1, 1935, when the Senate changed the title of the journal clerk, Charles Watkins, to Parliamentarian and journal clerk. Since then, only four other men have occupied the office: Floyd Riddick, Murray Zweben, Bob Dove, and Alan Frumin. These five Parliamentarians held that office for an average of more than 12 years each. By comparison, during the same time, the Senate has had 14 different majority leaders.

As Justices sit on the Supreme Court, though Presidents will come and go, so Parliamentarians have maintained the rule of precedent, through changes in political majority. Removing a Parliamentarian because a majority leader disagrees with a decision is akin to a President's attack on the Supreme Court. History has roundly decried President Franklin Roosevelt for seeking to pack the Court. I predict that history will also roundly decry the majority leader's man-handling of the Senate's rules.

This majority has torn down another ancient landmark that our predecessors had set up. Once again, this majority has removed another boundary stone that once marked how far we could go. We are left today more bereft of rules, a body less governed by law, and unfortunately more governed by the wishes and ambitions of men and women.

The new Parliamentarian, Alan Frumin, has, as I have said, served as Parliamentarian before. I hope this time he can serve for a good long time.

I have always known Alan to be a man who calls them as he sees them. I hope that the majority leader will allow Alan to continue to do so. For only by allowing the Parliamentarian to follow his or her best judgment will the office of the Parliamentarian continue to be able to play its important role in preserving the Senate rules, and, thus, in preserving the Senate itself.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002—CONFERENCE REPORT

Mr. LOTT. Madam President, I submit a report of the committee of conference on the concurrent resolution (H. Con. Res. 83) and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 83), establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011, having met, have agreed that the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

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

(The report was printed in the House proceedings of the RECORD of May 8, 2001.)

Mr. LOTT. There are 10 hours for debate provided under statute. I expect all debate to be used or yielded back by the close of business today with the exception of an hour or so. We will then obtain a consent for closing remarks tomorrow morning to be followed by a vote on the conference report. I will not propound that request now but will consult with the Democratic leader and will propound the unanimous consent at a later time. I do think it best to get started.

The distinguished chairman of the Budget Committee has arrived. We will begin debate and go as long as Senators desire today and reserve about an hour tomorrow so there will be time equally divided to wrap up and then get a recorded vote.

Madam President, I thank the distinguished chairman of the Budget Committee for the job he has done again this year. A lot of people are appointed different jobs in the Senate in terms of leadership or offices of the Senate and have difficulties in doing our jobs. But few have a job any tougher than being chairman of the Budget Committee because it lays out the plan for the year. It does have to take a look at the whole budget.

The Presiding Officer, the Senator from New York, is on the Budget Committee. I know she found the process interesting, including the hearings. It is the committee that has to decide what is set aside for Medicare, for instance; if we have reform and need additional funds, how much will be available for tax relief and how much will be available for the nondefense and, in fact, defense discretionary accounts.

It is very hard to accommodate all the different parties. We have to work it through the Budget Committee, Democrats and Republicans, and on the floor of the Senate, with many amendments, and quite often vote-aramas at the end of the process where we vote, many times, on 20, 30, 40 amendments, in sequence. It is not a pretty process, but it is one that has to be done.

The chairman of the committee and the ranking member of the committee go to conference and see if they can find ways to work together and deal with the House, too.

So it is a long process. Senator DOMENICI has been involved in that process, either as ranking member or chairman, I believe, almost since we began. I remember I voted for the original Budget and Impoundment Act way back in 1973 or 1974. This time was probably even more difficult than usual, trying to thread the eye of the needle, trying to get something that can pass.

I believe they have done a good job. It surprises me when I hear some of the condemnation that I just heard from the Senator from Wisconsin and in press conferences. I think this is a good budget resolution.

Some people seem to think that people who work and make money should not be able to keep a little bit more of their money. Anybody who wants to defend this Tax Code can go right at it, but I don't believe it is going to work with the American people because the people I talk to, blue-collar working neighbors in my hometown—shipyard workers, paper mill workers, refinery workers, small business men and women—don't think it is fair; they think they are overtaxed by the Federal Government, and by the State and local government, for that matter. They think they pay too much for gasoline taxes, which contributes to the price with which they are having to deal.

They think the Tax Code is too long, too complicated, and unfair. When I say: Does anybody in this room want to defend the marriage penalty tax, any Democrat, any Republican, anybody, old or young, married or single? I see not one hand.

Yet we have been yapping around here for 10 years about how we are going to get rid of the marriage penalty tax. It has gotten so serious, my daughter who got married 2 years ago, has threatened to run against me if I don't finally do something about this. This is an unfair, ridiculous tax.

Does it cost some money? Yes. Whose money is it, for Heaven's sake? It is my daughter's and her husband's, a young couple trying to make ends meet. Nobody wants to defend that.

The very concept of the Federal Government coming in when you die and reaching into the grave to take the benefit of the fruits of your labor in your lifetime is so alien to what America should be about, I just cannot believe people will say estate taxes are a good idea.

Oh, it will not affect me. I have asked for and been given a life in this institution in the Congress. I came here young and don't have any money and don't really ever expect to have very much. But the idea that my son, who has chosen a different route, would have the Federal Government show up and say: Give me 40 percent or 50 percent of your life's earnings—I am not going to give him an estate; he is not going to inherit it; whatever he has, he is going to earn it—I think that is wrong, fundamentally unfair and basically wrong. Rates are too high; taxes are too high.

Oh, there will be weeping and gnashing of teeth—the very idea that you would lower the top rate from 39.6 to 33 percent. You go out and ask the average man or woman on the street, do they think one-third of what they earn is enough to pay for Federal taxes—anybody—anybody should pay more than a third, 33 percent?

Then you have to add on to that State taxes, local taxes, sales taxes. On everything you do from the moment

you get up and flip on a switch and you drink that cup of coffee until you get your paycheck, you are paying taxes.

I realize in this city, unbelievably, it is hard to cut taxes. But I don't think this is too much. In fact, I don't think it is enough. Allow people to keep a little bit more of their money through a child tax credit? We should not do that? We have been trying now to get some other things, such as the education savings account, in place to allow people to save a little bit more of their money.

People say we need more money from the Federal Government so we can help people with the things they need, such as child care. I have a unique idea. How about letting them keep some of their own money and pay for their own childcare as they see fit. That will be one way to do it. I am not saying we don't need additional support, but that is one way to do it.

I think what is provided in this budget resolution is not an unfair amount. We went through a process. It is not as high as I would like for it to be, but it is a pretty substantial amount. I assume it has bipartisan support.

In terms of spending, why, listening to some of the stuff I heard on TV last night, you would think we were going in there and slashing Federal programs all over the place. I thought it said a 4-percent increase—4-percent or more increase over what we are going to spend in this fiscal year. Is there anybody in this room who thinks it is only going to be 4 percent? No; this opens the bidding, unfortunately. I hope the President will veto these appropriations bills if they start providing increases of 6 percent, 7 percent, 12 percent. There is no limit.

We have been saying it right here in the Senate. Does anybody want to offer an amendment to have more spending? Just offer it. It will pass. It doesn't matter what it is. I don't know what we think. I guess we think somebody somewhere some other day will pay for all this or we will worry about that later.

This is a balanced, fiscally responsible budget resolution. It provides for additional action on Medicare. It provides for increases in a lot of areas. The President's budget does provide for some reductions in certain areas, but can we not have priorities in the Government? Can't we spend a little more here and a little less there? Isn't a 4-percent increase over an inflated expenditure from last year and the previous year an adequate amount? I think it is.

I don't know, maybe we are just not reading the same budget resolution. I think this is a responsible resolution. I urge Senators to vote for it. Again, it is not the end of the process. This is the kickoff. We have been wrestling around with this thing now for 3 months, and this is just the kickoff. We haven't even gotten into the first quarter. We need to get it done.

Think of the alternative if we didn't pass this budget resolution. What happens? We are stalled out right here and cannot go forward with the annual appropriations bills, with the tax relief package. There would be uncertainty about what would be available, I guess, in certain entitlement programs.

I hope we can calm the rhetoric. Sure, there will be substantive disagreements. There will be people who advocate spending more or less at various places. That can be done. We have budget resolutions. We have authorization bills. We are going to be continuing to vote on education. We are going to have more spending for education. Everybody knows that; that is part of the package. I am for that. I think further investment in education is a good investment. I am prepared to support it.

There are going to be emergencies. Unfortunately, there will be disasters somewhere in this country, probably in my own State. We have floods, tornadoes, droughts—everything but locust so far. We will help people with their disasters.

We are going to have emergency requests for defense. We have costs that were unexpected in health care and additional steaming and flying time. But we will work through that process.

I hope we will overwhelmingly pass this resolution tomorrow and go forward with the bills that will follow in due course.

Again, I say to you, Senator DOMENICI, thank you. I know it is never easy. For some reason I am not quite sure, you have been willing to continue to do it year after year. I will be looking forward to hearing what you have to say about the final product. I know Senator CONRAD will have some remarks, too, and then we will go to a vote.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. Madam President, 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. DASCHLE. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

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

Mr. DASCHLE. Madam President, I know Senator CONRAD will come to the floor in the not too distant future. But until he arrives, I want to take a moment to comment on the budget resolution and respond, in part, to some of the comments made by the distinguished majority leader.

I don't know that there has been a budget resolution during my years in the Senate, or at least as Democratic Leader, that has generated greater anger and frustration among our colleagues than this one.

There are three concerns we have with this budget resolution. I want to address each of them briefly and accommodate other Senators, if they wish to speak.

The first is process.

This process was an abomination. I have great respect for the distinguished chairman of the Budget Committee. I admire him for a lot of reasons. I know that he isn't the one who calls all the shots in all cases. But I think this process is inexplicable. As we profess the desire and a need for bipartisanship, I don't know why we have a process that is so highly partisan on an issue that is so important.

I think it is fair to say—and I don't know that any Republicans would ever dispute it—that the Democrats were virtually locked out from the beginning on this issue. No Democrats participated. There wasn't a markup in the Budget Committee, therefore you didn't see Democratic participation in formulating this budget or Democratic opportunities to offer amendments. There was none. You didn't see any participation among Democrats in the conference committee—none, zero.

I am sure that when those who created this budget process nearly 30 years ago and enacted it into law, as well intended as they were, they did not envision decisions as paramount as these being made in some closed room, locking out one party, denying the opportunity for Democrats to be involved. I don't think that they even imagined that something like this could happen.

Unfortunately, that is precisely what has happened. I believe it is fair to say that there isn't a Member of this body who has seen this budget in its entirety other than the chairman. I can guarantee you there are no Democrats who have seen it. Yet, with less than 24 hours to review it, we are being asked to vote on a budget blueprint that will dictate our fiscal policy for the next 10 years. We have been given nearly a $2 trillion budget without a fair opportunity to evaluate it, without an opportunity to participate, and now we are being asked to vote up or down.

This is an abomination. This is inexcusable, especially in a 50/50 Senate.

But here we are. I am angered and frustrated that we even have to begin this debate with this reality. It is an outrage.

The second concern I have is this budget is a fabrication. This isn't a budget. This is a make-believe document with more holes, more gaps, more missing pages, and more questions than there are answers. Don't like the baseline? Create a new one. Don't like the numbers? Come up with other ones you like better. Don't know what the President wants to do on the defense budget? Give him an opportunity to put that number in later.

This isn't a budget. This isn't even close to a budget. In fact, because this is such a fabrication, we have virtually destroyed the budget process as it was originally designed by excluding Democrats and by making up things as we have gone along.

