the U.S. Trade Representative, argues subsidies to Airbus hurt our companies, skew global markets, and violate the rules of the game. Yet another arm of the administration, the Defense Department, rewards a subsidized company with a $40 billion contract to purchase illegally subsidized aircraft.

That is the kind of Government decisionmaking that does not add up. It is not common sense, and it raises serious and fundamental questions about how this administration goes about its business.

Does the right hand of the Government know what the left hand is doing? Does one agency respect international rules and their effect while the other one does not? What was USTR's role in this procurement decision? And why did the Defense Department appear to have disregarded it? These and other questions need answers, and I look forward to pursuing these answers with my colleagues.

Until we hear a full accounting of this issue, I am left with an uneasy feeling that last week's decision by the Defense Department does little for the common good or common sense.

Mr. President, I wish now to speak on an amendment I am going to offer when we get to the budget resolution. I will offer the amendment when we are on the resolution. I can either make my statement now or wait until we get to the resolution.

The ACTING PRESIDENT pro tempore. Time is expired.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2009

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. Con. Res. 70, which the clerk will report.

The bill clerk read as follows:

A concurrent resolution (S. Con. Res. 70) setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013.

The ACTING PRESIDENT pro tempore. The Senator from Michigan.

The Senator from Montana.

Mr. BAUCUS. Mr. President, I wish to speak on the budget resolution and about an amendment I will offer when that amendment is in order. As I understand, that will be after the luncheon hour.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BAUCUS. Mr. President, the author and poet, Cervantes, had a character say:

My wages . . . I have earned with the sweat of my brows.

And so it is with America's hard-working families. They have earned their wages with the sweat of their brows. This afternoon, along with a number of other Senators, I intend to offer an amendment that would take the surplus in the budget resolution and give it back to hard-working American families who earned it.

First, our amendment makes the 10-percent tax bracket permanent. That is a tax cut for all taxpayers.

Second, we are making permanent changes to the child tax credit. That is a $1,000 tax credit per child. This tax credit recognizes that a family's ability to pay taxes decreases as their family size increases. Unless we act, the child tax credit will fall to $500 per child in 2010.

We are making permanent the marriage penalty relief. Couples should not pay more taxes because they are married. This relief makes sure a married couple filing a joint return has the same deductions and tax brackets as they would if they filed as individuals.

We are making permanent the changes to the dependent care credit. This credit is important to working families. It recognizes the increased cost of child care for thousands of Americans, especially child care for households where both parents work outside the home.

We are making permanent the changes to the adoption credit. Most adoptions cost more than $20,000. This provision offers a credit of $10,000 for those willing to give a child a home.

This amendment is also important because in it we believe it is important to pause and reflect on the sacrifices our men and women in uniform make for us every day.

Nearly 1.5 million U.S. service men and women have served in Iraq, Afghanistan or both. Nearly 30,000 troops have been wounded in action.

In September, I went to Iraq. I was impressed by what an amazing job our troops are doing. It is astounding. I met many Montanans from small towns such as Roundup and Townsend. I saw firsthand what a heavy burden our troops bear for all of us. They face hardships, they face danger, but they keep at it every day. Today, one small way to support them is to make the Tax Code a little more troop friendly. We can extend the special tax rules that make sense for our military that expire in 2007 and 2008. We can also eliminate roadblocks in the current tax laws that present difficulties to veterans and servicemembers.

One problem this amendment would address is how the Tax Code treats survivors of our fallen heroes. The families of soldiers killed in the line of duty receive a death gratuity benefit of $100,000. But the Tax Code restricts survivors from putting this benefit in a Roth IRA. Today, we can make sure family members of fallen soldiers can take advantage of these tax-favored accounts. Another hazard in the tax laws impedes our disabled veterans. I am thinking of the time limit for filing for a tax refund. Most VA disability claims filed by veterans are quickly resolved, but many disability awards are delayed due to lost paperwork or the appeals of rejected claims.

Once a disabled vet finally gets a favorable award, the good news is the disability award is tax free, but the bad news is many of these disabled veterans get ambushed by a statute that bars them from filing a tax refund claim. Today we can give disabled veterans an extra year to claim their tax refunds.

Most troops doing the heavy lifting in combat situations are the lower ranking, lower income soldiers. Their income needs to count toward computing the earned-income tax credit, or EITC. Under current law, however, income earned by a soldier in a combat zone is exempt from income tax. This actually hurts low-income military personnel under the EITC.

The EITC combat pay exception allows combat zone pay to count as earned income for purposes of determining the credit. That way, more soldiers qualify for EITC. But this EITC combat pay exception expired at the end of 2007.

The EITC is a beneficial tax provision for working parents. It makes no sense to deny it to our troops. Today we can help to make combat duty income count for EITC purposes.

