate the constitutional prerogative of the Senate. The purpose of the Senate is to debate, discuss, and then amend items of major—major—policy.

The point is, reconciliation was put into this document, which we just received, for the purposes of muzzling the minority and making the Senate into having the same status, from a parliamentary procedure standpoint, as the House, where amendments are not allowed, where discussion is limited, and where an up-or-down vote is the only option given to the membership.

It is not only a terrible idea from the standpoint of the impact it has on the constitutional role of the Senate—which has been explained very effectively by people such as Senator BYRD as being a place where we are supposed to give the minority the capacity to make points and discuss matters of high policy and complex issues in an open forum with the ability to amend—but it is also a very difficult way to proceed on an issue of such complexity as health care reform or the climate change issue. The practical effect of using reconciliation will be that a bill will pass in this Congress, especially in this Senate, which the American people will know is not fair. They will know it is not fair because there will have been no ability for the minority or for people who disagree with the way the bill was written down at the White House to object to it or to amend it.

That type of legislation—major health care legislation, which affects every American—in order for it to be effective and in order for it to be accepted by the American people, needs to be perceived as, and really be, a fair document, reached through compromise, with the purposes of having all the different stakeholders at the table in order to discuss the issue. Regrettably, that is not going to happen under the reconciliation instruction.

I would note that even though the chairman has said—and I am sure he

says this in all sincerity; I know he says it in all sincerity—he believes reconciliation will not be used in health care, it can be used and will be used on health care if the President and the majority leader and the Speaker of the House want it to be because that is why they put it in.

In addition, the idea it will not be used to raise the national sales tax on energy or a light switch tax, which is what is being proposed relative to the carbon tax, that also probably does not apply because the language of the bill is not binding. It simply says it is assumed. “Assumed” is a pretty weak—in fact, I cannot think of many words that are any weaker than the term “assumed.” It is assumed reconciliation will not be used in the area of climate change legislation, which means it can be used in the area of climate change legislation and probably will be if there is a determination by those folks who want to push that issue to do so.

It is ironic this bill—for which we have had two major votes in this Senate that said: Do not use reconciliation for the purposes of climate change—has in it such weak language on that issue, basically opening the door to using reconciliation for the purposes of climate change.

But the reconciliation issue, as serious as it is—and it is a serious issue because it goes to the purposes and the role of the Senate, in my opinion; and it also, in my opinion, will undermine the quality of the product produced in the area of health care or climate change—is not the core problem with this budget. The core problem with this budget is it spends too much money, it raises and creates too much debt, especially on our children’s backs, and it raises and spends too much in the way of taxes. It is going to have a dramatic impact on the quality of life in this Nation as it plays out, as it is creating an unsustainable government, a government which neither our generation nor our children’s generation are going to be able to pay for because it is going to increase in size so much and create so much in the way of deficit and debt, which will have to be paid for by our children and our grandchildren.

To try to put this in perspective, the budget basically raises discretionary spending by \$1.5 trillion. We are going to hear some arguments from the other side of the aisle that: No, it does not do that. I will get to that in a second. They are essentially doing the Obama budget, the President’s budget. The Director of OMB says there is virtually no difference between the two. They are 98 percent the same.

Essentially, they are raising discretionary spending by \$1.4 trillion, mandatory spending by \$1.1 trillion, and raising taxes by \$1.5 trillion. In fact, it may be a lot more. They are making absolutely no savings in the area of spending accounts, which are critical to getting this deficit down and under control.

As we have mentioned on numerous occasions, but which is accurate and needs to be repeated, they double the size of the debt in 5 years, they triple it in 10 years, and they leave our children with a debt which is 80 percent of GDP—a public debt which is 80 percent of GDP.

The practical effect of having a debt that is 80 percent of GDP is that basically you have a nation which cannot sustain its obligations of debt. Today, our public debt to GDP is about 40 percent. If you wish to get into the European Union, your public debt can only be 60 percent of GDP. Under this budget, we are going to 80 percent of GDP. Latvia could get into the European Union, but we could not under this budget. That is what is going to happen. It is not a question of some sort of theoretical event. Under the spending program of this budget—and because the Congress is now totally controlled by the liberal side of the aisle and because the President is of that party—this is going to happen. It is not like it is not going to happen. It is going to happen.

What is driving these massive deficits? Primarily, it is massive spending increases. It is not too tricky an issue. Under President Obama’s budget, and under the budget that is brought here by our colleagues on the other side of the aisle—although they tried to obfuscate the spending; at least the President is forthright about his spending—the spending of the Federal Government goes up dramatically.

This chart I have in the Chamber shows, historically, Federal spending has been about 20 percent of GDP. That is about what we can afford, historically, because our revenues are a little bit below that—19 percent of GDP. Under this proposal, the spending goes up radically in the next year, year and a half, and then it comes down as a result of the end of the recession and then it starts going up again. But it never comes down that much. It is 23 percent, 24 percent, 25 percent of GDP.

The problem is spending. The President is very forthright about this. He says he believes strongly—and his party, obviously, agrees with him—that you should significantly increase the size of the Federal Government, that you should significantly increase spending because if you increase the size of the Government, if you move the Government to the left, if you increase its spending, you create prosperity. He believes governments create prosperity.

Well, we do not agree with that. We think the way you create prosperity is having a government you can afford. That does not mean you eliminate Government. It means you have one you can afford. The proposal here is not for a government you can afford. It is just the opposite: a government we cannot afford, a government that is not sustainable. The way to create prosperity is by having a government you can afford and giving individuals the ability

to go out, make investments, takes risks, and create jobs. That is how you create prosperity—not by radically increasing the size of Government, radically moving it to the left, which is exactly what is proposed in this budget.

All this new spending leads to a massive increase in debt. In fact, one of the more interesting statistics—because I noticed the chart of my colleague from the other side relative to George Bush—this President dwarfs—dwarfs—what President George W. Bush did in the area of adding debt to our children's backs. It dwarfs that. If you take all the debt created in this country since George Washington through George W. Bush, President Obama's budget—and the budget which is being brought here by the other side of the aisle, if it were honestly scored and correctly accounted for, which would be essentially the same as President Obama's budget—doubles the amount of debt that has been put on our books by all the Presidents in all the history of this Nation. That is a tragic event for us, but it is an even more tragic event for the next generation.

I hear the other side constantly talking about what President Obama inherited. Yes, he inherited tough times. But the issue is not what he inherited. The issue is what he is going to bequeath, what he is going to leave the next generation. What he is leaving the next generation is an unsustainable Government. You do not have to listen to me to believe that. The chairmen of the Budget Committees on both sides of Congress—on the House side and the Senate side—have said the budget, as presently proposed, is unsustainable in the outyears. Their budget is unsustainable in the outyears. Of course, they eliminate the outyears. They only did a 5-year budget. The President did 10 years. They took off the last 5 years so they would not have to talk about it. But it is not going away at the end of 5 years—still growing, still out of control. And it is unsustainable in their own terms.

Why is it unsustainable?

This chart shows the bottom line of why it is unsustainable. It is called the debt. To quote one of the sages and oracles around here: "The debt is the threat," and the debt is just going up and up and up. It is an unsustainable situation.

What does "unsustainable" mean? That is some sort of term we throw out and people don't really catch on. What does it mean? It means the average American family at the end of the President's budget will have \$130,000 of new debt—every family in America—that they will have to pay for as part of the Federal debt. It means the average American family will have \$6,000 a year of interest payments on that debt for which they will be responsible. It means our children will inherit a government which will cost them so much that basically one of two things will happen to them: The economy will have to be inflated radically to pay off

this debt, thus reducing the value of the dollar, eliminating savings of most Americans and creating an economic tax of inordinate proportions through massive inflation; or taxes on all Americans will have to be significantly increased at a rate that we have never seen in our history—other than in World War II—a rate which will essentially mean Americans would not be able to go out and buy a home. They would not be able to go out and send their kids to college. They would not be able to buy that car or live that lifestyle our generation had.

With the debt at 80 percent of GDP, it will mean for the first time in the history of our country, one generation will have passed on to another generation less of a nation—less prosperous, less strong, less opportunity. Totally unfair, but that is exactly what will happen. There is no way around this. Their budget locks us into this path. They themselves admit it is not sustainable, but that hasn't caused them to hesitate in going forward, and going forward in an aggressive way to expand the size of government and not pay for it and leave our kids with these massive debts.

I think it is appropriate at this time to also talk a little bit about the specific budget before us, which is the compromise between the House and the Senate budget because there is so much misdirection and disingenuousness about this budget that it is staggering. I give the President of the United States and his people credit, including Director Orszag and OMB. They attempted to send an honest and straightforward budget where they actually told us what was going to happen and what the costs were going to be. They put in one big gaming mechanism in the area of defense where they assumed \$1.6 billion of spending, which everybody knew wasn't going to occur because they counted on the war costs going on for 10 years at their present levels—and we all know that is not going to happen—and then they claimed savings when those war costs were reduced. That was a fairly big item. But outside of that item, for the most part they gave us a budget that had integrity to it in the area of what it really was and what it was really going to cost.

This budget which was just sent to us is just the opposite. It is filled with gamesmanship, with stuffing spending under the rug so we don't notice it, with tools that avoid enforcement mechanisms, and with things such as the reconciliation instructions, which are a total adulteration of the congressional process when it is used relative to a public policy issue as big as the question of health care.

Let's note a few of the things they have left out of their budget to get to their alleged number. Remember, their alleged number is around \$500 billion of deficit in the fourth and fifth years, and they pound their chest in great praise of themselves: Oh, we reduced

the deficit to \$500 billion. We have reduced it by half or three-fourths or whatever they want to claim. That is a little hard to sell to anyone with any common sense. When the deficit is run up to \$1.8 trillion or \$2 trillion and then brought down to \$500 billion, that is not moving forward, folks; that is taking six steps back and one step forward and claiming that we are moving forward. We are still going backwards.

This budget goes backwards at an atrocious rate. It goes backwards at an atrocious rate, and it doesn't even tell us how much it goes backwards because they hide so much of their spending and their costs underneath the rug.

In the area, for example, of the doctor fix—we all know around here what the doctor fix is. The doctors in this country get reimbursed under Medicare, but we have this stupid, arcane rule around here which every year cuts the doctors' reimbursements by some amount, and now it is up to 20 percent. So every year we have to fix that. It is an expensive fix, but we do it every year, so we know we are going to spend that money to fix that arcane rule that ends up cutting doctors' reimbursements arbitrarily and unfairly.

The President's budget accounted for that. They accounted for that fix. Does this budget account for that fix? A very small part of that fix—a very small part of that fix. They leave out about \$50 billion of that fix.

In the area of the alternative minimum tax, we know the alternative minimum tax wasn't supposed to apply to 20 million Americans; it was only supposed to apply to a small number of Americans who make a huge amount of money who could avoid paying taxes because they used tax avoidance mechanisms. But because of the failure to index that system, we now have 20 million Americans who will be subject to the alternative minimum tax if we don't fix it every year.

So what do we do? Every year we eliminate the application of that tax to those 20 million Americans because it was never supposed to be there to begin with. But what does this budget do? The President had the integrity to say he was going to do that throughout his budget. They were not going to assume the revenues from the alternative minimum tax because they knew for a surety that they were not going to get those revenues because every year we repeal that tax that applies to those folks. So what do they do in their budget?

Unlike the President, they don't account for all the alternative minimum tax. They score some of that revenue to themselves, taking advantage of that revenue. So instead of having the full cost of the alternative minimum tax in their bill, they have a small percentage of it—not a small percentage of it; about half of the cost accounted for in the bill. So they leave out a big number relative to the alternative minimum tax—about \$70 billion—or about \$80 billion, actually.

Then the TARP, the President asked for more TARP money. It certainly looks as though, when you listen to all of these things coming out of the White House, that they are going to need more TARP money. They put that TARP money in his budget; they leave it out. No, no TARP money. Well, maybe arguably they will not step up when the President asks them to and finance the issue of how we maintain our financial stability as a country relative to our financial system, but I suspect if the President asks for TARP, it will be allocated, and they should have scored it. At least the President did that.

Budgeting for disasters: We know we have disasters. The President knows we are going to have disasters. It appears the House Democrats and the Senate Democrats don't know we have disasters, or if they do, they decided not to budget for them because they left those numbers out in order to get to a better number on their deficit figure.

Health care reform: We know we are going to get health care reform. We are going to get it through reconciliation probably. They are going to ram it down the throats of this Congress. It is going to be their bill, and we know their bill scores at \$1.2 trillion over 10 years. That is how it scores. The President had the integrity to say he would put half of that in here. He put in \$650 billion of that cost into his budget. Does it appear anywhere? No, it doesn't. The Democrats in the House and in the Senate, they are not going to pay for health care at all. They put in this euphemism of a reserve fund that claims they are going to pay for it, when we know that is about as likely as their use of pay-go to enforce any spending around here.

The Make Work Pay tax credit, one of the premier items of the President, remember; we hear so much about how there is not going to be a tax increase on working Americans. Well, let's point out the fact that working Americans are going to get hammered pretty hard under this bill in the area of tax increases. First, they are going to get hit with a carbon tax, and a carbon tax is essentially a national sales tax on the production of electricity and the use of electricity. So if someone uses electricity in their home and turns on their light switch, they are going to get hit with a carbon tax.

The estimates of that tax are huge—huge. MIT did a study and said it is \$300 billion a year, massive numbers. It is \$3,000 per household if we take that study and just divide the number of households into the cost of the study. But independent of that tax, which doesn't appear anywhere in this budget, by the way, other than the fact that we know it is coming through some reserve fund, alleged reserve fund—they wipe out the President's Make Work Pay tax credit which he asked to be extended. They assume it would not be extended. Why? They know it is going to be extended because if the President

tells them to extend it, they are going to extend it.

Why do they not put it in here? They don't put it in because they want to make their bottom line look better—look better. Then they actually skim down the middle-class tax relief. They have already scored the fact that they are going to tax wealthy Americans—alleged wealthy Americans—people making more than \$250,000. They have already scored that and taken in that money.

Remember, most of those people, the vast majority of those people, are basically running a small business, and when we raise their taxes, what can't they do? They can't expand their small business. They can't add jobs. They are the engine of jobs in this country, by the way. So they are going to tax them, take their money away from them, put it into the Government, expand the size of the Government on the allegation that the Government can create prosperity, not small business.

Small business doesn't create prosperity as far as our colleagues on the other side of the aisle are concerned. No, no, they tax them. No, it is the Government that creates prosperity, so let's take more money from small business, move it over here and give it to the Government, and we will create prosperity for Americans.

Well, tell that to the person who is running the restaurant or running the garage or has a little software company who would like to use his money or her money in order to reinvest it so they can actually hire some more people and actually produce some value in this society, versus expanding the Government and creating more consultants and more people who are out there spending money in a very inefficient way, for the most part. But that is their policy. They won the election. Fine. But in winning the election, they also said they weren't going to tax middle Americans.

Well, look at the document. There is \$180 billion of taxes on middle-income Americans which they do not define from where it comes. They simply say it is there. It is in there somewhere. Well, somebody is going to have to pay it. I think it is pretty safe to say it is going to be working Americans who are going to have to pay that \$180 billion.

Why did they raise those taxes on working Americans? Why did they go back on their campaign promises, both in the Make Work Pay area and in the taxing working Americans? Well, they did it so they could make their bottom line number look better than the President's. At least the President had integrity. He had honesty. He came to us and said: I am going to extend Make Work Pay. I am going to have a middle-class tax cut. The other side of the aisle, the Democrats in the House and the Senate don't play by those rules. They play by the old rules of let's obfuscate, hide, sequester money and make it look as if we are saving money when we absolutely know for sure the

spending is misrepresented in the bill and the taxes are misrepresented in the bill.

Then they have the temerity to use the phony 920 number. We all know 920 is a phony number. This is an account we set up, and when we claim savings, we put things into 920. In other words, I am going to increase spending on the XYZ program because I like XYZ. Well, where do I get the money for that if I am going to try to stay revenue neutral? I am going to get it out of account 920. I am going to spend \$40 billion on the XYZ program and the offset is going to be account 920. Account 920 is an account that for all intents and purposes leads to a cut around here. It never leads to anything. It is not specific. It should come out of all accounts. It never happens, but they were a little off in the numbers they wanted to get to, so they did a 920 account in their budget to the tune of, I think, \$40 billion or more—\$48 billion.

All of that added up, and their real number, their real deficit numbers—the numbers that the President actually had, ironically—come out pretty close to the same. If we put back in all the stuff they have hidden under the rug, all the stuff they claimed they are not going to do, which we know they are going to do, we come back to deficit numbers which are almost exactly what the President's deficit numbers are.

There is no \$500 billion deficit in the fifth year; it is \$924 billion—if you put back in what they have hidden, claimed, obfuscated, manipulated, and generally tried to play games with around here.

So the President's numbers were accurate. He deserves credit for that. But this budget is a fraud on its baseline numbers. The reason this is important, besides the fact that there is actually \$400 billion of spending almost every year that is not accounted for in this budget, is that the deficit, at these numbers, is around 5 percent of GDP. A deficit of around 5 percent of GDP and a public debt of around 80 percent of GDP leads you to being a country that is essentially unsustainable in its fiscal policy. It leads to a nation where the dollar loses its value, where our debt cannot be sold, where inflation is rampant, tax policy is basically so heavy that productivity is significantly stifled. They want to hide that number. At least the President had the integrity to admit that. The House and Senate Democrats have tried to hide that.

There is one other point that needs to be made here, because of the foolishness of the statements about how they are going to reinstitute a real pay-go. You know, I understand that the Blue Dog Democrats on the House side come from districts where their people expect them to be fiscally responsible. They have gotten on this banner of pay-go. They say we are going to assert pay-go. That will be the rules that guide us, and we will make sure all the

spending is paid for and the tax cuts are paid for. That is called pay-go. They say that as a mantra, to the point where it has become a term of art that implies you are fiscally responsible.

Look at this budget. My colleagues on the House side, who are Blue Dogs, claim to wrap themselves in the banner of pay-go, but they have no banner on their pole. There is no pay-go in this bill that will have a significant impact. In fact, the budget passed by the House and Senate put in place policies that would obfuscate pay-go to the tune of approximately \$2.4 trillion. So on the face of this, they have ignored pay-go in their own budget. The ultimate insult is that the most significant public policy event we are going to do, probably in the term of anybody in this Congress, going back to the beginning of ROBERT C. BYRD's term, forward to the end of probably the youngest Member of the Congress who is serving today's term, which is the issue of re-writing the health care system of this country—17 percent of our GDP—the single most significant public policy event we will ever undertake—affecting every American everywhere, at all different levels, they formally, by law, waive pay-go in this bill for that exercise.

The Blue Dog Democrats in the House say we have the pay-go protection. Nobody who is being forthright with their constituents should go out and claim that pay-go is going to be a disciplining event. It isn't, hasn't been, and will not be—especially on the most significant issue we confront, which is the question of health care reform.

We have already talked, of course, about reconciliation and the affront that is to the Senate procedures and the constitutional role of the Senate. But it should be noted that using reconciliation also creates the situation where you can run through a massive tax increase, such as the carbon tax, and use it to pay for health care reform. Don't think that that is not being considered around here. Assuming that reconciliation won't be used in that area is an optimistic projection, because the majority leader has already said publicly that—and I am paraphrasing—isn't it interesting that the revenues from the carbon tax, or the national sales tax, light switch tax, pretty much is what we need in order to do the first few years of the health care bill as we see it.

So offsetting those two has obviously been an idea that has presented itself to the majority leader, and he wields significant authority here. He was able to keep reconciliation in over the objections of our chairman, allegedly, so I know he is powerful, because the chairman is extraordinarily powerful. When two powerful forces meet, if one of them survives, we know that one is really powerful. We know the majority leader is really powerful because he was more powerful than the chairman on the issue of reconciliation. So that is serious. We could use the carbon tax

to pay for the health care, which is possible. I am not saying it is going to happen, but it is possible while using reconciliation.

That brings me back to my closing point, which I want to reiterate. It is about debt. It is about the fact that when this is all said and done, when all the smoke has risen, there will still be burning a massive explosion of Federal debt, an explosion so large, increases so dramatic, that I don't see any way out from under it with this budget. I am so concerned about where this takes our opportunities as a Nation. When you pass on—and it is not that far away because we are talking 2013, 2014, when we start getting big numbers. When you pass on a deficit of 4 to 5 percent of GDP, a debt of 60 to 80 percent GDP, where do we go as a Nation? Let's think about that for a minute. How does a nation get out from underneath that? Doesn't the world start to look at us and say, my God, has America lost its way? Is it no longer capable of disciplining itself and living in a responsible manner? When they say that about us, where does our Nation end up? Where do we leave our children?

It is a serious issue. Yet it is right here, and this budget is the point. If we pass this budget in its present form, with the outyear spending and outyear debt, I don't know how we get out from behind it.

I yield the floor.

The PRESIDING OFFICER (Mrs. HAGAN). The Senator from North Dakota is recognized.

Mr. CONRAD. Madam President, I found the presentation of my colleague, for whom I have great respect—but on this presentation I found it highly entertaining, and it bears almost no relationship to the document that is at the desk.

It is very interesting, if you read the charts that the Senator presented, they all relate to the President's budget. You notice they don't relate to the budget that is before us. The fact is that we made significant changes in the President's budget, because after the President presented his budget, we learned in the Congressional Budget forecast that we were losing \$2 trillion of revenue because of the economic slowdown over the next 10 years. So we made a series of very significant adjustments to respond to that reality.

In fact, over 5 years alone, we changed the Obama budget by \$555 billion. Not one dime of that was reflected in the Senator's charts. They say if you are a lawyer and if you have the facts, argue the facts; if you have the law, argue the law; if you have neither, attack your opponent. That is what we have heard. They don't have the facts, they don't have the law, and they certainly are not talking about the legislation before us; so they launched an ad hominem attack.

Let me go back to the facts, because they are stubborn things. On spending, let's be clear. This budget takes domestic discretionary spending, as a per-

centage of GDP, from 4.4 percent in 2010 to 3.4 percent in 2014. That is not a big spending budget; that is a tough budget that reduces the share of our national economy going to Federal domestic discretionary spending. On non-defense discretionary spending, in dollar terms, over the 5 years of the budget, the spending is increased, on average, by 2.9 percent a year. That is less than the growth in national income. That is why the share of domestic discretionary spending as a part of our economy is going down under this budget.

The Senator said that somehow there is a \$180 billion tax increase in this budget. Where? I mean, he made this same assertion last year. He said the budget last year was going to increase taxes. What happened with last year's budget? Did it increase taxes? No. It cut taxes by hundreds of billions of dollars. That is what this budget does. This budget cuts taxes, on balance, over 5 years by \$764 billion. That is a fact. That is not made up for the convenience of a political debate. That is a fact. Taxes are cut under this budget \$764 billion.

On reconciliation, I must say the speech by the Senator is beyond the pale. He acts as though reconciliation is against the Constitution of the United States. Well, it is interesting what he had to say when the shoe was on the other foot. When the shoe was on the other foot in 2001, and he wanted to use reconciliation, what did the Senator say then? Unfortunately for the credibility of his speech here, we have the RECORD. We know what he said then. Here is what he said then:

Reconciliation is a rule of the Senate, set up under the Budget Act. It has been used before for purposes exactly like this on numerous occasions. The fact is, all this rule of the Senate does is allow a majority of the Senate to take a position and pass a piece of legislation, support that position. Is there something wrong with majority rules? I don't think so.

So when they wanted to use reconciliation, it was a rule of the Senate, and it simply allowed the majority to work their will, and there was nothing wrong with it. Now when we have a reconciliation instruction as a backup, as an insurance policy, now it is somehow against the Constitution. Please. That is not going to stand up against the Senator's own record. The fact is that reconciliation has been used 19 times—13 by the party on the opposite side. I didn't hear and see crocodile tears from them about how it threatened the Constitution. In fact, the Senator described it then as a simple Senate rule that allowed the majority to rule.

I take great offense to the suggestion that this budget is made up. This budget is not made up. It is scored by the CBO, which is nonpartisan. This budget does precisely what I have presented it as doing. It reduces the deficit by two-thirds over 5 years. As a share of GDP, it cuts the deficit by three quarters. The Senator says, you have hidden the doc fix, which is this. We know doctors

who treat Medicare patients are scheduled to take major reductions. We have not hidden a thing. We have said that, after 2 years, fixing the downward spiral on doctors' reimbursement for those who treat Medicare patients will have to be paid for. That is not hidden; that is very clear, direct, and it is what we should be doing here—paying for things.

When we found we were in a circumstance in which we had \$2 trillion less than the President had to write a budget, we had to make changes, and we did. We made responsible changes. One of the changes we made was to say that, no, doctors should not be cut. We will provide the money in this budget for the next 2 years so they are not cut. But after that, additional fixes would have to be paid for. That is what we have to start doing around here—paying for things.

And there is the alternative minimum tax. We have said in this resolution that the alternative minimum tax should not be imposed on anybody, and for the next 3 years it can be done without offsets, without paying for it, because we don't want to raise taxes during a time of economic downturn. But after the 3 years, further moves to prevent the AMT from being imposed have to be paid for.

The same is true on TARP funding. The Senator said we excluded TARP funding. Yes, we did because we could not pass \$250 billion of TARP funding after the way TARP has been handled in the first round. It would not pass. The President said put it in as an insurance policy. He does not have a specific proposal before us, in any event. But we did not include it here because it could not pass this body.