Let me rephrase that. Democrats haven't made it up because we weren't involved. Republicans made it up.

This is a fabrication. This is make-believe budgeting. This is a budget process gone awry.

This is absolutely one of the worst documents we will be called upon to vote on in this Congress. We ought to be ashamed that we are bringing this budget to the floor—ashamed.

The third problem is, of course, policy. I have to say, I don't know anybody who can say without equivocation the policy implications contained within this budget fabrication. If it is possible to come to any conclusions based on what little we already know, here are the conclusions one has to reach.

First of all, don't let anybody fool you. If this budget does go into effect, the tax cut is so large that we could ultimately tap right into the Medicare and Social Security trust funds.

There is no question about that. The Medicare trust fund is no longer inviolate. All of these votes and all of these speeches about protecting Medicare and having this lockbox are malarkey. This budget threatens the Social Security trust funds. Malarkey.

When this resolution passes, we will dramatically hasten the date when the Social Security trust fund becomes insolvent. I guarantee you that we are going to hear actuaries talk about how short the viability for the trust fund will be as a result of this resolution passing. Why? We just heard the majority leader, and he was right about this. Who can vote against a tax cut? Who can vote against all of these wonderful-sounding opportunities to reduce taxes? If you are a politician of any ability, you ought to be able to support a tax cut. However, this President couldn't even get his $1.6 billion.

I have to say no one should believe that the final cost of the tax cut is $1.4 trillion because that is what Republicans say it is.

I want to see what they do when the alternative minimum tax is proposed. That is $300 billion. I want to see what happens when the extenders are proposed. That is $100 billion. I want to see what people say when they are forced to acknowledge that the cost of the tax cut must include about $400 billion in interest. Where does that go? That is $800 billion on top of the $1.4 trillion. That is $2.2 trillion, and we haven't gotten to capital gains reductions, business tax breaks, pension reform, and all the other tax ideas that someone is going to conjure up.

This budget is going critically wound the fiscal well-being of this country, in a manner in which we haven't seen in our lifetime.

This is outrageous. We gut education at the very time we are talking about education policy in this country. It is gutted. Don't let anybody mislead you. You are going to hear nice-sounding phrases about sense of the Senate language and ideas about how we are going to be able to manipulate the numbers to put additional education money in the budget.

If you believe that, there is a tooth fairy and a bridge I want to talk to you about.

This isn't budgeting with priorities the American people care about. There isn't any new money in here for education. There isn't a real plan in this budget to provide a prescription drug benefit—regardless of how many people campaigned in the last election on the importance of this issue. This is a tax cut made into a budget, and it is a budget lacking in virtually everything we said is important. Is Social Security important? Not in this budget. Is Medicare important? Not in this budget. Is education important? Not in this budget. Are prescription drug benefits important? Not in this budget.

I daresay everything we stand for on this side of the aisle is lost in this budget. I can't think of a reason why somebody who holds the core values that many of us hold would ever even think about voting for a fabrication as disastrous for this country as this budget will be.

If I sound exercised, I am. If I sound as deeply troubled as I hope my rhetoric would convey, I am.

This is not good for the country. It is not good because there has been a complete breakdown of whatever modicum of bipartisanship that I hoped a 50/50 Senate would deliver. There isn't any bipartisanship reflected in this budget.

I think the die is cast. But I hope somehow over the course of this year we can truly find ways to reverse some of the incredibly disastrous decisions that have been made in this budget.

Senator CONRAD has done an outstanding job in leading the Democratic caucus and providing us with his guidance and his insight. I publicly want to acknowledge my gratitude to him. No one cares more deeply. No one has studied this issue more thoroughly. As a consequence, no one has the respect of our caucus more than the Senator from North Dakota. I thank him for that. This has to have been a frustrating experience for him. But there will be another day.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, fellow Senators, and anyone listening, I am very sorry that the minority leader is frustrated. I wish he were not. I am also very sorry that my facts and what is in this budget, as I see it, are very different from his—very different. I have been part of this process.

I want to talk for a minute about partisanship. I can tell you when President Clinton won office and had a Democratic Senate, they did the budget. They did the tax bill. We did nothing. We were left out of everything. And I do not think our leader came to the floor and called that the kind of names the minority leader has used today.

Frankly, I think the Senate, itself, will prove that what he has said is wrong because they will vote for this budget resolution. If it were a fabrication, they would not vote for it. If it were unreal, they would not vote for it.

But I want to start by using a different approach. I want to start by saying: If not now, when? If not now, when will the American taxpayer get back some of the surplus that their taxes have generated? How big must the surplus be, Madam President, and fellow Senators, before we give the taxpayers some of their money back? How big should it be?

It is $5.6 trillion. That means getting that much money more than we need for the policies of our Government. Should it be $10 trillion before we give them back any money? Should it be $20 trillion before we give them back some? Absolutely not. Madam President, $5.6 trillion yields to the American people in their hands for use as taxpayers—let's get the number—$1.25 trillion. Remember, there is a $5.6 trillion surplus, and then, secondly, $100 billion that must be spent this year and next year as an economic stimulus. And the Democrats wanted that. Of course, they did not want the other one. They did not want the long-term one.

So every single thing has been invented by way of the fault of this budget, to put it in the way of one thing, and one thing only: taxes given back to the American people. In fact, the minority leader, again, to borrow his own words, is frustrated. I tell you, tomorrow I think the Senate will indicate that it is frustrated, that it is frustrated in not giving back the taxpayers some of their money, and they are going to vote to do that.

Frankly, I wish we were here without controversy and that those who lead on that side and those who lead on this side, including this Senator, could say: This has been done together; we have had total bipartisan support. But let me tell you, we have already gone from the $1.6 trillion that the President asked for in the tax cut, and with some Democratic help we are down to $1.25 trillion, plus $100 billion for stimulus.

How far down would we have to go under the idea we would have bipartisan support, and write this together in the Budget Committee, and go the conference, Democrat and Republican? Just think of it. It is already, on the one hand, being claimed as a loss for the President because he did not get enough tax cuts, and, on the other hand, it is too much; and, therefore, we talk about everything wrong in this budget because we would not like to see this tax cut pass.

The good news is, fellow Americans and taxpayers, regardless of the rhetoric of today, within a week to 10 days, the Finance Committee of the Senate will produce a tax cut bill. It will come to the floor. Then we are going to see how many support it and how many support the stimulus of $100 billion spread equally this year and next year. I surmise there will be plenty of support for it.

But every obstacle is put in its way by those who lead on the other side of the aisle. Now they complain: It's too big a tax cut. But the President did not get what he wanted. And there are all these other things we should be doing, not giving back money to the taxpayers.

So I again say: If not now, when? And I answer my own question: Now. Give them back some of their money. It is not an extraordinary amount. Social Security is funded. Some would like to say: Before we give the tax cuts, we want to fund the next generation of Social Security. I don't know about that. I think we put all the money into Social Security that they are entitled. No matter what is said on the other side of the aisle, it is our position—and I think it is right—we do not touch Social Security and we do not touch Medicare.

For those who want to get up on the other side of the aisle and just say we do, I stand up on this side of the aisle and say we don't. You can believe who you would like, but we have committed to not bringing you a budget that offended the Social Security trust fund. We have committed that we will not do that on the HI, the Medicare program. You say we do, and I say we don't.

So let's see how we vote tomorrow. If there were a large group of Senators who thought we were violating Social Security and Medicare, this would not be adopted tomorrow. So they can keep on repeating it, but let's see how the Senators vote tomorrow.

One thing happened during this process that is very extraordinary and good. The other side of the aisle has developed a budget ranking member who works hard, knows a lot, and makes his case. It is not that I agree with him all the time, but he makes his case. I commend him for that. And he does it well. It is just that on this one I do not believe he is going to tell all of you and tell the American people what this budget means.

I would like very much to quickly tick off on the charts right there behind me—and we will do it early on so the other side can go on and produce a chart that says it isn't so, but I do not like to say things in this Chamber that I do not believe are true and honest and forthright.

First, it reduces the debt to $818 billion, down from $2.4 trillion. For those who complain that it isn't enough, just look at the numbers. We have Treasury bills that we owe to people that are accruing interest, that we have to pay every year; and it is $2.4 trillion. It is almost as large as the surplus—well, half as large. We are going to reduce it to $818 billion, which is the largest decrease we have ever had in history and I believe very close to the maximum amount we can do. We can talk about what it does in terms of the budget percentages, and the like, but those are the numbers.

It protects Social Security and the HI trust fund. In fact, on Social Security, none of the tax cuts here are predicated on any numbers that include Social Security trust fund money. That is taken out first. I don't know what else we ought to do to live up to our lockbox commitment, unless it is to start a new funding to take care of Social Security in another way that we have not yet passed and don't know anything about.

It maintains a balanced budget every year: $219 billion in fiscal year 2002, $48 billion not counting the Social Security trust fund surplus.

When you added it all up, people thought we were using the entire contingency fund, but we did not. There is a $½ trillion—$500 billion—unspent over the 10 years. For those who want to do something about the ID or special ed program, by making it mandatory, have at it. Let's get it passed. It can come out of that $500 billion. We just could not pass a new mandatory program in a conference with the House for that piece of education.

On taxes, let me repeat, you can state it two ways, but, in essence, over the next 11 years, the American people will either get back in their pockets or have changed the law such that $1.25 trillion is back in their pockets. In addition, for the rest of this year, plus next year, we will rebate, refund, cut, another $100 billion for the American people.

So you might say this is a $1.35 trillion reduction in taxes for the American people, and that would be a correct statement. Some would like to put it in two pieces: having the $100 billion for stimulus first, and take that out first. That is all right with me. The sum total is what I have said.

I repeat: If we are not going to give them back some of this money now, when will we? Will we wait 3 or 4 more years and find ways to spend the surplus? If you want to wait, I am not sure who will spend it, but somebody will spend it. You had better get on the record giving some back to the people.

On spending, there are a lot of ways to look at this budget, but I suggest that the spending in this budget, as we add it up, is $1.92 trillion for the year 2002—excuse me, $1.952 trillion for everything. This authorizes, for the appropriations process, $631 billion in 2002. In that number there is both defense and nondefense, and Social Security and everything, but the 631 is just appropriated accounts. There are many assumptions made—many—but the appropriators will decide what they are going to fund out of that total amount and how. If they do what we assume, they will put an awful lot of it in education. They may not do that, but you can't do more in a budget than to say that we assume it and ask the others to pay for it.

In addition to the President's increase, which was about 4 percent for the year, we have authorized an additional $6.2 billion for nondefense programs. That is without emergencies, which are handled as they were in the past; when they come, they are added to the budget. We didn't change that. The House wanted to change it. That was one of the things over which we fought in an argument with reference to using our budget process.

Let me talk about Medicare for a minute. I can't understand when there is a reserve fund in this budget that says, if you do a new Medicare bill with prescription drugs in it, $300 billion is given to you to spend: How much did you want: 500? 600? 800? The House had 146. We won that debate. We got 300, just as the Senate had voted. I don't know what else we can do. We have stated unequivocally, you cannot use any of these programs or moneys to affect either Social Security and/or Medicare.

Let's talk about defense for a minute. How could we have budgeted defense when the President gave us a number and said, we are having a top-to-bottom review and it won't be ready until a few months down the line? Are we supposed to say, let's leave it all out of the budget and start over in 3 months? The best thing I could see to do was the following: Fund defense as he requested it, which is not a very big increase, and put in this budget that when the top-to-bottom review is completed, whatever their number is, they get to submit it, and it belongs to defense and nothing else.

