

help insure against an economic downturn. We need that insurance policy before the economic situation deteriorates even more.

I would add that there is a positive psychological effect that takes place; when the Federal Reserve reduces the rate it charges by half basis points, there is a psychological point that, OK, the Fed is stepping in and taking action to make sure this economy does not go in recession. Therefore, more people say: Good, that is a positive sign. I am going to watch, and I am going to be maybe a little more positive.

If the Congress would do that similarly with tax cuts, the American people, as well, would say: OK, they are concerned about this economy, but they are taking action. I can see there is light at the end of the tunnel.

We should do that for its economic and stimulative effect on people's positive thinking of what can take place for this economy.

I am hopeful that Congress will pass meaningful tax cuts earlier in this year rather than later. Americans deserve some tax relief. They have waited long enough.

Mr. President, thank you very much for your time. I yield the floor and yield back any time allotted to me.

The ACTING PRESIDENT pro tempore. By the previous order, the Senator from Illinois, Mr. DURBIN, is recognized for 15 minutes.

Mr. DURBIN. Thank you, Mr. President.

TAX CUTS AND THE BUDGET SURPLUS

Mr. DURBIN. Mr. President, it is unfortunate I am here following my friend and colleague from Kansas, Senator BROWNBACK, to talk about the same issue because I think we both agree on several things, but we may have a little difference of opinion on several others.

Senator BROWNBACK and I came to the House of Representatives at about the same time. We lived through the era of red ink—the terrible deficits and mounting national debt. Many times it appeared we would never get out from under that burden.

I can recall when I first came to the Senate, Senator ORRIN HATCH was at this desk right over here and had stacked up next to the desk all of the budget books for the previous 20 or 30 years, which all showed a deficit. He said: It is time to amend the Constitution for a balanced budget amendment. It is the only way to get Congress to stop its profligate ways and to finally bring balance to our books.

I resisted that amendment. I thought it was overkill and unnecessary. It failed by one vote, and thank goodness it did because the ink had hardly dried in the CONGRESSIONAL RECORD than we started turning the corner. The economy started getting stronger, and we started leaving the deficit era, going

into the surplus era. And what a change it has brought about with all of the Americans who are currently working, though there clearly is some downturn in the economy now. Those working Americans, and their families, and their businesses have brought success not only to them personally but also to our Nation's economy. It certainly is reflected in the fact that we now are talking about surpluses.

The obvious question the American people ask of us in the Senate is: If we have more money than we need in Washington, why do you keep it? Why don't you do something good with it? And one of the good things you can do with it is to reduce the tax burden on families.

Senator BROWNBACK suggested that. I agree with him. It is President Bush's plan. It is a democratic plan. If I had to put my money on one thing that is likely to happen this year, there would be some form of a tax cut; and there should be. I think we are at a point in history where it is not only the right thing to do, because there is a surplus, it is the right thing to do for the economy.

Chairman Greenspan at the Federal Reserve appeared before the Senate Budget Committee just a few days ago and basically said he thinks we are at a point where there is no growth in our economy. If you have that situation, basic economics tells you that you try to put some stimulus in the economy to get it moving again. And that would be a lowering of interest rates, which helps everyone who has an adjustable mortgage rate or is paying off a car loan or some credit card loan that is reflective of those interest rates, or you find a fiscal approach; that is, a tax cut that also generates more strength, more activity in the economy.

But I think where there may be a difference between Senator BROWNBACK and myself is on the question of how much we have to spend on the tax cut. What can we afford to put into a tax cut? I am going to use the maximum amount that is reasonable, but let's look at some of the figures that are being used.

This chart shows the projected budget surplus for the next 10 years: \$5.7 trillion in a unified surplus. But when we take out the Social Security trust fund—which, incidentally, both parties were very clear in saying: We are not going to raid Social Security to spend or for anybody's tax cut—that takes away \$2.7 trillion, so we have a net of \$3 trillion in our surplus. Then we take away the Medicare trust fund, which I am sure all of us agree we would not want to raid for spending on other programs, to protect it, and we are now down to a net projected budget surplus for the next 10 years of \$2.6 trillion.

