

calls it “Swiss-cheese-go,” as a way of deriding the new discipline that they refused to follow.

We used to have pay-go, and you can see—it is very interesting—the difference. This chart goes back to 1990. You can see that red ink back in the early 1990s. Then things started to get better when a strong pay-go rule was put in effect, as shown right here on the chart. The result was that, coupled with other steps, every year the deficit was reduced. In fact, we got into a situation in which we had a surplus. Then our friends took over after the 2000 election, and look what has happened since: They immediately weakened pay-go. It is one of the first things they did. Look what has happened since: They immediately frittered away the surplus that had been built up, with great difficulty, and plunged us back into deficit.

Now we have restored pay-go, and we are moving in the other direction. We are finally moving out of deficit.

Let me be clear that pay-go is working. What is the evidence? Here is the evidence. The Senate pay-go “scorecard” has a positive balance of \$670 million over the next 11 years. That means the legislation we have passed thus far has, in fact, been paid for. You would not have a positive balance on the pay-go scorecard unless the legislation that is passed has been paid for. These are facts. These are not political claims. These are not the assertions that were made on the other side without the backing of fact. These are facts.

No. 2, every bill coming out of conference committee this year has been paid for—or more than paid for. My colleague calls it “Swiss-cheese-go”? No. This is pay-go, properly applied, getting real results, requiring that things be offset—something they never bothered to do.

Pay-go also has a significant deterrent effect, preventing many costly bills from ever being offered.

Interestingly enough, my colleague on the other side, in his previous service as head of the Budget Committee, said this. He had a different view of pay-go back then. I am quoting him from back in 2002, 5 years ago. He said this:

The second budget discipline, which is pay-go, essentially says if you are going to add a new entitlement program or you are going to cut taxes during a period, especially of deficits, you must offset that event so that it becomes a budget-neutral event that also lapses. . . .

He went on to say:

If we do not do this—

In other words, if we do not have pay-go—

if we do not put back in place caps and pay-go mechanisms, we will have no budget discipline in this Congress, and, as a result, we will dramatically aggravate the deficit which, of course, impacts a lot of important issues, but especially impacts Social Security.

That is what he said 5 years ago. He was right then. He now contradicts himself and, unfortunately, the record

bears out his previous position. Because when he weakened pay-go—and his side weakened pay-go—what was the result? Exactly what he predicted 5 years ago. The deficit has exploded, the debt has exploded—all while they controlled the fiscal direction of the country. He was right then. He should have stayed with that position. The country would have been in far better shape.

Now he made a series of arguments in his assault on pay-go, suggesting that it is “Swiss-cheese-go.” Let me indicate we do not have to take my word for it on the question of what has happened under pay-go with the legislation that is passed. We can look to the non-partisan Congressional Budget Office, because what we find is that his argument is full of holes. It is not pay-go that is “Swiss-cheese-go.” It is his own argument that is full of holes.

Here is what the Congressional Budget Office says: On the SCHIP reauthorization—that is children’s health care—the overall effect of that legislation led to a savings of \$207 million; on the higher education bill that he criticized, the combined effect of that legislation was a savings of \$752 million. In other words, the legislation was paid for, plus additional savings were created so that the cost was completely offset. It did not add a dime to the deficit or debt. In fact, it had savings.

As to the immigration bill that never passed the Senate, it had, when it went down, large unified savings—over \$20 billion over 10 years. The farm bill shows savings of \$102 million, according to the Congressional Budget Office.

So these four bills cover virtually all of the phony claims—phony claims—made by the other side with respect to pay-go.

Again, you do not have to take my word for it. This is an official document from the Congressional Budget Office. The Senator on the other side, the ranking member of the Budget Committee, attacked the children’s health insurance bill, saying it was not paid for. Wrong. The Congressional Budget Office says not only was it paid for, but that it had savings of \$207 million.

The College Cost Reduction Act of 2007—he said it was not paid for. Wrong. According to the Congressional Budget Office, over 10 years, it saves \$3.6 billion.

The Immigration Reform Act. He has again said it was not paid for. According to the Congressional Budget Office, he is wrong again. Over 10 years, it would have unified savings of over \$25 billion.

The Food and Energy Act of 2007 he says is not paid for. The Congressional Budget Office says he is wrong again, that it saves \$102 million.