But guess what. It is not a free ticket. It has to be appropriated by the Congress. If we don't like it or don't want some of it, we don't have to do it. I didn't know any other way to do it. It is not intended as a blank check. It is intended as what I have described.

There are some saying, what else did we do in this budget, besides the $300 billion we set aside for Medicare, if they reform it and if they do prescription drugs? Frankly, I am very pleased to say the House gave on that to us; it went our way.

In addition, we had a program in here to make sure that the farmers this year, 2002, and for the decade—we had unanimous support that we ought to increase the authorization and allocation and use some of the contingency fund for that. Guess what. The House had nothing for that in their budget, and before we finished, they said, we think we should do a little more than the Senate—I assume because that is what they want to show their House Members. So we did agriculture at an $80 billion increase, to make sure it gets money. Frankly, I don't know how much more you can do. I believe if we are not right, it has so much support that next year or the next year we can do more. We could take it out of the contingency fund and fund agriculture even more.

Here on the Senate floor, Senator KENNEDY was going to propose a very large amount which had to do with uninsureds—health uninsureds. Senator SMITH of Oregon, joined by his friend, Senator WYDEN, proposed an add-on to the health uninsured fund of

$28 billion to be used over the next 3 years. They can use it if they want in the committee for uninsured benefits and enhancement of the program. The House had zero. We got a full $28 billion. They gave us everything we asked.

So Medicare, health insurance for the uninsured, agriculture, and then in the area that many here worry about, home health care. For home health care we have another reserve fund that comes from Senator COLLINS' work in the Chamber. We put in $14 billion to make sure that that fund continued unabated; that is, that home health care funding, instead of coming down at a point in time which is currently prescribed, it says that sunset brings it back up, and it is almost $14 billion.

There is another one Senator GRASSLEY and Senator KENNEDY have been working on that is called the childcare credit and earned income tax, $18.5 billion for its expansion. Then we added to it nearly $8 billion to expand Medicaid benefits to children with special needs.

We don't hear anything about any of those as this budget is denounced, as it is called a fabrication, as it is called a sham of process, none of which is true. I have brought budgets here many times. This is a solid budget.

I will close by talking about the appropriated accounts because every year we have to do 13 bills. There is a lot of commotion about them and a lot of trouble getting them done. I just described to you what is going to happen on defense. I might tell you this budget resolution contemplates a supplemental this year principally for defense, which everyone knew would happen. This contemplates it because we have room under the caps for this year. But if you take just the nondefense part of this budget that is appropriated, our mathematics and arithmetic say that that is going up 5.5 percent, not 4 as the President asked.

There are some—perhaps the other side—who will say it didn't go up at all. Let's deal with that on apples and apples, the totality of the accounts now this year and the totality of the domestic accounts next year. There is $6.2 billion in new money, and the percentage increase is 5.5. If the House knew it was 5.5, I am not sure they would pass the resolution. So they used their numbers; I used mine. I know what is going to appropriations, and it is not 4 percent for which the President asked. It is not 5 percent. It is more than 5 percent.

Can you get along with it? I don't know. Is there enough money for education? Absolutely. If you want to take every assumption in this resolution that is attributed to education and then add the 6.2 new money and assume they are going to give some of that to education, you have funding of education programs that I believe will be voted for in appropriations by both sides of the aisle because there is sufficient money in there for education, including the increase, a substantial increase, in special ed. In fact, I think the amount is $7 billion, 7.9—almost $8 billion for special ed, the IDEA program.

Let me say to everyone, the Senate voted in an amendment that said, do a huge new mandatory entitlement program for IDEA for special ed. It is not a mandatory entitlement. It is appropriated every year. Congress has not done well, except in the last 2 or 3 years, in doing its part for the funding for special ed kids, but we are starting up that path. For anybody who is looking in this budget to find a brand new mandatory entitlement for IDEA, it isn't here. I guarantee you, there is no way you can get a new entitlement out of the House. It will work its will, and we will work our will. But we couldn't do it in the budget resolution because they said it is a whole new way to approach it; do it separately. There is still money around if you want to do that, still money around over the decade, without violating the balanced budget, Medicare, or Social Security.

I guess I could close just like the minority leader did. If you think I am kind of worked up, first of all, that is the way I am all the time. However, I am just slightly worked up more than I normally am. While he is infuriated about certain things, I am infuriated about some things said by a number of people about this budget. I won't say who.

I close by saying to everybody, there is no doubt in this Senator's mind that the people of this country deserve to have a significant amount of this surplus given back to them now. There is no doubt in my mind that it is fair; it will help the American economy; it won't hurt it. I close by saying, if we can do anything to stimulate the economy through tax changes, this resolution will permit that to happen. It will permit money to be spent from the hands of our people, encouraging them to spend money and keep the economy going, or to pay some of the money for expenditures for gasoline and related fuel prices.

I anxiously await hearing from my friend, who I have just indicated, right in the middle of my speech, has done a great job becoming very learned and an expert. He knows I was here a lot longer and, probably today, he is willing to stand up on the floor and say in all ways I know more than Domenici about the budget because I have really learned it. I would not doubt that. I think I have just enough to get it done. It has been a lot of years.

The charge of partisanship could be levied more times than not, as budgets have been produced in this place. I didn't go through each one to find out how partisan they were, but I can vividly remember the budget resolution ran through here with no Republican support, no votes in the Senate, when President Bill Clinton was given what he requested.

Whether that was the right thing to do, who knows? Whether this is the right thing to do, some say no on the other side; some say yes. I believe the American people are watching us. We had a big chart that said: $5.6 trillion overpayment to Government, $1.25 trillion to the people in taxes, and $100 billion to stimulate the economy by giving people back some money to spend. We will let them judge whether that is too much.

Let me close by saying those are simple numbers. They already take into account a 4-percent growth in Government. That still yields those numbers. How much more should Government grow? I don't know. I surely think there ought to be enough to give people tax cuts. It seems to me it is rather basic and simple. Nonetheless, because we are a different body than the House, we have more allocated than 4 percent, for which the President asked. Repeating, for the domestic side, it is more like 5.5 percent they are going to have to spend. We still have those numbers—$5.6 trillion, and $1.25 trillion of that going back to the people, plus $100 billion to be in their pockets this year and early next year as a stimulus, for them to use as they see fit.

I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I rise to speak to the budget resolution that is now before us and the conference report on the budget resolution.

First, let me say I have profound respect for the chairman of the Senate Budget Committee. I have worked with him for the 15 years that I have been in the Senate. He is a man of integrity. He is an honest man. He is well motivated. He does what he believes is the right thing for the country, and certainly for New Mexico. I don't question any of that in the slightest degree. He also has an outstanding staff that benefits the entire Senate. So I want to stipulate right at the beginning that I have respect for him and affection for the Senator from New Mexico as well.

He is Italian. My wife is Italian. Italians have a lot of spirit. We saw some of that spirit from the Senator from New Mexico this afternoon. I am Scandinavian, and we Scandinavians don't show a lot of emotion, although from time to time it erupts. We also have strong feelings and strong beliefs.

I believe this budget is a very poor product for the conference committee. One of the reasons I believe it is a poor product is because the fact is that Democrats were locked out completely from the process of writing this budget. There was one meeting at the conference committee, the initial meeting, in which we were allowed to give opening remarks. After that, we were locked out completely. We weren't invited. In fact, we were told by the chairman we would not be invited back. That was true on the House side as well. The Democrats were simply excluded.

So make no mistake; this is not a bipartisan budget. This is a budget that

has been written by one side and one side alone. They bear full responsibility for what flows from this budget.

I agree with much of what the Senator described in this resolution. What he is not talking about is what is not in this budget. What he is not talking about is what has been left out. What he is not talking about is what is left hidden from view and how profound an effect it will have on every decision we make in this Congress, not only for this year but for 10 years, and for years beyond. These are consequential decisions that are going to have an effect that is going to last a very long time. Let no one make any mistake about it.

The Washington Post, on Monday, had as their lead editorial this work, entitled ''An Unreal Budget.'' That is a pretty good description of this budget because it, I would say, borders on bizarre. It is not a budget. It is not a budget. Much of what we know is going to be spent is not revealed in this document.

The conclusion of the Washington Post was:

> The theme of this budget is tax cuts first, sweep up afterward. It's the wrong way around. Budget resolutions are supposed to foster fiscal responsibility. This one will have the opposite effect.

Unfortunately, in my judgment, that is true. This budget abandons fiscal responsibility. The chairman of the committee referred back to 1993 and suggested, well, it was really done the same way then as it is being done now. That is not true. In 1993, we had a full markup in the Senate Budget Committee. This year there was no markup in the Budget Committee. In 1993, we had full debate, full discussion. What we did in 1993 was to reduce deficits.

Let's go back to 1993. We had a $290 billion budget deficit the year before. We put in place a package that reduced deficits each and every year for the 5 years of that budget resolution. We then followed it with a bipartisan plan in 1997. That one we did in a bipartisan way. We finished the job of balancing the budget and moving us from deficits to surpluses.

This is an unreal budget because there are whole chunks of spending that have been left out, conveniently forgotten, like the two pages that were lost in the House that hung up consideration of this package. The two pages that were lost, interestingly enough, just happened to be the critical two pages. You know what. They did not just lose two pages; they lost dozens more because this budget does not contain all the spending that is going to be done, and all of us know it. It is not in this budget because it is the only way they could make this budget add up.

If they put in what we all know is going to happen, it does not add up, and they take us back to the bad old days of deficits and expanding debt.

That is the harsh reality about this budget. First of all, we ought to deal with the uncertainty of the projections that surround this budget. All of this is based on a 10-year projection that we will enjoy a surplus of $5.6 trillion over the next 10 years—$5.6 trillion. That is not money in the bank; that is a forecast, that is a projection, and the people who made the forecast themselves have warned us of its uncertainty.

What did they tell us? They said there is only a 10-percent chance that number is going to come true, $5.6 trillion. There is a 45-percent chance there will be more money. There is a 45-percent chance there will be less money. That forecast was done more than 8 weeks ago. With what has happened in the economy during this interval, between the time the forecast was made and today, do you think it is safe to assume there is going to be less money or more money?

Just one statistic. Yesterday, the productivity numbers were released for the first quarter of this year. They were estimating that productivity would be up 1 full percentage point. Instead, it went down by one-tenth of 1 point.

That difference makes a profound change over time. That would wipe out hundreds of billions of dollars of this forecasted surplus over time.

The people who made the forecast provided us this chart. It shows in the fifth year alone, we could expect a range of anywhere from a $50 billion deficit to more than a $1 trillion surplus.

How did they come up with that forecast? How did they come up with that projection? They looked at their previous forecasts. They looked at what they said in the past and they looked at the difference between what they predicted and what actually occurred. Then they applied it to this forecast. As I say, in the fifth year alone, they said it could be anywhere from a $50 billion deficit to more than a $1 trillion deficit. That is how uncertain this forecast is.

What does that tell us? I believe it says we ought to be cautious. We ought to be conservative. We ought to be careful. This budget throws caution to the winds. This budget reminds me very much of what happened in 1981: A new President, big tax cut proposal, big defense buildup proposal, rosy economic forecast, and what happened. The deficits and the debt of this country multiplied geometrically, and they put this country in a deep hole which has taken 15 years to dig out. And these same folks with the same view and the same philosophy are getting ready to do it all over again.