In this amendment, we are making permanent provisions to allow combat pay as earned income for purposes of the EITC. This amendment allows hard-working, low-income military personnel to get the full benefit of the EITC.

A soldier's rucksack is heavy enough as it is without loading it down with tax burdens. We owe the soldiers fighting in our Armed Forces an enormous debt of gratitude. This amendment is one small way we can salute our men and women in uniform for all they do.

Also in this amendment, we are giving some certainty to American families on the estate tax. Lowering the estate tax to 2009 levels is the least we can do as we move toward estate tax reform. This is the minimum that we can and will achieve.

And we are committed to exploring what more we can do. We are conducting thorough studies of the issue in hearings on that subject this week.

I plan to offer a second amendment that would dedicate enough additional funds to estate tax reform that we can achieve a $5 million exemption and a 35-percent rate.

Through these efforts, Congress will show that we support America's small businesses, ranchers, and farmers. Today's amendment also helps to address the housing crisis. Our amendment would allow middle-income taxpayers who do not itemize their deductions to nonetheless get a tax deduction for property taxes. That would give some relief to hard-strapped homeowners.

Now, this amendment will not do everything. But we will do more. As

chairman of the Finance Committee, I am fully committed to tax reform. Tax reform can mean giving tax relief to American families and businesses through simplification and sound tax policy.

This year, the Finance Committee will do the spade work. We will hold hearings and prepare for the fundamental tax reform that we all want and expect next year, so when the next President takes office, he or she will make a major recommendation to the Congress on tax reform. We are holding hearings on that so we are ready.

But today the amendment we will offer shows our commitment to American families. American families earned their wages with the sweat of their brows. This amendment takes the surplus and gives tax relief to those hard-working families. It is no less than what they have earned.

Mr. President, I yield the floor.

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

Mrs. HUTCHISON. Mr. President, I rise to talk about the Senate budget resolution. This is going to be considered for an entire week. It does provide the American people with Congress's blueprint for spending and fiscal policies and priorities. And while not binding, it does establish the direction for later consideration of our appropriations bills.

I, like many of my colleagues, have been reviewing the chairman's mark that came out of committee and the results from last week's markup. I am impressed with parts of this budget. There are some priorities in here that I share with the chairman and the committee. It fully funds the defense budget. It fully funds NASA, including the additional $1 billion that Senator MIKULSKI and I sought last year to reimburse the agency for the *Columbia* disaster, because we know NASA has been pulling from operating funds to repair the damage done from the *Columbia* disaster, and this has kept it from keeping up its research commitment.

We cannot have an agency that is supposed to be doing the state-of-the-art research and pushing the envelope not only in aeronautics but in science and medicine. Yet we have a billion-dollar shortfall taken from the research that could fuel scientists for years to come.

It funds the America COMPETES Act, which improves education, and that is such an important priority for us to remain competitive. We need more of our young people to go into science and engineering, the physical sciences, the hard sciences.

We are losing our edge in this global marketplace. Congress, in a bipartisan way, did pass the America COMPETES Act, and there is funding for much of that in this bill.

We must extend the sales tax deduction, which is a provision that is close to my heart because my State and seven others have a sales tax but no State income tax. So we believe it is a matter of equity that sales taxes be deductible, rather than just the State income taxes which is available to all of the other States but not available to the seven States that do not choose to fund their Government with an income tax.

These parts of the budget deserve our attention and support. However, this budget has a major flaw. Before long the budget had increased $22 billion above the President's request. We have now found that over the period of time that it has languished in the Senate committee, we are now looking at what appears to be a ballooning of that increase in spending. Yet the budget projects a surplus of $177 billion in 2012, $160 billion in 2013, and yet the budget has increased by $210 billion over 5 years.

Now, how can we have this increase in spending and yet still have surpluses? My economics 101 tells me there has to be a catch because we know there is no free lunch. So in addition to the large spending increases, the budget includes the largest tax increase in the history of America, $1.2 trillion. The budget allows the incredibly beneficial tax cuts from 2001 and 2003 to expire.

Now, these are the tax cuts that spurred our economy and created millions of new jobs in our country. It spurred the growth in our economy. When these tax provisions expire, 43 million families with children will have to pay an average of $2,300 more each year, and 18 million senior citizens will owe $2,200 more on average. Twenty-seven million small businesses, the engine of economic growth in America, will owe $4,100 more in taxes on average. Almost 8 million low-income workers will be added back to the tax rolls.

Especially during this time of economic uncertainty, why would we ask our fellow citizens to pay more and rob the jobs that have been created with the tax cuts of 2001 and 2003?

The first thing we did when we saw the slowing economy was, on a bipartisan basis, have an economic stimulus package. And what was the crux of the stimulus package? It was to give money back to the people who have paid taxes in rebates to help spur the economy. So why would we turn around in this budget and increase taxes and ask the people to whom we just gave rebates, that will be in the mail in the next 6 weeks, to pay more?

