

dreadfully wrong with that. This country would want, it seems to me, to create and maintain a network of family farmers for this country's security interests, if for no other reason, but from my own view, we want to do that because it enriches our country to have a broad network of food production all across our country. Yet families are discovering they are losing their heritage on the family farm.

A friend of mine is an auctioneer. He said he was doing an auction sale one day, and a little boy came up at the end of the auction sale, and he had tears in his eyes. He was about 10 years old. He grabbed my friend by the leg. He was very distraught. The auctioneer tried to comfort him, and this little boy said to him: You sold my father's tractor.

He patted him on the shoulder, and he tried to comfort him some more, and the little boy said: I wanted to drive that tractor when I got big.

So that is a priority for me, family farmers.

My point is this. When we talk about having a budget policy, we cannot just have one central piece that says, here is what we want to do, to the exclusion of every other thing. That is not what made this country a great country in which to live.

Those of us who believe strongly that we ought to have a balanced fiscal policy believe we should avoid the mistake we made in the past, and that is believing that numbers that inherently don't add up do add up. We know better than that. We all took math and algebra. We understand what adds up. This proposal that has come to this Congress with a budget and a tax plan is well over \$1 trillion short. It does not take a genius to see that. It is well over \$1 trillion short of adding up. Yet everyone will walk around here, pretending this adds up. You would fail fourth-grade math believing that.

So first, it ought to add up—for the purposes of helping one political party or another. That doesn't matter so much to me. It ought to add up for the benefit of this country's future. We need to keep this country on track. We need to continue an economy that provides jobs and opportunity ahead.

How will we do that? By encouraging and maintaining the confidence of the American people that we are doing the right thing. Most of the American people, I think, believe the right thing is, during good times, help pay down the Federal debt with some of that surplus: You ran it up in tougher times; pay it down in better times.

Second, yes, have a tax cut and make it fair to everybody.

Third, yes, there are other priorities as well. Pay some attention to them. If you want to talk about education, then pay attention to education and make some investments that will make our schools better schools. If you want to talk about prescription drug prices and helping senior citizens, then if both parties say let's do a prescription drug

plan in Medicare, do it, and have the money to pay for it.

If you want to talk about the family farm and say it is important and is not just some little old diner that got left behind when the interstate came through, if you really believe family farmers are important, then decide you want to do something for them and help them during tough times. Those are priorities as well.

Simply put, my point is we have a lot to be thankful for in this country. Nobody lives in a better place on the face of this Earth. It is not an accident that we are here. As stewards of this country's legacy and its future, we as policymakers need to come together and engage in some cooperation on these things.

I am not someone who believes if we break out into full-scale debate, that is a bad thing for the country. People ask me from time to time, how are you getting along with 50 Senators on the Democratic side and 50 Senators on the Republican side? It is as if they are afraid we are going to have a debate. Look, a debate is what this country is about. There is the old saying, when everyone in the room is thinking the same thing, nobody is thinking very much.

This entire body is about debate. There is nothing wrong with aggressive, robust debate. In fact, that is the only way we get the best of what everyone has to offer. So we are going to have some significant, aggressive debates. And we should. I hope at the end of this debate good thinkers on all sides, from both political parties represented here in the Senate, will agree with me that it doesn't matter what the polls say, it doesn't matter what the politics are; what matters is that we do the right thing to keep this country on track, that we do the right thing to keep this country growing and to have this country provide the opportunities we want it to provide for our children and their children.

What we have inherited is not accidental. Those who came before us have struggled mightily to do the right thing. In some cases, it wasn't the popular thing but it was the right thing. We have a responsibility to accept this opportunity given to us to do the right thing as well.

I say to our new President, his Address to Congress, I think, dealt with a number of significant and important issues. On some of them, I will be supportive. On others, I will be a fierce opponent. But I hope, as we think through all of these issues, we can understand what the public interest is—not the party interest.