Unfortunately, this time there is not time to recover. In the 1980s, we had two decades to recover. This time the baby boomers start to retire in 11 years, and then it all changes. We will go from massive surpluses to substantial deficits because all of a sudden the number of people eligible for Medicare and Social Security increases dramatically.

That is the first thing we need to keep in mind about this budget: the uncertainty of the forecast that underlines all of the assumptions. I do not think there is a family in America who would bet the farm or bet their household on the basis of a 10-year forecast. I think most people would say it would be nice if it came true, but we are not going to count on it; we are going to be careful in what we do.

I put up the Washington Post editorial that called it an unreal budget. Boy, they have it right. It is unreal. Huge chunks of Federal spending are not included.

Let's start with defense. We all know what is going to happen with defense. Here is a story from USA Today, Friday, April 27: ''Billions Sought for Arms.'' The Secretary is going to propose a boost in defense spending of $200 billion to $300 billion over the next 6 years. That is just USA Today. This is in headline after headline all across the country. The Secretary of Defense is going to ask for very major increases in defense expenditures, $200 billion to $300 billion in additional spending in just the next 6 years.

Not a dime of it is in this budget. It is not here. They did not include it. Why not? Let's go to the Secretary of Defense and see what he said. The Secretary of Defense was interviewed on ''Meet the Press'' on May 6, this past weekend.

The host of the show: Will you get the $10 billion more in defense money this year that you need?

The Secretary of Defense: I don't know. I have not gone to the President as yet. He wanted to wait until after some of the studies had been completed and until the tax bill was behind us and we're going to be discussing that over the coming weeks.

The host of the show: But you need more money.

The Secretary of Defense: We do.

And indeed they do, but the money is not in this budget. This is supposed to be a budget document that tells us the revenue and the spending of the Federal Government over the next 10 years, but it is not that. This is a document that excludes as much as it reveals.

It leaves out this major defense expenditure. Oh, not completely. It provides for a reserve fund so if there is a determination by the chairman of the Budget Committee that more money should be added, and the authorization committee believes it, they can put it in with no vote in this Chamber, no opportunity to review their decision. They make the decision alone.

It does not resemble representative democracy to me. It resembles a handful of people in a back room making a decision that has a profound impact on the budget of the United States without ever being considered by the full Senate or the full House of Representatives. That is what is in this budget: the authority to do precisely that. That is the wrong way to do business.

The President has said education is the top priority. Those have been the

President's remarks during the campaign and during his first weeks in office: Education is the top priority. We have speech after speech in the Senate by our colleagues saying education is the top priority, but it has not been given priority in this budget because there is no new money for education in this budget.

In the Senate, when the budget resolution was considered, we adopted a Harkin amendment. It reduced the tax cut by $450 billion. It gave $225 billion to education. It gave $225 billion to a further paydown of our national debt.

We got back from conference committee zero—not a dollar. In the Senate, a bipartisan Breaux-Jeffords amendment was adopted by the Senate providing $70 billion for IDEA. That is the disabilities act. That is the promise the Federal Government made to local school districts, that we were going to fund a certain percentage of the cost, a promise we have not kept.

When we moved to keep the promise, we adopted an amendment when the budget resolution was considered by the Senate. We added $70 billion to keep the promise. Every dollar was taken out. There is not a single new dollar for education in this budget. They have increased it by inflation, but there is no new money for education.

The same is true of Social Security. The President had a big meeting at the White House. He said in that meeting: We have to strengthen Social Security. The baby boomers are going to start to retire, and Social Security will be under enormous pressure.

He is right. That is going to happen.

Here are contradictory goals of the administration, an editorial from the Columbus Dispatch of December 24, 2000:

> . . . the tax-cut proposal works against this plan to begin privatizing Social Security. Experts differ on how much this ''transition cost'' will be, but it won't be cheap. Thus, Bush's 10-year $1.3 trillion tax cut would deprive the government of the cash it would need to pay the $1 trillion transition cost for the first 10 years of Bush's Social Security privatization plan. The goals are contradictory.

They couldn't be more right.

In the Democratic plan, we provided $750 billion to strengthen Social Security in the long term. Not one penny of that is in this budget.

If we review the situation, we have the administration proposing a major defense buildup, but none of the money is in this budget. We have the President saying education is the top priority, but there is no new money in the budget. We have the President saying Social Security should be strengthened, but there is no money in the budget.

Excuse those who are somewhat skeptical about this process. The Democrats are locked out. The budget is written in secret in a back room in the dead of night, presented to us late at night. And when we look at the details, if they put in the things they say they are for, if they put in money for education, if they put in money for defense, if they put in money to strengthen Social Security, the budget doesn't add up. That is their problem. That is the little secret about this budget.

If it is a compendium of the expenditures of the Federal Government, what we are really going to do in terms of additional resources for education, a buildup for national defense, strengthening Social Security, if you put all those numbers on a page and add them up, you will find we are raiding the Social Security trust fund and the Medicare trust fund. That is why they don't have a full budget. That is why they don't add it all up. That is why they have excluded the money to strengthen Social Security, the money to build up national defense, the money to improve education. They know what we know: When you couple it with the President's massive tax cut, it doesn't add up.

They will be into the Medicare trust fund for $200 billion and more. They will be into the Social Security trust fund by hundreds of billions of dollars. That is the reason we have what the Washington Post called ''an unreal budget'' because they don't dare come with all of the details. They don't dare come up with all of the numbers. They don't dare come up with what they really intend to do because it doesn't add up.

Let's talk a little about the tax cut in this bill. They say this tax cut is $1.35 trillion. It is a lot of money. It is a stunning amount of money—$1.35 trillion. Indeed, the amount reconciled over 10 years is $1.25 trillion. The economic stimulus is another $100 billion.

There are other elements they do not talk about, including expanded health insurance coverage, designed in the Senate to be additional spending that is now written as a tax cut, another $28 billion. A special reserve fund has been set up that blocks points of order against the use of that money. They have refundable tax credits—I call those tax cuts—for health, childcare, for earned-income tax credit, another $37 billion. Those they call ''spending.'' They don't call them tax cuts. In common parlance, any person would recognize them as tax cuts because that is what they do.

We have a reduction in SEC matters and other minor matters, another $19 billion. The total revenue reduction is $1.434 trillion. That is one of the reasons they don't have the defense buildup. That is one of the reasons they have taken out the additional money for education. That is a reason they don't have the money to strengthen Social Security for the long term. The tax cut has become so large, the package doesn't add up if you put in all of the things we know are going to happen.

We have a calculation on how the final conference agreement threatens Social Security and Medicare. This calculation will not be found in the budget. They don't want to put these numbers on a page. They don't want to add them up. They don't want to have any one place to look to, to put the whole puzzle together. When we put the puzzle together, it does not fit; it does not add up.

If we adjust the defense number for what the new Secretary of Defense is talking about, if we adjust the tax cost by what is needed to fix the alternative minimum tax, which now affects 2 million taxpayers, if we pass the tax cut plan before us, the Joint Tax Committee says it will affect over 30 million taxpayers. There is no provision to deal with that problem in the President's tax proposal—none. It costs $292 billion just to pay for fixing the alternative minimum tax problem created by the Bush tax cut.

Make no mistake; that amount of money isn't enough to fix the alternative minimum tax in total. That is just the amount of money necessary to fix the costs created by the Bush tax cut itself. The alternative minimum tax is growing every year with the effects of inflation. We have gone from 2 million people being affected. If the Bush tax cut passes, the Joint Tax Committee says 35 million people are going to be affected. Boy, are they in for a big surprise. They think they are getting a tax cut. What will happen is they will get pushed into the alternative minimum tax—one in every four taxpayers. But there is not a dime in this budget to fix it.

As I indicated, there is no new education money. Even though this week on the floor of the Senate, or last week, we passed an amendment to put in $150 billion for education, there is not a dime of it in this budget.

Emergencies. Over the next 11 years, we can anticipate $55 billion of emergency costs—tornadoes, hurricanes, earthquakes, floods. Every year it averages $5 billion. They don't have it in here. We know it will happen. When you apply the interest costs to all of the above, you are deep into the Medicare trust fund and you are deep into Social Security: into the Medicare trust fund by over $300 billion; into the Social Security trust fund by over $200 billion.

What is it going to be? We are not going to have the defense buildup? We will not have any new money for education? We will not fix the alternative minimum tax? We are not going to have emergencies? I don't think so. I think we have a budget document that simply is not telling the whole story. It is telling just a piece of the story, just part of the story because if you tell the whole story, it does not add up.

This is an especially important time because we know that in this 10-year period we are forecasted to have surpluses. We also know from testimony before the Budget Committee that we are headed for a circumstance very soon, in the next decade when the baby boomers start to retire, that the Social Security and Medicare trust funds face

huge cash deficits. Those deficits start in the year 2016, and you can see what happens after that. There is a cascade of red ink. The deficits explode.

There is no provision in this budget for strengthening Social Security for the long term. In our proposal, we had $750 billion. It is just another one of the missing pieces of this budget.

Some have said there are all these increases in spending in this budget. The chairman talked about a 4-percent increase. The only 4-percent increase that is in this budget is for 1 year in one part of the budget. It is not the whole budget. The whole budget over the 10 years goes up by 3.5 percent a year. Domestic discretionary spending goes up by 2.9 percent a year on average over the 10 years of this budget. This is not big spending.

In fact, what we see, as I have indicated, is that total spending goes up on average per year for the 10 years of this budget by 3.5 percent a year. Discretionary spending goes up on average by 2.9 percent a year. When we look at spending as a percentage of our gross domestic product, which the economists tell us is the best way to measure changes in spending over time, what we see is the total spending in this budget resolution is going to the lowest level since 1951—the lowest level since 1951. The size of Federal Government, that has already come down rather dramatically over the last 9 years from 22 percent of the gross domestic product to 18 percent of the gross domestic product today, will continue to decline to 16.3 percent of the domestic product in the year 2011, the lowest percentage since 1951.

Discretionary spending is military spending. Discretionary spending is the other part of domestic spending that is not controlled by the mandatory spending. Discretionary spending is law enforcement, education, parks. Discretionary spending as a percentage of GDP is going to its lowest level ever, 5.1 percent. So much for the claims of big spending.

In fact, the appropriated spending levels shortchange education and other critical priorities. Here is what the Senate passed: $181 billion over 10 years. The conference committee has actually produced a cut of $56 billion. This is going to mean dramatic changes—in law enforcement funding, funding for parks, funding for education, funding for health care—because the money simply will not be there.

The fundamental difference in our budget approach and the budget approach of the other side has been, yes, we have had a difference on the tax cut. We believe the tax cut should be about half as big and that we should do twice as much on debt reduction, both short term and long term. That is the fundamental difference between us on budget matters. But, in addition to that, we also have different priorities on education. We believe that is a place where a significant investment should be made. But in this budget there is no new money for education.

As I indicated, this budget threatens to put us back into deficit, back into debt, and to see the gross debt of the United States actually larger at the end of this period rather than smaller.

The chairman of the Budget Committee has talked about the reduction in the so-called publicly held debt. That is what the red line on this chart shows. He is exactly correct: Debt held by the public is going down. Debt held by the public is going to be paid down to about $800 billion.

But at the very same time that debt held by the public is going down, debt held by the trust funds of the country is going up. In fact, the gross debt of the United States at the end of this period is going to be substantially more than it is as we meet here today. The gross debt of the United States today is $5.6 trillion. At the end of this 10-year period, the gross debt of the United States will be $7.1 trillion. The gross debt is increasing by just about the same amount as the tax cuts contained in this budget resolution.