Consider what a $2,300 tax burden would pay if the average American family could keep the money they earned in that amount: groceries for about 8 months, health care expenses for about a year, electricity and home heating oil for about a year, and gasoline for the car that we know is now rising as we speak.

How can we consider taking money away from families when we are seeing the strain of this economy be a burden on those same families? This budget makes great promises for American families, but it also pulls the rug out from under them by saying: Here is the burden we are going to give to you to pay for this big Government spending budget.

So I hope as we consider the budget this week that we will take a serious look at keeping some of the major priorities, but having the good sense to cut in other places or to remain steady in other places where there is not the essential need right now. We do need a budget that looks out and says for the long-term competitiveness and vitality of our country and our society and our work concerns and our work force: We do need to spur investment. We need to spur research. We need to have more engineers and scientists graduating from our universities, and we can do that by funding NASA fully, by funding the American COMPETES Act. We must do that for the long term. But why not do what every family in America does when we have essential needs for long-term planning, but we are on a limited budget and we want to bring down that deficit? And that is, make choices.

Can we not come together and make choices just as we came together for the stimulus package? The last thing we want to do, since we did pass a bipartisan stimulus package which the President's supported, is to wipe it all out and say: Well, we are going to give you back a little bit but we are going to take more. We are going to take more at a time when we know America is a little jittery about the economic condition and looking to the future of the economy and our country.

I hope we will do what we can on a bipartisan basis and hash out what the priorities are and that we can have the priorities in spending without the ballooning budget and the tax increases they propose to pay for this ballooning budget.

We do not need tax increases. We need to make the tax cuts permanent that have helped so many people get back to work, get on their feet, small businesses make investments, and keep our economy going when this home mortgage crisis is trying to sort itself out.

Unless we can make some major changes in this budget, I cannot imagine supporting it. But we do have time. We do have time to do the right thing. I am hoping we go through the amendment process, that we make the choices that will take the taxes out, will put the priorities in, and will get our 10-year plan started that will create jobs, that will create more opportunities for scientists and engineers to graduate from our colleges and universities and have good careers, solid careers, because we have made the right investments in 2008.

I yield the floor.

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

Ms. STABENOW. Mr. President, in a moment I am going to yield to Senator

WHITEHOUSE, but I do want to respond for a moment because what my friend from Texas is talking about, frankly, in terms of focusing on middle-class families, is exactly what this budget does. It will be enhanced by the Baucus amendment, that takes surplus dollars that are in the budget and targets them right back to middle-class families, putting dollars into their pockets in terms of extending the middle-class tax cuts that we all support.

But we also do more than that. We focus on jobs. We focus on health care, investing in education and opportunity for the future. We are not more of the same. This budget resolution is not more of the same of what has been occurring since 2001, in the last 8 years, particularly 6 years of that when we have seen our colleagues on the other side of the aisle and the White House basically controlling all of the agenda in terms of the priorities in the budget and spending and so on.

We create a budget that offers a change, a set of priorities based on the values that are important to the American people, American families, American jobs here, investing here. Let me first say, overall, we have a situation where basically we have seen, under this President, more debt, more tax cuts for the wealthy, more spending in Iraq, less investment in America. That is what we have seen.

In listening to the outline of what I understand will be a Republican budget alternative that will be presented this week, it is more of the same. It is more of the same. We want to reduce that and balance the budget by 2012, focus tax cuts on middle-income workers, hard-working Americans who have not seen tax relief or investments in their future and in their children's future.

We want to refocus. Instead of talking about the spending in Iraq, we want to be focused on spending at home. We have somewhere near $12 billion to $15 billion a month being spent right now in Iraq. Even though we know the Iraqi Government is receiving dollars in oil revenues, we continue to be the ones investing in rebuilding their communities and their jobs, their infrastructure.

Our budget invests in America—American jobs, American families, American communities. I am hopeful we will see a strong vote for the budget resolution we are presenting.

I now yield up to 30 minutes to my friend and colleague from Rhode Island, Senator WHITEHOUSE.

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

Mr. WHITEHOUSE. Mr. President, I salute the leadership and the energy of the Senator from Michigan in this area. The Senator is clearly passionate about the economic issues we see across the country but those that particularly affect her State. There is not a person in this body who is not aware of how deeply she cares and how hard she fights for the people of Michigan. I am pleased to join her on the floor.

Last month we received the President's budget request for fiscal year 2009. I am a member, like Senator STABENOW, of the Budget Committee. This is the last budget we will receive from President Bush, and I think it is an opportune time to look at how this administration's policies have affected our economic circumstances and how average Americans will suffer as a result.