On health care, the Senator suggests this is going to add \$1 trillion to the debt. Not under this budget. Again, he failed to read the document. It makes very clear, if we are going to have health care reform, it has to be paid for. The reserve fund he kind of glossed over is very specific. I can only change the allocations to committees if the issue is paid for. I have no authority to change the allocation to committees unless health care reform is paid for.

On Make Work Pay, the President's middle-class tax cut, in addition to all the 2001 and 2003 tax cuts that are all included in this budget, over \$500 billion of tax cuts for the middle class that are in this budget, the President's middle-class tax cuts that are over and above those that were included in 2001 and 2003, the so-called "make work pay" provisions, they are already provided for in the stimulus package. That is already the law for the next 2 years. If it is to be extended, this budget says we have to pay for it. That is exactly what we are going to have to do to bring the deficit down. We are going to have to start paying for things.

There are so many things that were said that are in error about this budget, it is breathtaking.

I wish to conclude on this note. If this budget is so bad, why didn't the

Senator offer an alternative? In 2001, when I thought the Bush budget was fatally flawed, I offered an alternative on the floor of this body. This year, the Senator has offered no alternative. All he offers is complaints and misrepresentations and a rewriting of history.

The debt is on an unsustainable course. Why? Because the previous administration doubled the debt, tripled foreign holdings of U.S. debt, and put us on a course in which we face the worst recession since the Great Depression. That is why the debt is burgeoning. It is not as a result of this budget document. This budget document moves the deficit down, reduces it by two-thirds over the next 5 years.

We inherited a colossal mess—colossal. To suggest this President is responsible for this colossal mess after he has been in office 100 days does not stand the test of truth and will not stand any scrutiny. We all know how we got to where we are. The previous administration doubled the debt of the country at a time when the economy was relatively good. Unfortunately, when they left office, the economy was in the worst shape in 60 years. History will not treat the previous administration and their supporters on the Hill gently or kindly because they put us in this ditch. The President is seeking to lift us out of it.

I thank the Chair and yield the floor.
The PRESIDING OFFICER. The Chair lays before the Senate the following message from the House of Representatives, which the clerk will report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 13), setting forth the congressional budget for the United States Government for fiscal year 2010, revising the appropriate budgetary levels for fiscal year 2009, and setting forth the appropriate budgetary levels for fiscal years 2011 through 2014, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of conferees.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in today's RECORD in the proceedings of the House.)

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. BUNNING. Madam President, I rise to discuss the conference report on the fiscal year 2010 budget. Unfortunately, I will not be able to support this legislation. As a member of the Senate Budget Committee since I have been in the Senate, I spoke on this budget during the committee consideration, and I also spoke on it while it was on the Senate floor. I was unable to support it those two times, and I am disappointed to say I will not be able to support it here either.

Today marks the 100th day of the Obama administration. It is still too

early to see most of the effects the different pieces of legislation the President has signed into law will have on America. However, we do know one thing: It sure has cost a lot.

The price tag for the so-called stimulus bill was over \$1 trillion, if you include the interest. The cost of the Omnibus appropriations bill was about \$410 billion. What does this mean? It means that over these first 100 days, President Obama has spent an average of \$12 billion a day. That is a staggering rate of spending. We cannot continue to manage our Nation's finances like this.

The budget proposed by the Obama administration several weeks ago is no more responsible than these other bills. It spends too much, it taxes too much, and it borrows much too much.

I have mentioned these numbers before, but they are worth repeating. The President's proposal will double the publicly held national debt to more than \$15 trillion. Annual spending would leap from \$24,000 per household to \$32,000. This plan would also raise taxes by \$1.4 trillion over 10 years.

Those are not my numbers. I didn't make them up. The people hired by the Democrats, the Congressional Budget Office, picked by Senator REID, Speaker PELOSI and one member of the Finance Committee and one member of the Ways and Means Committee, Senator BAUCUS and Congressman RANGEL—those are the people who picked CBO's Director, and those are his numbers.

The increase in debt is also staggering. The President's proposal would double the debt held by the public in 5 years and nearly triple it over 10. In fact, the proposal would create more debt under every previous President from George Washington to include George W. Bush.

I know today we are not voting on the Obama proposal. However, I still think it is completely reasonable to discuss it. This proposal gives us a great insight into how President Obama views Government. We see he wants to greatly expand it. He also no longer is a member of the legislative branch. However, he is the leader of the party that controls the legislative branch. We know he will have influence on how legislation is written.

One of the most troubling aspects of the document before us is the inclusion of reconciliation instructions for health care and education legislation. I don't want to talk about arcane Senate procedure today. However, this is an abuse of the process. Reconciliation is supposed to be used to return money to the taxpayers and the Treasury. It makes legislation that accomplishes this much easier to pass. These instructions require a total savings of \$2 billion. This is absurd because we know health care reform and education legislation will cost much more than \$2 billion. In fact, as we know from the numbers I mentioned above, the administration has spent \$2 billion every 4

hours or so. This will not be any kind of significant deficit reduction.

Another worrying feature of this budget is the assault on small businesses. President Obama admits that 70 percent of job growth will come from small businesses. So why does this budget tax them out of existence?

My colleagues on the other side of the aisle claim they are only raising taxes on a handful of small businesses, but they ignore the fact that they are hurting the businesses that are responsible for two-thirds of small business jobs. Small business jobs are key to our economic recovery. But look at what the failed policies of this Congress have done for small businesses.

The so-called stimulus bill that added over \$1 trillion to our national debt spends less than one-half of 1 percent—one-half of 1 percent—on small businesses. Also, after mortgaging our future on the TARP bailout, 70 percent of the large banks have actually decreased their small business lending. Now these small businesses that have been devastated by the economy and cannot get a loan to make payroll are going to be hit with a massive tax increase. How are these small business owners going to be able to hire even one more worker? This budget is an assault on small businesses. It taxes too much, and it should be defeated.

I would like to mention energy policy before I conclude my remarks. Throughout this year's budget debate, we have talked a lot about energy, particularly a proposed cap-and-trade tax proposal. At a time when our Nation's energy needs are continuing to grow, we should turn our focus on how best to meet those needs while creating jobs instead of taxing American families. If we act too rapidly by imposing carbon taxes, all Americans will pay the cost through dramatic increases in utility prices. If enacted, a cap-and-trade revenue program would institute one of the largest tax increases in American history. Every American will pay a sales tax whenever they turn the light switch on or start their car. This tax will be untargeted and regressive. Even our poorest citizens will be hit by this tax. This is a dangerous policy, and I am startled by how much support it has received from this current administration.

So much for the President's promise not to tax anyone making less than \$250,000 per year. Maybe that is because he knows he needs more money than he can raise by taxing just the rich to pay for all of his plans to make Government even a bigger part of ordinary Americans' lives.

As I have outlined above, this budget has some problems. It spends too much, it taxes too much, and it borrows too much. I urge my colleagues to join me in support of fiscal responsibility by voting against this piece of legislation.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. JOHANNIS. Madam President, I rise today to express my extreme dis-

appointment in the outcome of the conference report, specifically the blatant disregard of the will of a bipartisan majority of this Senate. Madam President, 67 Members—67 of us—spoke with one voice in opposition to allowing cap-and-trade legislation to be slipped into the law in a way that stifles amendments and debate.

Almost 70 of us spoke, again in a very bipartisan voice, to instruct the budget conferees to include our amendment in their report to ensure that the bright light of transparency shines on cap-and-trade legislation. Yet that very amendment, supported by 67 Senators, is nowhere to be found in the conference report. So the door has been reopened to pass sweeping cap-and-trade legislation with a simple majority.

The Budget Committee leadership did include report language about climate change, but it really has no meaning. The sentence in the conference report states:

It is assumed that reconciliation will not be used for changes in legislation related to global climate change.

In reality, this statement is not worth the paper on which it is written. This assumption is made by people who don't have any control over the process. Frankly, the Budget Committee can assume whatever it wants, but the truth is that the majority leadership can roll them at any time.

And then what is our recourse? Well, there is none. This Budget Committee assumption has no teeth whatsoever. It is simply a nice platitude to try to lull us to sleep.

Certainly you can understand my skepticism. Sixty-seven Senators supported an amendment that had real enforcement teeth to shield the American people from being railroaded in the dead of night. It would have ensured open debate and the opportunity to offer amendments on the Senate floor. Yet when the conference agreement returned, the amendment had been stripped from the budget resolution to ensure it appears nowhere—nowhere in black and white.

So today we must be on our guard again. Some might suggest we relax because there are no reconciliation instructions entitled "cap and trade." In fact, some will argue that because there are no instructions from the Senate for the Committee on Environment and Public Works at all, so there is no need to worry; case closed.

Don't fall for it. Remember, the House Energy and Commerce Committee has reconciliation instructions in the final resolution. So the House could easily use these instructions to enact cap and trade. They could generate over \$1 trillion for nationalized health care or really for any other initiative. They could go to the conference, and then, presto, cap and trade emerges from the conference with not a single Senate amendment offered and only 10 hours of debate on the Senate floor.

Consider this: A hard-working American on the night shift could literally

go to bed after a long night's work and wake up to find cap and trade is the law of the land. What a rude awakening that would be: his family facing a new \$3,000 tax and his job in jeopardy of moving overseas where no carbon tax exists. And let's not be fooled. There will be tremendous pressure on the committee to follow this exact path.

Many will want to avoid such inconveniences as consultation with the American people. After all, these discussions would be very uncomfortable. Who would want the very unpleasant job of explaining to the American people that they are going to be taxed every time they turn on a light switch or start the washing machine or throw clothes into the dryer? I can see why some think it would be easier just to slip the legislation through with no transparency.

It is not just cap and trade that could become the law of the land without a robust debate. Budget reconciliation could be used to pass universal health care. Some describe this as an insurance policy. Insurance policy for what? Don't the American people, through their elected representatives, have a right to use Senate procedure to examine this very important change?

My point is this: Many have risen over the years to speak against reconciliation to pass complex legislation. Budget reconciliation is simply ill-suited to pass difficult, comprehensive legislation such as cap and trade or health care.

Well, what has happened is this: By mixing complex policy questions with budget reconciliation instructions and the Byrd rule, you get a witch's brew. The result is a bizarre set of rules. You could literally have a situation where a high bar would be set—a 60-vote requirement—to pass very noncontroversial, budget-neutral health care provisions, and yet—listen to this odd result—major overhaul provisions which cost hundreds of billions of dollars would need just a simple majority. We have reduced the Senate to not the deliberative body but a body where literally we get around the rules.

And that is where we will be. Some simple sections of the health care bill will require 60 votes, while the tax increases and the extravagant spending provisions within the same bill will require a simple majority. I challenge any Member to come to the floor and explain to me why that makes any sense. How unfortunate. It certainly is no way to legislate. It is not what I planned on when I came to the Senate. This situation will make a mockery of the work we do on this floor.

Allowing only 20 hours of debate on this extremely complex issue will result in very piecemeal policies with glaring weaknesses. Eventually, the American people will catch up with this and say: What were you thinking?

I am not interested in a band-aid solution. I am not interested in playing politics with such an important issue. It is a game changer. I am interested in

being thoughtful and careful about our approach to such important policy—legislation that will affect the lives of virtually every single American.

The budget rules were never intended to expand Government programs or to be the catalyst for major policy implementation. The American people deserve better than the course this budget resolution is charting.

I will also say that I don't believe I was elected to come here and assign blame. Let's just follow our rules, starting today, and bring transparency to these complex issues. Debate them, amend them, then cast our vote.

I urge all Americans to pay close attention because I think we are on a dangerous course. There is troubling potential for health care reform and climate legislation to constitute the largest tax increase ever witnessed in the history of this country. I ask the American people today, therefore, in view of where we seem to be headed, to be vigilant. They have to demand honesty. They must demand transparency. And demand that those in Washington remember the principles of democracy and remember why we were sent here—to have great debates, to follow our rules, to amend where we can, and then to cast our vote. Unfortunately, this budget resolution takes us on a different course.

Madam President, I yield the floor, and because I don't see anyone else queued up, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAHAM. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRAHAM. Madam President, could you inform me when 10 minutes has expired?

The PRESIDING OFFICER. The Chair will do so.

Mr. GRAHAM. I thank the Chair.

I rise today to speak about the budget and the debate we are having in the Senate about the budget. Quite frankly, if you asked me to give a scenario that would best explain what a politician thinks about life and politics, I would say: Let them write a budget. When you give a political leader the opportunity to sit down and spend money coming from the taxpayer, it tells you a lot about their priorities, it tells you a lot about how they view the role of Government. And I am here to say that this budget is not good news for the American taxpayer.

Today marks the anniversary of the President's first 100 days, and I think the biggest accomplishment in the first 100 is a budget that is transformational in terms of how it transforms the country in a way that I don't think is healthy.

The one thing we have had going for us as Americans, from one generation

to the next, is the hope and belief that the ones to follow—our kids and grandkids—would have a chance to do better; that we would do what is right and what is necessary on our watch so they would have a chance to do better. If this budget passes, you are going to have a hard time looking the next generation of Americans in the eye and saying: You are going to have a chance to do better than people alive here today.

What this budget does is it doubles the national debt. President Obama's proposal, a 10-year budget—I will give him credit for making it a 10-year window—triples the national debt. This budget creates more debt for America in the first 100 days of the Obama administration than every President since George Washington combined. We have spent, in the first 100 days, \$12 billion a day. We are running up the deficit and the debt at an alarming rate, and we are growing the size of the Government in a way that future generations are going to have to pay for.

The question for the country, if this budget passes, is this: Are we creating a government that is sustainable by the next generation? Can the next generation, with this budget in place, have a chance of doing better than we have? I don't think so. I really don't. And I never thought I would hear myself say that.

As we look down the road, we see how the budget explodes the national debt and the deficit—67 percent of the debt held by the public as a percentage of GDP. That is what happens under the Obama budget in 2014. This is a 5-year budget, and we have ignored some of the things we know we are going to do to make the numbers look better because the President's budget was so large and so unnerving in terms of long-term indebtedness.

The worst that Bush did—and we did not do a good job on our watch as Republicans—was to have a \$500 billion deficit.

The best this budget does, 10 years from now, is about \$600 billion, and we sustain trillion-dollar deficits for several years. But the percentage of publicly held debt relative to GDP, gross domestic product, is going to be 67 percent down the road. That is Third World nation status.

The budget is a 5-year budget. The numbers look better, but we have not done anything to fix the doctor reimbursement problem, the last 2 years of the AMT fix are not included, and we are expanding the Make Work Pay tax credit. What we have done is mask the real cost of what we know is going to be there after 5 years.

The budget that was proposed by the President triples the national debt and increases taxes by \$1 trillion on people who make over \$250,000 a year. That may sound good because I don't make \$250,000 a year. Maybe 2 or 3 years of my entire life I have. I am the first person in my family to go to college. My dad and mom owned a liquor store. We had

a middle-class lifestyle at best, but we were happy. I never looked across the street at the person who owned the big business in town and had the nice house as my enemy. They are not.

In a recession and a global economy that is on its knees, if we start raising taxes on American business people, they are going to look to take their business somewhere else. To go from 35 percent to 39.5 percent on people who earn over \$250,000 is in theory more money for the Government, but it is less money for the people who have taken a huge risk to create a business. The day we start punishing people and rewarding the Government for the risks they take is the day America gets off track.

Raising the capital gains rates, as this budget does, from 15 to 20 percent, will make it less likely that people will engage in entrepreneurial activity. But one thing John Kennedy understood is, low tax rates generate business activities that actually generate more money for the Government. So what we are doing is raising taxes, and we are playing class warfare.

The defense spending in President Obama's budget over a 10-year period went to 3 percent of gross domestic product. It is about 4.5 or 4.6 percent now. That would put us on the low end, in the Nation's history, for defense spending. So liberals raise taxes, and they cut defense at a time when I think we can't afford to do either.

The world, to me, in the next 10 years is not going to be safer unless we act. Iran and North Korea are pursuing nuclear programs that could jeopardize our lives as we know it. The one thing I can tell you about Iraq and Afghanistan, we made plenty of mistakes, but we have the best trained, best equipped military in the world, and that really does matter. We are going to win in Iraq if we continue the course we are on, and we are going to turn Afghanistan around, but it is going to take blood and treasure.

The one thing I am not looking for from an American perspective is a fair fight. When we go to war—and sometimes that is required to protect the national interest—we need to go to win, and we need to overwhelm the enemy. We need to have technology they do not. We need to have more troops than they do. We need to have equipment that can destroy their equipment without destroying our people. That requires investment. The whole world is reducing their defense budgets.

Our NATO allies spend less on defense combined than we do. Like it or not, we are the arsenal of democracy, and now is not the time to reduce the arsenal and to be cheap on defense and grow the domestic side of Government. We need butter and we need guns, but let me tell you right now we need a lot of guns in the world we are about to inherit in the next 10 years.

Finally, the increase in domestic spending puts the country on an

unsustainable path, and the next generation is going to have to pay for this big government. To pay for it we are going to have to raise their taxes. To make it all work we are cutting defense.

There is a better way. Let's keep taxes competitive and as low as possible, realizing we have a government to run. Let's spend wisely. Let's reform health care so the Government doesn't become the one group in the country that decides what doctor we can see and what the doctor makes and what kind of treatment we get.

This climate change issue is real, in my opinion. I think manmade emissions, CO₂ emissions, are heating up the planet. In the President's budget he was going to put a \$646 billion cap-and-trade tax on industry and American consumers—\$3,100 per family—at a time when we could ill afford it. That was taken out of the budget. That is good news. But what I am trying to say to my Democratic colleagues is, this is your Government now. You run this place. The problems in the past, the mistakes made by Republicans are real. You don't fix those mistakes by spending more money than we did. You don't fix the problems that America faces for the next generation by growing the Government at a pace and a level you can't pay for down the road unless you have to give up some of your hopes and dreams.

There is a role for Government. There is a role for us in health care. There is a role for us to play in the economy of our times: to help business and to be a safety net for those who have lost their jobs. But we are about to pass a budget that will increase the national debt, double what we have today. There will be a day in 2014 when we will spend more money paying the interest on the national debt than the entire Defense Department budget. That is not healthy for this country.

We have done nothing to reform Medicare or Social Security. We are talking about \$1 trillion more in spending on health care when we spend more than any nation in the world.

We are going to pass this budget. It is my hope the American people will weigh in. The stimulus package was \$787 billion of spending—a lot of growth in Government and very few jobs created. You need to speak out. You need to get involved. You need to tell us all, Republicans and Democrats: I expect you to collect taxes from me. I expect you to offer services to me and my family. But I do not expect you to make it so that my children and my grandchildren cannot have the life I have had. I expect you to do what I am doing, tighten your belt and set priorities.

This is your Government at the end of the day. It is fashionable and appropriate to criticize political leadership. But in a democracy, when you look in the mirror, that is "we the people." So for America to change it is going to require Americans to demand it from

both of us, Republicans and Democrats. I believe in you. Your Government is dysfunctional. It will be made better if you want it to be. There are people here listening. Speak out before it is too late.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Madam President, I would like to pick up where my colleague from South Carolina left off and talk a little bit about the need to have a budget agreement that reflects the will of the American people, to have Republicans and Democrats both engaged, involved in that, not only in Washington in the Senate but Republicans and Democrats around the country. What we saw in this budget was a certain number of amendments that were accepted on the floor of the Senate, Republican amendments, all of which were stripped out in the conference committee with the House—which many of us predicted. But there were lots of good amendments that addressed key, core issues.

We had amendments that addressed the issue of climate change, which the door is left open to in this budget. We had amendments that addressed issues such as the deduction for charitable giving, which was an amendment I offered on the Senate floor. It was adopted by a vote of 94 to 3. That was struck in the conference.

We had amendments that were offered that were designed to protect those with incomes less than \$250,000 a year from having tax increases in the budget. That was an Ensign amendment. That was stripped out. So any Republican input or involvement in this budget process was nullified by the work of the conference committee, the Democrats who led the conference between the House and the Senate. So we are left with a budget that has been sanitized of any of those protections against higher costs for energy, against higher taxes, and a whole range of other things—protection against losing the deduction that is available to people, the tax benefit available to people for charitable giving, that being stripped away and used to pay for other things.

The budget essentially now is a Democratic budget. My colleague from North Dakota was here earlier talking about how these problems were all inherited; that the spending all occurred on the past administration's watch and now they are just trying to clean up the mess.

I have to point out to my colleagues in the Senate and to the American people that there are certain givens I think we all would subscribe to, one being the fact that we did have a \$5.8 trillion debt at the end of the last administration. Many of us have acknowledged that Republicans didn't do a good enough job when we were in charge of keeping Federal spending under control. But that does not negate the fact that in the next 5 years that \$5.8 trillion debt is going to double. In

10 years it is going to triple. In fact, if we go back in the annals of American history, go back starting at the time of the Revolutionary War through the last Presidency, that of President George Bush, from George Washington to George Bush, the accumulated debt over that entire time period will be equaled by the public debt that America will pile up in the next 5 years. It will be tripled in the next 10 years. That is a staggering number.

When you start looking at doubling of the public debt in a 5-year time-frame, tripling in 10 years, when at the end of the 10 years we have \$7 trillion in debt or 82 percent of our gross domestic product that is composed of publicly held debt, we have not seen that kind of number since the end of World War II, since 1948.

I would daresay, with all due respect to my colleague from North Dakota who made the point that these are all problems that were passed on by the previous administration, that it was not the Bush administration that put on the table and passed a trillion-dollar stimulus bill. I think it is fair to ask the question, is this trillion dollars in stimulus spending going to be carried on and extended and considered part of the baseline so it will create obligations and liabilities for our Government in the future?

We talked about \$1 trillion on the floor of the Senate that actually, according to the CBO, when asked the question, if the spending in this bill is extended and not terminated, how much would it cost, the answer was \$3 trillion—with interest, over \$3 trillion. That was not a Bush administration policy, nor is the fact that the Omnibus appropriations bill that was passed earlier this year, which had an 8.3-percent increase in spending in it, which was more than double the rate of inflation in this country, nor does this more recently passed budget—is the Bush administration responsible for that? This is the budget that was put forward by the new administration, that was passed in the Senate without a Republican vote. It went to conference where any amendments that were adopted on the floor of the Senate that had been offered by Republicans were subsequently stripped out.

This budget is a statement of priorities and reflects the spending choices that are made by the new administration and by this Congress. So we cannot blame the past administration for the trillion-dollar stimulus which, if those programs are extended in the future, end up being not \$1 trillion but \$3 trillion. We cannot blame the past administration for the more than double rate of inflation increase in spending in the annual appropriations bills we passed earlier this year, and we cannot blame the past administration for a budget, a \$3.6 trillion budget, that increases nondefense discretionary spending by 8.9 percent this year and piles mountains of debt on future generations.

If we look at the deficits—just the 5-year, which we are limited to—earlier, I used some 10-year numbers. But the 5-year numbers on the deficits we are going to accumulate—2009, the current fiscal year, almost \$1.7 trillion; 2010, \$1.2 trillion; 2013, \$916 billion.

Incidentally, this year, 2009, as a percentage of GDP, that deficit is 12 percent—12 percent of our GDP. The benchmark for getting into the European Union is you cannot have a deficit, as a percentage of GDP, that exceeds 3 percent. Some of our European brothers, I assume, with the bad economy, are in excess of that now too, but the point is we are going to have a 12-percent deficit to GDP ratio which is four times the benchmark for entering the European Union.

The debt as a percentage of our GDP, the debt held by the public, starts at 55 percent this year, goes to 61 next year, 64 the year after, 66 the year after that, 67 the year after that—in 2014, 67 percent of public debt as a percentage of GDP, and if you extend it out for 10 years, which we saw in the original budget blueprint, we are talking about a debt that is 82 percent of our gross domestic product. That is not something for which the past administration is responsible. These are decisions that have been made by the present administration and this Congress when it comes to spending the American taxpayers' dollars.

So you have a stimulus bill which is a trillion dollars, and then again, as I said earlier, if those programs are extended in the future, it ends up being in excess of \$3 trillion; you have an Omnibus appropriations bill that passed earlier this year that increased at more than twice the rate of inflation and a budget which increases non-defense discretionary spending in front of us today by 8.9 percent and adds, over the next 5 years, about \$5 trillion, \$5.5 trillion to the Federal debt. Those are decisions that are being made real-time.

A lot of my colleagues on the other side have a sort of Bush administration phobia. They want to talk about everything that has happened before. Well, there comes a point at which you own these decisions. Decisions have consequences, and there are consequences of the decisions that are being made here.

A lot of people believe that if we continue this rate of spending and taxing and borrowing, in the future, if we continue to pile up the interest on the debt—again, incidentally, at the end of the 10th year, we will spend more on interest on the debt than we actually spend on national defense, about \$4 trillion over the course of the next 10 years in interest on the debt, or \$52,000 for every household in America. That is just the interest on the debt.

A lot of people think the level of borrowing is going to lead inevitably to higher inflation down the road and therefore higher interest rates and all kinds of other bad economic outcomes

that will put this Nation's economy in peril and make it more difficult for us to recover.

So if we are going to have a debate here in the Senate about this budget resolution and the conference report that came out, it should be about what is in front of us, not what has happened in the 8 years previous, because this budget is a budget that was presented and submitted by this administration, adopted by this Congress, adopted here in the Senate without a single Republican vote, then went into conference with the House of Representatives where any Republican amendments which were agreed to on the floor of the Senate, many of which got big votes: Well, just let them go ahead, vote for this stuff. We do not want to put out bad votes against these good amendments; we will strip them in the conference with the House. So those amendments, all of them, were stripped out. So we now have in front of us a budget that includes or makes possible the prospect of a climate change or the carbon tax proposal being done through reconciliation.