Here is a comparison of what President Bush proposed, what the Democratic alternative was, what the Senate passed, and with what the conference has come back. There are two differences that really jump out at you. They are dramatic differences. The first one is in education, where the President proposed $13 billion of new money over the 10 years, Democrats proposed $139 billion, the Senate passed $308 billion, and the conference committee has come back with nothing—zero. That is a pretty dramatic difference.

The second dramatic difference is in strengthening Social Security. The President had reserved $600 billion of the trust fund to strengthen Social Security for the long term. We proposed $750 billion, but not out of the trust fund because we believe that is double counting. We took it out of the general fund to strengthen Social Security because that is what we believe it will take to do the job. Just taking money out of the trust fund does not solve the problem. This problem is bigger than saving every penny of the trust fund.

What came back out of the conference committee? Nothing, zero.

The same on defense—defense—where they have left out the massive defense buildup that we all know is about to be proposed by the Secretary of Defense.

I want to conclude by saying I believe there are six key reasons to oppose the budget resolution conference report that is before us.

No. 1, there is no new money for education.

No. 2, the magnitude of this tax cut crowds out other important priorities, including national defense, including education, and including expanding health care coverage in America.

No. 3, this budget hides the defense spending increases by providing a blank check to the Bush administration. I have never seen this before, a reserve fund created where one person is able to determine what the defense spending of the United States is going to be. That is a rather extraordinary grant of power to one individual.

No. 4, it sets up a raid on the Social Security and Medicare trust funds just as certainly as night follows day. Because of all they have left out, because of all they have left aside, because of all that we know is to come, this budget sets us up for major raids on the Social Security and Medicare trust fund.

No. 5, it cuts spending for high priority domestic needs by $56 billion over the next 10 years. That, by the way, was something that just changed in the final hours of the conference committee.

No. 6, it fails to set aside funds for strengthening Social Security for the long term.

I submit to our colleagues that those are the reasons this budget conference report should fail.

I urge my colleagues to oppose it so that we can have a bipartisan budget agreement, one that is in line with the values of the American people.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, it almost seems to me as if we are not reading the same pages. To say that there is no new money in this budget for education is incomprehensible to me.

In fact, this chart shows exactly what the increase in spending in education is. This is just the baseline. We are probably going to increase spending even above this.

But this is the Clinton request. This is the Bush request. This is what we are voting on right now. The difference is $40 billion, and the Bush request we are voting on as a baseline is $44 billion. We probably have $6 billion on top of that.

When we are talking about no spending increases when the President has clearly given an 11.6-percent spending increase, the largest of any Federal agency, I think it is just some vast miscommunication.

Senators understand what is in this budget resolution. We are increasing spending 5 percent above last year's level. That is bigger than the rate of inflation.

There is not a business or household in this country that considers a 5-percent increase a cut—a cut in our spending needs? I think what we have here is really a difference in basic philosophy and basic priority.

The budget we will be voting on today increases spending in priority areas, such as education at the 11-percent increase. It will also increase defense. It will increase other high-priority areas. It will bright-line some areas; there is no doubt about that.

Those are the kinds of choices that every American has to make in their own household budgets. Why shouldn't

Government do the same thing with the American taxpayer dollars? Let's not forget whose money it is. Let's not forget our responsibility for the stewardship of other people's money. If we had our own choices, maybe we would spend it a little differently. But we must be careful stewards of taxpayer dollars. That is what this budget does.

It also makes sure that we return some of the excess money back to the people—$1.5 trillion in tax relief for the American people, which is about 25 percent of the projected surplus. It is not the whole surplus; it is approximately 25 percent of the surplus.

Social Security is going to be kept totally intact. All of the money that comes into the Social Security fund is going to stay with Social Security because we are going to need to reform Social Security to keep it from going into a deficit in the year 2038. We are going to keep the money in the Social Security trust fund, just as we said we would do, in order to prepare for the reform that will keep Social Security secure. And the downpayment on that is to keep the money that is coming in, in Social Security, right there and not allow it to be spent for any other purpose.

Yes, there is a difference in philosophy. We will see that coming forward. The difference is we believe the money that is coming into the coffers of the taxpayers of America should be carefully managed, should not be overspent, and should not be thrown around but should be carefully spent and carefully prioritized, just as the people who earned the money and send it to Washington do in their own budgets. That is our responsibility. That is what we are producing in this budget today.

Senator DOMENICI has been the most bipartisan and cooperative chairman of the Budget Committee I have ever seen. When I heard some of the comments about Democrats not having a role in this budget, I couldn't believe my ears because I have been watching Senator DOMENICI for the last month. I know he has been in meeting after meeting after meeting with the Republicans and the Democrats on the committee and, yes, with the White House to have the total input and, yes, with Members of the House of Representatives to try to see what we could do to pass a bill in a very evenly divided Senate.

I think what was produced by the Budget Committee under the leadership of this great chairman is a wonderful budget that shows we respect the taxpayers of this country and we are going to manage their dollars wisely. We are going to spend more on public education, on Medicare, and on defense. We are going to spend money in high-priority areas. We are not going to spend more money in every area. I think it would be irresponsible to do that.

Let's argue about those priorities. That is legitimate. That is a legitimate debate. But to say that we aren't increasing spending when we are increasing spending 5 percent, which is more than the rate of inflation and more than the spending increases in most households in this country, I think we have to get the truth on the table.

The fact of the matter is, in the area of education, we see the largest increase and the highest level of funding for education for disabled children. We are making a commitment to the disabled children in this country. We are increasing Pell grants for low-income college students. It is a clear priority in this bill that we would try to make sure every young person in this country will have the ability to go to college if that is his or her desire. If that is a goal of a young person in this country, through Pell grants, low-interest loans, we want to make it possible for those children to have that opportunity.

We have increased Pell grants every year I have been in the Senate. In fact, I submitted the amendment that made sure Pell grants went to needy students first rather than being peeled off by other interests.

New reading program: That is the basis of the increase in spending in the education bill, $1 billion, tripling current funding, because we believe that if a child can't read at grade level in the third grade, that child is going to fall behind. There is no doubt about it. If you wait until that child drops out of junior high school or high school, of course, the child is lost. Of course, the child is frustrated. In fact, that is exactly the cause of many high school dropouts today—not that the young people aren't smart. It is not that they can't learn. It is that they cannot read. If they cannot read, of course, they can't comprehend the math and the history and the geography: Of course, they can't.

That is why we are prioritizing getting to those young people at the early stages and finding out what the weaknesses are and correcting those weaknesses while they still have a chance to have the full benefit of their education.

There is $472 million to encourage school choice and innovation. We are increasing the spending for historically black colleges and Hispanic-serving institutions. That is an area where I have been involved since I have been here. We have been year after year after year increasing the spending in both of those areas, and this is going to increase what we have increased by 30 percent by the year 2005 because that is a priority.

Under the National Science Foundation, there will be $200 million for new K–12 math-science partnerships to try to encourage our young people to go into science and math because we know that is where the future is.

I commend the Senator from New Mexico. I appreciate that he has been a responsible steward of taxpayer dollars in our country. I would not want someone in the Senate who thought that just because the money was there it should be spent whether or not the program warranted the added expenditures. And continuing spending is still something that should be worth applauding. If we are continuing the spending for a program, if we are increasing it, then I think that we have determined it is a priority. I think we should look at this budget from the eyes of the people we are representing to determine what the priorities should be, and knowing that perhaps we did not increase in some areas, and we might have decreased in some areas, but that does not mean we will not be able to come back and do something later. But it does mean we are going to keep our eye on the ball, and we are going to increase education spending, we are going to increase defense spending, we are going to increase Medicare, we are going to keep Social Security secure, and we are going to do the things that people elected us to do; that is, to represent them and their tax dollars with respect for their hard work to earn that money.

The people of this country are hard working. They are productive. They should be able to keep as much of their money as we do not need for Government, to spend as they wish on their families. I do not think that is a bad priority.

So, Mr. President, I thank the Senators. I thank them for this budget. I hope we will have a budget adopted by a large majority because I think they have done a good job.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have been talking with the ranking member. There are two Members on his side ready to speak. I am going to just speak for a couple minutes, and then the other side can have two in a row. If we have another speaker come, we will work to accommodate that person, but that will be after the two speakers from the other side.

Mr. CONRAD. Might we just lock it in at this point?

Mr. DOMENICI. Sure.

Mr. CONRAD. We will recognize the two Senators after Senator DOMENICI has concluded his thoughts. On our side, we will first go to Senator KENNEDY.

I ask Senator KENNEDY, are you seeking 20 minutes?

Mr. KENNEDY. Please.

Mr. CONRAD. Twenty minutes for Senator KENNEDY.

I ask Senator STABENOW, are you seeking 20 minutes?

Ms. STABENOW. Fifteen minutes.

Mr. CONRAD. And then we will go to Senator STABENOW for 15 minutes, if we can enter into that as an agreement after Senator DOMENICI concludes. I ask unanimous consent that that be the sequence of recognition.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. I have no objection.

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

Mr. DOMENICI. Let me say to the Senator, I hope the debate does not go late into the evening. But I think we are just on a path now where each side has 5 hours. I hope we do not use it. I do not know if you will use it. But essentially, for anybody who wants to speak on our side, you just heard the consent agreement. So if you want to speak, it will be 40, 50 minutes before we have another Senator from our side. I hope we will all recognize that. We will welcome you before the evening is out.

I might say to anybody who is concerned about what this budget resolution has in it, I have stated that one time today. But I believe as a wrap-up I will go through again everything that we have put in this because anyone can pick out certain areas and debate them.

But overall, I want to first thank those Democrats who voted with us, those from the other side, so we could go to conference. Anyone who thinks they have not had an impact, they have had an impact. They had an impact to permit us to get a budget, go to conference, and get a conference report that included tax cuts. How the tax cuts are going to come out and all the ingredients of that over the next 11 years, including 2 years of stimulus, clearly, those on the other side will have a very big impact on that. Not only did they have an impact as we left here, they had an impact as we produced the conference report for the Senate and final wrap-up of the language that went to conference. But essentially I assume they will be big participants in the kind of tax reductions that people are going to get. I thank them for that.

I am going to summarize on education because I am sure there will be many speakers speaking to what they thought should have been the numbers on education. I just want to say that whatever the President assumed as education increases are assumed in this budget. IDEA is assumed to increase to $7.6 billion. That is up $1.25 billion. That is a 20-percent increase in special education. There will be some who think it should be more. There are some who think it should be a new entitlement program. But it did receive a pretty substantial increase.

For those who are wondering about funding IDEA, we can look at the last 3 years, plus this year, and we are well on our way to living up to our commitment, which has taken a long time to fulfill. We are moving toward the amount we assumed the Federal Government's participation in special ed was going to be a long time ago. We are moving aggressively on that. We have another $6.2 billion that could be, if the appropriators see fit, part of it—they could use all of it, half of it. It could go to education if they choose to do that. That is what is in the budget resolution.

I want to wrap up and say, I understand my worthy opposition talks about the assumptions in this budget, the 10-year totals. I can only say to everyone, if you believe that we have assumptions for growth, inflation, and the like, that are optimistic, then go ask those who are not optimistic what their assumptions are. You will find this is a modest set of assumptions. It is not extraordinarily high. If some President in the past and some Budget Director in the past used rosy scenarios in economics, we did not. It is not in this budget. It was not done by CBO.