The Bush policies have generated what deserves to be known as and what I will call today, ''the Bush Debt,'' a legacy of indebtedness that will burden our children and grandchildren for generations to come and cost us the opportunity to help millions of Americans all over this country lead lives of promise, prosperity, and happiness. As I have traveled across my State, Rhode Islanders have told me over and over their stories about struggling to make ends meet—from seniors stretching fixed incomes to pay for prescription drugs and housing to working families trying to heat their homes and send their children to college. Yet President Bush in his budget for fiscal year 2009 has proposed deep cuts to Medicare, deep cuts to home heating assistance for low-income families, and deep cuts to Federal student aid, weakening access to citizens' basic needs.

The administration cites the need for fiscal discipline. The President says discipline is necessary to address our Nation's growing budget deficits. What the President does not say—and probably never will say—is that his own ill-advised, misguided policies created those record deficits. It did not have to end this way. But it did, and the President must bear the responsibility.

Seven years ago this January, George Bush stood on the western steps of this hallowed building and took his oath of office as President of the United States. In his first address to the Nation, George Bush pledged to call for responsibility and try to live it as well. After a divisive election, many Americans found comfort and hope in those words. On the budgetary front there was good reason for optimism on that cold January morning. After decades of deficit spending, bipartisan cooperation between President Clinton and a Republican Congress had set the Nation on its healthiest fiscal path in generations. After 28 straight years of multibillion dollar budget deficits, our Nation saw surpluses beginning in 1998. In President Clinton's last full year in office, we saw the largest budget surplus in our Nation's history—$236 billion.

The good budgetary news wasn't behind us. The month George Bush moved into 1600 Pennsylvania Avenue, the Congressional Budget Office, the nonpartisan accounting arm of Congress, projected we would see surpluses straight through the decade. These budget surpluses, the product of responsible governing—some might even say fiscally conservative governing—were projected to be enough to completely wipe out our national debt by 2009. Let me say that again: to completely wipe out our national debt by 2009. In other words, the hard work had been done. If President Bush had stayed the course of fiscal responsibility, he could have been the first President of the United States since Andrew Jackson in 1836 to govern a debt-free United States, an America with the power and the freedom to support its people as they sought new opportunities and new frontiers. Imagine that.

This President's fiscal year 2009 budget, instead of including debt service payments, could have requested significant funds for Pell grants, for LIHEAP, the badly needed overhaul of our health care system, bridge construction, investment in small and environmentally friendly business, and countless other valuable programs for ordinary Americans.

When President Bush took office, leading economists were debating the consequences of this great Nation debt free, standing tall in the world with no claim on it by foreign powers. But this President made a different choice. Instead of keeping our Nation on the path to economic security and prosperity, to new investments in our health care system, students, seniors, and veterans, the President who called for responsibility squandered away the surpluses he inherited, mortgaged our children and grandchildren's futures, and compromised the quality of working Americans' lives.

How can we measure the magnitude of the harm done to our economy and our people by this administration's decision to deviate from the responsible policies of President Clinton?

The first chart shows the budget plans of President Clinton as he left office and the budget formulated by President Bush. As you can see, the Clinton line, represented in blue, based on his levels of taxation and spending, has budget surpluses for every single year of this decade. In contrast, the Bush budget line, represented in red, has deep record-setting deficits in every year after 2001.

This next chart illustrates the value of the differences between the budget landscape planned by President Clinton and the one created by President Bush. As we can see, the difference between the two is a staggering $7.7 trillion. This number represents the fiscal harm President Bush has inflicted on our Nation. This number is ''the Bush Debt.'' It consists of a decade of foregone surpluses and new borrowing, much of it from foreign nations such as China, Japan, and Saudi Arabia. We have even become a debtor nation to Mexico.

Mr. President, $7.7 trillion is more than double the amount of public debt when President Bush took office. Like most concepts of enormous size, this amount takes some thought to comprehend: $7.7 trillion is $25,000 owed by every adult or child in the United States, squandered surpluses and new debt created by this President.

How did we move from the path of surpluses away from the promise of wiping out our national debt to trillions of dollars in new national liabilities? One would hope this administration could at least justify the Bush Debt by pointing to borrowing policies that improved average Americans' lives. Unfortunately, nothing could be further from the truth. Rather, this dramatic change of course stems largely from two of this President's many poor decisions over the past 7 years: first, tax cuts that overwhelmingly benefited the wealthy at the expense of the less fortunate and, second, the President's endless, misguided, unpaid war in Iraq. In the same inaugural address in which he called for responsibility, President Bush vowed to reduce taxes, even though the American economy was booming in the 1990s, under tax levels set by President Clinton which were low by both historical and international standards.