The Senator from North Dakota put out a statement that says: Assume that reconciliation will not be used for changes in legislation related to global climate change. Well, that is really nice, but it is a statement. The amendment that was offered by the Senator from Nebraska, Mr. JOHANNNS, which was adopted here on the floor of the Senate, which got 67 votes, was binding, basically said that reconciliation would not be used for climate change legislation. It got an overwhelming vote here in the Senate. A lot of Democrats voted for it. It got stripped in the conference committee, which opens the door to a cap-and-tax proposal that, by some estimates, could cost the average family in this country over \$3,000 a year in higher electricity costs. That is not a previous administration issue. This is a real-time budget. This is a real-time issue. These are decisions that are being made by the current administration and the current Congress, make no mistake about it.

The final point I wish to make is that in the context of this—and they have been coming down and saying: There is really no tax increase in this. Well, there is. Taxes are going to go up on a lot of people. Well, they may say it is high-income people, but there are a lot of small businesses that are going to be captured under that net. This is not just going to hit the high-income people because a lot of small businesses that are organized as LLCs or subchapter S's or in some way that allows the income they derive from their small business to flow through to their individual tax return are going to pay higher income tax rates. Instead of paying at 33 and 35 percent, they are going to pay at 40 and 42 percent. Taxes are going to go up on capital gains. Taxes are going to go up on dividends. There are tax increases in there, there is no question about that, and the

American people are going to find that out very soon.

The other thing that did not happen in this budget, in this whole sort of pursuit of new Government spending—and there are reconciliation instructions in here for health care reform which can be very costly to the economy and which there is no way of paying for in the budget. It is just assumed at that point that they will come up with the revenue source for that. But you have a health care reconciliation instruction, a climate tax reconciliation instruction, all of which could cost the economy enormous amounts of money, and yet nothing was done in the budget to deal with the fundamental issue that is driving these deficits and this debt for years and years into the future, and that is entitlement programs: Social Security, Medicare, Medicaid. All of these programs on the mandatory side of the budget that continue to drive Government spending, to drive deficits and drive debts well into the future, there is nothing that is done to reduce the overall cost of these mandatory spending programs, these entitlement programs, or to reform them.

The President said we need to reform these and look at all of these entitlement programs. Well, this budget does nothing of the sort. All it does is increase spending, increase taxes, and add mountains and mountains to the public debt—a debt that we hand off to future generations.

So I hope my colleagues will reject and vote down this conference report. It would have been better, it would have been a much improved product had some of the amendments my colleagues on the Republican side had adopted when it was debated here in the Senate been retained in the conference committee. But they weren't. They have been struck, all of them struck, many of which passed by large margins. As I said, I had a couple of amendments on the floor, one with 89 votes and another was 94 votes. You would think, when the Senate makes that kind of statement in support of a particular amendment or policy, you might want to think about retaining that in the conference. Those were struck. The amendment by my colleague from Nebraska, Senator JOHANNNS, which got 67 votes, which directed the conferees not to use reconciliation for climate change legislation, was struck from the conference report.

That is unfortunate. This could have been a better budget. It wouldn't have been a good budget because it still spends too much, taxes too much, and borrows too much, but it certainly would have been improved had some of those amendments been retained.

So I urge my colleagues to vote against this, and I hope, now that this budget is going to pass here and we start doing appropriations bills, that this Congress will get serious about controlling Federal spending, about

doing the serious work that is necessary to get our fiscal house in order. We cannot afford to continue to pass on these mountains and mountains of debt to future generations. It is not fair to them, and it is not fair to the American taxpayer. It is high time we started focusing on this issue and did something about it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Thank you, Madam President.

Let me start by commending Chairman CONRAD for his leadership of our Budget Committee and especially for the hundreds of hours he and his staff have dedicated to getting this budget done and accommodating both the priorities and concerns of so many of us in this body. Putting together a budget is never an easy process, but I believe our chairman has achieved a very good balance that will set us on a course both to reduce our deficits and invest in the areas we know will make us stronger in the future: energy, health care, and education. A budget is a statement of priorities, and ours are very clearly in this budget. We put the middle class first, and we get our country back on track by investing in our future.

There is no doubt that we have inherited great challenges at this time. We now face the worst economic crisis in generations. Since December 2007, we have lost 5.1 million jobs, including 3.3 million of those in just the past 5 months. So before we consider where we are going, I believe it is important today to talk a little bit about where we have been.

Our colleagues on the other side of the aisle have been bemoaning deficits and debt with not a moment of consideration for their own record on this issue. Back in 2001, Republicans controlled the full power of our entire Government. Under the leadership of President Bush and Republicans in Congress, record surpluses that were created under President Clinton became record deficits. Those Republican deficits grew and grew, and now today they add up to trillions of dollars in new debt that is going to be shouldered by future generations of Americans.

So it was with this perspective, which I hope our Republican friends will start to acknowledge and own up to, that we know at this point in time we have two choices: Choice 1 is to continue down the Republican deficit path—no investments in the future, a widening gap between the rich and the middle class, and more massive deficits. Choice 2 is represented by the budget we present today. It improves the economy by investing in energy and education and health care reform so that we are stronger in the future, cutting taxes to the middle class, and addressing deficits so that our children do not continue to bear the burden of bad decisions well into the future.

After 8 years of the Bush administration's very shortsighted budget and

misplaced priorities, we are now working with President Obama to invest in our Nation's needs and chart a new course for America. We have chosen a new path with this budget. The American people deserve an economic plan that works for everyone in this country. Our budget makes responsible choices that will help get our economy moving again. I want to talk about a few of them. Let me start with education.

We all know that education and training are the keys to our future strengths. In this new global economy, a good education is no longer just a pathway to opportunity, it is a requirement for success. We will not rebuild our economy and be competitive long term unless we can both create jobs and ensure that our American workers have the education and skills needed to fill those jobs.

This budget before us invests strongly in education and in training. We also place a priority on making sure American students do not fall behind as they make their way into the global marketplace. Our budget helps to retrain American workers for careers in those new high-growth and emergent green industries, such as health care or renewable energy and energy-efficient construction, so that those workers stay in the middle class.

This budget makes strong investments in early childhood education and home visiting programs to make sure that our young students are healthy and that they are ready for school. It also, importantly, invests in making sure college is affordable and accessible for more of our students. We want all of our students to achieve a postsecondary credential, whether it is through a registered apprenticeship, through a community college, or through a university. This budget helps point us in that direction.

As a nation, we have to change the way we think about preparing our young people for careers, starting with making sure education works better.

This current economic crisis has cost us dearly. Every weekend I go home to my home State of Washington, and I hear about another business that has closed or another family who cannot pay the bills. But we know that if we make changes and we make smart investments, we can move our country forward. Investing in education and investing in training is one of those smart investments.

That brings me to our next investment. As we are all aware today, energy issues are some of the most pressing facing our Nation today. Our dependence on foreign oil has left us beholden to other nations, as middle-class families pay the price at the pump. By making renewable energy a priority, we can reduce our dependence on foreign sources of energy in the future and help create green jobs here at home and leave a cleaner environment for future generations. This budget does that.

On an issue that everyone knows is near and dear to my heart, I commend both the committee and President Obama for making veterans a priority in this budget process. Our men and women in uniform and their families have served and sacrificed for our Nation. After years of underfunded budgets and being overshadowed by other priorities, this budget finally does right by them. I commend my Budget chairman and our President and all of us for making sure that happens in this budget.

This budget is honest with the American people about the cost of war, not just by paying for our veterans care but by paying for the wars in Iraq and Afghanistan on budget for the first time since they started over 6 years ago.

I also note that this budget meets our commitment to nuclear waste cleanup in my State and across the country. Workers at Hanford nuclear reservation and people of that community sacrificed to help our Nation win World War II. Hanford and other sites are now still home to millions of gallons of waste, and our Government needs to live up to our promise to clean them up. This budget does that.

As is the case in many States across America, farming and ranching and agricultural production is my home State's largest industry. Protecting our agricultural sector is critical to the economy, the environment, and to our quality of life. We have to make sure our rural communities are strong. We worked to make sure we have a bright future for our farm families. Production agriculture, such as Washington State's wheat farming, is a very volatile business. A workable safety net such as in the farm bill is vital to the security of our family farms. I have also long supported the Market Access Program which provides funds for our producers to promote their products overseas and expand into those important international markets. Especially in these difficult economic times, when our foreign competitors are trying to limit our market access with tariffs, the last thing we should be doing is cutting programs such as MAP that will help growers in a competitive marketplace.

I want my colleagues to know I will continue to work with everyone to make sure we find ways to support one of the staples of our economy, our agricultural community.

We all know our health care system is broken. It needs real reform. Today we have an historic opportunity to finally tackle this challenge. These investments are not luxuries. They are essential to this country's future strength. That is why we have to prioritize the health professions workforce and access to quality care in rural areas. We have to work to ensure that preventive measures are given priority so American families are not left with giant bills for expensive care down the road.

Some critics of this budget are saying now is not the time to tackle health care reform. I believe that is pretty shortsighted reasoning. There is a direct connection between our Nation's long-term prosperity and developing health care policies that stem from the chronic bleeding in business and in State and national budgets. A recent editorial in the Everett Herald newspaper in my home State made this point very well. They said:

Yes, the economy is the most urgent challenge. But our broken health care system and addiction to oil threaten to become our long-term undoing.

They're all intertwined: Failing to find solutions to our long-term problems will likely stunt future economic expansions, creating longer and deeper downturns.

Health care is an important priority in this budget before us.

There has been a lot of talk over the past few weeks about the inclusion of reconciliation in this budget. Some following this debate are probably very surprised that our Republican colleagues, who were so adamant about using this procedural motion when it came to passing huge tax cuts for a very few while paying for it on the backs of many, would now be arguing against its inclusion in this budget. As I said earlier, there is a direct connection between America's long-term prosperity and improving our health care system. Today nearly 46 million Americans do not have health insurance. One in five working adults does not have good coverage today. There was a survey by the Kaiser Family Foundation this month that found 6 in 10 American families put off care because of cost, and 42 percent of those people said they relied on home remedies instead of going to see a doctor.

Of course, just this week the covers of newspapers across the country are filled with photos of people wearing surgical masks. TV screens are filled with commentators talking about the possibility of a new strain of flu crippling the country and our economy. I can't think of a better time to be talking about the need to insure all Americans, to focus on prevention, and to make absolutely certain that when there is the possibility of a public health crisis, no one puts off medical care because they don't have the means to pay for it. But in order to do all that, we have to work together.

Democrats would strongly prefer to address health care in a bipartisan manner and by going through the regular legislative process. It is our full intent to do just that. Democrats believe all Americans deserve high quality health care that reduces our costs, makes care more affordable, and creates jobs in the health care sector. We believe in protecting existing coverage when it is good, improving it when it is not, and guaranteeing health care for the millions of Americans who have none. We know the only way for our economy to fully recover is by making this critical investment in health care

today. We are committed to working with Republicans to do that. But they have to demonstrate a sincere interest in legislating, because the stakes are too high and the cost of inaction is too great for us not to move forward. As long as Republicans want to be at the table, they have a seat. We welcome them. This is simply too important an issue not to have their voices. But it is also too important an issue to stall using partisan tactics. We have to address this crisis. We intend to move forward this year.

I urge all colleagues to stop debating the process and, instead, join the conversation about how we move forward on this issue that is so critical to America's families today and to our Nation's future economic strength.

America has paid dearly for the Bush administration's failure to invest in our Nation. We all know that. We don't have to tell the American people. They wake up to it every day: rising health care costs, pink slips, crumbling infrastructure, bills and mortgages they can't afford to pay. We tried it the other way for 8 years. It is time to invest in America again. It is time to give the middle class a break. It is time for honesty, and it is time to make bold decisions. This budget invests in our future and begins to get us back on track.

I thank our chairman who is now in the Chamber and tell him I appreciate the tremendous work he and his staff and so many people did to make sure we now have a budget before us that begins to get America back on track.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I want to especially thank Senator MURRAY. She is next in line on the Budget Committee. When I really want to threaten her, I tell her I am going to leave as chairman of the committee and she can take over.

Mrs. MURRAY. Every day I pray for the health and welfare of the chairman of our committee.

Mr. CONRAD. We could not have a stronger or better ally than the Senator from Washington. Senator MURRAY is exceptional. I have so enjoyed getting to know her over the years and working with her. When there is something you need to get done, you need an assignment that can actually get done, you want Senator MURRAY on the case. She is somebody who is a performer. She gets results. I have such respect for her and the contribution she makes to this committee and to this Chamber. We are fortunate to have Senator MURRAY in the Senate.

I tell my colleagues, they have seen her in vote-arama go around this floor, convincing colleagues that perhaps this is not the time to offer an amendment, perhaps they could wait. They have seen how effective she can be in personal interactions to get results. It goes way beyond the procedural. It

goes to the question of policy and getting a good result for the country. I am so blessed to have Senator MURRAY as the top Democrat on the committee. I thank her personally for everything she has done as a conferee to bring us to this point, to have a successful resolution and a budget that is responsible, that does help get America back on track.

I have heard from the other side: We have tax increases here. Let's get to the facts. The fact is, on balance, we have a very substantial tax cut in this budget proposal aimed at the middle class. They are the ones who deserve and need it. We have also heard that this leaves open the possibility of global climate change being used in reconciliation. Nonsense. There is an absolute commitment from everyone who is a party to this discussion. It is in the wording of the resolution that climate change will not come to this body or to the other body through reconciliation. It is not going to happen. It has the absolute commitment of the majority leader, of the Speaker, and of the President himself. He has said it to me directly. So let's not be chasing straw dogs here. Climate change is not going to be done through reconciliation, period.

Again, I thank Senator MURRAY for her constructive work on this budget.

Mrs. MURRAY. Mr. President, if I may respond to the chairman of our committee, I appreciate his thanks and praise. But our colleagues should know, no one has spent more time and energy, not just for a few months but for a very long time, to make sure we have a responsible budget we can all be proud of to vote on today. I again thank him and his staff for their tremendous leadership, in calls late at night, when I am out on the west coast, and I know it is even later for him. I appreciate the tremendous amount of work he does, both policywise and making sure we keep the right fiscal balance. There is no one who is stronger in our caucus talking about how important it is to make sure we look at not just what we do today in terms of this budget but how we do it in the future. Keeping that balance between spending and deficit is at the forefront of his mind. We would not be here today without him. I thank him.

Mr. CONRAD. I thank the Senator for her kindness. Next we have Senator HUTCHISON. How much time would the Senator require?

Mrs. HUTCHISON. May I have 15 minutes?

Mr. CONRAD. You certainly may.

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I thank the distinguished chairman of the committee. I want to say about the chairman that I do believe he made very credible changes in the original budget proposal by saying he would not sign on to many of the even bigger spending items that went over the 10-

year period. This budget has some redeeming value, and I appreciate his leadership. Because it is very difficult when you have the President of your party and Congress also with leaders from your party trying to say: You have to do this. It is hard sometimes to reconcile all of that. I appreciate that effort.

I am speaking against the budget resolution today because the overwhelming parts of the budget that are unacceptable outweigh the few good things that were done. Reconciliation was the subject of conversation. Reconciliation, of course, is the procedure that is used to completely wipe out the minority's opportunities for input. Maybe we will have input, but no Republican amendments will pass. On reconciliation, you do not have the ability to filibuster at all. While reconciliation is not completely allowed on the climate change bill, the report says:

It is assumed that reconciliation will not be used for changes in legislation related to global climate change.

I am going to take the chairman at his word saying that global climate change will not be subject to reconciliation because it is very important we have amendments. One of the amendments I had on this budget resolution, which was taken out by the conference, relates to the energy portion of the bill. So not having reconciliation and taking away the ability to filibuster in the climate change bills that will come later is a positive.

However, reconciliation is in the health care part of this budget, which means health care reform and the single-payer system that has been proposed by the President and the leaders in Congress is in reconciliation, which means there will be no opportunity to filibuster or possibly have input—certainly no leverage by the minority. That is in the health care section of the resolution, which may be the most important one that affects people's lives.

We know our system of health care in America is the best in the world. There may be a few other countries that have equal access to private choices and doctor choices and the ability to choose what hospital and the type of care you are going to get and the kind of insurance coverage you get. But I think it is best in America. I know the countries that have gone to the single-payer system—which takes the private sector largely out of health care, takes the choice out of health care—end up with a system that allows people to die while they are waiting to have the procedures they need that they would have in the United States of America within a week.

So we have that in this budget in reconciliation, which means it is a 51-vote bill. That in itself is enough for us to vote against this budget. But there are other reasons as well.

We know our Nation is in the middle of an economic crisis the likes of which none of us have ever seen. Yet we are

looking at a \$3.5 trillion budget resolution that says basically to the American people: We know you are struggling. We know you are trying to make ends meet. We know you cannot get loans from the bank. We know your small businesses are struggling to stay open. But not the American Government. The American Government is growing. It is getting bigger. It is going to be a burden that is going to be beyond what we will be able to bring back or contract if we can get through this economic crisis.

So while the American people are proving their resilience in the face of hardship, we are seeing the American Government grow as if we had all the money in the world to spend, which we do not. We are now looking at an unprecedented growth in Government in this country with a \$3.5 trillion budget, on top of a \$1 trillion stimulus bill, on top of a \$410 billion Omnibus appropriations bill—all of which have been passed in the last 100 days.

The American people know this increase in Government spending is not free and it is not sustainable. The American people will be forced to pay for it. It is a short-term gain for a very long-term cost. It will double the public debt in 5 years. In 10 years, this budget will triple the American debt.

The distinguished chairman, Senator CONRAD, would not allow this budget to go forward for 10 years because he saw that debt and he had the integrity to say no. So it is 5 years. Hopefully, when this budget resolution is adopted—because it is going to despite our objections—hopefully, in the next 2 years, if we can see the economy coming back, the people with integrity in the majority will say it is time to start reversing some of the debt that has been created, get these deficits down, and give our country a chance to recover for the long term and not hand our children this debt. Because if we go on with this budget as it is today, which will presumably be adopted by Congress today—because the House has already adopted it—it will create more debt than every President from George Washington to George W. Bush combined—more debt than all the Presidents of our country combined.

In 10 years, this budget will spend nearly four times more on interest payments than on education, energy, and transportation combined. That is staggering. I would urge my colleagues to think twice before they vote for this resolution because reversing it will be very difficult.

There are some good parts of this budget. One is I want to commend the majority leader, HARRY REID, because he did take the lead in making permanent the State and local sales tax deduction. It is something I have worked on with him and with others in this body, who represent the eight States that do not have a personal income tax, just to get equity. Senator CANTWELL, Senator MURRAY, myself, and the Senators from Tennessee have all

worked tirelessly, along with Senator REID and Senator ENSIGN, to rectify the inequity that has plagued the eight States that do not have the State income tax. But they do have sales taxes.

What the majority leader has led the fight to do is to allow those eight States, on a permanent basis, to deduct our sales taxes on our Federal income taxes, just like all the other 42 States in our country are able to deduct their State income taxes on their Federal income taxes.

This all started in 1986, when the sales tax deduction was eliminated, but the income tax deduction was kept. Since 1986, until 2004, we had that inequity. But we corrected it in 2004 with the efforts of many of us. Thank goodness we have had extensions. Now we will make it permanent. That is a fundamental issue of fairness, and I commend Senator REID for his leadership.

However, my amendment to permanently eliminate the marriage penalty, which was adopted by the Senate, was taken out in conference. I think it is the most egregious antifamily tax we have in this country today.

We, in the plan that is before us, did not make that tax relief permanent. We have had it since the tax cuts of 2001 and 2003. I hoped to make it permanent. But we were not able to do that. What is going to happen after 2010 is the marriage penalty is going to come back in full force for those who make over \$200,000—many of which are subchapter S corporations. They are the small businesses that create jobs.

We have a common goal: President Obama and the Democrats in Congress and the Republicans in Congress all want to create jobs. The problem is, the policies that are put forward in President Obama's budget and in the one that is getting ready to be adopted will hit, with tax increases, the people who will create jobs, by increasing their tax brackets, by increasing the marriage penalty on them. We should follow our goals with policies that will achieve them. But instead, unfortunately, we are going in the opposite direction.

Here is another example: the Outer Continental Shelf. President Obama said in the campaign, and he has said since: We have a goal of energy independence for America. Sixty percent of our energy needs are imported from foreign countries—countries that do not want us to succeed, countries such as Venezuela, countries in the Middle East. We are importing our energy needs from countries that would like to shut us down.

We have a goal. It is a common goal, once again—Democrats and Republicans—energy independence for America. But we are taxing the only energy source in this country that actually produces enough energy to make us independent.

Drilling on the Outer Continental Shelf would open exploration and give every State that allows that exploration a part of the royalties. We would

encourage environmentally safe drilling off our shores, using our natural resources for our common goal of energy independence for our country.

But, no, the amendment the Senate adopted was taken out of the conference report that would have encouraged the expansion of oil and gas production in the Outer Continental Shelf. It has been shown by the drilling in the Gulf of Mexico, which is today our largest source of oil off our own shores—because we know how to drill in an environmentally safe way, just like we could do in ANWR, where the people of Alaska want to be able to drill in a very small frozen tundra in Alaska, where we would have an even bigger resource than the Gulf of Mexico, and yet that, too, has been shut out.

We have a unique position in the world; that is, we are the only country in the world with abundant natural resources that could reduce our energy dependence in an environmentally safe way. Yet we refuse to use those natural resources. Other countries in the world fight for natural resources that we have in abundance but are unable to use because we have shut those down.

Every one of us in this body believes that wind energy is great, that solar energy is great, that we need to do more research in technology, so that solar and wind energy will be more available on a 24-hour, everyday basis. We want more technology to learn how batteries can increase their capacity so we can have electric cars that could run for a long time. We want those things but not at the expense of environmentally safely using the resources we have—such as nuclear energy, for instance, which is the cheapest source of electricity in this country. There are no carbon emissions from nuclear energy. We have not built a new nuclear powerplant in this country in over 30 years. We must encourage these energy sources that would make us energy independent in an environmentally safe way.

There are so many parts of this budget that are wrong, and I hope that we will say no to it—if only for the reason of having reconciliation in health care and adding an unprecedented amount of money to our debt, giving us deficits that are unable to be stopped as far as the eye can see. Go back to the drawing board and bring us a budget that tells the American people: We get it. We know a big increase in Government is not in a family's best interest, a family that is struggling to make ends meet and stay in their home and either keep their job or produce jobs for others. This budget will not do that. I hope the majority will listen to what we are saying: Defeat this budget and then, in a bipartisan way, we can come up with a plan that will be good for America and that will give Americans confidence that they are going to have an economy once again that will create jobs and good incomes for their families.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Delaware.

Mr. CARPER. Mr. President, I will talk, as my colleague has, about the Federal budget, the budget resolution that has been prepared for our consideration as a result of the conference that has occurred between the House and Senate. I express my thanks particularly to the chairman of the committee, Senator CONRAD, for the work he and his staff and other members of the committee have done, Democrat and Republican, including Senator GREGG.

I wish to respond a bit to what my colleague from Texas said. This administration didn't inherit a day at the beach. They have inherited a tough situation. We as a country have been around sort of officially since 1787, and if you go from 1787 to 2001, I think that is about 214 years. We ran up in that period of time roughly \$5 trillion worth of debt. We essentially doubled that over the last 8 years. We doubled it in only 8 years. We ran up as much new debt in the last 8 years as we did in 214 years as a nation. I didn't hear nearly the kind of bemoaning and railing about the growth in the deficit and the national debt during those 8 years as we hear today from our friends on the other side of the aisle.

I think my colleagues know I am not a real partisan guy, but I think it is important to say this is the hand we have been dealt. The question is what do we do about it. We have a couple of wars we are fighting. We have an economy that is the worst since the Great Depression and we have to do something about it. One of the first things we have decided to do about it is to try to jolt the economy back to life. I remember those old Frankenstein movies where Dr. Frankenstein is in the lab trying to put the electrodes to the monster and jolt that monster back to life. We are trying to jolt not a monster back to life but an economy back to life. Economists on all sides—liberal, conservative, and everything in between—have said, you have to spend a lot of money and hopefully it will be used to produce jobs and add to the value that will be for a good purpose in our country.

That is what we have done with the stimulus package. As we go through this year, and probably the next year or so, the deficit is going to be a whole lot bigger than I am comfortable with. I was elected to the House and served there for 10 years before I became Governor. I was a deficit hawk and in my heart I still am. I wish to talk about some things we can do, ought to do, and in some cases are doing, to bring the deficit down further.

I am encouraged when I hear our new President say the deficit is large this year, but over the next 4 years we will reduce the deficit in half. I think that is fine. The important thing is we don't just stop there, and if we have the same administration or a new one, it is

important that we continue to make progress and drive the deficit back to zero. I am one of those people who thinks it is appropriate to spend when we are in a time of economic calamity, when we are in a time of war, and as it turns out right now we are in both. Hopefully, 4 years from now—hopefully sooner than that—we won't be in both and we can turn back our spending. When the economy is sound, when we are not in a national disaster, in war in places around the world, I think it is appropriate to balance our budget. In fact, one of the things I was proudest of as Governor is we not only balanced our budget for 7 years in a row, we reduced taxes and paid down our debt a little bit, and that made me proud, and the legislature too. Hopefully, we will be in a position in the years to come, as we were in 1999 and 2000, when we paid down the debt.