Lastly, there is no question that everyone wants to do something in Medicare. I repeat, I think when the Senate comes out with a $300 billion reserve fund—the House had $145 billion or $146 billion, and we end up with $300 billion—we did pretty good, considering that both Houses have to speak. We doubled the amount the House had. Frankly, it is a pretty good number for those who want to work on that.

There are many other things that will be addressed from time to time. I will try, after much discussion, to recap it all. But it may be we will get through early enough and, who knows, maybe the Senate will not want to even hear from me again.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask that the Presiding Officer be good enough to tell me when I have 5 minutes remaining.

The PRESIDING OFFICER. The Chair will notify the Senator.

Mr. KENNEDY. Mr. President, I see my good friend from New Mexico in the Chamber, Senator DOMENICI. I saw, as well, my friend from the State of Texas in the Chamber. They were commenting earlier—particularly the Senator from Texas—about how this budget protects education. Well, it does not.

We Democrats challenge the chairman of the Budget Committee or the Senator from Texas to take the budget here and show us where and how education is protected in this budget—because it is not protected.

We will give you a very quick lesson on why the budget fails to protect education.

First of all, let's take how this budget considered the tax breaks. It is very clear, on the top of page H1961 in the CONGRESSIONAL RECORD, in how it treats the tax cut. It says, ''the Senate Committee on Finance shall report a reconciliation bill'' which is to include their tax reduction of $1.25 trillion. The Finance Committee shall do it.

Then we come over to the issue of defense on page H1962. And it says: ''Senate Defense Firewall.'' It says: ''for the nondefense category, $336,230,000,000 in new budget authority.'' That is less than current services. Still nothing on education. Written right here, H1962. Let's at least, when we are talking about this extremely important measure, get away from general rhetoric and let's look at the facts written in this budget.

It says right up here on H1962 that you won't even have current services. Current services means the money needed to provide the same services the government provides today next year. It costs more to provide the same services because of inflation. We are not even going to get the current services level of funding for domestic discretionary spending under this budget. It is written right in here on H1962, but you need to look at the Congressional Budget Office report to know that current services in domestic discretionary spending will require $343 billion next year, in fiscal year 2002.

Then we stay on the same page H1962 and go on to the third column. As a reserve fund for agriculture, it says the Committee on the Budget may increase the allocation for farmers by $66 billion.

Well, then, let's go ahead and look in here on page H1964 and see what they say about education, when we have all of that written in here to set money aside for tax cuts and defense and agriculture. Now we come to education.

If the Senator from Texas or the Senator from New Mexico can read the language of the report at H1964 and tell me where we have this increase in funding for education, I will be glad to wait here for all 10 hours to hear it. But we won't hear it. They can't get there because this is what it says: ''It is the sense of the Senate.'' No requirement, no mandate, no words like ''shall,'' or even ''may'' set aside specific funds. Instead, ''It is the sense of the Senate'' that the budget makes available ''up to $6.2 billion.'' ''Up to''—''up to.'' Come on. Please, please, for those who are going to support this budget, don't insult our intelligence by maintaining that this is any commitment even of $6 billion for education. It is not. Read the language. It is not there. Don't distort the facts. No new money is in this budget for education. If it is, answer where it is, because it isn't there. We have given you the references. We await the answers. We await the answers from the members of the Budget Committee.

Money for education just isn't there. It is a sham. The commitment of the administration and the budgeteers is a sham when it talks about increasing education for the children of this country. It is a cliche. It is a shibboleth. It is nonexistent. This budget doesn't provide it. We wait to find out where it is. We wait to have it clarified. We wait for them to tell us how they claim it is in here. They won't be able to do it.

The only increases they have provided in the last year come not from new money but come from the cuts in other programs. We heard Members here on the floor of the Senate talk about the increases last year in education. Wouldn't we be proud to have all this in education? You wouldn't be proud of it if you were a worker who needed job training and you had your job training resources cut $540 million next year alone. And you wouldn't be

proud if you were a mother and your child needed early learning opportunities—you wouldn't be so proud of it. And you wouldn't be so proud of it if you were a young person trying to upgrade your skills to be trained as a pediatrician and to try to get some help for training so that we have the best doctors in the world to take care of our children. They slashed that program too, to pay for what they call a one-time ''increase'' in education.

The list goes on—the slashing of clean water, the slashing of renewable energy, the slashing of the National Science Foundation, disaster relief, community policing. It adds up to, what, $1.8 billion, just to the level of new real dollars that the administration claims it will provide for education. Come on, please. Please, Budget Committee. Please don't insult our intelligence. You don't have a nickel in this program that is new money in terms of education. You just don't have it.

The money you put in there you have taken from someplace else. You don't have it in the outer years, as we see the outer years. Here it is in the Education Department's own 2002 budget. You talk about it here on in the budget resolution as well. There will be no new education money in the outer years. It is very clear what it is, on page H1983, if you read through the ''Functions and Revenues'' paragraph on the first column. The budget plainly says, ''This report assumes that the 2002 discretionary function level grows by inflation.'' There it is. There it is, ''grows by inflation.'' That is all for education. It grows by inflation. That means zero increase in 2003, zero increase in 2004, zero increase in 2005, zero increase in 2006, zero in 2007, zero in 2008, zero in 2009, zero in 2010, and zero in 2011. That is in the CONGRESSIONAL RECORD on page H1983. There are others who may know this document better than I, but I'm just reading the words written in this budget. We have cited the relevant passages.

This budget comes in the wake of actions of this body, in a bipartisan way, to provide $250 billion through the Harkin amendment. We look around here, we look around and say, the Harkin amendment? We were going to reduce the tax bill by $200 billion so that education could be realistically funded. Is there $200 billion in here for education? No. Is there $100 billion? No. Is there $50 billion in here? No. Is there $10 billion? No. The Senate voted, Republicans and Democrats, to reduce the tax cut by $250 billion and put that in education. Is there $5 billion in here? No. Here's what new money the budgeteers and the administration provide for education: Zero.

Mr. CONRAD. Will the Senator yield for a question?

Mr. KENNEDY. I yield for a question.

Mr. CONRAD. The Senator had up a chart that shows the Bush increase compared to the Clinton proposal.

Mr. KENNEDY. Yes, the differences in proposed Elementary and Secondary Education Act increases.

Mr. CONRAD. That is what is in the President's proposal. It is very interesting. We had the Senator from Texas hold up a chart that talked about the President's proposal. Will the Senator from Massachusetts correct me if I am wrong? Are we voting on the President's proposal or are we voting on the conference report?

Mr. KENNEDY. The Senator, who has spoken so eloquently, knows we are voting on the budget conference report.

Mr. CONRAD. And would the Senator from Massachusetts correct me if I am wrong. As I read the conference report, there is no increase in any year for education, other than the sense-of-the-Senate language buried deep in the document that every Senator knows isn't worth the paper it is written on because it means zero. Isn't that correct?

Mr. KENNEDY. The Senator is absolutely correct and reminds us about the importance of being accurate in the representation of what is in this budget.

I hope that those on the other side will take the time to come out here, because we are challenging them on this point on education. Come out here and refute us. Show us where we are wrong. I would welcome that opportunity to hear how we are wrong. As the Senator from North Dakota has pointed out, the language is what is guiding. It isn't what we think might be in here. It isn't what might be in here at some time. It is what is in here. It is what is written down for all to see.

The Senator has pointed out the controlling language which shows that there is no increase in education. Education is funded at current services, adjusted for inflation. That is against a background of an administration that has said: ''Education is the No. 1 priority. We are not going to leave a child behind.''

Well, we know that two-thirds of the children are being left behind with the current expenditures in title I—two-thirds of them. And 50 percent of the children are being left behind in the Head Start Program. And 95 percent of the children are being left behind in Early Head Start. And we know we are only funding about 15 percent of the eligible children in terms of the childcare for working mothers.

We are leaving no child behind? We are leaving them all behind, a whole generation behind. That is what this budget does.

Mr. CONRAD. Will the Senator yield for another question?

Mr. KENNEDY. I am glad to. I hope the Senator will give me 5 more minutes at the end.

Mr. CONRAD. I would be happy to do that.

It is interesting, our friends on the other side, first of all, they hold up the Bush budget, which has nothing to do with what we are voting on here. We are voting on the conference report that has no increase in education. They also tried to misrepresent what the Bush increase was by claiming credit for money that was advance funded last year when he was Governor of Texas. He didn't have a thing to do with it. They count that in their so-called 11-percent increase he has proposed. Of course, none of that is relevant to what we are doing here because we are dealing with the conference report.

Correct me if I am wrong because I look at discretionary spending, the total pot of money that education comes out of, and just to keep pace with inflation it requires $663 billion for 2002. The conference report says they have $661 billion available. So they have cut $2 billion in the total pool of money from which education funding comes. On top of that, defense is about half, and they have increased defense by $3.3 billion. So other non-defense programs have to be cut by $5.5 billion to make this budget.

Will the Senator from Massachusetts indicate whether that is a correct conclusion or not?

(Mr. BROWNBACK assumed the Chair.)

Mr. KENNEDY. Well, just in answering—and I intend to—I was looking at page H1867 of the budget that Republicans filed before they lost their two pages last Friday, which contains the exact same numbers for education, Function 500, as the budget they filed today, if you look at page H1960. I don't know whether the Senator is looking at this particular passage. It has in here education training employment and social services. Then it has the budget authority, the outlays for 2001; from 2002 with $76 billion; for 2003, $81 billion; 2004, $83 billion; 2005, $85 billion—you get the drift—then $85 billion to $87 billion. It goes up about $2 billion a year. That looks like flat funding to me, adjusted only for inflation, which describes what is going happen if Republicans have their way. Flat funding on education all the way to the year 2011.

Let me ask the Senator this. In this budget proposal, they include figures in the tax program, don't they—for example, for all of the out years; am I correct? Maybe the Senator can inform me. As I understand it, the budgeteers were able to say what would be given or returned to taxpayers all the way through to 2011, but we can't do it with regard to education.

Mr. CONRAD. The Senator makes a powerful point. What they have done—when they want to reserve money for something, they know how to do it. When they want to reserve money for the tax cut, it is in a reconciliation instruction that goes to the Finance Committee, and they have to report it. When they want to reserve money for defense, they know how to do it. They create a special fund, and the chairman of the committee will decide how much we spend on defense. It is a remarkable

thing that one person has the power to decide what we are going to spend on defense. When they want to have funding for education, there is no reserve fund. They say it is the top priority. There is no reserve fund, and there is no increase. In fact——

The PRESIDING OFFICER. The Senator from Massachusetts has 5 minutes remaining.

Mr. CONRAD. We are talking a real increase for education. It would require more than inflation, would it not, because the student populations are growing. It isn't enough to just offset inflation. The school population is growing. So the truth of the matter is, in real terms, education is being cut under this budget.

Mr. KENNEDY. Well, the Senator is correct. The fact is, the poorest students—yes, poorest students—in America over the last few years have increased in terms of poverty, yet the budget includes nothing to address their needs. We expect a doubling in those attending school who speak foreign languages, yet we have nothing in this budget but current services; no increase. The total numbers of students are increasing, and we'll have a million more to educate by 2009. We will have a million more students that will come to school over the next 9 years whose interests aren't even being taken care of. This budget is a complete abdication of responsibility to students in this country.

I wonder if I could have 10 minutes for to offer my prepared remarks for the consideration of my colleagues.

Mr. CONRAD. Mr. President, I ask unanimous consent that the Senator from Massachusetts be given 10 minutes off the bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I oppose this budget conference report. Its tax breaks are excessive and tilted overwhelmingly to the wealthy, and it ignores the urgent need to invest effectively in education.