The irony, of course, is that President Bush's tax cuts of 2001 and 2003 were the height of irresponsibility. Because these massive tax cuts were predominantly directed at high-income families rather than low-income families, many Americans most in need of assistance were shortchanged. These extravagant tax cuts are weighted heavily toward the wealthiest Americans. In fact, 71 percent of the value of the tax cuts in 2009 will go to the wealthiest fifth of Americans, with a staggering 28 percent of the value of the tax cuts going to the top 1 percent and almost nothing at all going to the lowest earning fifth, families who earn $15,000 a year or less. This is George Bush's idea of fair tax cuts. And President Bush's insistence on forcing through these cuts without making up for the lost revenue, to defer that pain to later administrations and later years, was not only cowardly leadership, but it left our budget in precarious straits. The Bush tax cuts cost a staggering $1.9 trillion and account for 25 percent of the $7.7 trillion Bush Debt measured from the start of the Bush presidency through 2010, when the tax cuts are set to expire.

Every American knows the importance of balancing his or her own household budget. Every American knows the struggle of keeping spending in line with income, making sure there is enough money to pay for clothing, food, home heating, college tuition, and maybe a little for vacation or going out to the movies. Most Americans do a good job of balancing budgets but not President Bush. Rather than living by his inaugural pledge of responsibility, President Bush preferred to score political points by delivering massive tax cuts to his wealthiest supporters. He chose not to remain on a responsible fiscal path and instead put this country under the crushing burden of a multitrillion-dollar debt, the Bush Debt.

These tax cuts, while a large slice of the Bush Debt pie, are unfortunately not the whole story. There is also a large spending component to the Bush Debt, driven principally by the war in Iraq. By the end of this year, the price tag for the war in Iraq will have exceeded $600 billion. Even if we are successful in pressuring this President or the next President to begin redeploying our troops, American taxpayers will still have spent at least $740 billion on this misguided war by 2010.

Even if the next President gets us quickly out of Iraq, as I hope she or he will, we will be paying costs related to this war for years to come. We must care for our veterans and for the families of fallen soldiers. The Congressional Budget Office estimates that the cost of medical care, disability payments, and compensation for the families of fallen soldiers will cost between $10 billion and $13 billion in the next 10 years alone. We have a moral obligation to take care of the brave men and women who sacrificed their youth, health, limbs, and sometimes their lives to serve their Nation. These are costs, however, that we need never have had to bear. While they pale in comparison to the personal cost incurred by service members and their families, these monetary costs are nonetheless significant, and they will affect America's security for decades to come.

Like all debt, the Bush Debt requires interest payments. Every day Americans make interest payments on mortgages, car loans, student loans, or credit cards. According to President Bush's proposed budget for fiscal year 2009, next year alone, America will owe $260 billion in interest on the Bush Debt. Two hundred sixty billion in interest payments equates to $857 to our creditors in Japan, China, and Saudi Arabia for every man, woman, and child in the United States, next year and the year after that and long into the future.

To make matters worse, if you can believe this—hold on to your hat—the Bush administration is borrowing the money to make the interest payments, further adding to the debt. Imagine if we could take the $7.7 trillion Bush Debt off budget and set up a separate revenue system to make the interest payments—to feed the beast. Then every taxpayer would see we are doing something about this unprecedented debt. We should consider forming a commission, a Bush Debt repayment authority, to study the possibility of bringing the Bush Debt off the budget to show the American people how much this President has cost them, to pay the Bush Debt down responsibly over time, the way Government often steps in to pay down a disaster debt responsibly over time, and to show our children and grandchildren that we were not all cowards pushing our costs onto them.

This enormous interest payment isn't an abstract idea dreamed up by economists. This $260 billion is precious cash flow that could otherwise be spent improving our health care system, building new schools, repairing our roads and bridges, or helping our businesses compete against foreign competition.

Individual Americans may not be writing $857 checks to Japan or China or Saudi Arabia, but each one of us pays a steep price for the Bush debt—a price that is already evident in the President's budget for this year.

The budget request that included $260 billion for interest payments also included tough talk about belt tightening. The President proposes to hold discretionary spending growth to 1 percent—effectively a cut since the consumer price index grew 4.1 percent last year.

His budget plan slashed funds for low-income heating assistance; the COPS Program, which keeps police officers on the beat to protect local communities; Federal student aid programs, which help young people afford a college education; and community development grants, which provide badly needed assistance for low-income families and small businesses. The President's budget also calls for tremendous cuts in Medicare and Medicaid over the next 5 years—cuts that would surely affect medical care for American families.

President Bush is asking for more money to continue his misguided war in Iraq, more money to service the debt he created, and more money to pay for tax cuts for the wealthiest Americans, but less money to help the millions of people all across this country who need health insurance or food for their families or better schools for their children or a home they can afford. Those are not the correct priorities for America, President Bush.