I have suggested to the administration some things we can do, and I have talked about them here on the floor, to reduce the deficit. I wish to talk about one of them and mention one of the others as well. In order to better match revenues and expenditures going forward, we obviously cannot avoid the question of taxes. As far as I am concerned, before we start raising a lot of taxes, the first thing—maybe the better thing—for us to do is to collect the taxes that are owed. Every year we hear about the tax gap. The last one was actually officially done, I think, about 8 or 9 years ago by the IRS and they figured that at the time we had a tax gap—monies owed to the Treasury, not being collected by the Treasury—of about \$300 billion a year. By most estimates I hear today, it is almost \$400 billion a year. If we can only recover half of it or a third of it, we are talking about real money that would make a real dent in our deficit.

We make a lot of improper payments in this Government of ours. I chair a subcommittee that has jurisdiction over that sort of thing. We know our improper payments that we made into the Federal Government last year were right around \$72 billion, mostly overpayments, some underpayments. We need to do a better job. At least we know now for the most part where the improper payments are going, or at least the departments that are making them, but we are not doing a very good job of actually going back, after we have made an overpayment, especially, and recovering the money, recapturing that money. We call it postaudit cost recoveries. We are just beginning to scratch the surface in one of our big entitlement programs, Medicare. Starting about 3 years ago we hired some private firms and said, For monies we have overpaid to providers or medical suppliers, corporate suppliers, let's go back and get the money we have overpaid. We said we were going to do it in three States—California, Texas, and Florida. The first year of this effort we recovered almost nothing. The second year we recovered a little bit. Last year we recovered about

\$700 million. That is real money. The idea is not to just do it in 3 States but to do it in all 50 States, and I am encouraged that we are going to do that. If we can recover that kind of money for overpayments in Medicare, my guess is we could recover some money in Medicaid. If we have two of our three big entitlement programs that are sucking up a lot of money, one of the first issues we should face there is reducing the overpayments and going after the money and recovering that money we have overspent or, in some cases, misspent.

The third area we need to focus on is the area of major weapons systems. We have spent a lot of money. Going back to I think it was 2000, we were overspending on major weapons systems cost overruns by about \$50 billion in 2000. In 2005 we were up to \$200 billion. Last year we were close to \$300 billion in major weapons systems cost overruns. Clearly that is an area where we can do better and have to do better. Secretary Gates has come forth with a number of proposals and reforms that deserve our support, and I hope they will enjoy our support as we go forward, to try to better align our weapons systems with buying for the kinds of wars we are likely to fight. We could do a much better job in terms of controlling our costs for those weapons systems as well.

The Federal Government owns a lot of property, not just land, not just military bases, not just buildings, but all of the above, and in some cases we don't use them. We pay security for those properties, we may pay utilities for those properties, but we don't use them. We don't do a very good job of disposing of properties that are not being used. We need to dispose of those properties. Those are only a couple of things we can do and ought to be doing. I hope in the years to come we will do more of each of those.

One other thing I would mention is most Governors have what we call line item veto power—the ability to go and line out a single line item in a budget. They have it by virtue of the Constitution so they can veto bills, they can go through the lines of their bills and veto lines and different pieces of a spending package that they have signed into law. We have something like that in the Federal Government. It is called rescission power. The President can sign an appropriations bill into law, submit that to the Congress, and the Congress can vote it up or down. But if we don't do anything, then it kind of goes away. The President sends rescission messages to us from time to time and we don't do anything, and the rescission of the proposal sort of goes away.

If we go back to 1995, 1996, there was a proposal in the Clinton administration that changed that. The idea was to make the President's rescission powers look more like line item veto powers. I thought it was a flawed effort. I think line item veto powers are oversold in

terms of their value of reducing the deficit, but there is some virtue there. They are a good tool to have in the toolbox. But in 1995, 1996, what they came up with, it passed here in the House and Senate and it was signed into law. The President proposes a rescission, the Congress has to vote on it, and unless they vote it down with a two-thirds vote in the House and in the Senate, that proposed rescission is going to become law. Think about that. We are not talking about a bill. We are saying a line or a couple of lines in a bill, the President could propose to rescind those and his recommendations on rescinding spending in an appropriations bill or a tax bill or an entitlement bill, or all of the above, would actually become law unless two-thirds of the House and the Senate said no, we are going to override that. That is a huge shift of power from the legislative branch to the executive branch. I didn't think it was a good idea then. The Supreme Court didn't think it was a good idea either. If not the Supreme Court, one of the top circuit courts of appeal said they didn't think it was a good idea. They threw it out for being unconstitutional.

Having said that, I think the idea of at least compelling us to give a Presidential rescission a day in court, a day on the floor, is a good idea. What a number of us, 21 of us have done, is we have cosponsored legislation that we introduced this week, Democrats and Republicans. The idea behind the legislation is when the President signs a spending bill—not a tax bill, not a revenue bill, not an entitlement measure, but when he or she signs an appropriations bill into law, he or she would have the right to send us a rescission message to propose to reduce or rescind spending in that spending bill. We would constrain how much the President could rescind. He couldn't rescind more than 25 percent. If they are unauthorized, there is no limit. The long and short of it is, though, the President would send a rescission message and we would have to vote on it. We could vote it down with a simple majority; in the Senate, 51 votes, or in the House with 218—not a two-thirds override, not both Houses, just a simple majority in either the House or the Senate. We limit the time for this to occur. In fact, we limit the amount of years that this could be law to 4 years—4 years. I call it a 4-year test drive with enhanced rescission powers for a President. If the President abuses it, if the President should say to the Presiding Officer from New Mexico: Unless you vote for my top priorities, I am going to go after your top priorities, to try to intimidate a Member of the Senate or House—that could happen. As a result, we provide for this 4-year sunset. After that, the law goes away. If Presidents, current or future, continue to abuse this, they will not continue to enjoy this particular balance.

Do I think this will balance the budget? No, I don't. Do I think it might be of some help? Yes, I do.

I will close with a comment on earmarks. Some people think earmarks are the devil's work. The earmarks that we submit in my State—Senator KAUFMAN and myself, Governor Castle before he became Governor—were earmarks that we are proud of. We have three budgets in Delaware State government, and one of the major budgets is the operating budget which basically runs the State. The second is the capital budget—bricks and mortar, schools, roads, prisons, and that sort of thing. The third piece of our budget, the third budget, if you will, is something called a grant and aid budget. The Governor proposes the operating budget. The Governor proposes the capital budget in my State. The Governor doesn't propose the grant and aid budget in my State. That comes from the legislature. We found in the 1990s that the grant and aid budget was growing like Topsy, kind of crowding out spending in the operating budget and the capital budget. What we decided to do was put a constraint on the growth of the grant and aid budget, no more than 2 percent; no more than 2 percent of revenues. That put a halt to the growth and kind of put things back on the right keel.

With respect to earmarks, among the things we have done here—there is nothing inherently wrong with earmarks, directed spending, but when they are growing like Topsy, as they were for a while, that is not a good thing. We have now decided to limit earmarks to 1 percent of revenue which I think is appropriate.

The second thing we didn't know for the longest time is where the earmarks were coming from and who was asking for them. We didn't know necessarily who was going to benefit from the earmark. We have addressed that so we know both.

The other thing I believe we have addressed is called air drops, where you have a conference committee with the House and Senate on appropriations bills, you don't have an earmark in either one, yet out of the conference committee emerges an earmark from somebody and we don't know where it came from and it wasn't in either bill. That shouldn't be allowed.

The last thing I would mention is at the end of the day, you have the ability for the President to look through a bill, whether with earmarks or other forms of spending, and say maybe this is a bad idea. This is an egregious form of spending. It should be addressed, and basically say to us in the Senate or the House: I have signed this bill into law, but I wanted to come back and vote on a couple specific items. If I cannot get 50 colleagues to vote for an earmark that I have made on behalf of Delaware, I should probably not be asking for that earmark in the first place. That is the long and short of it.

There are a lot of things we can do to continue to make progress. We are getting down to 3 percent of GDP in the next 4 years, and I applaud that. There

are other things we want to do. I look forward to working with the chairman. Those are just a few of the ways we can make additional progress.

I applaud the chairman, and I thank him for all his work. I cannot imagine what it is like to bear the burden of this or any budget, but he has done it well and in good humor for a long time.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I thank the Senator from Delaware, who has been so constructive on many critical issues since he joined the Senate. He is somebody whose career I followed closely when he was in the House of Representatives and as Governor of his State. He is one of the real clear thinkers on fiscal issues before this body. I thank him for all of the contributions he has made.

Next, we have Senator WHITEHOUSE, a very valued member of the Budget Committee. He is one of the people who put a great deal of effort and energy into producing the budget resolution that came from the Senate which really served as the model of what we have before us in terms of the conference report. This is a conference report, as I have said repeatedly, that captures the President's key priorities of reducing our dependence on foreign energy, focusing on excellence in education, and providing for health care reform, which is a special passion of the Senator from Rhode Island. It also contains substantial middle-class tax cuts—in fact, over \$750 billion in middle-class tax cuts—all the while reducing the deficit by two-thirds over the next 4 years.

As measured against a share of GDP, it is even better. We reduce the economy on that metric—and the economists say that is the best metric—by three quarters. No member of the committee has made a greater contribution on health care issues than the Senator from Rhode Island, Mr. WHITEHOUSE.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

Mr. WHITEHOUSE. Mr. President, I thank the distinguished chairman of the committee for his kind words. I congratulate him on having brought this budget successfully to the floor for a vote at this point. The procedures the budget must go through are very complex. The consequences for this body, if the budget should fail, are dire, and the economic catastrophe the country and our new President have been presented with have made this a particularly challenging budget substantively to work with. Through all that, the distinguished chairman has persevered and succeeded with his customary diligence, grace, and good will; and it is customary on our part to rely on his expertise. He made a remarkable contribution. It would not be right to not acknowledge what a spectacular achievement, under the circumstances, this has been.

What is particularly useful about this budget is the emphasis on the

pressing priorities that our country faces—particularly clean energy technology and energy efficiencies, the education of our young people, and I think most important, as the distinguished chairman has suggested, it lays the groundwork for a vitally necessary, far-reaching reform of our health care system in the coming months and years.

This reform cannot come soon enough. Our health care system is a mess. The number of uninsured Americans continues to climb and will soon hit 50 million. The annual cost of the system is over \$2 trillion a year, and that will shortly double. We spend 16 percent of our Nation's gross domestic product on health care—more than any other industrialized country in the world, and double the average of our European Union economic competitors. There is more health care than steel in the cost of Ford cars. There is more health care than coffee beans in the cost of Starbucks coffee. Unless we act quickly, the recession we are living through now will seem like nothing compared to what will happen when \$35 trillion in unfunded Medicare liability—against which we have set not one nickel—comes due.

Even more important, however, is the extraordinary price that hard-working Americans pay every day for this dysfunctional system. In America, we have the best doctors, the best nurses, the best procedures, the best hospitals, and the best equipment in the world. Yet our broken health care system grinds that up and produces mediocre results.

More than 100,000 Americans are killed every year by unnecessary and avoidable medical errors. Many more are faced with longer health care stays and higher costs. Life expectancy, obesity rates, and child mortality are much worse than they should be in a country such as ours. More families in America experience bankruptcy because of medical expenses for that family than any other cause.

Fundamentally, the system itself doesn't work. Hospitals are going broke, doctors are furious, and paperwork chokes the system. Quarrels between providers and payers drive up the cost, while potential savings in billions of dollars for improved quality and prevention lie there on the table. It is a system in crisis, and it threatens our Nation's fiscal security. It must be repaired, and we have to see this as an urgent task.

Mr. President, a few months ago, I added a new feature to my Web site, which is a Health Care Storyboard, to give Rhode Islanders a chance to share personal experiences in the health care system and their ideas for how to fix it. Since we launched the Storyboard, more than 300 people, from 45 different communities, have sent me their stories. While I was in Rhode Island over the recess, I had the chance to meet with some of the people who sent in stories, so I could talk to them firsthand.

Joyce from Warwick told me she is supposed to take two medications every day, but her insurance will pay for only one. There is no generic for the one she must pay for out of pocket. She would love to retire, but she simply cannot because her medical coverage would cost too much. She is trapped at work by health care.

Judith and Scott from Cranston have been struggling ever since he needed a liver transplant in 2006. Their family incurred \$60,000 in medical bills that weren't covered by insurance as a result. Scott has been unable to work since 2004 due to his illness, which meant the family was relying on Judith's insurance. But 18 months ago, Judith lost her job, which meant her family had to go on COBRA. To make matters worse, their COBRA is about to run out, and Judith still cannot find a job.

Like hundreds of thousands of American families, Judith and Scott had to file chapter 7 bankruptcy on February 12, 2008, because of the medical costs of Scott's illness.

Claudia from Providence is self-employed and pays for her own health insurance. She recently did a few precautionary tests at her annual doctor visit when the doctor suggested they were a good idea. However, she found out her health coverage only covers 80 percent of her visit, and she had to pay an extra \$176. At the time, she didn't realize how much these tests would cost her. She told me she might have skipped them had she known it was not included in her premium.

She, like so many Americans, would have bypassed necessary health care in order to save money. Claudia told me calling what we have a "health care system" is too kind. It is more like a trap that people fall into.

Marie from Wakefield told me she had been healthy her entire life until extreme pelvic pain sent her to the emergency room twice in 2006. She was eventually diagnosed with endometrial cancer, which was treated with a hysterectomy and six sessions of chemotherapy. Fortunately, Marie had excellent coverage and paid very little for the countless doctor visits, blood work, hospitalizations, scans, and specialists. But now her employer will be changing her coverage dramatically. She may not have post-retirement health care options, and her copay may rise considerably. She has no idea what her future health care needs will be. All she knows is she was once promised one thing, when her career began, and now as she looks toward retirement, she is faced with very different options.

Finally Barbara from Exeter, a registered nurse since 1983 and works in hospice care. She told me about her experience "watching our health care system fall apart at the seams, while insurance giants have gotten out of control." Barbara said she had witnessed providers who no longer determine what the best care is for patients based on clinical excellence, but rather

on what the insurance company demands and will pay for. She has seen patients forgoing needed medical care because of costs, and ultimately spending more because when they finally seek treatment, their illnesses have become more severe. "The whole concept of insurance is not what people expect it to be," she said.

These are just stories of six Rhode Islanders. In them we see a loss of dignity, a loss of security, a loss of confidence and comfort, a loss that is shared by millions of Americans. Their stories remind us that health care reform isn't just an abstract Washington problem—that underneath the awful numbers we see coming out of our health care system are even more awful human tragedies.

As we work to reform our health care system, two goals loom large: One, ensuring that health care is available for all, and that it is affordable. But the stories I have heard from these and hundreds of Rhode Islanders remind us it is not just enough to solve the problem of coverage. When the boat is sinking, it is not enough to get everybody out of the water and into the boat. Instead, we must also reform the health care system itself, making it more intelligent, more sensible, more helpful, more efficient, better supported by information technology, and better grounded in quality and prevention. We need an information technology infrastructure so every American can count on his or her own secure electronic health record. We need improvements in the quality of health care so care is both cheaper and more effective. We need to reform our misaligned payment and reimbursement system so the health care we want is the health care we are paying for.

This budget begins the process of making that possible, and I am proud to support it. These delivery system reforms in health care cannot be just flipped on like a light switch. They will require complex workforce, regulatory, and infrastructure changes, and then those changes will have to be implemented and administered. It will take time. It could take years. It is all the more reason we need to start now. This budget launches us on that journey.

We made good progress yesterday by confirming Secretary Kathleen Sebelius, an experienced and determined leader who will be an enormous asset in this fight. I am encouraged by her confirmation, and I look forward to her leadership at the helm of this effort. Reforming our health care system will be more than a financial problem, more than a policy puzzle, and more than a political fight. This is a landscape of human tragedy, and families all across this country are struggling every single day that we fail to act.

This budget does that. It is a good thing. Before I leave the floor, I have to add this because I have been listening across the internal television network to the speeches of my colleagues—in particular, Republican col-

leagues. From their speeches, you would never know that during the Bush administration the difference between the budget that President Bush inherited and the budget projections he was given the day he took office and the actual budget outcomes that the Bush administration produced, the difference was nearly \$9 trillion—\$9 trillion of debt. During that time, there was not a peep from our Republican friends about this carnival of debt, this orgy of fair weather debt in which George Bush and the Republican party engaged.

Now something has changed. We have a different President, and suddenly we are hearing a whole different message from the Republicans. Now that we have a serious recession, the one time when families are contracting their budgets, businesses are contracting their budgets, and State and local governments are contracting their budgets, and the Federal Government has an economic obligation to spend counter cyclically to keep the budget from melting down, now at this time we hear the most intense caterwauling about debt and deficit.

I ask my colleagues, where were you when the Bush administration was running up nearly \$9 trillion, putting a war in Iraq on the credit card, and giving tax relief to America's billionaires? Where was the economic urgency of putting those things on the American debt tab? This is the one time when it makes sense to countercyclically spend, to deficit spend through a recession. Yet we hear these complaints.

I am a lawyer, as is the Presiding Officer, formerly a distinguished attorney general of New Mexico. We both know that when you are arguing in a court of law, if you intend to make a point, it is usually helpful if the point you are making is consistent with what you have done in the past. It is called the clean hands doctrine. You cannot come into court and argue for a position when you have acted counter to it in the past. You don't have clean hands, and the court will take that into account.

I submit that our friends on the other side, the party of no, is now the party of no consistency and the party of no clean hands on this subject. It is impossible to ignore the Bush debt of nearly \$9 trillion and come to the floor and claim that this President, in this emergency he inherited from the previous administration, should not do the one thing economists say makes sense in this timeframe, which is in a recession to have the Government spend countercyclically. It makes no sense. I think we need to do what President Obama does: Look to the future, look to the pressing priorities of our time, look to the urgent demands, such as health care, and support this budget.

I will conclude, again, with my very great appreciation for the extraordinary work my chairman on the Budget Committee has done to bring us to this day. I think we can look forward

to this budget passing, although there will be a certain amount of back and forth until we get there. I think we are doing the American people a service by passing this budget and it is thanks to the chairman's leadership.

I yield the floor.

The PRESIDING OFFICER (Mr. MERKLEY). The Senator from North Dakota.

Mr. CONRAD. Mr. President, I, again, thank the Senator from Rhode Island, Mr. WHITEHOUSE, who is such a valuable member of the Senate Budget Committee, as is the occupant of the Chair, who has newly joined us and is already making good contributions to our work. We are delighted to have Senator MERKLEY, the occupant of the Chair and a Member of the Senate Budget Committee, with us and appreciate so much the efforts of Senator WHITEHOUSE and Senator MERKLEY in developing a budget resolution that, by the way, our outline was largely followed in the conference committee. It is very close to what passed the Senate earlier. I think the reasons for that success are, No. 1, we did capture the President's priorities of reducing dependence on foreign energy, a focus on excellence in education, providing for major health care reform that is absolutely critical to the country's future and, at the same time, cutting the deficit by two-thirds over the next 5 years, by three-quarters as measured by the gross domestic product, and also providing very substantial middle-class tax relief, hundreds of billions of dollars—in fact, over \$700 billion—of middle-class tax relief that is in this budget. I think we can be proud of that.

We have already seen the budget earlier today pass in the House of Representatives by a very wide margin. I anticipate, when we have our vote, it will also pass with a healthy margin.

I, again, especially thank Senator WHITEHOUSE and Senator MERKLEY, who are key members of the Budget Committee who did so much to help us fashion a document that can command the respect of our colleagues.

For one moment, I would like to, as we are waiting for Senator GRASSLEY to arrive, indicate that earlier there were a number of comments made to which I wish to respond. First, that reconciliation could still be used for global climate change legislation. Technically, that is true, but it is not going to happen. We have the absolute assurance of all those who are in leadership positions in the House and the Senate, the President of the United States—in fact, the President has assured me directly—directly—that he would not allow that. Let's take that off the table.

Second, we have heard concern from our Republican colleagues about the use of reconciliation. I share those concerns. I have opposed the use of reconciliation for these purposes. But my own belief is health care will not use the reconciliation process. I believe health care will move in the regular

order. The committees of jurisdiction have until October 15 to do so.

I see now that Senator DURBIN, who is a member of our leadership, is here. If he is ready to go—how much time does the Senator request? I yield 15 minutes to the Senator from Illinois, Mr. DURBIN.

Mr. DURBIN. Mr. President, I thank the chairman of the Senate Budget Committee, Senator CONRAD of North Dakota, not only for yielding but also for his leadership in the preparation of this important document.

The budget resolution is a blueprint. We pass it and then we go to work with the individual parts of it in the appropriations bills. But we have to get this done first because the budget resolution tells us how much we can spend in total. Once we have that guidance, it is turned over to the Appropriations Committee on which I serve. We then parcel it out among the different appropriations subcommittees and go to work looking at the individual budgets. I have one of those subcommittees for which I am responsible. We cannot start working until this budget resolution is agreed to.

It is not an easy political task. First, it is a highly technical document which few Members understand in detail, the chairman and ranking member being notable exceptions. Second, it is highly political because when you start describing what your budget is going to look like, not only next year but several years down the road, you are doing more than putting figures on paper, you are spelling out your values, what do you want to do.

The budget submitted to us by President Obama is significantly different than the budgets we have seen in years gone by. His priorities differ from previous administrations, particularly of President George Bush. We have to realize that in the last 8 years, there has been a significant change in Government spending. In the entire history of the United States of America, through all the Presidents, including President Clinton, we had accumulated about \$5 trillion in debt. That is all the debt of America. That was our mortgage when President George W. Bush took office. When he left office—let me go back.

When he assumed office, he assumed a surplus. In other words, the last budget left to him generated more money than we were spending. What did we do with the surplus? We reduced the debt of the Social Security trust fund, which meant that Social Security could last a few years longer.

President Bush inherited a surplus in the budget and a \$5 trillion mortgage that all the Presidents had accumulated.

When he left office, what did he leave behind? Eight years after he was elected President, he left a national mortgage of over \$10 trillion. It had doubled in an 8-year period of time, and he left to the new President, President Obama, the largest deficit in the history of the United States. I believe it

was in the range of \$1.3 trillion—a huge amount of money that we were in red ink facing.

President Obama faced a tough task dealing with an economy that was flat on its back in a recession and how to revive it, how to make sure we create and save jobs, how to get businesses back on their feet, how to give some tax incentives and help particularly to working families, how to fund the things in Government which are essential because, as we know, when we get into a recession, people need more things.

I went to a plant in Chicago with Vice President BIDEN on Monday, a plant which last December laid off 240 employees and now was reopening. We, of course, couldn't be happier that was occurring. I asked one of the workers coming back: How did you get by for the last 4 or 5 months? Senator, unemployment, that is how I got by.

Unemployment compensation is one of the things Government pays out in the midst of recession. With more and more Americans out of work, we have been paying out more for unemployment insurance, for food stamps, the basic things people need to survive until the economy turns around and their lives turn around.

Faced with that, this Budget Committee had to sit down and try to write a budget that moved us toward reducing the deficit in America and also revitalizing the economy. That is a tough job. If your goal is just to reduce spending, that is pretty obvious. We know how to do that. But if your goal is to still spend enough to get the economy moving and yet create a trend that moves us at least closer to a balanced budget, then you have a tough assignment.

Now add in two other elements that make this even more complicated. President Obama said if we are going to spend money in this economy, we need to invest it in what has meaning, long-term investments in America. There is this caricature of WPA, under Franklin Roosevelt, of people leaning on shovels, folks sitting at desks where phones never ring. I am not sure that is any more than caricature.

Today President Obama said: Let's create jobs that we will use to invest in our future. Let's build things that will have value to us in the outyears. He looked at two or three areas in specific terms. One is health care, and the President is right. If you look at the curve line on the increase in costs of health care in America, it continues to rise. It will continue to rise unabated to the point where there is no hope for us to balance this budget. We will start spending more and more on health care for the elderly, for the poor, for those who are disabled to the point where we cannot even consider any kind of balanced budget. The President said: As part of this next budget, let us move toward the day when we have a new health care system in America, one that serves everyone and is reasonably

priced. That is a tough assignment, no doubt about it. But in this budget, we address that issue.

Senator CONRAD has talked about reconciliation. That is a term which beyond divorce court most people do not know what you are talking about. For most Americans, it is a term of mystery. For us, it is a procedure on the Senate floor that changes the vote necessary to pass a bill. This is, after all, the Senate, and a majority does not get the job done on a given day. In the Senate, you need 60 votes out of 100 to do anything that is controversial or important. Reconciliation says: On any given issue under reconciliation, a majority is sufficient. But there are strict rules on what you can put in there, strict rules on what you can consider.

Senator CONRAD had to deal with this whole question: What procedure would we use to move toward health care. I think he came up with a reasonable conclusion, and it is one I support. If by October 15 we have not made progress toward health care reform, we can consider it under the reconciliation rules.

My friends on the other side of the aisle, the Republican side of the aisle, have protested this saying it is fundamentally unfair, unconstitutional, and ungodly. But the fact is, it has been used repeatedly, 18 or 19 times in the last few years, and it has been used as frequently, if not more so, on the Republican side of the aisle as the Democratic side. I don't think there is anything inherently evil in it unless you are in the minority and it diminishes your power in the Senate.