Under the enormous tax breaks provided by this Republican budget, there will be no funds to increase education investments for the next ten years. It's a budget that fails to provide the nation's schools, teachers, parents, and communities with the resources that are essential to carry out the reforms we all know are needed. At the same time, it gives away half a trillion dollars to the wealthiest one percent of Americans. How very Republican!

That is the bottom line proposed by this Republican budget—nothing new for education, and over half a trillion new dollars for those whose incomes already average over $1.1 million a year.

This budget doesn't just leave some children behind—it shortchanges an entire generation of children. Nowhere are Republicans' misplaced priorities clearer. After all the talk about the importance of education to children's lives and the nation's future after all the talk about unmet needs in the nation's schools—after all the Senate votes to increase investments to meet the most basic education needs, this Republican budget contains no new funds for education. It tells millions of children who attend disadvantaged schools that they don't count—that no help is on the way to give them the long-overdue support they need and deserve.

The federal budget is, in fact, the budget of the American family as a whole. Individual families have their own budget process. They know what they would like to do, but almost all of them have limited resources, so they set their priorities. Wise family budgets guarantee that the family's basic daily needs for food and shelter are met. Then the family can plan for long-term needs. And after these needs are met, vacations and other non-essential items can be included. Families know that failing to budget for both immediate and long-term needs can risk financial disaster even bankruptcy.

The same is true of the federal budget. Yet Republicans have chosen to purchase the country club membership, the extravagant cruise, and the high-priced sports car, while refusing to invest in educating the youth who will lead the nation and guide its economy in the next generation. Today's irresponsible Republican decisions on this budget jeopardize America's future.

Two basic facts tell the whole sad story about how badly this budget treats education. First, it spends every penny of the total $2.7 trillion surplus that will be available over the next ten years, without providing even one penny of that surplus to improve education. Second, to add insult to injury, this GOP budget caps education funding at the amount needed only to maintain current services and then it applies heavy additional pressure to cut education funding even below the level of current services over the next ten years.

In allocating the surplus, the only real Republican priority is to protect the GOP tax cut. As the conference report bluntly states, ''the Committee on Finance of the Senate shall report to the Senate a reconciliation bill not later than May 18, 2001 that consists of changes in laws within its jurisdiction sufficient to reduce revenues'' by $1.25 trillion through the year 2011. This language requires a tax cut. It sets a date certain for the tax cut to be sent to the full Senate for a vote. It sets a specific amount for the tax cut. And it even protects the tax cut from a Senate filibuster—the ultimate protection for GOP tax cuts. Wouldn't it be nice if our Republican friends would give the same tender loving care to education that they give to tax cuts under their budget?

Democrats support a tax cut. But it must be a responsible tax cut—one that the Nation can afford, and one that is fair to all workers. But the tax cut supported in this budget flunks those tests. The GOP tax cut—so explicitly touted and protected in this budget—is irresponsible, excessive, unfair, and unaffordable.

In addition to tax cuts, this GOP budget carves $66 billion out of the surplus to enable the Agriculture Committee to increase support for farmers. The GOP budget also adds special protections to increase spending on defense. Democrats support these priorities too and their inclusion in the conference report clearly demonstrates that Republican members of the House and Senate know how to write a priority into the budget when they want to. But they refuse to do so for education.

Let's look at what the budget does say about education. Here it is: ''Sense of the Senate With Respect to Education Funding. It is the Sense of the Senate that this budget resolution makes available up to $6.2 billion in discretionary budget authority for funding domestic priorities. . . .'' As we all know, a Sense of the Senate provision has no binding legal effect on anyone. That is why Republicans did not use a Sense of the Senate to protect their tax cut.

The language of this budget proves that Republicans know how to protect their priorities—it also proves that education is nowhere to be found in Republican priorities. All of the GOP education rhetoric rings hollow when you examine the GOP budget.

The Republican leadership could easily have accepted the recent Senate vote on the Harkin amendment, to reduce the size of the tax cut by 20 percent, so that support for education could increase by $250 billion over the next 10 years. A responsible proposal like that would enable vital improvements to be made in education throughout America, while still leaving $1 trillion dollars for tax cuts. But no, said our Republican friends. They want every last penny for their tax cut, and they write specific language to force it into law.

In addition, they added specific budget language that restricts education funding. The conference report itself specifically sets education discretionary funding at CBO's current services level, and then adjusts it for inflation for the next 10 years. These figures fail to account for the estimated increase in enrollment of 1.1 million new students, which the Department of Education expects between now and 2008. When this increase is taken into account, it is clear that Federal spending per student will actually decline under the Republican budget. With all the challenges facing schools and students today, Republicans intend to reduce Federal funding per student.

The conference report goes even further, and directs a $5.5 billion cut next year in total nondefense discretionary spending—2 percent below the amount that the Congressional Budget Office says is needed to maintain current

services next year. With all this downward pressure on overall domestic discretionary spending, any increased education investments will be difficult at best to achieve.

We are already well aware of the difficulty in funding the small $1.8 billion increase that President Bush proposes for education next year. None of it comes from the surplus. Instead, Republicans expect it to come from cuts in other domestic programs, as I pointed out earlier.

Those cuts include—$541 million from a range of job training programs, $20 million from the Early Learning Opportunities Act, $35 million from Pediatric Graduate Medical Education, $497 million from the Environmental Protection Agency's Clean Water Fund, $156 million from renewable energy programs, $200 million from basic science research at NASA and the National Science Foundation, $270 million from disaster relief at the Federal Emergency Management Agency, and $270 million from Community Oriented Policing Services. All of these cuts are demanded under the Republican budget in exchange for a small increase in education.

If the tax cut were trimmed by 20 percent, major resources in the range of $250 billion over the next decade such as the Harkin amendment that was approved by a bipartisan vote in the Senate a few weeks ago, would be available to vastly improve education throughout America, without requiring cuts in other essential services.

America's school administrators, teachers, and State and local leaders all know the need for additional Federal investments in education. They are the ones today who cannot afford to hire additional qualified teachers in overcrowded school districts. They are the ones today who confront the social problems that arise when 7 million children are left alone after school each day. They are the ones who endure first-hand the crumbling school buildings.

Countless business executives know the needs too. They are the ones who see young children enter school without being ready to learn. They are the ones who search in vain for qualified employees among graduates of many public schools.

Across America, 12 million children live in poverty—but we provide the full range of title I Federal education services to only one in three of these children. The rest are left to fend for themselves, with the most inadequate teaching, the most inadequate attention, and the most inadequate facilities.

Four of every 10 children in poverty are taught by teachers who lack an undergraduate major or minor degree in their primary field. Gym teachers are teaching math. English teachers are teaching physics.

Because Federal title I funding is so deficient, needy children have more teachers' aides than teachers. The vast majority of teachers' aides never graduated from college. In all, at least 750,000 well-meaning but underqualified teachers are working in classrooms across America today.

Nearly one in five first through third graders are attempting to learn in overcrowded classes of 25 or more students. In these cases, some students inevitably lose in the competition for essential teacher time. Entire classrooms suffer as well. Ask any teacher or student. Overcrowded classrooms undermine teaching for everyone.

In addition, over 7 million latchkey children are left alone to fend for themselves after school each day, without constructive after school activities to keep them off the streets, out of gangs, and away from drugs and other dangerous behavior.

Even though Head Start ranks as the public's favorite Government program, inadequate funding continues to deny Head Start to half of all eligible children. In the case of Early Head Start, 95 percent of eligible infants and toddlers are left out.

Students with disabilities suffer from the same Federal neglect. The Federal Government has long promised to fund 40 percent of disability education. Yet it still only funds 17 percent. As a result, only one in six children with a disability obtains the needed Federal support.

This afternoon, we have a release from the White House talking about the education program:

> The administration strongly opposes the costly and unwarranted amendment to convert special education funding under the Individuals with Disabilities Education Act to direct spending.

Unwarranted. Tell that to the parents of disabled children. Tell that to local communities that are paying for these services. Unwarranted. Unwarranted against this tax program? Please.

For years, States have called on the Federal Government to live up to its commitment to disabled students. Yet this Republican budget says no.

Fourteen million children attend crumbling schools—schools with contaminated drinking water, heating and plumbing systems that do not work, falling tiles, broken windows, and soot-filled ventilation systems. Seven million children attend schools with severe safety code violations.

Parents across the country are pleading for increased investments to meet these basic needs for modern facilities. But the Republican leadership says no, no, no.

In all of these cases, our Republican colleagues say that ''money doesn't guarantee a quality education.'' What a preposterous response. Money may not guarantee quality education, but it is impossible to provide quality education in today's schools without substantial new investments. ''Reform'' without resources simply rearranges the deck chairs on the Education Titanic.

Make no mistake. The Nation stands at a crossroads. It is long past time for Congress to make the investments that are so urgently needed in education, and we can do so by using less than ten percent of the $2.7 trillion budget surplus estimated over the next decade.

Sadly, lipservice is all the Republican leadership gives to education. We have a unique opportunity to use the budget surplus to improve education, and we cannot afford to waste that opportunity. I urge my colleagues to vote against this anti-education budget and send it back to conference so Congress can do the job that needs to be done and do it right.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan is recognized.

Mr. CONRAD. Will the Senator yield?

Ms. STABENOW. Absolutely.

Mr. CONRAD. The Senator from West Virginia is here seeking time on another matter. Could we enter into an agreement that the Senator from West Virginia be recognized for 15 minutes after the Senator from Michigan has completed?

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

Mr. BYRD. I thank the Senator and manager of this conference report, and I thank the distinguished Senator from Michigan.

Ms. STABENOW. Mr. President, I rise to thank our ranking member on the Budget Committee, Senator CONRAD from North Dakota, for his leadership on this important issue and, as well, Senator KENNEDY, who has spoken so eloquently about the fact that there are no dollars in this budget resolution for education for our children.

One of the real pleasures for me as a new Member of the Senate on the Budget Committee has been to serve with Senator BYRD and to learn from him, as well, about the processes of budget and appropriations.

We all, today, stand in opposition to this conference report that puts the United States on a risky fiscal path and threatens the longest peacetime economic expansion in our history.

I had an opportunity as a member of the Senate Budget Committee to sit through 16 different hearings. Secretary after Secretary came forward—the General Accounting Office, the CBO, Chairman Greenspan. In every case, people came forward and said what was driving this economy and these projected surpluses was increased labor productivity.

I echo what Senator KENNEDY has discussed in terms of education. If in every case before the Budget Committee the discussion was about increased labor productivity, doesn't that mean education? It means research and technology development. But if we don't have the skilled workforce to be able to use that technology, to do the research, to be able to work in these new economy jobs, we will not be able to keep this economy going.

When we look at this budget and we see zero being guaranteed for education, it makes no sense. It makes no

sense from an economic standpoint, it makes no sense from a human standpoint, and it makes no sense from the standpoint of our families.

What we are saying regarding this budget is that this is a budget in toto, not just a debate about a tax cut. It is a debate about the values and priorities of the American people. I believe in using and I know the people in Michigan desire using common sense. They want us to be balanced in our approach. They want to see tax cuts. I support tax cuts geared to middle-class families, folks working hard every day, having to make those choices for their families—our small businesses, our family farmers. I support providing meaningful tax relief.

I also hear from my constituents of a concern about paying down our national debt. We have certainly heard a lot of people talk about it for years and years. Now is the time when we can actually do it. We need to do it.