#### THE FARM BILL

Mr. CONRAD. Mr. President, let me conclude on the farm bill itself. This farm bill is fiscally responsible. It is a 5-year reauthorization. It is fully paid

for. It complies with pay-go. It cuts commodity title payments by \$7.5 billion over 5 years. That is a fact. In fact, the share of the total Federal budget going to commodity programs is reduced from the previous farm bill, from three-quarters of 1 percent of total Federal spending to one-quarter of 1 percent. That is a fact.

This bill tightens payment limitations and eliminates loopholes. It adopts the elimination of the three-entity rule that allowed people to hide behind paper entities to get farm program payments. It eliminates that abuse. It requires direct attribution of farm program payments so a living, breathing human being has to be the recipient of these payments—again, instead of being able to hide behind a mask of phony corporate entities.

This bill is fiscally responsible. When my colleague says this bill has tax increases in it—\$15 billion he asserted of tax increases—wrong again. Is there more revenue in this bill? Yes. How can it be there is more revenue but not tax increases? Well, let’s look.

Let’s look at where the revenue comes from—\$15 billion over 5 years. Where does it come from? It comes from codifying the “economic substance” doctrine that prohibits businesses from using certain tax-avoidance schemes. Is that a tax increase? No, I do not think that is a tax increase. I think that is shutting down a bunch of tax scams that are going on around the country. In fact, you heard the Republican ranking member of the Finance Committee out here on the floor vigorously defending that pay-for, and that came out of the Finance Committee on a vote of 17 to 4—overwhelming bipartisan support.

The second pay-for is to revoke tax benefits for leasing foreign subways and sewer systems. Now they are going to say that is a tax increase? Let’s understand what is happening. We have certain corporations and wealthy individuals who are buying—get this—buying foreign sewer systems, and depreciating them on the books for U.S. tax purposes—leasing those sewer systems back to the European cities that bought them in the first place.

Did they do this because they are in the sewer business? No. They are not in the sewer business. They are in monkey business. They are buying foreign sewer systems to depreciate them on the books in the United States to reduce their taxes in the United States. They have nothing to do with being in the sewer business in European cities. They want to call that a tax increase? Again, that provision came out of the Senate Finance Committee on a vote of 17 to 4—a very strong bipartisan vote.

Where is the other revenue coming from?

Increasing penalties for failure to file correct information returns. That is not a tax increase. That is a penalty for people who are trying to cheat.

Finally, denying deductions for certain fines and penalties. That is, again,

an additional inducement for people to play fair.

In addition, much of the money—in fact, two-thirds of the money—that has come from this additional revenue has been turned around and put right back out in tax cuts. You did not hear that from the other side, did you? They never mention that fact.

Well, what are the tax cuts that are in this bill? There is \$7.3 billion for conservation, including a tax credit for farmland in the Conservation Reserve Program—a program that affects over 10 million acres across the United States.

There is \$2.5 billion for energy, including a tax credit for small producers of cellulosic fuel and \$800 million for agriculture and rural areas.

Those are the tax reduction elements which are a part of this bill.

The final point I want to make is this Democratic-led Congress has rejected the failed fiscal policies of the last 2 years. We have put in place a strong pay-go rule. It is working by any standard—by any objective standard. While it would not single-handedly solve all of our problems, it is making a meaningful contribution. The fact is, the pay-go scorecard, as of this moment, shows a positive balance. That means the legislation that has been advanced has been paid for. That is a significant departure from what has gone on in the previous 6 years under the control of our colleagues on the other side.

So it is going to be a long, tough slog for us to get done what needs to be done and get America back on track, at least in the fiscal arena. While the Senator from New Hampshire and I have sharp disagreement on these matters, we are working together on a plan to bring together a bipartisan task force—16 Members; 8 Democrats, 8 Republicans—with the responsibility to come up with a plan, a long-term plan to get America back on track. In that, he and I are joined at the hip, and we are prepared to ask our colleagues to come together in a bipartisan way to develop a plan to deal with these long-term imbalances. So while we have sharp disagreement on the question of pay-go and on the question of their fiscal record versus ours, one place we are in complete agreement is on the need to face up to these long-term fiscal imbalances. That is in the interests of our country. That is in the interests of every citizen of America.