Senator CONRAD struck the right balance. He gives us a chance to deal with it in a bipartisan fashion but says, if at the end of the day, October 15, we are not going to have anything to show for our efforts, we can at least consider reconciliation. I think that is a reasonable approach.

This budget resolution also offers a promising vision when it comes to education. The budget will dramatically expand access to quality early childhood education, including Head Start. The budget invests in teachers and innovative programs. This budget will help us build the education system we need to compete in the global economy.

It is almost a cliché in politics for us to talk about education. Every politician, every candidate does. But the American people know intuitively this was their ladder to success. Unless you were born on some crystal staircase, you were lucky enough to get a good education and make your way in life. We want to make sure more kids are reached earlier in their school years, their learning years, and given that chance. This budget does it.

It also takes into account the fact that tuition costs are increasing dramatically. I left a hearing in the other building of a person who is seeking a Federal circuit court judgeship. That is a pretty high-level appointment. I

noted this man, who is roughly 51 years old and has been a lawyer and a judge, at the age of 51 still has over \$40,000 in student loans to pay off—51 years old, \$40,000 left.

It is no surprise, if you are putting a child through college and they are fortunate enough to be accepted at a great school, they could end up with a great debt. We want to make sure, particularly for those in lower income groups, that there is more Federal money available to help them.

Since 2000, the average cost of tuition at a 4-year college has increased by 29 percent, and financial aid has not kept up. This bill moves us toward more financial aid for students.

Energy is another element the President focused on because if we don't find ourselves more independent when it comes to energy sources, we are not only going to be at the mercy of other countries with these energy resources, our economy cannot thrive the way we want it to. If we are not sensitive to the fact that responsible use of energy would make certain we don't increase global warming and climate change and jeopardize future generations, we will pay an even heavier price.

This budget lays the groundwork for cutting back on energy sources that generate greenhouses gases. The budget proposes we spend less money burning conventional fuels and more money on cleaner energy sources, and it helps us create good-paying jobs in energy pursuit. Some of the most exciting areas of our economy—I think the areas that will grow us out of this recession—relate to new visions on energy.

I tell the story about the Sears Tower—now called the Willis Tower—in Chicago. This magnificent building, built 35 years ago, has 16,000 single-pane windows—totally energy disastrous. They are going to be replaced, hopefully with energy-efficient windows. And I hope they will be made in Chicago. We have a new plant there that can do it.

The point is, at the end of the day, in 3 years, Willis Tower—once Sears Tower—can recapture the cost of those windows in energy cost savings. In the meantime, we can produce this new window, creating jobs for people to make 16,000 windows. It fits together nicely and it reduces the carbon footprint of this building. Buildings are one of the major sources of pollution in America.

Finally, let me say that this conference report provides tax relief for American families when they need it the most, and I hope we can continue on that.

It is sad and disappointing to me that the budget offered in the House of Representatives, the one we will vote on later, didn't receive a single Republican vote, not one, not a single vote. The stimulus bill the President brought forward to try to turn the recession around—the Recovery and Reinvestment Act—didn't receive a single

Republican vote in the House of Representatives. Fortunately, three Republican Senators stepped up and said they would join us in passing it over here; otherwise, it wouldn't have happened.

Well, in comes the President's budget—an effort to reduce the deficit by half over 4 or 5 years, an effort to make the right investments—and not a single Republican in the House of Representatives would support it. They have become the party of "no" when it comes to this Obama administration. He continues to open the door and invite them in, and too many of them say: No, we are not interested.

Well, the American people are interested. The American people voted for change. They voted for new direction and new leadership. And I commend the Senator from North Dakota for bringing this to the floor, and I hope we pass it with a convincing vote.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the whip, Senator DURBIN, for all of the leadership he has provided that has helped us get to this point. We had some pretty direct meetings with some of our colleagues. Sometimes voices were raised, and there was a lot of energy in the room, but it is that kind of dialog which is essential to getting agreement. I think we have done that, and we have achieved it in a way that is responsible and fair, and I thank him very much for his leadership and his friendship.

Mr. President, Senator GRASSLEY is next, and I would yield—how much time?

Mr. GRASSLEY. I thought they reserved 15 minutes.

Mr. CONRAD. I yield 15 minutes off Senator GREGG's time to Senator GRASSLEY, who is, by the way, let me just say, a very valuable member of the Senate Budget Committee, the ranking member of the Finance Committee, and somebody who is extremely constructive. We don't always agree. That is the beauty of democracy. But when Senator GRASSLEY speaks, people listen because he has earned their respect.

The PRESIDING OFFICER. Without objection, the Senator from Iowa is recognized.

Mr. GRASSLEY. I thank the Chair, and I thank the distinguished chairman of the committee for those kind remarks, and I hold him in high esteem as well.

First of all, the budget we are voting on had bipartisan opposition in the House of Representatives. Seventeen Democrats voted against this budget. Most of those are what you call conservative Democrats, or whatever title they want. That is what I will call them—fiscally conservative Democrats. They think this budget leaves too much of a legacy to our children and grandchildren in the way of debt. So bipartisan opposition ought to tell this White House and this majority

something, and I hope in time that will become very clear.

Today, the Senate begins its debate on the congressional budget resolution, and it will pass shortly, I am sure. The budget process started, of course, with the President's budget coming to the Hill on February 26. That was about 2 months ago. During the committee process—and I participated in that process, and I participated in the floor process—we faced one key question, and that was: Should we apply more or less budget discipline to the record debts and deficits of my President, President Obama, on what he inherited January 20, 2009?

Over the past few weeks, we have heard a lot about revisionist fiscal history or it might best be described as heavy editing of recent budget history. I was pleased to see the distinguished Budget Committee chairman make the record clear: President Obama inherited a \$1.3 trillion deficit. I agree with that. I don't take exception to that. Those are quantifiable facts. Republicans don't disagree that President Obama inherited a large deficit.

One point of clarification, though, needs to be made. The deficit and the debt were bequeathed on a bipartisan basis. That was due to the makeup of the Presidency last time and the Congress over the last 2 years. The Democratic leadership obviously controlled the House and Senate during the years those budgets were drawn up—2007 and 2008. The Democratic leadership wrote the tax and spending bills President Bush signed in the last Congress. So congressional Democrats negotiated the bailout bill with the Bush administration. Those fiscal policy decisions, though at times very combative, in the end were jointly made on the one hand by a Congress, controlled by the Democrats, and by the administration, controlled by a Republican President. So it was bipartisan.

The antirecessionary spending, together with the lower tax receipts and the TARP activities, set a fiscal table of a debt of \$1.3 trillion. That, in fact, was on the President's desk when he took over the Oval Office on January 20 this year. That is the highest deficit as a percentage of the economy in post-World War II history. Not a very pretty picture, Mr. President.

I have a chart here that shows that part of the story, and that part of the story is the gray there, as you can see.

As predicted a couple of months ago, that picture got a lot uglier with the stimulus bill. So for the folks who saw that bill as an opportunity to "recover" America, with Government taking a larger share of the economy over the long term, well, they can say: Mission accomplished. For those who voted for the stimulus bill—and I didn't—you put us on a path to a bigger role for the Government. Over \$1 trillion of new deficit spending was hidden in that bill. It caused some of the extra red ink in this chart.

So I point to what is called the inherited aspect of the debt, and those are

the red bars on top of the gray bars—what was inherited.

I think supporters of that bill need to own up to the fiscal course they charted. Again, that is the red line, if you want averages, and it is the red bars for what has been done since this President has come to office.

To be sure, after the other side pushed through the stimulus bill and the second \$350 billion of the TARP bill, CBO reestimated the baseline. A portion of this new red ink up front is due to that reestimate. The bottom line, however, is that reestimate occurred several weeks—several weeks—after the President and a more robust Democratic majority took over in January of this year. Decisions were made. And do you know what happens here? Decisions have consequences. So fiscal consequences followed.

The budget before us, for the most part, follows the fiscal trail blazed by President Obama. As the administration's top budget official said: This budget is 98 percent like the President's budget. I want to congratulate the chairman on keeping some of the tax priorities of the Senate, however. One deals with the alternative minimum tax patch. Although shorter than I proposed, it is dealt with over 3 years. The chairman also kept part of the Senate's middle-income tax relief.

But on both the tax and the spending side, we need to take a hard look at what is going on at the end of this budget term—2014. The budget resolution conference report claims to reduce the deficit from \$1.7 trillion this year to about \$520 billion in 2014. However, the final year of the budget fails to include the revenue loss from the alternative minimum tax patch for that year. It fails to include the revenue loss for fully extending the 2001 and 2003 middle-class tax relief, the President's Making Work Pay tax credit, the Medicare physician fix, and natural disasters, but it does include illusory, unspecified future discretionary spending cuts. When you add it all up, the thing it fails to do—or claims to do but doesn't—the conference report falls hundreds of billions of dollars short of its claimed deficit reduction.

So let's return, then, to the basic question I asked at the very beginning and also asked when we started the budget process several weeks ago. The question, once again, is this: Should we apply more or less budget discipline to record debts and deficits which my President, President Obama, inherited on January 20, 2009? This budget does answer that basic question. It makes the fiscal situation even worse. Inherited debt doesn't stay at its unacceptably high level; it doubles to 82 percent of gross national product.

So we have another chart here, with the red line going up toward the top in the 10-year outlook that the Congressional Budget Office shows to be over 80 percent. Abnormal deficit levels become normal deficit levels. Again, you see here what is normal and what isn't

normal. Levels once considered a fiscal vice by most people—at, say, the peak during the Bush years—of 3 to 4 percentage points—here in the years 2007 and 2008, as you can see from the chart—are very dramatically dwarfed during the outyears of the President's budget. Fiscal vices become what? Fiscal habits, under this budget. I would ask anyone whether they define that plan as fiscal discipline.

Everyone in this body wants to help get our economy back on track. If the economy gets back on track, everybody wins. From a fiscal situation, there is no better policy development than growing the economy. More economy to be divided over an increasing population, so more economy for more people to have more. If we do not grow the economy, we have less for more people.

I think everyone in this body would agree that we ought to grow the economy. Likewise, we know small businesses are an extremely important part of our U.S. economy. I like to say that small business is the engine that drives the U.S. economy. President Obama agrees that small businesses have generated 70 percent of the net new jobs over the past decade, and most economists agree with that.

One month ago we debated the budget resolution on the Senate floor. During that debate, the Senate spoke on this point. Senator CORNYN's small business tax relief amendment passed by an overwhelming 82 to 16; in other words, 82 of the people in this body agreed with President Obama.

Senator SNOWE had a similar amendment that was accepted by the managers of the floor bill. Last week the Senate spoke again. This time the question was phrased on a motion to instruct the budget resolution conferees on the importance of keeping taxes on small business low. The vote grew even more: 84 in favor of it, 9 against it. Unfortunately, the conferees did not adopt the Senate budget resolution protecting small businesses from tax increases.

America's small businesses have been suffering during this recession. We will hear it in our events back home—I do. A very good source of answers on the environment for small businesses is found in the monthly survey of small businesses, the survey by the National Federation of Independent Business, NFIB, a spokes-organization for small business. They are well known around here. They have been conducting this survey for 35 years.

The NFIB membership includes hundreds of thousands of small businesses all across America. I encourage every Member to check out this important survey and particularly this month's survey.

This survey shows some extremely disturbing trends. On credit availability, small businesses are getting squeezed very hard. We have a chart that shows this trend. Particularly, look out here at the year 2009 on the right side of this chart. It is way down

as far as the percentage change compared to before. This credit crunch and other factors have contributed to a near record low in the NFIB's index of small business optimism.

I have a chart that puts this data in perspective. We have here, over a long period of time, the optimism of small business. What you see is the attitude of decisionmakers in small business America. Those are the decisionmakers for businesses that President Obama and Congress agree are the businesses most likely to grow or contract jobs. The pessimism is at its second lowest point in those 35 years of surveying. The data should concern every policymaker in this town.

As bad as the two sets of data are, it gets even worse. This chart shows the net increase or decrease in small business hiring plans. The survey asks the business owner whether he or she planned to expand or contract employment over the next 3 months. As you can see right here, it is very negative. This chart shows small business activity contracting tremendously. Small business hiring plans are at their most negative level in the 35-year history of this survey.

With this pessimistic environment, we should not be surprised, then, that small businesses are hemorrhaging jobs. The President's recent efforts to increase lending to the small business sector are commendable. The centerpiece of the President's small business plan will allow the Federal Government to spend up to \$25 billion to purchase the small business loans that are now hindering small banks and lenders. Unfortunately, very well intentioned as it is, that is a drop in a very empty bucket. Remember, small business accounts for about half of the private sector.

Moreover, the positives that will come to small business from this relatively small package of loans which will ultimately have to be paid back will be heavily outweighed by the negative impact of the President's proposed tax increases on those very same small businesses, the business sector. Helping small businesses get loans just to take the money back in the form of tax hikes is not wise. It would be wise to make those loans possible, but these tax policies that the President is thinking about doing are going to hinder small business.

Don't take my word for it. Just today the National Federation of Independent Business wrote to all of us, all the Members of the Senate, on this point. NFIB's hundreds of thousands of small business owners oppose this conference report. I ask unanimous consent that a copy of that letter be printed in the RECORD.

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

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
Washington, DC, April 29, 2009.

DEAR SENATOR, On behalf of the National Federation of Independent Business (NFIB),

the nation's largest small business advocacy organization, I am writing in opposition to S. Con. Res. 13, the fiscal year 2010 budget conference report.

NFIB is discouraged that the conference report does not contain more relief for small businesses, but instead places more burdens on them. The March small business optimism index hit the second lowest reading in the 35-year history of the NFIB Small Business Economic Trends (SBET) survey, with plans to hire and make capital expenditures at or near an all-time low. Small business is the source of job creation, but economic growth will be stalled if Congress continues unchecked spending while increasing taxes and placing new mandates on America's job creators.

Specifically, NFIB is concerned the conference report assumes the top individual tax rates will expire, which would mean a tax increase for some small business owners. Increasing audits and the tax filing burden as a way to close the tax gap would be a direct hit on small businesses. In addition, despite bipartisan support in the Senate for additional relief from the estate tax, this help for small business was removed in the conference.

We are also concerned that considering healthcare legislation under the reconciliation process will lead to a bill that does not generate bipartisan support. Essential to the long-term economic stability of our nation's small businesses is the need to address the unsustainable, ever-increasing costs of healthcare. However, reforming the healthcare system is a large undertaking impacting all Americans and—as we have stated repeatedly—must be a bipartisan effort.

The budget conference report does not contain the right policy direction for our nation's small businesses, and I encourage you to vote against it.

Sincerely,

SUSAN ECKERLY,
Senior Vice President, Public Policy.

Mr. GRASSLEY. Here is what the NFIB says in that letter:

NFIB is concerned the conference report assumes the top individual tax rates will expire, which would mean a tax increase from some small business owners.

Do we really want to raise taxes on these small businesses that create new jobs and employ two-thirds of all small business workers? With these small businesses already suffering from the credit crunch before the entire country, do we really think it is wise to hit small business again with this double-whammy of a 20 percent increase in marginal tax rates?

As we move forward from the budget process, the President and the congressional Democratic leadership have an opportunity to change course. From my 33 town meetings in Iowa during spring break, they want to change that course. There is a lot of concern about the legacy of debt that we are leaving to children and grandchildren. Both budgets would perpetuate the double whammy of constricted credit and high taxes directed at America's job engine, small business.

So as I close, in the coming months we Republicans will try to persuade our Democratic friends who have all the controls of fiscal policy to change course. One way they can change course is to focus like a laser beam on jump-starting the Nation's job engine—

the small businesses of America. We need to reverse the direction of the sharply downward-sloping arrow that you have seen on some of these charts. That is where the President and the Congress agree that we need to get more job growth.

I quoted the President: 70 percent of the new jobs—small business. We in this party agree with that. As we move on from the budget, let's recognize the reality and the importance of small business.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, let me take a moment to review what is in the resolution before us with respect to taxes because I think it is important to go over it. The actual tax changes on a net basis in this package are a reduction from current law of \$764 billion. We have \$512 billion of middle-class tax relief. All of the 2001 and 2003 provisions that provide individuals tax relief to the middle class are provided for for the next 5 years in this budget resolution. The 10 percent bracket, marriage penalty relief, all the other 2001 and 2003 tax cuts, including the child tax credit and the education incentives, all of them are in this budget.

We also have alternative minimum tax reform for 3 years, as the Senator indicated. We have estate tax reform going to \$7 million a couple excluded from any estate tax. That means 99.8 percent of estates would pay nothing, zero.

The tax extenders for business are all included for a subtotal of tax relief of \$861 billion.

On the other side we have \$97 billion of tax raises. That \$97 billion is loophole closers aimed primarily at offshore tax havens and abusive tax shelters. Let me just indicate, only 2 percent of taxpayers with business income are affected by the changes in the top rate because, again, all the 2001 and 2003 tax cuts are extended for those earning less than \$250,000 a year. Only 2 percent of taxpayers with small business income are affected by the top rate changes. That means 98 percent are not.

Under the definition being used by our colleagues across the aisle, former Vice President Cheney would qualify as a small businessman because what they are describing as small business people is "anybody who has on their income tax returns small business income." There are a lot of people who are very big business people, have big businesses, who show small business income on their returns.

Vice President Cheney, under the definition used by our colleagues on other side of the aisle, like any taxpayer with any small business income, qualifies as a small businessman. Vice President Cheney in 2007 had income of \$3 million. He had \$180,000 of small business income, small businesses in which he apparently has an interest. Under their definition, he is a small businessman.

I would say that is a tortured definition. There are people with much greater wealth—under their definition, Bill Gates is a small businessman. The richest or second richest man in the world is a small businessman. Under their definition, Warren Buffett is a small businessman. I don't think so.

In the Bush tax cut in 2007, people averaging over \$1 million a year in income got on average a tax reduction of almost \$120,000 a year. The vast majority of people got next to nothing, as this chart shows. But those with average incomes of more than \$1 million got tax reductions averaging \$120,000. That is one of the reasons we are in the deep hole we are in.

My assertion is, on the loophole closers we have, we can go after money that is owed that is not now being collected. The tax gap in the most recent year for which there is a calculation, 2006, amounted to \$345 billion a year, money that is owed that is not being collected. That is the first place we ought to focus before we talk about a tax increase for anyone.

The second place we ought to look is these offshore tax havens. These offshore tax havens are running amok. Here is the conclusion from our own Homeland Security and Government Affairs Permanent Subcommittee on Investigations. This is from their work in 2007:

Experts have estimated that total loss to the Treasury from offshore tax evasion alone approaches \$100 billion per year—

It is \$100 billion a year in these offshore tax haven scams—including \$40 to \$70 billion from individuals and another \$30 billion from corporations engaging in offshore tax evasion. Abusive tax shelters add tens of billions of dollars more.

We do not have to wonder if our own Permanent Subcommittee on Investigations knows what they are talking about. We can just go to the newspaper. Here is February 20 of this year, the New York Times:

The UBS memo was blunt: The "Swiss solution" could help affluent Americans.

That message, sent to the bank's executives in July 2004, referred to a UBS plan to help rich customers evade taxes by hiding money in offshore havens like the Bahamas.

The memo, along with dozens of e-mail messages like it, were disclosed on Thursday in a blistering court document filed by the Justice Department, which sought to compel UBS, based in Switzerland, to divulge the identities of 52,000 Americans whom the authorities suspect of using secret offshore accounts at the bank to dodge taxes.

We do not have to use our imaginations very much to figure out what is going on. Here is a little five-story building in the Cayman islands called Uglan House. It claims to be the home of 14,000 companies. Can you see them there in this little five-story building? Do you see them doing their business out of this building, 14,000 companies, supposedly doing business out of this little building down in the Cayman Islands?

They are not doing any business out of that building. They are engaged in

monkey business. What they are doing is an elaborate tax scam, much of it revealed in the UBS court documents; much more revealed in the collapse of Stanford Financial, which has shown that there are loads of companies, loads of individuals, who are engaged in dodging what they legitimately owe the United States by establishing these offshore tax haven locations, where they claim they do business, and all they are doing is dodging taxes.

Let me say, most of the largest U.S. corporations have subsidiaries in tax havens. Eighty-three of the one hundred largest publicly traded U.S. corporations have subsidiaries in tax havens, and 42 of these companies have subsidiaries in 10 or more tax havens—10 or more.

Sixty-three of the one hundred largest U.S. Federal contractors have subsidiaries in tax havens, and 33 of these companies have subsidiaries in 10 or more tax havens. Look, anybody who does not see what is going on is blind.

Here is the picture I hope people will pay attention to. This is a sewer system in Europe. A sewer system in Europe. What has that got to do with the budget of the United States? Well, it turns out to increasingly have a lot to do with the budget here, because this is a sewer system that was bought by a U.S. company that is not in the sewer business. They bought this sewer system in Europe to depreciate it on their books in the United States to suppress taxes they legitimately owe here. Do you know what they did. After they bought it so they could depreciate it, they leased it back to the European city they bought it from and paid for it in the first place.

If we do not cut down and stop this kind of scam, shame on us. Shame on us. And some of our friends over here say that is a tax increase. Well, sign me up if that is a tax increase to shut down this kind of scam. The vast majority of us pay what we owe, but a few get by with establishing these accounts in these offshore tax havens and engaging in these unbelievably abusive tax shelters.

So we need tax reform. We have got a tax system that is out of date and hurting U.S. competitiveness. We are hemorrhaging revenue. Right now we are only collecting about 75 percent of what is actually due under the current code. So without any tax increases, we can completely close the structural gap between spending and revenue in this country if we collect what the current system says is owed.

The fact is, the vast majority of us on tax day pay what we owe. But increasingly we have got big companies, wealthy individuals, who are not. Let's end it. Let's end it.

The AMT is another problem threatening millions of middle-class taxpayers that we have addressed in this proposal. Additionally, we have a long-term imbalance that must be addressed between spending and revenue. Finally, we need simplification and reform to

keep rates low for the vast majority of us who are honest.

I have heard the argument on the other side that we have got the highest corporate rate in the world. Well, what is true is we do have one of the highest nominal tax rates, stated tax rates. But our effective tax rate on corporations is among the lowest in the world. That is because, while the statutory rate is 35 percent, the effective rate, what companies actually pay, is only 13 percent. When you take that into account, here is where we stack up. Here are the major industrialized countries in the world. Here is the average. Here is where the United States is. The only countries that have a lower effective corporate tax rate than the United States are Slovakia, Poland, Austria, and Germany. Everybody else has a higher effective corporate tax rate than do we. I make this review for the purposes of establishing this in the RECORD.

Mr. GRASSLEY. Mr. President, I would like to briefly respond to my friend from North Dakota, the chairman of the Budget Committee. The chairman was responding to my remarks on small business and the effects of proposed 20 percent higher marginal rates on small business owners.

The budget brought before us raises taxes on small business owners. There can be no question about it. Here is how it works.

The President's budget proposes to raise the top two marginal rates from 33 percent and 35 percent to 40 percent and 41 percent respectively, when PEP and Pease are fully reinstated. President Obama's marginal rate increase would mean an approximately 20 percent marginal tax rate increase on small business owners in the top two brackets.

Many of my friends on the other side will say that while they agree that successful small businesses are vital to the success of the U.S. economy, the marginal tax increases for the top two brackets will not have a significant negative impact on small businesses. The chairman appears to fall into this camp.

Proponents of these tax increases, like the distinguished chairman, the senior Senator from North Dakota, seek to minimize their impact by referring to Tax Policy Center data that indicate about 2 percent of small business filers pay taxes in the top two brackets. In testimony before the Senate Finance Committee, Dr. Bob Greenstein, director of the liberal think tank, Center on Budget Policy and Priorities, also used that figure. Moreover, Secretary Geithner has testified that this Treasury Department agrees with that figure. They argue that a minimal amount of small business activity is affected.

However, there are two faulty assumptions to this small business filer argument.

The first faulty assumption is that the percentage of small business filers

is static. In fact, small businesses move in and out of gain and loss status depending on the nature of the business and business cycle. The nonpartisan Joint Committee on Taxation has indicated that, for 2011, approximately 3 percent of small business filers will be hit by these proposed higher rates. These statistics compare to a 2007 treasury which showed 7 percent of flow-through business owners paying the top rate. In the latest analysis, when the impact of the alternative minimum tax—AMT—is fully included, that percentage may drop some.

Small Business Administration—SBA—data provide evidence of the dynamic nature of small business. You can find that data on the SBA Web site in its frequently asked questions discussion. The website is www.sba.gov/advo. According to SBA, 67 percent of small businesses survive for 2 years; 44 percent of small businesses survive at least 4 years; and 31 percent of small businesses survive at least 7 years.

The second faulty assumption is that the level of small business activity, including employment, is proportionate to the filer percentage.

According to NFIB survey data, 50 percent of owners of small businesses that employ 20-249 workers would fall in the top two brackets. You can see it right here on this chart.

According to the SBA, about two-thirds of the Nation's small business workers are employed by small businesses with 20-500 employees.

Newly developed data from the Joint Committee on Taxation demonstrates that 55 percent of the tax from the higher rates will be borne by small business owners with income over \$250,000. This is a conservative number, because it doesn't include flow-through business owners making between \$200,000 and \$250,000 that will also be hit with the budget's proposed tax hikes.

Now, as is frequently the case in debate, the proponent of an idea seeks to change the nature of the debate by changing the question. We witnessed a bit of that this afternoon.