The decisions we make in this Chamber could well affect this country 5, 10, and 25 years from now. If we put this country on the wrong course and throw this economy back into growing, choking, heavy deficits year after year after year, it will once again be one of the enduring truths of the political life and the public life of everyone who comes

after us in this Chamber; it will be one of the enduring truths that serves as a backdrop for every other decision that is made for the next 5, 10, and 25 years.

We were able, as I said when we started, to shed the yoke of those two enduring truths that cost us so much. The cold war? The Soviet Union is gone. That was a backdrop for virtually everything we did for many years. That is behind us. The growing budget deficits that represented a cancer in this country's budget—they are gone. They affected virtually everything we did in this Chamber for many years. That is a blessing. Those enduring truths have changed.

So let us make decisions now that do not re-create those liabilities for those who follow us. Let's make decisions that put this country on track to a much better and brighter future that is sustained for the long term.

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

THE PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from Michigan is recognized.

Ms. STABENOW. Thank you very much. I ask unanimous consent to speak in morning business for 10 minutes.

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

SOCIAL SECURITY AND MEDICARE OFF-BUDGET LOCKBOX ACT OF 2001

Ms. STABENOW. Mr. President, this afternoon I urge my colleagues to join with Senator CONRAD and myself and others who are sponsoring S. 21, the Social Security and Medicare Off-Budget Lockbox Act of 2001.

I know this legislation came before the body last year and passed by 60 votes, including 14 votes by my colleagues on the other side of the aisle.

I think this legislation is particularly critical at this time given the budget that the President has proposed to the Congress, and the fact that while he has indicated support for Social Security—although not reserving all of it but he has talked about Social Security—he did not mention reserving the Medicare trust fund. This is a critical issue for me and all the people I represent. To leave the Medicare trust fund unprotected as we talk about investments and spending and how we are going to address tax cuts for the future is very dangerous.

This morning we had the opportunity in the Budget Committee to hear from our new Secretary of the Treasury. Again, he spoke about Social Security but did not indicate a commitment to protecting the Medicare trust fund.

We have about \$500 billion that needs to remain within the trust fund and be

protected for the future. We all know that we are going to see within the next 10 or 11 years additional strains on Medicare as those of us who are baby boomers come into the system, and beyond. We have critical needs in Medicare. We don't need to put \$500 billion in the column that is open for spending or a tax cut. We need to place it on the side with Social Security, in a lockbox—all of Social Security, all of Medicare in a lockbox—so we are guaranteeing that we are not touching a penny of either Social Security or Medicare.

When I first came to the Congress and was in the House of Representatives for 4 years, we were talking about trying to keep ourselves moving to pay off our debt so we could finally say that Social Security and Medicare trust funds would not be used in the bottom line of the budget.

We heard people in both parties—in fact, again a vote was taken last year to support this bill that has been reintroduced—and yet with all of that support, we now find ourselves in the position with a budget being proposed that does not add up, unless you add using Medicare trust funds to the bottom line. I am gravely concerned about that as we look to the future in Medicare.

We all want to see a tax cut. We may struggle and debate who ought to be receiving the majority of that tax cut. My preference is that a lot of it go across the board and be targeted to the working class men and women and their families.

We all talk about deficit reduction and protecting Social Security and Medicare for the future. Unfortunately, while sitting in the House Chamber on Tuesday night, I saw a proposal in broad terms that did not add up. My fear is that will move us backwards rather than forwards as we have been continuing to strengthen our fiscal position and our economy.

We do not need to go back to the eighties and higher interest rates and high unemployment. In my great State of Michigan, those were tough times for families, small businesses, and family farmers that I represent. I am in no way interested in going back to those times with fiscal policies that do not add up.

I join with the President and with others who want to see tax cuts for middle Americans. We can do that without spending Medicare and Social Security. We can do it without putting ourselves back into a situation where we are going into deficit spending.

I truly believe the people of the great State of Michigan want me to support a balanced approach that continues to pay down the debt and protects Social Security and Medicare, and to provide tax relief across the board that is focused on middle-income workers, small businesses, family farmers; and that we also are committed to a future that includes investment in our children, in education, access to college, and mak-

ing sure that health care, particularly prescription drugs, is available for the people whom we represent.