Projecting a budget surplus means assuming certain things will happen. There are as many economists in Washington as there are opinions about what might happen to our economy,

but most of these projections about a surplus assume certain growth in the economy. They say if we continue to grow, we will continue to generate surplus. If they are wrong, if the economy takes a downturn, there will be less money available, less money for whatever purposes we might consider on the floor of the Senate or in the Federal Government.

Let's take a look at President Bush's proposed tax cut. His proposal is \$1.6 trillion, which reflects a 10-year tax cut plan. There is also an element in the tax law known as the alternative minimum tax. All of us are concerned that the alternative minimum tax has been written in a way that is starting to penalize a lot of families and businesses we never intended to penalize in any way. So reform of the alternative minimum tax appears to be agreed by almost everyone as something we should do. That would cost us another \$200 billion over a 10-year period of time.

In addition, if we take money and, instead of buying down the debt of the country, put it into something such as a tax cut, it increases the interest costs that have to be paid on that debt by \$400 billion over the same period of time. The true net cost of the Bush tax plan, considering these two scenarios, is \$2.2 trillion.

Recall earlier I said that our actual surplus by these estimates will be \$2.6 trillion. To put it into some perspective, look at the tax cuts assuming a \$2.6 trillion surplus. If we put \$2.2 trillion into tax cuts, as President Bush has recommended, literally 85 percent of the surplus will be going exclusively to tax cuts. The remaining \$400 billion, 15 percent, would be there and could be used. However, look at all of the things we frankly have to consider out of this \$400 billion over 10 years: As to debt reduction—I will get back to that in a moment—we have a \$5.7 trillion national debt. I will talk about what it costs us to maintain that debt. The prescription drug benefit under Medicare is going to cost us some money; some suggest \$300 billion over 10 years. We are taking this slice of \$400 billion and all the things in which we want to invest.

The President has called for more money for education. I like that idea. I think it is a good thing to do. Again, it is coming out of this slice, this 15-percent slice.

He has also asked for more money for defense; we anticipate a need for agriculture as we have in the past; Medicare reform, Social Security reform, and some have even suggested the creation of a rainy day fund to protect our economy and our budget in bad times.

The reason I like to reflect for a moment on the national debt is that we have to consider this as the mortgage that we are leaving our kids. The best thing we can do for our children and grandchildren is to make that debt, that mortgage, as little as possible so

they are not burdened with the responsibility and debt of the obligations of our generation.

What does a national debt of \$5.7 trillion cost us? Literally, we collect \$1 billion a day in Federal taxes from individuals, families, and businesses to pay interest on old debt. That is \$1 billion a day that isn't being spent to put a computer in a classroom or to make America's national defense any stronger. It is \$1 billion a day which instead is being spent for interest on old debt.

Many of us believe if we truly are at a time of surplus, this is the moment we should seize to pay down that national debt, bring it down as low as we can conceivably bring it so that future generations and our kids and grandkids won't be burdened with this debt and responsibility.

As you pay down the national debt, the competition for money in the marketplace is reduced. The Federal Government is not out there borrowing and servicing debt. Therefore, interest rates tend to come down. Now not only will we be taking the burden off of families who pay \$1 billion a day for interest on the old debt, we will also be reducing the interest rates they pay on their homes and their cars and their credit cards. Families win both ways.

Ultimately, this is as good, if not better, in many respects, as a tax cut. It reduces the cost of living for real families facing real difficulties.

Let me speak for a moment about the tax cut itself. There are a variety of ways we can approach this tax cut. Some have suggested cutting marginal rates. That is a shorthand approach to a tax cut which would, in fact, benefit some of the wealthiest people in this country more than working families and middle-income families. That is where I have some difficulty.

I know what is going on in my home State of Illinois now. I know because my wife called me a few weeks ago and said: I just got the first gas bill for the winter. You will never guess what happened. It is up to \$400 a month in Springfield, IL. It is about a 40-percent increase in my hometown. I hear this story all over Illinois, all over the country—energy bills up 50 percent, natural gas bills up 70 percent. If we talk about tax cuts, we ought to be thinking about families who are literally struggling with these day-to-day bills. Whether it is the need to heat your home or to pay for a child's college education or perhaps for tuition in a school, should we not focus tax cuts on the working families who struggle to get by every single day?