Notice the distinguished chairman did not dispute the basic thrust of the points I raised. Instead, he said, we, on this side, used an unfair or inappropriate definition of small business. He cited examples of former Vice President Cheney and Microsoft founder Bill Gates, Jr. The point seems to be that the 750,000 flow-through small business owners, again those most likely to expand or contract their workforces, who will be in the bulls-eye of the 20 percent higher marginal rates, should be ignored. We should focus instead on one or two examples. The point seems to be that it is fine to target the large group of small business owners if you can find a Cheney or Gates example.

On this point, I direct the distinguished chairman and the full Senate to the Treasury Conference on Business Taxation and Global Competitiveness Background Paper. It was put out on

July 26, 2007. The current Treasury is spending some time updating this data and will be incorporating the full effect of the alternative minimum tax—AMT—for 2011. If colleagues examine the study at page 20, table 3.3, they will find an insightful analysis. The study sorted Treasury data for flow-through entities. The analysis sorted the data to isolate active manager/owners from the broader pool of all flow-through filers. When so sorted, Treasury found that the lion's share of income and tax was still born by those manager/owners. I ask consent to have printed in the RECORD a copy of the Treasury table.

Even the Tax Policy Center, an institution in accord with President Obama and the congressional Democratic leadership's goal of raising the top rates on small business, shows a large slug of active small business income in tax-

payers in the top two brackets. I will ask consent to include a TPC chart printed in the RECORD.

The proponents of a tax increase of up to 20 percent in the marginal rates of small business owners should bear the burden to disprove the concerns those on our side have raised. Perhaps they could work with Senator SNOWE, Senator CORNYN and others to craft an exception that shields the small businesses that employ two-thirds of all small business workers from the tax increase. Pointing to an extreme example, like a Vice-President Cheney or a Bill Gates, Jr., may make great sound bites for politics.

It, however, will not amuse the small business owners who have worked hard to build a business. It won't amuse the workers they need to layoff. It won't amuse the suppliers they have to curtail purchases from. The bottom line is

the budget contains a tax increase that is aimed at small businesses most likely to expand or contract. That tax increase is significant and real to those small business owners. They, not the politicians voting in the tax increase, will have to deal with the added tax burden.

Last week, a strong bipartisan group of 84 Senators agreed there is a problem here. We are raising taxes on Small Business America. We ought to be careful.

Throwing out a red herring involving Vice-President Cheney or Bill Gates, Jr. doesn't deal with the problem we have raised.

Mr. President, I ask unanimous consent to have the materials to which I referred printed in the RECORD.

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

FLOW-THROUGH INCOME AND INDIVIDUAL INCOME TAXES, 2006

	Taxpayers with Flow-through income/loss		Flow-through income/loss*		Tax on Flow-through income/loss*	
	\$millions	%	\$billions	%	\$billions	%
All Flow-through income						
All taxpayers	27.5	100	938	100	159	100
Top 2 tax brackets	2.1	8	671	72	131	82
Top tax bracket	1	4	573	61	113	71
Active, positive flow-through income						
All taxpayers	18.3	100	762	100	145	100
Top 2 tax brackets	1.4	7	433	57	109	75
Top tax bracket	0.7	4	349	46	92	64
Flow-through income >50% wages						
All taxpayers	11.9	100	880	100	156	100
Top 2 tax brackets	1.1	9	608	69	127	81
Top tax bracket	0.6	5	527	60	110	70

*—"Flow-through income/loss" includes net ordinary income from sole proprietorships, S corporations, and partnerships plus net long-term and short-term gains from partnerships, S corporations, estates, and trusts. Source: U.S. Department of the Treasury, Office of Tax Analysis-analysis of unpublished IRS data.

TABLE T08-0164—DISTRIBUTION OF TAX UNITS WITH BUSINESS INCOME BY STATUTORY MARGINAL TAX RATE—ASSUMING EXTENSION AND INDEXATION OF THE 2007 AMT PATCH, 2009¹

Statutory marginal income tax rate	All tax units		Tax Units with business income ²		Percent of tax units with business income ³				Business income as percent of AGI ³
	Number (thousands)	Percent of total	Number (thousands)	Percent of total	Greater than 0	Greater than 10% of AGI	Greater than 25% of AGI	Greater than 50% of AGI	
Non-filers	20,758	13.8	999	2.9	4.8	3.7	3.3	3.0	7.5
0%	23,434	15.6	6,960	20.0	29.7	28.6	26.0	22.8	62.7
10%	22,375	14.9	4,740	13.6	21.2	16.2	12.6	8.9	12.1
15%	49,522	33.0	11,024	31.7	22.3	12.5	7.8	4.5	6.9
25%	25,506	17.0	6,662	19.2	26.1	12.0	7.1	4.2	6.7
26% (AMT)	2,434	1.6	1,160	3.3	47.6	21.0	12.9	7.8	11.4
28% (Regular)	3,137	2.1	1,175	3.4	37.4	20.6	15.4	10.4	13.0
28% (AMT)	2,164	1.4	1,353	3.9	62.5	38.2	29.6	20.5	21.5
33%	335	0.2	206	0.6	61.7	46.3	38.0	29.9	31.6
35%	577	0.4	457	1.3	79.2	57.6	50.3	40.7	38.8
All	150,241	100.0	34,736	100.0	23.1	15.2	11.4	8.4	14.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0308-5).

(1) Calendar year. Assumes extension and indexation of the 2007 AMT patch. Tax units that are dependents of other tax units are excluded from the analysis.

(2) Includes all tax units reporting a gain or loss on one or more of Schedules C, E, or F.

(3) Business income is defined as the sum of the absolute values of the gains or losses reported on Schedules C, E, and F.

Mr. CONRAD. I note my colleague Senator SANDERS, who is an important member of the Budget Committee, is here. I ask the Senator how much time does he seek?

Mr. SANDERS. I need 5 minutes.

Mr. CONRAD. I would be happy to yield 5 minutes. If the Senator would like more at the end of that time, he only needs to ask.

Mr. SANDERS. I thank the chairman for yielding. I want to congratulate him and his staff for the excellent work they have done on this budget, which I certainly will be voting for.

What I wanted to do is to take a brief moment to highlight a provision in the budget resolution that I introduced, along with Senators FEINGOLD, WEBB,

and BUNNING. That deals with the outrage that exists in our country at what happened last year and this year on Wall Street. I think, as most Americans know, as a result of the greed, the recklessness, the illegal behavior we have seen within some of our largest financial institutions, our country and, in fact, much of the world, has been plunged into a very deep recession which has cost millions of Americans their jobs, their homes, their savings, and their ability to get a higher education.

A lot of people are suffering because of the greed and recklessness of Wall Street. In my view, the regulatory efforts of the last several decades, which

I strongly opposed as a member of the House Financial Services Committee, have proven to be a grotesque failure.

The bottom line is, when you deregulate Wall Street, they do what we would expect that they do; that is, they do anything and everything they can to make as much profit as they can in as short a period of time as they can, no matter how recklessly they behave in the process.

They create a bubble. When that bubble bursts, as it surely would, the American people are left holding the bag in the midst of a very deep recession. In my view it goes without saying that we must restore regulations on Wall Street.

One part of that process is to bring about substantially increased transparency. It is beyond comprehensive, it is absurd, that trillions of dollars in credit default swaps and other exotic and complicated financial instruments are traded every single day with no public understanding about who owns these instruments or the impact these trades are having on the world's financial system.

I am happy to note that as one small step forward in terms of transparency, this budget resolution incorporates provisions that passed the Senate by a 59-to-39 strongly bipartisan vote. What that amendment does is quite simple: It adds the reality that in the midst of this financial crisis, the Federal Reserve has lent out over \$2 trillion to financial institutions. If you were to ask the American people, if you were to ask any Member of this Senate, any Member of the House, who received that money, which financial institutions got it, and what the terms are that they received it are, nobody would be able to tell you. No one in this country understands it, because that has been kept secret.

What the provision that I introduced into the budget resolution does is simply say: We have got to make that public. The American people have a right to know who is getting those loans and what the terms are.

I am delighted that that provision is in the budget resolution. In my view, this is a small step forward in fighting for transparency within the Fed. It is a smaller step forward, overall, in beginning the reform measures that we need to create a new Wall Street, so that never again will we be placed in the position that we have been over the last few months.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, again I thank Senator SANDERS for his kind remarks and for his contributions to the work of the Budget Committee. He has been a very energetic and important member. He has done an outstanding job of questioning witnesses before the committee, and he has also been someone who has worked very hard on community clinics, which I think are going to make a great difference across the country. There is a very significant increase for those clinics in this resolution, and the person responsible and the person who deserves credit is the Senator from Vermont, Mr. SANDERS. We thank him for that contribution.

We are now approaching the 4 o'clock hour. We have Senator COBURN who wishes to come and speak at roughly 4:30; Senator MCCAIN, whom I understand wishes to speak at roughly 4:45; I understand that Senator UDALL from Colorado wishes speak as in morning business. I want to alert his staff, if they are listening, this would be a good time for him to come and speak, because we have some time between now and when we expect Senator COBURN.

I hope we are able to move to a vote soon after Senator MCCAIN concludes his remarks. But we have yet to hear definitively that that will be the case.

I want to very briefly go over what I think is important about this budget. First, it preserves the President's key priorities of reducing our dependence on foreign energy, which is critically important to our national security and our economic security; a focus on excellence in education, because if we are not the best educated, we are not going to be the most powerful country for very long; and, third, fundamental health care reform.

We are on a course that is completely unsustainable in health care. We are spending nearly 18 percent of our gross domestic product on health care. That is \$1 of every \$6 in this country. But we are on a trend line to spend 37 percent of our gross domestic product on health care. That is more than \$1 in every \$3. That can not be the outcome. That will put us at a huge disadvantage both in terms of competitiveness in this global economy, and it would have devastating consequences on American patients, American consumers, American families, American business.

We know we need fundamental health care reform. The President has put that front and center before the Congress of the United States, and it is accommodated in this budget resolution. No. 4, we have the extension of middle-class tax cuts, over \$700 billion in tax cuts included in this bill, most of it directed at the middle class.

In addition, this budget reduces the deficit by two-thirds over 5 years. Relative to GDP, we are reducing the deficit by more than that, by three-quarters between now and 2014, from 12 percent of GDP in 2010, to 3 percent of GDP in 2014. Those are the fundamentals of this budget.

Is it perfect? There is no document that is prepared by the hand of men and women that is perfect. So we understand this is not a perfect document. This is the product of compromise between 435 Members of the House of Representatives and 100 Members of the Senate. This is purely a congressional document. It does not become law. It is not signed by the President of the United States. It is a document to guide the spending and the revenues of the United States for the next 5 years.

Obviously, since we do another budget next year, the most important thing is what this budget does over the next year.

Remember that this President inherited an extremely difficult situation—massive deficits, an economy that was in the worst shape since the Great Depression, a circumstance in which the United States is having two wars. This President inherited a very tough situation.

We also know we are starting to see the signs of a turn in terms of consumer spending, in terms of housing

sales, in terms of automobile sales. For the first time, we are seeing an improvement. Last week we had before us in our caucus Mr. Bernanke, Chairman of the Federal Reserve, who said he sees the economy turning, that the precipitous downturn seems to have stopped or ebbed at least, and he sees the prospect of the beginning of recovery later this year. We all hope that is the case.

This budget is an important part of an overall economic recovery strategy. While we have not adopted precisely the budget the President sent us, there is good reason for that. Because from the time the President's people made their estimates of the revenue available over the next 10 years, the Congressional Budget Office, some months later, did a new estimate which is the basis for our budget. The President's budget had \$2 trillion more available to him when he wrote his budget than we have had available to us in writing our budget. That necessitated changes in order to achieve the deficit reduction he had called for and the deficit reduction most economists say is fundamentally necessary.

We wrote a 5-year budget, not a 10-year budget. Of the 34 budgets that have been written under the Congressional Budget Act, 30 of the 34 have been 5-year budgets. Why is that? Because forecasts for 10 years are notoriously unreliable. That is why Congress, 30 of the 34 times it has done a budget, has done 5-year budgets because the forecasts, even then, for the outyears were highly suspect. When we are talking about a 10-year forecast, that is just throwing a dart.

That is where we are. We have worked in a credible way to fashion a budget document that meets the needs of the American people, that puts us in a better position for the future. I freely acknowledge we must do much more, especially in the second 5 years. It is absolutely imperative we do more to get our long-term financial house in order. That is going to require entitlement reform—Medicare, Social Security. That is going to require tax reform because we have a tax system that is only collecting about 75 percent of the money due and owed under the current tax rates. We wouldn't need any tax increase of any kind to balance the books if we would just collect what is due and owed under the current system. Unfortunately, while the vast majority of us pay what we owe, we have an increasing number of people and companies that don't. That has to stop.

With that, I thank the Chair and suggest the absence of a quorum.

We are expecting Senator COBURN at roughly 4:30, Senator MCCAIN at roughly 4:45, and Senator UDALL of Colorado. If he is available and his people are within earshot, this would be a good time for him to come and use the time he has requested.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CONRAD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BENNET). Without objection, it is so ordered.

Mr. CONRAD. I have received information now that Senator UDALL will be with us at roughly 4:15. Senator UDALL at 4:15 for 10 minutes and then Senator COBURN at 4:30 for 10 or 15 minutes and then Senator MCCAIN at 4:45 for roughly 15 minutes. I am not asking unanimous consent because we don't want to be locked in if one of them comes before another. We don't want to be wasting time. I may need time to respond to what other Senators might offer. We are hopeful that if there are any others who wish to speak, they will let their respective cloakrooms know.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CONRAD. Mr. President, it is my understanding Senator UDALL of Colorado would like to speak as in morning business.

Mr. UDALL of Colorado. Correct.

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

Mr. UDALL of Colorado. Ten minutes maximum.

Mr. CONRAD. Mr. President, I yield 10 minutes to the Senator from Colorado as in morning business.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. UDALL of Colorado. Mr. President, I thank the Senator from North Dakota and thank him for his great work on behalf of this important budget we are going to adopt in short order.

LINE-ITEM VETO

Mr. President, I rise in support of the Budget Enforcement Legislative Tool Act my colleague from Delaware, Senator CARPER, is introducing today.

I am also pleased to be a cosponsor of the Congressional and Line-Item Veto Act, introduced recently by Senator FEINGOLD.

Both bills have my support and the support of other Democrats and Republicans who typically fall on opposite sides of the ideological divide. But while we may disagree with each other on many issues, we agree that a constitutionally sound version of the line-item veto will help increase both fiscal responsibility and congressional accountability—both of which have been in short supply in recent years.

Establishing a line-item veto has long been a goal of mine. Three years ago, I introduced legislation in the House—the SLICE Act—to establish a legislative line-item veto, and I worked with Representative PAUL RYAN from Wisconsin, a Republican, in the House to pass similar legislation in June 2006.

We reintroduced that legislation in the House again in the last Congress.

As we worked to advance this bill in the House, Senator FEINGOLD and Senator CARPER were each working on similar bills in the Senate, and they have again introduced their bills in the 111th Congress. While their bills differ in the details, they are both intended to employ the legislative line-item veto as a tool to help rein in unnecessary spending and begin the difficult work of reducing budget deficits.

These goals have a greater urgency than ever before. Why? Over the last decade, we have seen a dramatic change in the Federal budget—a change for the worse. We have gone from Federal budget surpluses to enormous deficits and from reducing the national debt to increasing the “debt tax” on our children.

We know how this has happened: tax cuts that did not grow the economy, wars that have been financed by borrowing, reckless earmark spending, and a deep recession. We know today's economic crisis has required that we stimulate job creation with public sector spending to prevent another Great Depression.

Our challenge is daunting. In the short term, we must spur the economy back to life, even at the risk of incurring historic deficits, and yet still lay the foundation for dramatic deficit reduction in the long term.

We have heard some say deficits do not matter. But this cannot go on forever. The President's own Budget Director agrees that if recent CBO projections are accurate, we could see a deficit exceeding 5 percent of gross domestic product—clearly, a dangerously high level that many economists across the spectrum believe is not sustainable.

No one wants our country, no one wants America, to suffer from the crippling hyperinflation that plagued Germany after the First World War or the combination of economic decline and inflation—which we called stagnation—some of us remember from the 1970s. Again, this means laying a foundation for entitlement reform and deficit reduction. This means using every tool in our toolbox and creating new ones, if necessary, to attack this problem.

I am a strong supporter of the economic recovery package we passed in February. I say to the Presiding Officer, it will be important for our home State of Colorado. But I am also mindful that we are borrowing from our children and grandchildren to save the economy from collapse. That makes it all the more important that the spending we engage in today is wise and necessary.

A legislative line-item veto will give Congress and the President a tool to keep our spending decisions both wise and necessary.

I say to the Presiding Officer, many Presidents from both parties have asked for the kind of line-item veto that can be used by Governors in our

home State of Colorado and several other States. In 1996, Congress actually passed a law intended to give President Clinton that kind of authority. However, in 1998, the Supreme Court ruled that the legislation was unconstitutional—and I think the Court got it right.

By trying to allow the President, in effect, to repeal a part of the law he has already signed and saying it takes a two-thirds vote in both Houses of Congress to restore that part—the Congress of 1996 went too far. I think that kind of line-item veto would undermine the checks and balances between the executive and legislative branches of the Government.

But the SLICE Act I introduced in 2006 and the bills Senator CARPER and Senator FEINGOLD have introduced in this Congress are different. They are practical, effective, and, best of all, constitutional versions of a line-item veto.

Current law says the President can ask Congress to rescind; that is, cancel, spending items. But the Congress can ignore those requests and often has done so. These bills will change that. Under the Carper and Feingold bills, the President could identify specific spending items he thinks should be cut, and Congress would have to vote up or down on whether to cut each of them.

This legislation—don't get me wrong—would give the President a powerful tool, but it would also retain the balance between the executive and legislative branches.

Presidents are elected to lead, and only they represent the entire Nation. These bills recognize that by giving the President the leadership role of identifying specific spending items he thinks should be cut.

But under the Constitution, it is the Congress that is primarily accountable to the American people for how their tax dollars will be spent. The legislation respects and emphasizes that congressional role by requiring a vote on each spending cut proposed by the President.

Of course, without knowing—and I think the Presiding Officer would join me in this sentiment—what the President might propose to rescind, I do not know, in a speculative fashion, if I could support those proposals. But I do know people in Colorado and across the country believe there must be greater transparency in our decisions on taxing and spending. I know they are also demanding we take responsibility for those decisions. That is the purpose of the Carper and Feingold bills.

If there was ever a time in our history when we needed to reassure the American people that Congress understands the need for reform and integrity in the process of spending taxpayer dollars, it is now. Along with reform of the earmark process and other reform measures, I believe the legislative line-item veto is an essential tool in restoring public confidence and trust in the legislative process.

The American people expect Federal spending will reflect critical national priorities and broader public purpose. Most of all, they expect Congress to pass funding bills in ways that ensure wise use of taxpayer dollars. These are the purposes of this legislation. We must reassure the American people that their dollars—and the debt future generations incur as a result of our spending—will be debated in the sunshine of public scrutiny.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator from Colorado. He has been such a bright addition to this Chamber, and we are delighted he is here. He comes very well respected from the House of Representatives. We count ourselves fortunate to have him participating in this budget discussion, and I look forward to working with him in the future.

Mr. UDALL of Colorado. Mr. President, I thank the Senator from North Dakota for those sentiments. I look forward to working with him on the very important work to balance the needs of this country when it comes to spending but also to make sure we do not pass on unsustainable debt to our children. He has been a leader in this effort, and I look forward to working at his side in the future days and months and years to come.

Mr. CONRAD. Mr. President, I thank the Senator.

Mr. FEINGOLD. Mr. President, I will support this conference report, but I do so with great reluctance. Given the irresponsible and even reckless budget policies of the previous administration, our highest budget priority must be to get back onto a fiscally responsible budget path. This budget resolution does that. It may not go as far as I would like with respect to reducing annual budget deficits, but it is a significant improvement over what we have experienced during the past 8 years.

Moreover, the budget resolution sets this path under the most challenging of conditions. The Bush administration's legacy is one not only of fiscal recklessness, but also of economic recession, crisis in the financial markets, and a housing market in collapse. Even without the cost of cleaning up a set of international security policies that undermined our national security and cost trillions of dollars, this budget has been the most demanding a President has had to write since the Great Depression. And by and large it addresses our national priorities in a responsible manner.

However, there are some features of this resolution with which I take exception, most notably the use of reconciliation as a tool to expedite health care reform. The arguments over the use of reconciliation are familiar to this body. Sadly, a tool intended to streamline the painful process of deficit reduction has been used to clear a path for major policy changes that

have, at best, only a passing relationship to reducing the budget deficit. This is not the first budget resolution to abuse the special budget procedures to ease the enactment of significant and potentially controversial policy changes. Perhaps the grossest misuse of reconciliation was to pass sweeping changes to the Tax Code in 2001 and 2003 that far from reducing the deficit actually exploded annual budget deficits and government debt. Indeed, we are still living with the downstream effects of those fiscally reckless measures that have left us less able to meet either the current economic crisis or our long-term fiscal challenges.

I had hoped that with a new President in the White House and Democrats in control of both Chambers we could restore a respect for the proper use of budget procedures. But while the budget we pass today is a huge improvement over those submitted by the previous administration, both with respect to honest budgeting and the fiscal path it embraces, its misuse of reconciliation to advance policy priorities is regrettable.

I opposed using reconciliation when it was abused by the other party to enact fiscally reckless tax cuts and when it was attempted to be used to open up the Arctic National Wildlife Refuge for oil drilling. I opposed it earlier in this debate as a way to expedite climate change legislation, and I oppose it now as a vehicle to fast-track health care reform.

Congressional leadership indicate they may not need to use reconciliation to enact health care reform, that it will be used only as a last option to ensure Congress acts on that vitally important issue. That may be, and I certainly hope this body will pass a health care reform measure under regular procedures. Health care reform is long overdue, and I look forward to the Senate finally acting on an issue that is so important to my constituents. But let's not kid ourselves. It is no more appropriate to use reconciliation as a hammer to push through health care reform under regular procedures than it is to use it directly to enact those reforms. Both are abuses. Both undermine its original intent. Both invite even greater abuses in the future.

Mr. BYRD. Mr. President, I like this budget. I support many of the policies that the President's budget embraces including middle-class tax relief, and badly needed investments in our Nation's infrastructure but I cannot, and I will not, vote to authorize the use of the reconciliation process to expedite passage of health care reform legislation or any other legislative proposal that ought to be debated at length by this body.

Using reconciliation to ram through complicated, far-reaching legislation is an abuse of the budget process. The writers of the Budget Act, and I am one, never intended for its reconciliation's expedited procedures to be used this way. These procedures were nar-

rowly tailored for deficit reduction. They were never intended to be used to pass tax cuts or to create new Federal regimes. Additionally, reconciliation measures must comply with section 313 of the Budget Act, known as the Byrd Rule, which means that whatever health legislation is reported from the Finance Committee or legislation from any other committee that is shoehorned into reconciliation will sunset after 5 years. Additionally, numerous other nonbudgetary provisions of any such legislation will have to be omitted under reconciliation. This is a very messy way to achieve a goal like health care reform, and one that will make crafting the legislation more difficult.

Whatever abuses of the budget reconciliation process which have occurred in the past, or however many times the process has been twisted to achieve partisan ends does not justify the egregious violation done to the Senate's constitutional purpose. The Senate has a unique institutional role.

It is the one place in all of government where the rights of the numerical minority are protected. As long as the Senate preserves the right to debate and the right to amend we hold true to our role as the Framers envisioned. We were to be the cooling off place where proposals could be examined carefully and debated extensively, so that flaws might be discovered and changes might be made. Remember, Democrats will not always control this Chamber, the House of Representatives or the White House. The worm will turn. Some day the other party will again be in the majority, and we will want minority rights to be shielded from the beartrap of the reconciliation process.

Under reconciliation's gag rule there are 20 hours of debate or less if time is yielded back, and little or no opportunity to amend. Those restrictions mean that whatever is nailed into reconciliation by the majority will likely emerge as the final product. With critical matters such as a massive revamping of our health care system which will impact the lives of every citizen of our great land, the Senate has a duty to debate and amend and explain in the full light of day, however long that may take, what it is we propose, and why we propose it. The citizens who sent us here deserve that explanation and they should demand it. We must not run roughshod over minority views. A minority can be right. An amendment can vastly improve legislation. Debate can expose serious flaws. Ramrodding and railroading have no place when it comes to such matters as our people's healthcare. The President came to the White House promising a bipartisan government because he knew how sick and tired the American public is of scorched earth politics. I daresay President Obama should not be in favor of the destruction of the institutional purpose of this Senate in which he served any more than he would bless a rigged pseudo-debate on

healthcare, completely absent minor input.

While I support the admirable budget priorities outlined in this resolution, I cannot and will not condone legislation that puts political expediency ahead of the time-honored purpose of this institution.

• Mr. SESSIONS. Mr. President, I am firmly opposed to this proposed budget conference report. It is, I sadly conclude, the most irresponsible budget in the history of the Republic. This budget will increase nondefense discretionary spending in 2010 9.7 percent over this year's levels.