Again, I urge my colleagues to join with us in a proactive way to support S. 21. I hope we can get everyone in this Chamber to be a cosponsor of this bill which clearly sends a message across the country that we want to work together to fashion a plan to keep our economy going and provide tax cuts, and that we not spend Medicare trust funds to do it.

I urge my colleagues to join in supporting the lockbox for Social Security and for Medicare.

Thank you, Mr. President. I yield my time. 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. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

THE PRESIDENT'S BUDGET AND TAX REDUCTION PROPOSAL

Mr. BOND. Mr. President, one of the very lucky things we have around here is the opportunity to listen to some very intelligent people giving us their ideas on a lot of important subjects. Recently, I have had the pleasure of listening to Chairman Alan Greenspan, who spoke before the Budget Committee a couple weeks ago. Yesterday, we had our budget director, David Walker, speaking to the Centrist Coalition and also had an opportunity to listen to Larry Lindsey, the President's economic adviser, who used to serve on the Federal Reserve. I have learned a good number of things from them that I think are very important for the discussions we have about the budget and how we deal with the tax surplus that is confronting our country. As previous speakers have said, we are no longer in a cold-war world; we are no longer trying to get out of the budget deficit problem.

I think a couple things need to be clarified about some remarks I heard earlier. No. 1, it was not the tax increase of 1993 that got us out of the budget deficit situation. I served on the Budget Committee during those, what I would say were very frustrating years—1993, 1994, 1995. We went back and checked. Do you know something very interesting? In spite of the fact that President Clinton and the then-majority Democrats passed the largest tax increase in history, it did not do anything to lessen the deficits.

We went back and checked because the President's budget proposal, I think for four straight budgets, proposed deficits of \$200 billion a year, roughly, as far as the eye could see.

There was no decrease in the deficit because they proposed to spend the money. We raised taxes to deal with

the deficit, but then they raised spending to cover up the tax increases.

So it was not until we got into those battles in 1995—and those were difficult battles; I don't want to relive those days—but those were important battles because we finally made the point—with a Republican Congress and a Democratic President—that we had to start getting spending under control to get out of this deficit spiral that was driving us further and further into debt. And we did it.

And we did something else, again, without the support of the President initially, and with some, but not a lot of, support from the other side of the aisle. We cut the capital gains tax rate. At the time, CBO and others were saying: Oh, the capital gains cut is going to cost revenue to the Federal Government.

Some of us believe that when you cut taxes, particularly on an optional activity, such as selling property—which triggers capital gains—you can actually get more sales of property; that we could unlock some of the locked-in gains. We did, and capital gains revenues went up significantly.

But lo and behold, something else very important happened. As we took away the disincentive to roll over old investments and put them into new investments, we started investing them in something new called information technology, which enabled us to develop much more productive ways of doing things. Lo and behold, the productivity of this economy grew. When the productivity grows, that means we can get more goods and more services—a better quality—without paying more, and we can pay better wages.

We also had welfare reform, which took significant portions of the people off welfare and put them to work. Again, I am proud that the Republican Congress was able to pass a bill three times—two vetoes—and then it was finally signed, and we got more people working.

So we were really generating things with our economy. We had good jobs, and productivity was up. Our lucky streak ran out, probably back in September, as the indicators turned down. We are seeing signs that are not encouraging, that the business cycle may be going into a downturn. But we believe that for the long term, this country is going to continue to grow. The budget projections of the CBO, and the blue chip indicators, suggest that even if we do have these budget downturns, we still are probably going to have about a \$5.6 trillion tax surplus over the next 10 years. It might be lower; it might be higher.

Most likely, if we can continue to invest in productivity—the rate of productivity growth we have had in recent years—it will be higher. So the question becomes, What do we do with that \$5.7 trillion tax surplus? David Walker says we ought to pay down all the debt as quickly as we can.

Chairman Greenspan used to say that, but now he has said: Wait a