I also hear great concern about making key investments in the education of our children. I hear that whether I am talking to a business group, whether I am talking to a local PTA, or whether I am talking to people in the community on a daily basis. There is a great concern about education and what it means for the future of the country. I hear great concerns about education.

There is more than one way to put money into people's pockets. One way is tax relief. I support that. Another way is to provide lower interest rates by paying down the debt. That means lower mortgage payments. That means lower car payments. Coming from the great State of Michigan where we make a lot of those automobiles, we want people to be able to buy new automobiles. We want those car payments to be low. Lower student loan payments, business loans, all of these things put money in people's pockets.

But there is another item that puts money in people's pockets. That is for those who are senior citizens in this country. When we look at the tax cut proposed for those under $25,000 in income a year, they don't see anything from the proposed tax cut. A large percentage of those are our seniors. For them, if we want to put money back into their pockets, we need to lower the cost of their prescription drugs.

There is more than one way to put money back into people's pockets. I support a variety of strategies that make sure we do that, as well as making sure we are responsible and that we are willing to make sensible commitments for the future.

We will hear colleagues talk about different percentages, different amounts on the budget surplus, but I choose to look at it like this: When we look at a surplus, some of it is Social Security and Medicare. We are paying in; we are building up surpluses in the trust funds. Within 11 years, many baby boomers will start to retire and we will see the major strain on Medicare and Social Security, but we are building up surpluses. If we take that out of the equation and the debate, as I believe we should, and we look at the non-Medicare and Social Security surpluses, when all is said and done, virtually every penny of that surplus, non-Medicare and Social Security, is dedicated to the tax cut. That means for the next 10 years for our families, the only priority we believe American families have is the tax cut geared to the wealthiest Americans with the idea that it will trickle down, through supply side economics, somehow into people's pockets.

Then in order to provide any spending, the majority of the Medicare trust fund is moved over into something called a contingency fund and spent. This budget spends the Medicare trust fund as if it were not a trust fund but as if it were dollars to be spent on other programs.

This is a serious issue underlying this budget. We now find out, in addition to Medicare, this budget spends a portion of Social Security. We know within 11 years baby boomers will start to retire in large numbers. We don't have time to pay it back. This is a serious issue, and there is no doubt in my mind that the way this is structured puts us back into debt. It causes Medicare to be insolvent much sooner—within 10 years—and it seriously weakens Social Security.

What we see underlying this budget and all that is being talked about is the idea of using Medicare and a portion of Social Security to finance this tax cut and budget. I believe that is fundamentally wrong. I support the position that we strengthen Medicare both for our hospitals and home health and other providers, and we strengthen it by modernizing it with the prescription drug benefit for our seniors. I believe it is important we say, ''Hands off Social Security and Medicare.''

We have a budget surplus. There is no reason we ought to be spending a dime out of Medicare or Social Security to fund anything in this budget or a tax cut. Yet that is what is happening. That is a fundamental flaw in this budget. We have a situation where we are using Medicare and Social Security in this budget resolution to fund the tax cut and the budget. We see zero dollars being put aside for education. We find ourselves in a situation where, despite the amendment that was agreed to by the Senate by a bipartisan vote to increase funds for education and to pay down the national debt, in the end analysis those things are taken out. We are back where we started. We are not paying down all the national debt that we can, we do not have dollars included for education, and we have a very narrow, ill-conceived budget resolution in front of us.

I also believe we need to keep our promise to special education, as was talked about earlier. I think we have made several promises as a country. Two of them were Medicare and Social Security—great American success stories, promises made to the American people.

Another promise that was made 25 years ago was that the Federal Government was to provide 40 percent of special education costs for our children in schools. We have yet to hit 15 percent. If we are not going to keep that promise now, when will we keep it? We are hearing now the President is saying he will not support that. Yet when I go home and talk to my teachers and principals, they tell me if we would just keep our promise to special education, that would go a long way to free up other dollars for them to be able to address lowering class size, safety in schools, math and science efforts, reading, and other important areas—if we just kept our promise.

If we cannot do it when we are projecting trillions of dollars in budget surpluses at this time in our history, when will we? When do we keep our promises, if not now?

Finally, we all know we are looking 10 years into the future. We do not have to be doing that, but this is being designed as a process to somehow look 10 years down the road. We know in the Budget Committee, the Congressional Budget Office told us there is a 10-percent chance they are accurate. It may be more; it may be less. It could be a $1 trillion surplus; it could be a $50 billion deficit. We do not know. We are being asked to look 10 years down the road and to guess, to basically gamble with the future of the country and the families of this country by picking a number and somehow spending dollars that we do not know will materialize in the future.

I joined earlier in this debate with Senators on both sides of the aisle to propose that we put in place some kind of budget trigger so that if the dollars did not materialize, they would not be spent. I don't know; I am just a midwesterner. I am new here. But it seems to me common sense says we ought to have it in hand before we spend it. A trigger would do that. Yet there is no trigger in this budget resolution. We are guessing about what will happen down the road. CBO says there is a 10-percent chance they are right.

I urge my colleagues to take another look. We can do better than this. We can do better than this for everybody. We can provide a meaningful tax cut. We can pay down the national debt. We can do it without spending Medicare and Social Security. And we can invest in education and in health care and critical quality-of-life issues for our families if we decide that is what we want to do.

It can be done the right way and can be done in a way that is fiscally responsible, that keeps the books balanced, and makes sure we can be proud when we are done that we have truly kept going in the right direction as a country.

My fear with this budget is it is looking at the future through a rearview

mirror. I am very afraid of what is coming down the road because we are using Medicare to pay for this tax-cutting budget, using part of Social Security, and refusing to invest in education even though we know increased labor productivity is what will keep our economy going. We know what works and what does not work and what needs to be done to be fiscally responsible.

I urge my colleagues to vote no on this legislation and give us a chance, as the Budget Committee, to do our work. We were not given a chance to sit down together and work something out that made sense. It is not too late if we stop now and vote no and decide we are going to try again because we can do better for our families.

I yield.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, it is my understanding that the order was entered permitting me to speak out of order for not to exceed 15 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Is my understanding correct that by my speaking out of order the time is not charged against either side on the pending measure? That was what I had hoped.

The PRESIDING OFFICER. That was the Chair's understanding.

Mr. BYRD. I thank the Chair.

Mr. DOMENICI. Might I say to Senator BYRD, I was not here but I would not have agreed to that just because we have plenty of time, 5 hours on each side. But I will not object.

SENATE PARLIAMENTARIAN

Mr. BYRD. Mr. President, the Senate has just undergone an abrupt change in an office well known to all of us here in the Senate, but hardly visible, until lately, outside of the Senate—the office of the Senate Parliamentarian. I wish to make some comments on this matter. But first I would like to commend the outgoing Parliamentarian, Robert Dove, for his years of devoted service and to congratulate Alan Frumin on his assumption of the duties of the office.

In my view, there are important institutional considerations that must guide the selection of any individual who aspires to become the Parliamentarian of the Senate.

A long career in non-partisan service in the Senate offers the obvious benefit of experience, and fosters a detailed comprehension of the Senate's institutional role. An understanding of the Senate's unique constitutional role can best be developed by actually working on the floor of the Senate, and by close observation of Senate debate.

A prospective parliamentarian should have little or no history of active partisan politics but instead should demonstrate an interest in the whole Senate as an institution. An individual with such a background can best represent the Senate's prerogatives in its dealings with the other departments of Government and with the other body, the House of Representatives.

To date, each person who has served as Senate Parliamentarian has devoted a career to non-partisan service to the Senate. Every person who has become Senate Parliamentarian has served at least a decade as an assistant Senate parliamentarian before rising to the position of Senate Parliamentarian. Each person who has become Parliamentarian was promoted to that role from the status of most senior assistant parliamentarian.

The five individuals who have been Senate Parliamentarian—and I have known them all—served an average of 12 years in the Secretary's Office before becoming Parliamentarian, with none less than 10 years. Each Parliamentarian served as an apprentice to his predecessor and progressed in sequence through the ranks following his predecessor.

The first Parliamentarian, Charles Watkins, served in the office of the Secretary of the Senate as the Journal Clerk for 13 years before becoming Senate Parliamentarian.

The second Parliamentarian, Dr. Floyd Riddick, who only recently passed from this life, served in the office of the Secretary of the Senate for 17 years, 13 as assistant parliamentarian, before becoming Senate Parliamentarian.

The third Parliamentarian, Murray Zweben, who I believe only recently was deceased, served in the Parliamentarian's office for 16 years, 13 as assistant parliamentarian, before becoming Parliamentarian. The fourth Parliamentarian, Bob Dove, served as an assistant parliamentarian for 14½ years before becoming Parliamentarian. The fifth Parliamentarian, Alan Frumin, served as an assistant parliamentarian for 10 years and had a total of almost 13 years of non-partisan Congressional service before becoming Parliamentarian.

Mr. President, trust is the basis of all fruitful human relationships. Loss of trust has poisoned many a well

Kings have fallen, presidents have fallen, and Senators have fallen because the people lost their trust. Treaties have been abrogated because trust was compromised. Especially in a body like the Senate, where one's word is one's currency, trust makes the wheels turn. Trust and comity, I would say, are the twin pillars upon which this body really rests.

The Parliamentarian is the keeper of the rules. He guards the precedents. He keeps the game fair. His advice about complicated procedural matters must be above suspicion. Both sides must view him as having no personal agenda—no goal but the goal of the best interests of the institution; no calling but the calling of doing his utmost to see that the Senate remains true to its constitutional mandate. He must be trusted by both sides.

Such an individual must be steeped in the Senate's history and traditions. He or she must understand intuitively not only the rules and precedents but also the underlying principles which they seek to protect and the pitfalls they seek to avoid. His must be a calling and a commitment. His must be a labor of love.

It is heavy, heavy lifting—not a job for a faint heart or a faint intellect.

Benjamin Disraeli once observed that, ''Individualities may form communities, but it is institutions alone that can create a nation.'' The Senate is the one institution in that constellation of institutional stars that comprise the universe of a Representative democracy which is designed to protect the rights of the minority. The right of unlimited debate and the right to amend are prima facie evidence of the Senate's raison d'etre.

Unlike the House of Representatives, unlike the Judiciary, the Senate alone guarantees that the minority will be heard, and will have the opportunity to alter the course of events.

In the Senate, when we speak of the minority of the membership, we also speak of the minority of the States.

The Parliamentarian and his rulings are key to guarding those rights and preventing the Senate from losing its purpose. Remember, majorities change, and it is in the interests of both political parties to have an independent, experienced keeper of the Senate's historical and constitutional mandate.

There must never, ever be a majority or a minority parliamentarian. As difficult as it may be in such times as these, we must all work together to strive to avoid the crass politicization of that critical office. Such an event, were it ever to occur, would be a nail in the coffin of the United States Senate. We must not travel down that road, no matter how tempting such a path may be. Expediency must never become the watchword of the Parliamentarian.

I have given most of my life to this institution of the Senate. To me this is hallowed ground. This Chamber is a sanctuary. To me the protection of the liberty of the people rests squarely on these old floors. I speak not as a member of any political party today. I speak only, as I hope I am, as a faithful steward of this grand and glorious institution. I hope that we all can come together in a spirit of true bipartisanship to reject any tendency to use the office of Parliamentarian as a tool for partisan advantage.

To guard against such a possibility, I urge that any decision to remove or replace a Parliamentarian be the joint decision of both Leaders.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I say to the distinguished Senator, with reference to this place, that while I can't claim to have spent as much of my life as you, it seems almost forever. It has been 29 years for me. It has been