What if President Bush had never cut rich Americans' taxes or taken us to war in Iraq? What if the fiscally responsible policies of the Clinton administration had continued to the present day? What if our public debt had been paid entirely by the end of next year, leaving us free to invest in our people and our future? What if there were no $7.7 trillion Bush debt and no $260 billion in interest payments next year? What could this country—the land of opportunity and possibility—be doing with an extra $260 billion a year?

Well, for just $5 billion—or 2 percent of the interest cost of the Bush debt in 2009—we could provide health insurance to 3.8 million more children through the Children's Health Insurance Program—the very initiative President Bush vetoed last year. Actually, according to the Kaiser Family Foundation, we could provide health insurance to every uninsured American—adults and children—for $173 billion. So well within the amount of money we will need to spend next year to service the Bush debt, we could completely cover every American with quality health care.

There are many other worthy programs we could fund with the remainder of the $260 billion interest payment. Our Head Start Program, which

helps prepare preschool-age children from low-income families to succeed in kindergarten and beyond, currently has barely enough resources to cover half of the 2 million children who are eligible. The remaining 1 million children could be covered for an additional $7 billion.

Pell grants, named after my distinguished Senator from Rhode Island, Claiborne Pell, help college students afford the steep costs of their education. We made progress last year in increasing funding for the Pell Grant Program, but Pell grants only fund a small fraction of tuition for many students. It used to fund about half of the tuition. It has slipped to less than a third today. We could double every single Pell grant next year, raising the maximum grant to over $8,400, for $18 billion.

With the remaining $62 billion in our ''world without Bush,'' we could bring up to code 95 percent of the structurally deficient and functionally obsolete bridges in the country, with all the work and jobs that would entail. My home State of Rhode Island has the unhappy distinction of having the highest percentage of structurally deficient bridges in the country. But following the tragic bridge collapse in Minneapolis last year, there is a renewed awareness of the urgency of updating our national transportation infrastructure. That $62 billion covers 95 percent of our Nation's deficient bridges and funds those repairs in fiscal year 2009. What about the other 5 percent? Well, we will have another $280 billion in Bush debt interest payments coming up in 2010. We could spend it—if we could—to fix those bridges.

Another year of tragic lost opportunities. We will make annual interest payments of this magnitude until a future President takes on the daunting challenge of paying down the principle of the national debt left for us by President Bush.

Well, that is quite a list: cover every uninsured American with health insurance, fully fund the Head Start Program, double each and every Pell grant, and repair our deficient bridges. Sadly, we do none of that. We use that money to pay the interest on the Bush debt. We will be making payments for the Bush debt for decades into the future.

An often ignored yet critical aspect of the Bush debt is the effect interest payments have on our national security—the very interest the administration purports to be advancing through its misguided war in Iraq. This chart illustrates the point.

To service the Bush debt, we have borrowed more money from foreigners, more money from other nations, such as China, Japan, and Saudi Arabia, under George Bush than under all 42 of his predecessors combined. The result of this foreign borrowing is that a large portion of the interest payments we make gets sent overseas, supplementing the income of foreigners and allowing foreign nations to invest in their economies and infrastructures. If not for the Bush debt, that money could be invested here at home, helping to grow American businesses and generate income and strength for our own future generations. Instead, the Bush debt has helped, and will continue to help, boost the Chinese economy at the cost of our own. The Bush debt will send trillions of dollars to foreign nations over the coming years, giving them even more dollars to buy up our American businesses.

When the Presidency of George W. Bush comes to its long-anticipated end on January 20, 2009, it will leave in its destructive wake trillions of dollars in debt owed to other nations, many of which do not have America's best interests at heart. This administration will leave behind an America whose standing in the world and whose regard among its fellow nations has been weakened and degraded by a war that seems to have no end—a fiscally weakened nation, a borrower, with a falling economy, struggling under the Bush debt.

Worst of all, this President will leave behind millions of Americans who, had this administration merely stayed the course of fiscal responsibility chartered by President Clinton, would be far better off than they are today. They would be, starting in 2009, in a debt-free United States that could afford to assist working families with the costs of a college education, to overhaul our health care system, to repair our crumbling infrastructure, to invest in small and green businesses, and to improve the lives of average Americans in countless other ways.

We cannot ignore the Bush debt. While George Bush starts packing for his retirement on his Texas ranch, those of us who care about the future of our Nation—the future of our children—must work toward undoing the damage this President has done.

Mr. President, I submit that we need to see the Bush debt as a serious national problem, a fiscal, economic, and national security threat, and engage in a solemn and serious way, as the trustees of our national welfare, to confront the Bush debt.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from Colorado.

Mr. ALLARD. Mr. President, I believe I am scheduled to give a speech for about 10 minutes or so.

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

Mr. ALLARD. Mr. President, I spoke last week in the Budget Committee, of which I am a member, about the differences between this year's consideration of the budget resolution and last year's.