As a result of this reckless spending, the budget proposal doubles the national debt to \$11.5 trillion in only 5 years, and will nearly triple it in 10. The amount of money we spend each year to pay the interest on this debt will also soar because of the conference report. This year alone we will spend \$170 billion to service the national debt. In 5 years we are projected to spend \$428 billion on interest payments in that year alone, and we will likely spend over \$800 billion in 2019 to pay the interest on our national debt alone. By comparison, the Federal Government spends less than \$100 billion a year on education, and about \$40 billion a year on highways. In 10 years, this budget will spend more on interest payments on our national debt than it spends on education and highway funding combined.

I am also disappointed that the conference report includes reconciliation instructions to expedite sweeping changes to our Nation's health care laws under special rules that limit debate and require only a simple majority for final passage. The purpose of reconciliation is to maintain fiscal control over the Government, not to fundamentally change the government's policies. The American people deserve a robust and full debate on the merits of health care reform. Using the reconciliation process to move health care legislation would preclude the reasoned and informed debate necessary to ensure that the best possible policy is enacted. Therefore, I urge my colleagues to oppose this dangerous budget.

Mr. DURBIN. Mr. President, today the Senate will vote on final passage of the budget resolution conference report for fiscal year 2010.

We will be voting on fundamental decisions about the shape of our economy and the prosperity of our country.

We need to face the facts—we have inherited the worst economic crisis in generations.

We took an important first step in returning our Nation to prosperity earlier this year by passing the economic recovery package.

The Obama administration continues to work hard to repair our financial system so that businesses can make payroll and families can borrow for college.

But there is much more to do to put our economy back on track, and the

budget resolution conference report we are considering follows the principles President Obama laid out in his budget proposal.

This budget resolution sets a path to regain the balance our country once enjoyed—careful investments in our future, while creating opportunity for working families who have lost ground over the last decade.

It provides the flexibility the authorizing committees need to tackle our toughest challenges.

And it begins to repair years of neglect by making critical investments to recover economically—particularly in health care, education, and energy.

We need to reform our health care system fundamentally, and we need to do it this year. This budget gives the Congress the flexibility we need to get this job done.

The budget resolution includes a deficit-neutral reserve fund that will allow the Finance and HELP Committees to take on the challenge of fundamental health care reform this year.

We hope to work on a bipartisan basis to reform the system in a way that benefits all Americans—patients, providers, insurers, and the taxpayers.

But if the Republicans decide to try to obstruct these reforms, the reconciliation instructions included in this budget give us the tools we need to pass meaningful reform.

Those instructions don't take effect until October 15, and so we have several months to work together before reconciliation is even an option.

I very much hope that we don't need to use this approach. But reform can no longer wait.

The budget resolution conference report also offers a promising vision for education. First, the budget will dramatically expand access to quality early childhood education programs, including Head Start. And the budget invests in teachers and innovative programs so that all children can succeed in the classroom.

This budget will help us build the education system we need to compete in the global economy, not just today, but in the next generation.

This budget would also help families afford the high cost of tuition by raising the maximum Pell grant award and streamlining student loan programs.

The cost of college is higher than ever before. Since 2000, the average cost of tuition at public 4-year college has increased 29 percent, far outpacing inflation and increases in household income.

Financial aid hasn't kept up these costs. Thirty years ago, a Pell grant could cover 77 percent of public college costs. Now it covers just 35 percent.

The budget would increase Pell grants to \$5,550, which will help the 7 million students who rely on these grants pay for college.

We can't transform our education system overnight. But we can start to provide the investments and the programs that will help to get us there soon. This budget would do just that.

This budget also starts the process of reducing our dependence on foreign energy by funding the President's request for energy funding in 2010.

This budget also lays the groundwork for cutting back on energy sources that generate greenhouse gases.

The budget proposes we spend less money burning conventional fuels and more money developing cleaner energy sources.

This budget helps us create good jobs, dramatically improve energy efficiencies, and protect the environment before climate change inflicts permanent damage.

Finally, the conference report provides for tax relief to American families at a time when that relief is much needed.

The budget provides \$764 billion in tax cuts, mostly to the middle class.

The conference report provides \$512 billion to extend middle-class tax cuts such as the child tax credit, marriage penalty relief, and education incentives.

It includes \$214 billion for 3 years of alternative minimum tax reform.

The budget matches the President's estate tax proposal, which would permanently extend the 2009 exemption of \$7 million for couples and index that for inflation.

And the resolution provides \$63 billion for 2 years of "tax extenders" for businesses and individuals.

Preparing a budget is about making choices.

It is a moral document, one that describes what you believe in.

The conference report prepared by the Budget Committee would make critical investments in our Nation's highest priorities, at a time when America needs them most.

This budget would provide a little bit of help to hard-working families that desperately need it.

This budget would bring true, long-lasting change to America that is smart, fair, and responsible.

I urge my colleagues to support it.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COBURN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. COBURN. Mr. President, I wish to spend a few minutes talking about the budget that is before us and make some simple notes.

In 73 pages, this budget spends \$3.5 trillion in 1 year. That is an astounding amount of money. It spends \$17.9 trillion, at a minimum, over the next 5 years.

This budget is more than a document full of numbers. It is a statement of priorities. My feeling is it does not address some of the key fundamental challenges we face as a nation. In fact, it is going to make some of the challenges we have worse because we are

going to be spending money we don't have on things we don't need. Every family in this country today, as we know by decreased consumer spending, is making hard choices. They are making priorities. Their priorities are: How do we do the absolute minimum necessary, as well as how do we say we are going to have the largest savings rate we have had in 40, 50 years in this country so we can save for tomorrow? Most of the time, those families are not just thinking about the adult members of those families; most of the time those families are making those decisions because they are thinking into the future about their children.

We are not doing that with this budget. As a matter of fact, the only thing we are thinking about in this budget for our children is how much we are going to put on their backs because we refuse to face the realities of living within our means as every family is trying to do out there today. We are going to transfer a doubling of the publicly held debt. Over the next 5 years, it is going to double, and over the next 10 years it is going to triple.

That is going to have a serious impact on us as a nation, but it is going to have a personal impact on every young child out there today. Let me tell my colleagues what the impact is going to be. We are going to steal opportunity from them because we refused to make the hard choices today. The impact is going to be that a large portion of them aren't going to be able to afford to go to college. We know education is one of the areas that advance our society, that create opportunities for American exceptionalism, that create opportunities for advancement of all through education. Yet the things we are doing today, by stealing the money from them in the future and burdening them with an interest obligation that most of them won't earn the amount we are going to have to pay every year, seem to me to be penny wise and pound foolish.

The other thing this document does is it has go-pay. It doesn't have pay-go in it; it has go and pay. What it says is: We are not going to be responsible, so you—meaning the next two generations—you go and pay for it. We claim pay-go, but, as seen in all of the documents, there is no pay-go application to the biggest expenditures in this bill. We just take it off line and we allow us to create all of these new programs and new items. Yet we don't have to be responsible to make the hard choices about what is important, what is a priority, and what is not a priority.

Last year, families across this country saw less than a 2-percent increase in their incomes. After a 9-percent across-the-board—not counting the stimulus, just the omnibus bill—we are going to then bump up another 7.2 percent. So we are going to grow the Government 4 times faster than the income increase was last year, and now we are going to grow it 3½ times more, faster, than what personal income has risen

and 70 times greater than what the net inflation is going to be. That is called real spending, real growing the Federal Government, not making the hard choices. What it results in, in spite of what we call it—whether it is my favorite pet program or somebody else's—what it results in is less liberty, less freedom for the generations that will follow. You tell me a country where you can have real freedom when you have no economic freedom. There isn't freedom when there is no economic freedom. What we are doing with this budget is slashing into the economic liberties of the children and grandchildren who follow us.

During the Senate consideration, I offered numerous amendments that were designed to make us make hard choices, including allowing penalty-free withdrawals from retirement accounts to make some of the mortgage payments people are having trouble with today, to allow us to help. It was accepted unanimously. Not one person voted against it. It is not in this final document.

Ending bogus performance bonuses by Government contractors and executives—not one person expressed an objection to that—it is not in the final budget.

Reviewing the budget line by line for waste, fraud, inappropriateness, and metrics was agreed to. As a matter of fact, the chairman said right before we voted on the final bill that this is one we will try to protect in the conference. It comes out of conference, nothing is there. That is one of President Obama's promises. We won't even help him do the things he said he wanted to do.

To set performance standards to identify failing Government programs, not one person objected on the Senate floor. It was unanimous. Yet when it comes out of the conference, none of it is there.

Ending no-bid contracts—something every American knows this Congress has a problem with because we let the favorite one get no-bid contracts, the well-connected, the well-heeled; requiring competitive bidding on anything above \$25,000 outside of national security issues, nobody objected to that. It actually had a vote prior where we had a 97-to-nothing vote. When it comes out of the conference, it is not in there.

Protecting patients and health care providers from health care coercion, it is not in there.

So we are going to pass a budget and say: You go pay, and all the things we really need to do to make the programs we have today efficient and to measure the programs we have today and control some of the waste, fraud, and abuse that is over \$300 billion a year—all of the things that needed to be in this budget to make sure that happens got rejected in the conference. What should the American people think about that? They are certainly not going to go out and have their plumbing redone in their bathroom without

getting some quotes on it. They are going to make people competitively bid. If they buy a car, they are not just going to go to an automobile showroom and pay the first place they go; they are going to price that because it is a necessity to get good value today. Yet we reject that as a body. The House rejected it. The Senate rejected it in conference. What should the American people think about us? We won't do any of the commonsense things they are having to do right now so we can get rid of some of the \$300 billion of waste that we don't want to charge to our children. We won't do it. Why is that? Why is it we won't do that? Is there some other reason? Can somebody explain to me why we would not want to go through the budget in a time when we are going to run close to a \$2 trillion budget deficit that is all charged to our kids, that we wouldn't want to go through it and find the waste, fraud, and abuse in the programs that don't work? This conference report rejects doing that. Are we just lazy? Maybe we don't care. Which is it? It certainly can't be that there is a logical reason we wouldn't do that. Yet we didn't do it. Why would we not get rid of some of the waste? We have \$80 billion worth of fraud a year in Medicare and Medicaid. Nothing is being done about it.

We are going to have a reconciliation process that is going to totally change the history of the Senate forever in terms of the 1974 Budget Act. We are going to hand to us a redo of all of the health care, and the health care we run today, which accounts for 61 percent if you count everything that the Federal Government is into, is the most wasteful, fraudulent, lame system in the world. Yet we won't address it.

I don't want a legacy of stealing opportunity from my grandchildren or anybody else's. If you vote for this budget without this kind of hard work that we should be required to do, of accountability to the American people to get rid of some of the waste, and do what any other prudent person would do in terms of competitively bidding projects, you are saying that is OK, it is OK to steal. There is no other word for it. It is theft of opportunity from our children and our grandchildren because we don't have the backbone to stand up and do the hard work.

President Obama has asked for this. He has asked for us to go line by line. We have an opportunity with a bill moving through the Senate to do that. What do we do? We say, no, it is our way or the highway, Mr. President. You can do it over there. But we are the ones who control all of these programs. And we have done a terrible job. As a matter of fact, if you look at the oversight hearings that occurred in the Senate and measure them compared to all of the other hearings, they count for about 2 percent of the hearings we had. What do we do when a new problem comes up? We don't look to see how the present program is working

and what we can do to fix it; we just create another one and charge that to our grandkids rather than say: Where are the metrics to measure what this program is doing? Is it accomplishing what we want? Is it efficient? Could we do it a different way? We just ignore it and we create a brandnew program. This budget is full of that.

So I will finish my remarks by again saying that if you vote for this budget, there is a real question in my mind whether you actually can represent to your constituencies that you feel their children are worth the hard work of this body. There is also the question of whether what President Obama ran on in terms of doing a line-by-line, of getting rid of the waste, of actually measuring the effectiveness of programs, whether we are going to help him do that. This document says we are not.

So all the commonsense reforms that would put some burden on us we have taken out, and then in this budget we have said: Children, we are going to be at \$17.3 trillion of publicly held debt in 10 years, and you go pay for it. You go pay for it because we don't have the courage and we don't care for you enough to make the hard work and hard decisions now to lessen that burden on you.

That is what this budget is about. It is about growing the Federal Government at a size and a pace that we have never seen before in this country—have never seen—and growing the debt to a level that is going to cripple productivity and opportunity in the future.

There are the votes to pass this budget, but the American people need to know what this budget really is. What it is is an escape from responsibility, an expansion of the Government knowing best, and an elimination of opportunity of generations to come.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I wish to thank my colleague from Oklahoma for his strong statement and his eloquent description of the consequences of the budget resolution we are about to pass. This is a \$3.5 trillion budget resolution. Frankly, it amounts to little more than generational theft. It represents a massive growth in Government spending and sets our Nation solidly on a course to bankruptcy. The resolution assumes a deficit of almost \$1.7 trillion in fiscal year 2009, which is then supposed to fall to \$523 billion in fiscal year 2014. It is only a 5-year budget, not a 10 year; it doesn't show the massive deficit increases that will kick in after 5 years under the President's plan.

I have seen games played with budget resolutions over the years, but I think it is really remarkable that this budget, by being only 5 years, doesn't show that the debt held by the public will rise from \$7.7 trillion in fiscal year 2009 to \$11.5 trillion in 2014. This represents an increase in the debt as a percentage of gross domestic product from the current 55 percent to 66.7 percent in 2014.

After trillions of dollars for bailouts and huge amounts of spending disguised as stimulus, this budget makes no hard choices and doesn't do anything more to ensure the future fiscal viability of our Nation. It is irresponsible. It is an irresponsible act of generational theft which will mortgage our children's futures and our grandchildren's futures. We cannot have this level of spending because it is totally unsustainable.

Mr. President, we didn't have to do this. We could have made tough choices here. We could have adopted a resolution that required us to embark on a path to a balanced budget.

The conference report contains reconciliation instructions that would allow for a massive overhaul of America's health care system with little or no input from the minority—just as this conference report had little or no input from the minority.

I don't have to tell the American people and my colleagues that the American health care system is too expensive, it is broken, and we have to fix it. We want to be part of that solution. And to include it in a budget resolution, obviously, does a great disservice to the American people who expect a full and complete ventilation of the issues surrounding our health care system in America.

I realize that elections have consequences. However, it doesn't justify the misuse of a process intended to help reduce Federal deficits—and, I might add, the Democratic proposals floating around recently would have the opposite effect.

So, again, we are not changing the climate in Washington; we are continuing it. I want to make it clear that I understand that Republicans have, in the past, used the reconciliation process to further their party's agenda. I wish it had not been done. I hope it will not be done now. But the groundwork was laid, and I think this would be a grave mistake. Apparently, it is also possible that climate change could be addressed in the budget reconciliation process.

I noted during the consideration of the Senate's budget resolution that, unlike the budget submitted by the President, this one only budgets for 5 years. Budgeting for a 5-year period hides the cost of the expansion of Government that is sure to take place after 2014. In a recent Washington Post op ed, entitled "Hiding a Mountain of Debt," probably the most respected columnist in America, David Broder, wrote:

The Democratic Congress is about to perform a coverup on the most serious threat to America's economic future.

The Congressional Budget Office sketched the dimensions of the problem on March 20, and Congress reacted with shock. The CBO said that over the next 10 years, current policies would add a staggering \$9.3 trillion to the national debt—one-third more than President Obama had estimated by using much more optimistic assumptions about future economic growth.

The ever-growing national debt will require ever-larger annual interest payments, with much of that money going overseas to China, Japan and other countries that have been buying our bonds.

Reacting to this scary prospect, the House and Senate budget committees took the paring knife to some of the spending proposals and tax cuts last week. But many of the proposed savings look more like bookkeeping gimmicks than realistic cutbacks.

But the main device the Democratic budgeteers employed was simply to shrink the budget "window" from 10 years to 5. Instantly, \$5 trillion in debt disappeared from view, along with the worry that long after the recession is past, the structural deficit would continue to blight the future of young working families.

Here are some cold, hard facts. Our current national debt is \$11.2 trillion. The projected deficit for 2009 is \$1.7 trillion. The total cost of the recently enacted "stimulus" bill is over \$1.1 trillion. We gave the TARP, Troubled Asset Relief Program, \$700 billion—with every expectation being that the administration will request hundreds of billions of dollars more. President Obama recently signed an Omnibus appropriations bill totaling \$410 billion. The Federal Reserve pumped another \$1.2 trillion into our markets, and we now have before us a budget resolution totaling nearly \$3.6 trillion. We bailed out the banks, insurance giants, and automakers—and the list goes on and on.

We are seeing the largest transfer of authority from the private sector to the Government that we have ever seen in the history of our country.

I see the chairman of the Budget Committee on the floor, whom I admire and respect. I asked him on the floor, during the consideration of the budget, whether health care would be considered in the reconciliation. The Senator's response was that he was against it. I note that he voted for it.

We are in the midst of a severe recession. The economy shrank at a rate of 6.1 percent in the first quarter of this year. Times are tough; I don't have to tell any of my colleagues or any fellow Americans.

What we are doing is committing an act of generational theft. We are laying a debt on future generations of Americans that is not sustainable. The chairman of the Budget Committee has been involved in recent years in attempts to reform Social Security. I will—and I hope my colleagues will—join him in that effort. Unless we reform Social Security and Medicare, we will have an unsustainable debt.

In the recent campaign, the President campaigned on a theme of changing the climate in Washington. The climate hasn't changed. Bills have been passed with Democratic majorities voting almost completely for them—whether it be the stimulus, the omnibus, and other major pieces of legislation, and also on this budget—on a totally partisan basis. I understand that. I understand that elections have consequences. But to say you are going to "change the climate" in Washington

and then not sit down in serious negotiations, whether it be on a stimulus package or on a budget, is not changing the climate.

Let me tell you what serious negotiations are. I have been involved in them over the last 20-some years. I have sat down across the table in negotiations. What they are is compromise. They are compromise, where you say, OK, I give this and you give that. It is not visits and conversations, and it is not phone calls. It is face-to-face, hard-nosed negotiations based on compromise. That is how we got the gang of 14 and averted a crisis in this Senate that would have required only 51 votes for the confirmation of judges. That is how we got numerous pieces of legislation done on a bipartisan basis.

That is not happening now in the Senate. I understand that. I understand that elections have consequences and the votes are there on the other side of the aisle. But I also say to my colleagues that I have been here quite a while. I have seen the Democrats in the majority and I have seen the Republicans in the majority. I saw abuses over on this side of the aisle. I am now seeing those same abuses repeated, reinforced, and done in a more egregious fashion than I have ever seen it in the years I have been a Member of the Senate.

I believe our economy will recover. I am confident, because, as I said during the recent campaign, I believe with the foundations of our economy—entrepreneurship, productivity, the finest workers in the world, and best technology—we will come out of this malaise and crisis we are in, and our economy will be restored. But I can also tell you that we will have to debase the currency and experience inflation if we pass this kind of budget and we continue on this spending spree.

What was the administration's reaction? It was that we will get together and cut \$100 million in spending—after spending trillions and trillions of dollars in the most irresponsible fashion, in my view.

Now we are the owners of the automobile industry and of banks. What is the Government going to own in America as we continue on this incredible takeover of the free enterprise system? The automobile manufacturers should have gone into structured bankruptcy a long time ago, and they could have come out and been viable. Instead, we are spending billions and billions of dollars of American taxpayer dollars to prop up an industry that needed to go into prestructured bankruptcy—which they probably will do after we have spent billions of dollars propping them up.

I vigorously, strongly condemn and will vote against and oppose this budget resolution. It is laying the path to a crisis in America that may be as severe as this one if we experience the hyperinflation and debasement of the currency that can only be the result of deficits as far as the eye can see.

With great respect for the chairman of the Budget Committee and those who worked hard on this issue, this is a product that the American people will pay a very heavy price for in the years to come.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, there are a couple of things I wish to respond to. I have respect for the Senator from Arizona, Senator MCCAIN. We came to this Chamber at the same time. First, he said, on reconciliation I told him I was against it. In fact, I did not include it in the budget resolution out of the Senate. He said in conference committee I voted for it. I say this. I voted for the final agreement. I did not vote specifically for reconciliation. I opposed it every step of the way publicly and privately. I think it is a mistake. I have said so publicly and privately. I believe reconciliation will not be used for health care, even though it is authorized under the conference report. I believe that as people examine what would actually happen using reconciliation, they will be convinced it is not the appropriate way to do health care. I believe that, at the end of the day, the reconciliation approach will not be used for health care reform.

With that said, I want to make very clear—and you can ask any of the participants—I argued strenuously against reconciliation every step of the way. It was not included in the resolution here, over which I had direct control. It is included in the final conference agreement because the President wanted it as an insurance policy, the majority leader wanted it as an insurance policy, and the Speaker of the House wanted it as an insurance policy. And, frankly, although I have some influence, I don't have the ability to overcome the President, the majority leader, and the Speaker of the House.

The Senator also questioned a 10-year budget versus 5-year budget. Let me repeat what I said before. We have had 34 budgets under the Budget Act; 30 of the 34 have been 5-year budgets. The basic reason for that is not hiding things, as was asserted here; it is because forecasts beyond 5 years are notoriously unreliable. That is why Congress in 30 of the 34 times has written the budget on a 5-year basis. Frankly, the outyears of a 5-year forecast are not very credible, but years 6 through 10 are throwing a dart. I used to forecast revenue for my State. I know something about forecasting revenue and expenses. When you get beyond 5 years, you are in kind of a world that doesn't exist. That is total guesswork.

Beyond that, I didn't accept the trajectory the country was on in the 10-year budget that the President proposed. I believe we have to do far better. That is why the ranking Republican and I have proposed a task force of Democrats and Republicans, with the responsibility to come up with a plan, and if 12 of the 16 members of the

task force could agree, that plan would come to Congress for a vote—not another study to sit on a dusty shelf somewhere, but a vote.

The Senator made a number of other assertions with respect to this budget. He termed it “generational theft.” Let me say that the trajectory we are on has nothing to do with this budget but has everything to do with the reality of the fiscal circumstance of this country. Our spending is above our revenue. There is a structural gap; and the Senator is absolutely right, if we allow that to play out uninterrupted, it will constitute generational theft. But this budget makes the first steps toward turning that around. It reduces the deficit by two-thirds, in dollar terms, over the next 5 years, and, in terms of a share of GDP, which the economists say is the better measure, it reduces the deficit by three-quarters, 75 percent, from 12 percent of GDP to 3 percent. Additionally, at 3 percent of GDP you basically stabilize the growth of the debt relative to our national income.

Why are we in this circumstance? It is because the previous administration doubled the debt, put this economy in the worst recession since the Great Depression, and now we have to dig out. The first thing we have to do is give lift to the economy. The stimulus was passed to provide liquidity to the American economy, because the only place it could come from was the Government. We have learned in past economic downturns that if the Government fails to act, you could have a deflationary spiral that would suck the economy down as we saw in the Great Depression.

In the short term, I make no apologies. I am known as a deficit hawk, somebody who believes in balanced budgets, somebody who has fought for them my whole career. But when you have a severe economic downturn, that is not the time to turn away from the Government being the last resort, the Government providing the liquidity to the system to prevent a collapse.

This budget is responsible. As I have said at every step: in the second 5 years, we must do much more. The President has said that. The President is committed to it. So am I. If our colleagues are serious about entering into a long-term negotiation about entitlement reform and tax reform, count me in. Count me in. It has to be done. It is in the interest of the country. That is where we agree.

Mr. President, I see Senator ALEXANDER is here, a very valued member of the Budget Committee, someone for whom I have high regard. We may not agree on every detail, but I certainly have great respect for the contribution he has made to the Budget Committee.

How much time does the Senator desire?

Mr. ALEXANDER. Mr. President, not more than 10 minutes.

Mr. CONRAD. I yield 10 minutes off Senator GREGG's time and say to the

Senator, if he requests more, we will absolutely be happy to extend it.

The PRESIDING OFFICER (Mr. BURRIS). The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I thank the chairman of the Budget Committee. I am here to speak on a personal matter more than the budget. I made my comments on the budget this morning. I was listening, though, to the Senator from Arizona and the Senator from North Dakota. I have heard the Senator from North Dakota say he is opposed to using reconciliation to run the health care bill through the Senate with 51 votes. I have heard him say that. I agree with him. I know he stood up against some in his party for doing that.

But if I am not mistaken, there were three Senate conferees, and if the Senator from North Dakota voted no, we would not have reconciliation instructions included in this conference report. I think I am correct about that.

Mr. CONRAD. Will the Senator yield?

Mr. ALEXANDER. Of course.

Mr. CONRAD. Let me say, if I had not agreed, I probably would not have been a conferee. There are certain things such as higher powers around here.

Mr. ALEXANDER. That is a very honest response, and I accept that. But the point is there are three conferees from the Senate, including Senator GREGG who was opposed to including reconciliation. So if the Senator from North Dakota had said no, maybe he would not have been a conferee, but there would not be reconciliation in this Budget Resolution.

Let me move to something more bipartisan than that.

TRIBUTE TO TOM INGRAM

Mr. President, on May 1, Tom Ingram is leaving his post as chief of staff for the Alexander office and as staff director of the Senate Republican Conference. I know what it is to be a staff member of the Senate, having come here in 1967 as Senator Howard Baker's legislative assistant. That is back when each Senator only had one. I know that staff members are the lifeblood of this institution, that they regularly come and go, and that we Senators are grateful for their service.