I thank the Chair.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. CONRAD. Mr. President, just very briefly if I could, I say to my col-

league, I am just going to take 30 seconds.

#### THANKS TO STAFF

Mr. CONRAD. Mr. President, I wanted to thank my staff director of the Senate Budget Committee. The other day I thanked all of those who have worked so hard on the farm bill, the members of my staff, including my lead negotiator and my entire negotiating team; six members of my staff. I did not thank at that time my staff director on the Senate Budget Committee, Mary Naylor.

No one has worked harder in this Chamber at the staff level to try to get us back on a fiscal track that makes sense than Mary Naylor. She has been with me many years. She was the person who ran all of my budget operations before I became chairman of the Budget Committee, and when I became chairman, I asked her to be the staff director because there is no one for whom I have higher regard than Mary Naylor, and I wanted to thank her formally and publicly today for her extraordinary commitment to making this country better.

I thank the Chair, and I yield the floor.

Mr. ENZI. Mr. President, I ask unanimous consent to speak as in morning business without a time limit.

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

#### DEMOCRATIC AGENDA

Mr. ENZI. Mr. President, Ron Hindle has done a tremendous job of finding any information that I need and putting it in tremendous format so that it is easily understandable, and even writing it up in words that I can understand. He has been with me the entire time that I have been in the Senate. This is my 11th year. He has done a tremendous job. He worked for Senator Simpson before that. So I welcome him to the floor.

Mr. President, in the history of politics, I don't think anyone has ever had their finger on the pulse of the Nation quite like former President Ronald Reagan. Anyone who knew him or heard him speak was instantly warmed by his charm and captivated by his personality. He had a way of expressing himself that enabled him to connect with all of America. He had a unique way of speaking, and that unforgettable Reagan wit let everyone know he was on their side and would do everything he could to make this a better world for us all.

I remember one day in particular. It was 1992, and the Republican Convention was going strong. Ronald Reagan approached the podium to give one of his trademark speeches. As he spoke, something told us that this night, this speech, would be different from all the rest. Something told us that we were watching the last major address he would ever give.

In his message, he spoke of the importance of doing everything we could to point America toward the day when the nations of the world would turn to us and say: America, you are the model of freedom and prosperity. That was when we would turn to them and say: You "ain't" seen nothing yet.

It was a wonderful catch phrase that had been around for so many years, but it expressed his feeling that when that day came, something even bigger and greater would be about to make its presence felt throughout the Nation. Unfortunately, today when we hear those words, we are reminded not of a great President, but of a Congress that continues to lag further and further behind the expectations it created in the last election.

I know I am not the first one to notice. There have been editorials in the papers asking us when we are going to fulfill the promises that were made in the elections last year by the Democratic majority party.

This is also the anniversary of another event. It was about a year ago that what is now the Democratic Party put together a strategy that proved to be successful and they won both Houses of Congress. People were excited and looking forward to the change the Democrats said the election would bring. It seemed that every Member had a press conference during which he or she offered a long laundry list of legislation that was going to be taken up as soon as possible.

With such a celebrated beginning, you may be wondering why you ain't seen nothing yet. Trust me, you aren't the only one. I don't think you will see any celebrating in the leader's office or the Speaker's office about the past year's results. So much of what they fought so hard to attain has been lost over the past year. So much of the progress they promised and that we all hoped to see has somehow failed to materialize. I do need to note an exception. The HELP Committee, the Health, Education, Labor and Pensions Committee that Senator KENNEDY chairs and on which I am the senior Republican, has produced a few bills and virtually all of the bills that have passed. If someone as liberal as Senator KENNEDY and as conservative as I am can move bills, everyone should be able to, but it requires putting aside "gotcha" politics and working for the 80 percent that we can agree on.

Is it any wonder that Congress's approval ratings are at an all-time low?

As the Senate's only accountant, I well remember all of those times I would come to the Senate floor to debate our Nation's budget. The Democratic Party didn't have the numbers back then to control the Senate, so all we heard was a steady stream of complaints from them about the lack of progress that we were making on the budget and the lack of a coherent plan for spending. Now that the shoe is on the other foot and the Democrats are in charge, what have they produced?