Last year, we were obligated to accept the assurances from the majority that under their new regime pay-go would be respected, spending would be curbed, the entitlement crises would be addressed, and the debt would be attacked.

I do want to take a moment to respond to the attempt of my colleague from Rhode Island—who just left the floor—about trying to say this is all President Bush's problem. It is not. It is all of our problem. For example, the budget we have before us has over $2 trillion that it adds to the national debt. There are some basic reforms we have to do if we are going to correct the debt problem that has been accruing over the years. We have to reform entitlements especially.

We now, however, have results in this budget, not predictions. When all was said and done last year, there was an $83 billion increase in discretionary spending. There was $143 billion in pay-go violations. We did not close the tax gap. We added to the debt. We did nothing for entitlement reform. Reconciliation was used to add spending, not reduce it. Reconciliation was originally put in for that sole purpose: to reduce spending. We assumed tax increases.

So as we begin consideration of the fiscal year 2009 budget resolution, I hope everyone is aware of what was promised last year and what transpired. I hope they will use that knowledge when considering this budget document.

I would like to talk about the items that concern me in this budget. Now that our economy is trending in the wrong direction, and when we really need the benefits of a reasonable and progrowth tax policy, we are going to depress our economic growth by adding to the debt and increasing taxes in this budget.

We are not addressing the entitlement crises in this budget. Everyone knows it is there. It is a huge avalanche of debt waiting to bury our future. The sooner we act, obviously, the better. The longer we wait, the more drastic it will be, and more expensive. But we do nothing. We are not even doing something as productive as fiddling. We are just talking, year after year, and perhaps wishing our national debt will go away.

In this budget, we are raising taxes on the middle class. This budget cannot be paid for by closing the tax gap. It cannot be paid for by closing loopholes. It cannot be paid for by shifting dates around on revenues or outlays. And it surely cannot be paid for by increasing the taxes paid by the superrich, the rich, or just the very-well-to-do. It will only be paid for by reaching down into the average earners and raising their taxes as well. Under this budget, the average family with children will pay $2,300 more each year. Seniors will pay $2,200 more each year. Small businesses will pay $4,100 more each year.

When we consider these tax increases, let's remember, last year we were assured we would see tax relief. The first vote we were presented on the budget last year was to budget for an

alleged middle-class tax cut. But this never materialized.

What has materialized is spending increases. This budget adds $210 billion over 5 years. The gross debt will expand by $2 trillion by 2013. This year, we are spending three-quarters of a billion dollars of the Social Security surplus. This year, we are increasing spending by $22 billion, without fully funding the war.

Now, about that. I know there will be those who say they are just following the President. But the budget is a congressional document. Say what you want about the ideas in this document, but it was written and prepared on the sixth floor of Dirksen, not in the White House. The ''they did it first'' argument is not one I accepted from my children, and I am not going to accept it here.

We know the war is expected to cost $170 billion this year. We have an obligation to budget for that amount. It is honest budgeting. I will be offering an amendment to do just that. If we are going to pay for this war, fiscal discipline and legitimate budgeting requirements demand that we include those costs.

There are those who do not want to fund our campaign in Iraq. There are those who want to end the war as soon as possible, regardless of the damage that might do. They are entitled to those views. But there is no legitimate reason to fail to include the known estimates of the war into our budget. Failure to do so is pure gimmickry and devalues the budget exercise in which we are engaged. Hiding the war costs from view, when every Member knows we will be spending more, is ridiculous.

On that topic, my second great concern with this budget is the budget continues the erosion of fiscally responsible processes. We are seeing increases in reserve funds. There are 37 this year, up from 24 last year. They contain up to $300 billion in spending that hangs over our Treasury and taxpayers as a threat. I have heard them referred to as harmless, but any device that serves to weaken the authority and legitimateness of our budget is simply not harmless.

Many feel these reserve funds have become an overcomplicated type of sense of the Senate, but they weave weakness into what should be a rigid and honest budget document.

Another erosion of fiscal discipline is the use of reconciliation—a process originated to cut Government spending—for spending increases. We saw that last year. We have heard rumors and intentions of it being done again this year. Unfortunately, this will be something we are not sure of until it is too late, and that is when the conference report is before us.

We also see pay-go rules being verbally respected but ultimately dodged through various ploys. The first year test of deficit neutrality was dropped. We have shifted the timeliness of tax payments and spending costs to meet technical definitions that have no basis in reality. We have enacted wildly unrealistic program cuts and sunsets to hide true costs. Pay-go has been promised and praised, but it allowed $143 billion in deficit spending to occur.

I noticed when we started the session this year, Senator GREGG, our ranking top Republican on the Budget Committee, was pointing to his Swiss cheese example of how they have been able to get around the pay-go rules.