But Tom Ingram's service for the Senate and for me personally is a good deal more than the usual coming and going. Tom and I first met in 1966 when I was a young volunteer on Howard Baker's Senate campaign and Tom was an even younger reporter for the Nashville Tennessean. The Tennessean was then such a Democratic newspaper that it was said that Tom was the first reporter ever assigned by that newspaper to cover a Republican candidate on a regular basis. In fairness to the Tennessean, there had not been much to cover. Senator Baker in 1966 became the first Republican Senator in Tennessee history. We had not elected a Republican Governor since the Harding sweep in 1920.

In 1974, Tom served as press secretary for what could only be described as my

upstart campaign for Governor of Tennessee. We did pretty well for some young guys, winning the primary over more established figures, but losing the general election. That was the Watergate year. There were only 12 Republican Governors left in America after that debacle, and I figured my political career was over at a very young age.

But in 1978, as things tend to do in politics, times changed, and I was elected Governor, walking a thousand miles across Tennessee in a red and black plaid shirt. Tom this time was my successful campaign manager. He then managed my transition into the Governor's office, served as chief of staff and deputy to the Governor for 5 years. Then he left to form a very successful business in Nashville.

During his business career, he found time to help establish my office when I became president of the University of Tennessee. He did the same when I became the first President Bush's Education Secretary.

The long and short of it is, when Tom Ingram has been around, I have done my best work, and perhaps so has he. We know each other so well that we operate independently toward the same goal and get twice as much done than either of us could do working alone.

One of Tom's gifts is team building. An Ingram-led staff is fun to be a part of, and it is a purposeful group. He has made sure that each of us, Senator included, remember who hired us. For example, the entire Washington staff and State staff spent 3 days in Memphis a couple of weeks ago making sure that we understand as much as we can about the people and the needs of our State's biggest city and biggest county. As Tom leaves to reenter the private sector, he has taken time to make sure that the new staff is well led and well organized, and for that I am especially grateful.

Tom's greater contribution may have been to the Senate as a whole. He has helped our Republican conference develop a clearer message. And working with Bob Russell, Senator MARK PRYOR's chief of staff, he created a bipartisan chiefs of staff group that has been more successful at working across party lines than their bosses have been. The Senator from Illinois and I are part of a group of Senators from both parties that meets on Tuesday mornings. There are 8, 10, 15, 20 of us sometimes. But more than half the chiefs of staff get together on a regular basis as part of this bipartisan alliance, which is a remarkable number in this already over-organized and busy place.

Tom Ingram came to the Senate expecting to stay a few months. He is leaving after 6 years. I am grateful to him for that, and the Senate is a better place.

Mr. President, I ask unanimous consent to have printed in the RECORD an article about the bipartisan chiefs of staff organization from Roll Call which appeared on March 10, 2009, and an article about Tom's work that appeared in the Knoxville News Sentinel last year.

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

[From the Knoxville News Sentinel, Apr. 20, 2008]

SIDE BY SIDE: INGRAM-ALEXANDER
PARTNERSHIP PERSEVERES
(By Michael Collins)

WASHINGTON—Tom Ingram used to have the same jaded view of the nation's capital as many other Americans.

But working as U.S. Sen. Lamar Alexander's chief of staff has opened his eyes in ways he didn't expect.

"I've become less cynical and more optimistic as I get to know the city and the people and what we're all about," Ingram said.

Is Washington perfect? Of course not. Are there things that should be done differently? Absolutely, Ingram said.

But, "this is still the greatest country in the world, and this is the capital of the greatest country in the world," he said. "I believe most people are here because they want to be part of that in a positive, constructive way."

Call it a revelation or an epiphany or whatever noun you choose. But you can't call it a political novice's naivete.

Ingram has been active in politics—Tennessee politics, in particular—for more than three decades. He has been at Alexander's side as a political strategist, trusted aide and personal confidante during campaigns for governor, president and the Senate. There is one of the most powerful political partnerships in the state.

Now, their influence is growing in Washington.

Alexander moved into the upper echelon of power last December when his GOP colleagues chose him as chairman of the Senate Republican Conference. The position makes him the Senate's third-highest-ranking Republican.

Ingram's stock has risen, too. He now holds dual roles as Alexander's chief of staff and as staff director for the Republican conference, a job that allows him to help craft the GOP's message in the Senate.

His clout hasn't gone unnoticed.

Two Washington publications that closely follow politics recently named Ingram one of the top movers and shakers on Capitol Hill. Roll Call lauded his knack for "spin, know-how and access." The Politico called him "an old hand in a new job" and noted, "Now he's gotten to the inner circle of the Republican leadership."

Ingram, who lives in Knoxville, has spent most of his career working behind the scenes. He seems uncomfortable and even a little embarrassed by all the adulation.

"I don't get too juiced up about these lists," he said recently, seated behind a table in Alexander's suite of offices near the Capitol. "If you look at the names on those lists, most people are associated with (Congress) members who have done well. There are very few of us who make those lists without our members going ahead of us."

Alexander, however, said Ingram's skill and instincts are invaluable.

"I do my best work when I'm working with Tom," the senator said. "It's because we're complementary. . . . He fits what I'm doing like a glove."

ON THE RISE, SIDE BY SIDE

The two first met on the campaign trail in 1966. Ingram was a skinny young newspaper reporter working his way through college, and Alexander was fresh out of law school and a volunteer in Howard Baker Jr.'s Senate campaign.

They clicked immediately. Alexander hired Ingram to be his press secretary when he ran

for governor in 1974. They lost that race. But four years later, with Ingram as his campaign manager, Alexander ran again. This time they won. Ingram would go on to work as Alexander's chief of staff and deputy during his first term in the governor's office.

Later, when Alexander ran for president, Ingram helped put together his statewide organization in Iowa. When Alexander ran for U.S. Senate in 2002, he again called on Ingram to help with the campaign and, after he won, asked Ingram to help set up his Senate staff.

Ingram arrived in Washington for what he thought would be a six- or eight-week assignment. He never left.

"I have great respect for Lamar," Ingram said. "I think he embodies what we want in a public servant. He's here for all of the right reasons. And we're buddies. We have a good time working together."

Alexander said Ingram is a good manager who hires talented people, assigns them to jobs that fit and then creates an environment in which they like to work. "That leaves me free to focus on being a good governor or senator," he said.

Ingram has never tried to act like he's the one who was elected, Alexander said, but "we work side by side. I don't consider him in a subordinate role. And I think people who work with us understand that, and it makes us much more effective in what we do."

TENNESSEE TIES

When not working for Alexander, Ingram has held a number of jobs in the private sector, including a sometimes-controversial stint as president and chief executive officer of the Knoxville Area Chamber Partnership.

Several business and civic groups had formed the partnership to unify economic development efforts and to increase their influence.

Yet under Ingram's leadership, the partnership often took positions at odds with the city. Some organizations resented being under the partnership's umbrella and at times continued to work independently. Ingram also was criticized for making personnel changes and for continuing to work as a political consultant to Alexander.

"That was a tough job," Ingram said. "Knoxville is a great city with so many assets. The partnership was a bold venture, and there was a lot of resistance at the time. But I think some of the suggestions we had about working together as a region and stimulating local government and focusing on downtown redevelopment, I hope some of those ideas are still perking and contributing to some of the success that we are seeing in Knoxville now."

Alexander isn't the only politician who has benefited from Ingram's expertise over the years.

Fred Thompson sought his advice when he was considering a run for the U.S. Senate in 1994. U.S. Sen. Bob Corker of Chattanooga credits Ingram with helping turn around his campaign in 2006.

Before Ingram came on board, "there were many things I personally was involved in that were a distraction to me as candidate," Corker said. "Tom really allowed me to focus on being a candidate. . . . It was just a really hand-in-glove fit at a time when we really needed it"

WASHINGTON WEEKDAYS, EAST TENNESSEE WEEKENDS

Ingram figures he was probably in the first or second grade when he saw his first living, breathing politician. Some of the details have been erased by the passing of time, but he remembers stopping with his grandfather alongside a road—at a gas station, perhaps—when they came across Big Jim Folsom, the colorful, populist Alabama governor who

liked to dress in cream suits and a matching western hat.

"He was just this huge, bigger-than-life guy who kind of moved into this small group of people and took over," Ingram said. "It was very impressive to a small young person at the time."

Ironically, Ingram's family wasn't all that interested in politics. He was born in Ozark, Ala. His father was a Church of Christ preacher. His paternal grandmother thought it was wrong to vote. The family moved frequently and lived in Alabama, Florida and Georgia before eventually settling in Nashville.

Politics may be Ingram's lifeblood now. But when he was younger, newspaper ink was in his veins.

When he was in the fifth grade, Ingram started his own newspaper with a buddy. They would write about events like the circus coming to town, and his friend's mother would type up their articles and run off copies. Then, they'd circulate the paper in the neighborhood and sell it to relatives.

Later, he spent years as a reporter and editor in Nashville before making the move into politics. To this day, he genuinely likes reporters, he said, but he's not a fan of the 24/7 news cycle, which he dismisses as "mostly 24/7 entertainment."

In Washington, Ingram works around the clock Monday through Thursday and catches the last flight out Thursday night so he can be with his family back in Knoxville on the weekends. He and the senator have an agreement that he'll stay in the job as long as it's fun and he can make it work at home, he said.

"If you get up every day and think maybe I can make a little difference in something, that's a pretty good feeling," Ingram said. "And I feel like over the years, working with Lamar and others, that I've taken part in things that do make a difference."

[From the Roll Call, Mar. 10, 2009]

CHIEFS ESCHEW PARTISANSHIP

(By David M. Drucker)

In an institution that has seen the rise of many a bipartisan "gang" in recent years, the monthly meeting of Senate chiefs of staff now in its seventh year might be the best-kept secret on Capitol Hill.

Launched almost by accident in 2002 by Sen. Lamar Alexander's (R-Tenn.) chief of staff, Tom Ingram, and Sen. Mark Pryor's (D-Ark.) chief of staff, Bob Russell, the group of top Senate aides has grown from a family of two to about 60 regulars. Known informally as the bipartisan chiefs of staff group, the bloc has no leadership structure, just a 12-member advisory board of six Democrats and six Republicans.

In addition to their monthly breakfasts at Capitol Hill's Monocle restaurant, the chiefs meet in the evening bimonthly usually welcoming a special guest. They span the political spectrum, with aides to Sens. Tom Coburn (R-Okla.) and Barbara Boxer (D-Calif.) participating.

"We started doing breakfast in the Senate dining room once a month," Russell said of the group's early gatherings. Ingram interrupted, "And we ended up taking up about four to six tables and being a little rowdy. And so the Senators—some of the Senators—suggested that maybe we should . . ."

"They ran us out of the Senate dining room," said Russell, jumping back into the conversation to finish Ingram's sentence.

In a joint interview with Roll Call, Ingram and Russell discussed how the group blossomed amid what many longtime Senate observers believe were some of the chamber's most partisan years. The two aides arrived on Capitol Hill following the 2002 elections.

Alexander won an open seat; Pryor was the only Democrat to defeat a GOP incumbent that year.

Neither newly minted chief of staff was a Washington, D.C., veteran. But they had much in common. Both were close personal friends with their bosses; both worked for Senators with an interest in working across the aisle; both had an extensive private-sector background; and neither intended to stay in town very long. Ingram was in private business in Tennessee, and Russell was an attorney in Little Rock, Ark.

What began as a way for Ingram and Russell to discuss the nonpolitical, managerial aspects of their new jobs and reach across the aisle for some political and policy insight quickly mushroomed. The pair initially invited some of their fellow GOP and Democratic chiefs to join them at their breakfasts, but as word of the gatherings spread, more top Senate aides wanted in.

"Tom and Bob are natural leaders, and they understand the best way to get things done in this town is by keeping the lines of communication open," said Susan McCue, a charter member of the group and Senate Majority Leader Harry Reid's (D-Nev.) former chief of staff.

"During some of the most divisive [President George W.] Bush years, we kept those lines of communication open," continued McCue, who now runs the firm Message Global. "The group might have been the only functioning and productive group of bipartisan operatives working throughout those years."

Indeed, the bipartisan chiefs flourished during some of the Senate's most partisan hours. And while they won't claim any involvement, they watched closely as a bipartisan group of Senators came together in 2005 to form the "Gang of 14." That Senate gang, the first of several, helped cut a deal and avert a showdown over Bush's then-stalled judicial nominees.

The upcoming Senate battle over President Barack Obama's fiscal 2010 budget proposal is not likely to be resolved via the bipartisan chiefs. Nor are the Democratic and Republican chiefs likely to forge a bipartisan deal on health care anytime soon.

Resolving political differences between their Senate bosses is not the group's goal, nor has it ever functioned that way. In fact, Ingram and Russell describe the meetings as a haven from politics that has maintained its character even as the Senate became more Republican in 2004, flipped to Democratic control in 2006 and became further Democratic last November.

The gatherings offer a forum for top Senate aides to develop bipartisan relationships—the kinds that would be difficult to come by otherwise. The group also provides a vehicle for chiefs to discuss the more mundane but still very important aspects of their jobs such as personnel and office managers.

The group recently concluded its inaugural retreat, a weekend in Philadelphia featuring a lecture by historian David McCullough.

The evening events have been held at locations such as the Newseum, George Washington's historic home at Mount Vernon and the National Archives, with noted special guests over the years such as Supreme Court Justices Stephen Breyer and Antonin Scalia, ex-White House officials Mike McCurry and Karl Rove, and ex-Senate Majority Leaders Howard Baker (R-Tenn.) and Tom Daschle (D-S.D.).

"The real purpose of it all is building relationships. So a large part of it is getting to know each other and getting comfortable with each other," Ingram said.

"I now know most of the chiefs of staff and am very familiar with them," Russell said. "So no matter what the issue is, whether its coming from the staff or coming to me from

the Senator, I can pick up the phone and call a chief of staff. . . . Before, without knowing who was on the other side, you just didn't know how anybody might respond or even where to start."

The chiefs' primary purpose has always been relationship building, but the organization has also spawned splinter groups with more specific goals.

One such group is a policy study roundtable on issues relating to China. Another deals with conflict resolution and how to address the various problems faced by chiefs of staff on a daily basis.

The group has served as a unique forum for the chiefs to share with each other their thoughts and stories that would be difficult for others to understand, such as when Shawn Whitman, then chief of staff to Sen. Craig Thomas (R-Wyo.), recounted for his colleagues what it felt like when his boss died. Thomas lost his battle with cancer in June 2007; Whitman is now chief of staff for Thomas's successor, Sen. JOHN BARRASSO (R).

Jackie Cottrell, chief of staff to Sen. PAT ROBERTS (R-Kan.), recalled the aftermath of the tornado that wiped out Greensburg, Kan. and the help and support her office received from several of her counterparts. Cottrell said there were offers to provide extra staff, including to handle the phones, which were ringing off the hook, as well as words of support.

Cottrell credited the bipartisan chiefs group almost solely for the help Roberts' office received as it dealt with the tragedy and worked to help Kansas and the residents of Greensburg recover. Additionally, Cottrell said the group has improved the ability to communicate with other Senate offices on policy matters, which she said has had a direct benefit not only on the Senate, but on Kansas.

"I think it's probably one of the best stories on the Hill for bipartisanship that no one knows about," Cottrell said. "There are 100 offices up here, and we all have the same challenges, no matter what our boss's party affiliation is."

Mr. ALEXANDER. Mr. President, I thank the chairman of the Budget Committee for the time. I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank Senator ALEXANDER. I am serious when I say he is a very valuable member of the Budget Committee. He has made a real contribution there, and we thank him for it.

We now have exhausted all of the speakers who have given us notice on both sides. We are awaiting word on whether we can go to a vote. I am hopeful we can go to a vote soon, but we will need to hear from the leadership on both sides as to when that might be possible.

We have had a spirited, healthy debate today on the question of the budget. I feel strongly that this is a responsible approach. Adopting the President's clear priorities of reducing our dependence on foreign energy, focusing on excellence in education, providing for major health care reform, all the while providing more than \$750 billion of additional tax relief to the American people, focused on middle-class taxpayers, and reducing the deficit dramatically, reducing it by more than two-thirds in dollar terms, by more

than three-quarters as a percentage of the gross domestic product, getting to a deficit level which will stabilize growth of the debt.

Again, I am swift to say much more needs to be done in terms of long-term deficit and debt reduction. I believe deeply we ought to have a special process for entitlement and tax reform. As I have noted throughout this debate, for the long term, we are on an unsustainable course in this country. That is a situation that is not the creation of President Obama. That is a situation that was the creation of the previous administration that inherited massive surpluses and turned them into massive debts. That is a fact, and there is no way to change that fact.

The previous administration left this country in the deepest recession since the Great Depression. Of course, the deficit has skyrocketed as a result. That is not the fault of the President who has been in office for 100 days. He inherited this mess. He is expected to clean it up, and he has taken aggressive, vigorous action to move us in the right direction, and the American people are responding. The latest polls show that now there has been a tripling of the percentage of people in this country who believe we are now on the right track—a tripling in the 100 days of this Presidency.

I was the second Senator to endorse Senator Obama. The first Senator to endorse him was his colleague from Illinois, Senator DURBIN. I was the second Senator to endorse him. I had never endorsed in a Presidential primary before. I did it because I saw something exceptional in Senator Obama. I saw in him somebody who is not only very smart, but extraordinarily calm, somebody who has the right temperament to deal with the crises that any President confronts.

I must say, I have been so proud to have been an early supporter of this President because I believe he is keeping the promise that he made to the American people to turn us in a new and better direction. He adopted the motto of "Yes We Can." That is the motto I had when I first ran for the Senate in 1986. When he found out, he said maybe he owes me royalties. I said: No, you don't owe me a thing.

I am so pleased that he is the President of the United States at this moment in time. He has the right background, the right temperament, the right intelligence, the right character to be our leader at this extraordinary time of challenge.

While our budget is quite different than his because we had \$2 trillion less in revenue to write the budget because of the changing forecast, because of the nature of the economic downturn, nonetheless we were able to preserve his key priorities, and I am proud of it.

Mr. President, I see the ranking member, Senator GREGG, is here. Perhaps he can enlighten us as to whether there are additional speakers or when we might be prepared to vote.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CONRAD. Mr. President, I ask the Senator, would he like additional time for debate or should we call the vote for 5:30 p.m. and yield back all time?

Mr. GREGG. Mr. President, I would like a few minutes. First, I know that one of the senior staff members on the chairman's side, Joel Friedman, is going through some very difficult health situations. I know he wanted to talk a little bit about that. We wish him the best. I know my staff, who works closely with him, feels great concern. The concern goes out to him and his family. We certainly wish him the best during this very difficult period dealing with this very difficult health issue.

Mr. CONRAD. First, I thank Senator GREGG for that sentiment. Let me say that Joel Friedman of my staff, who is a very senior member of the Budget Committee staff, one of my deputy staff directors, is in the hospital, has been there for about a week. We are very concerned about his recovery. I care deeply about Joel, his wife Debbie, his family, his children. He is someone who has labored extraordinarily hard in the months leading up to consideration of the budget. I know he is frustrated not to be able to be here, and I want him and his family to know we are thinking of them, we love them, we miss him very much, and we are praying for his swift recovery.

We have a circumstance in which we have intense debates, as we have had today, but on both sides there is a respect for the professionalism of the other side, and we certainly appreciate Senator GREGG's professional staff. They are outstanding. Their word is good, they are people of character, and they wish nothing but the best for this country. Senator GREGG is an outstanding leader; someone whom I actually share many views with about our long-term budget circumstance. Sometimes that is not altogether clear as we have this debate about short-term budget situations, but I believe he is absolutely right about our long-term budget condition and the need to do much more.

I appreciate very much the way he approaches his job. He takes on his position with knowledge, he does it in good faith, and I appreciate very much the way he conducts our Members on the other side and the work of the committee. We have a very smooth-functioning committee because of the good professional relationship we enjoy.

Again, I wish to applaud his staff, certainly my staff as well, especially Mary Naylor, my staff director, my

other professional staff, John Righter, Steve Bailey, Sarah Egge Kuehl, Jim Esquea, Josh Evenson, Michael Feldman, Brodi Fontenot, Joel Friedman, John Fuher, Joe Gaeta, Robyn Hiestand, Cliff Isenberg, Mike Jones, Jackie Keaveny, Matt Mohning, Jamie Morin, Stu Nagurka, Koby Noel, Anne Page, Steve Posner, Purva Rawal, Josh Ryan, Matt Salomon, and Ben Soskin. Let me say they have worked weekends for months and months and months, late into the night for months and months and months, as has Senator GREGG's staff, and we all owe them a great debt of gratitude.

Mr. GREGG. Mr. President, let me, again, express the concern of my staff and myself for Joel and his family and wish him the best in this very difficult time and wish his family the best. We certainly hope he returns to good health soon.

Let me second the words of the chairman. This committee has contention. Even when the chairman produces a bill which is utterly incorrect and takes us totally in the wrong direction, I totally respect his efforts. I say that with some humor. The strength of this committee, besides the fact that it is a very influential committee in the Senate, is that we approach the issues in a forthright, professional manner. There is, on both sides of the aisle, a genuine and sincere and very successful effort to make sure the committee does its business in an orderly, professional, and cooperative way, which we hope brings credit to the Senate and the way the Senate should function. I believe it does.

It is, in large part, because the chairman sets that tone, as does his staff—Mary Naylor and the excellent people she has working for her; and on my side, Cheri Reidy, Jim Hearn, Allison Parent, and all the other folks who spend hundreds of hours, especially during this very intense period as we run up to the final passage of this extremely important piece of legislation. Their commitment, their professionalism is what allows this Congress to function well, and we very much appreciate it.

I could go on at some length on the issue of the budget, but I think people have probably heard enough of myself on this issue—although I wouldn't want to say that—and I know I would love to hear the chairman further discuss this, and he would love to hear myself further discuss it, but it is probably time to move it along and allow the chips to fall where they may. I would suggest we yield back all time and we vote at 5:30.

Mr. CONRAD. Mr. President, we would be agreeable on our side. Again, I wish to thank the ranking member for his graciousness throughout this process and for organizing the work of the committee and the work on the floor in a way that I think does reflect well on this body and certainly well on the committee. This is the way the Senate should function. We debate vig-

orously, but at the end of the day, we get the job done in a way that assures that the American people can feel both sides have been represented with vigor. That has certainly been the case today.

I thank the Chair, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CONRAD. Mr. President, I ask unanimous consent that at 5:30 p.m. today, the Senate proceed to a vote on adoption of the conference report to accompany S. Con. Res. 13, the concurrent budget resolution, with all statutory time yielded back.

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

Mr. LEAHY. Mr. President, it is in order to ask for the yeas, I understand. I do ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Under the previous order, the question is on the adoption of the conference report to accompany S. Con. Res. 13.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Massachusetts (Mr. KENNEDY) and the Senator from West Virginia (Mr. ROCKEFELLER) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. ROCKEFELLER) would vote "yea."

Mr. KYL. The following Senator is necessarily absent: the Senator from Alabama (Mr. SESSIONS).

Further, if present and voting, the Senator from Alabama (Mr. SESSIONS) would have voted: "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 43, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—53

Akaka	Gillibrand	Mikulski
Baucus	Hagan	Murray
Begich	Harkin	Nelson (FL)
Bennet	Inouye	Pryor
Bingaman	Johnson	Reed
Boxer	Kaufman	Reid
Brown	Kerry	Sanders
Burr	Klobuchar	Schumer
Cantwell	Kohl	Shaheen
Cardin	Landrieu	Stabenow
Carper	Lautenberg	Tester
Casey	Leahy	Udall (CO)
Conrad	Levin	Udall (NM)
Dodd	Lieberman	Warner
Dorgan	Lincoln	Webb
Durbin	McCaskill	Whitehouse
Feingold	Menendez	Wyden
Feinstein	Merkeley	

NAYS—43

Alexander	Crapo	McCain
Barrasso	DeMint	McConnell
Bayh	Ensign	Murkowski
Bennett	Enzi	Nelson (NE)
Bond	Graham	Risch
Brownback	Grassley	Roberts
Bunning	Gregg	Shelby
Burr	Hatch	Snowe
Byrd	Hutchison	Specter
Chambliss	Inhofe	Thune
Coburn	Isakson	Vitter
Cochran	Johanns	Voinovich
Collins	Kyl	Wicker
Corker	Lugar	
Cornyn	Martinez	

NOT VOTING—3

Kennedy	Rockefeller	Sessions
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The conference report was agreed to. Mr. CONRAD. I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CONRAD. Mr. President, I thank all of my colleagues for the way the debate was conducted. I especially thank those who voted for the conference report. We are missing a number of Senators, and we hope for their speedy recovery, Senator KENNEDY and Senator ROCKEFELLER. We also very much appreciate the extraordinary work of staffs on both sides. I again thank the ranking member of the committee for his continuing courtesy and professionalism.

MORNING BUSINESS

Mr. CONRAD. I ask unanimous consent there now be a time for morning business with Senators able to speak for up to 10 minutes each.

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

Mr. CONRAD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURBIN. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DURBIN. I ask unanimous consent to speak in morning business.

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

FACING FORECLOSURE

Mr. DURBIN. Mr. President, tomorrow we will consider a measure that will change the Bankruptcy Code. Currently, the Bankruptcy Code says if someone is facing foreclosure on their home and they go into the bankruptcy court, the bankruptcy court cannot rewrite their mortgage under section 13 of the Bankruptcy Code. The problem is, if someone happens to own a piece of property that is a vacation home, such as a condo in Florida, or if they own a ranch or a farm, the bankruptcy judge seeing this foreclosure can rewrite the mortgage, but not for their home.

What difference does it make? It means that the millions of people who