I always express concern on the Senate floor that we seem to have more sympathy for the wealthiest people in this country than for those who are really struggling every single day to build their families and make them strong. If we are going to have a tax cut—and we should—let's make sure the tax cut benefits those families.

I also want to make certain we protect Social Security and Medicare. If

as an outcome of this debate we end up jeopardizing Social Security or Medicare, then we have not met our moral and social obligation to the millions of Americans who have paid into these systems and depend on them to survive.

I believe the good news about the surplus should be realistic news. We should understand that surpluses are not guaranteed. We ought to make certain that any tax cut we are talking about is not at the expense of Social Security and Medicare. We should focus the tax cuts on working families to make sure they are the beneficiaries so that they have the funds they need to make their lives easier. That should be the bottom line in this debate.

As I said at the outset, Democrats and Republicans alike believe these tax cuts are going to happen. I believe it is a good thing to do. Let us pay down this national debt. Let us provide a tax cut for the families who need it. Let's make sure we protect Social Security and Medicare in the process.

I yield back my time.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF JOHN ASHCROFT TO BE ATTORNEY GENERAL

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now go into executive session and proceed to the Ashcroft nomination, which the clerk will report.

The assistant legislative clerk read the nomination of John Ashcroft, of Missouri, to be Attorney General.

The ACTING PRESIDENT pro tempore. The Senator from Utah.

Mr. HATCH. Mr. President. I am pleased that the Judiciary Committee yesterday evening favorably reported the nomination of Senator John Ashcroft to be the next Attorney General of the United States. I look forward to a fair debate of Senator Ashcroft's qualifications and am hopeful that we could move to a vote on his confirmation this week. It is important that we confirm Senator Ashcroft as soon as possible so that the President has his Cabinet in place and he can move ahead with the people's agenda.

John Ashcroft is no stranger to most of us in this body. We have served with him during his 6 years of service as the Senator representing Missouri, some had worked with him when he was Governor and some others had worked with him when he was the Attorney General of Missouri.

In the Senate, he served on the Judiciary Committee with distinction over the past four years—working closely with members on both sides of the aisle. As a member of the committee,

he proved himself a leader in many areas, including the fight against drugs and violence, the assessment of the proper role of the Justice Department, and the protection of victims' rights.

But, having heard the relentless drumbeat of accusation after accusation in recent weeks, I can fairly say, in my view, that there has been an unyielding effort to redefine this man of unlimited integrity. Some have termed the statements made by John Ashcroft, during the nearly four days of hearings in the committee, a "confirmation conversion"—"a metamorphosis."

On the contrary. The true metamorphosis of John Ashcroft is in the misleading picture painted of him by narrow left-wing interest groups. In fact, I welcomed them to the committee, and said: We haven't seen you for 8 years. I think there is a lot to be garnered out of that statement.

As my colleagues are well aware, John Ashcroft has an impressive 30-year record of loyal public service as a state attorney general, a two term Governor, and then—of course—as Senator, for the State of Missouri. I should also mention that as Missouri's attorney general, he was so well respected that he was elected by his peers across the nation to head the National Association of Attorneys General, and again as Governor, he was elected by this nation's governors to serve as the head of the National Governors' Association.

That really defines John Ashcroft rather than some of the accusations that have been thrown against him in the Senate.

I have said this before and I will say it again, of the sixty-seven Attorneys General we have had, only a handful even come close to having some of the qualifications that John Ashcroft brings in assuming the position of chief law enforcement officer of this great nation.

The Department of Justice, of course, encompasses broad jurisdiction. It includes agencies ranging from the Drug Enforcement Administration, the Immigration and Naturalization Service, the U.S. Marshal's Service, the Federal Bureau of Investigation, the United States Attorneys, to the Bureau of Prisons. It includes, among other things, enforcement of the law in areas including antitrust, terrorism, fraud, money laundering, organized crime, drugs, and immigration. To effectively prevent and manage crises in these important areas, one thing is certain: we need, at the helm, a no-nonsense person with the background and experience of John Ashcroft.

Those charged with enforcing the law of the nation must demonstrate both a proper understanding of that law and a determination to uphold its letter and spirit. This is the standard I have applied to nominees in the past, and this is the standard I am applying to John Ashcroft here today in my full-hearted support of his nomination to be the