I believe Congress, and especially the Budget Committee, should be committed to rigid budget discipline, not politically expedient gamesmanship. I would urge a return to a tighter and more credible budget document. I plan to offer several amendments to shore up the fiscal discipline we are seeing erode in this budget.

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

Ms. STABENOW. Mr. President, rather than do that——

Mr. ALLARD. Mr. President, I withdraw that request.

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

Ms. STABENOW. Mr. President, I know we are waiting for other colleagues to come to the floor, but let me summarize our priorities for a moment in terms of this budget resolution.

There are a number of things we are doing that are very important, such as restoring the cuts the President made overall in health care and the fact he wanted to eliminate the COPS Program that puts thousands of police officers on the streets in our communities. We have restored those and other essential dollars for homeland security, firefighters, and so on.

We have also picked three priorities, as we did last year, to focus on in terms of new investments, given what is happening to middle-class families across the country and given the fact that middle-class families feel squeezed on all sides. Gas prices are up. In fact, I saw today they are inching toward $4 a gallon. According to the Detroit News, a paper in Michigan, the chances that gas prices will hit $4 a gallon in the summer are growing with every uptick in the price of oil. We are hearing all about what is happening to families in terms of the price of gas, the price of health care, the price of college and on and on and on. People are being squeezed on all sides.

We also know the best economic stimulus is a good-paying American job. So to address that, we have focused on three priorities in this budget. It is very simple: jobs, jobs, jobs. What do I mean by that? We are focusing on three areas, one that also addresses our dependence on foreign oil. It addresses the critical issue of global warming and where we need to go as we look to the future for our families. But it also creates jobs. There is a green-collar jobs initiative to invest in those new technologies, the new energy efficiency jobs, weatherization jobs, innovation for the future, green-collar jobs. We know we can create thousands and thousands of jobs by focusing in this area, and we do that.

The second area is jobs for rebuilding America. We know for every $1 billion we put into rebuilding our roads and bridges and schools and water and sewer, we create 47,500 new good-paying American jobs. You can't outsource those jobs. Those are jobs here in America, and that is what we need to do.

Then, finally, there is a focus on education and job training. We know that for the future, for ourselves, and for our children and grandchildren, it is opportunity, it is education, it is fully funding the law that was passed called Leave No Child Behind and creating job-training opportunities. People in my State have lost their jobs because of trade, so we have something called trade adjustment assistance that has been consistently underfunded. Yet we have individuals, through no fault of their own, who have seen their jobs go overseas. They are middle-class families trying to care for their families, trying to pay that mortgage we are all talking about right now with the housing crisis and trying to have the American dream for their families. Yet TAA, which was set up to help them go back to school, get training, help cover their health care costs for 2 years while they are doing the training, has been consistently underfunded. We have legislation to fully fund and expand the support for families under TAA.

So we wish to make sure job training and education are also a part of this. This is jobs, jobs, jobs.

I wish to focus for a moment on one of those areas because it directly relates to what I said a moment ago as it relates to gas prices inching up toward $4 a gallon. We have to change this scenario. I know our Presiding Officer understands this and has spoken about this. We have to get off foreign oil, invest in the new alternative energies that create jobs, that create alternatives in terms of being independent of foreign oil, and address gas prices directly, which are hitting people right between the eyes right now in terms of what is happening.

Our green-collar jobs initiative focuses on energy efficiency and conservation, investment in battery technologies, retooling older plants so we are keeping our jobs here in America, and biofuels production and access. We have to have the pump available. You can grow the fuel, you can make the vehicle, but the pumps, if they are not available, we are not going to achieve the goal.

Finally, there is a green-collar job initiative. These are five areas we have focused on in terms of investing in the future of our country. That is what we are all about. For us, this is all about focusing on America, about focusing on folks who every day get up, play by the rules, work hard every day, and want to know America is going to work for

them and that they are going to be able to keep their home and be able to send their kids to college and have the health care they need and have that job which is going to allow them to be able to keep their standard of living and, in fact, live the American dream. That is what our budget resolution is all about: jobs, jobs, jobs. I am very pleased we have, in fact, put together something that makes sense for American families.

I see my colleague from Maryland is here and who is a distinguished member of the Budget Committee. He was a distinguished leader in the House of Representatives before coming to us. So I yield now to the Senator from Maryland for whatever time he wishes to consume.

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

Mr. CARDIN. Mr. President, I thank my friend from Michigan for her friendship, but more importantly I thank her for her work on this budget resolution we have before us. She has been a very articulate and effective leader on the Budget Committee to make sure our budget resolution focuses on job growth in America and that invests in the people of this country so we can compete internationally and keep jobs here in America. I thank her very much for her leadership on the committee and for what she has done to help the people of our country.

This budget resolution, as the Senator from Michigan pointed out, is our blueprint. It is what we believe are the priorities of America in terms of what we need to do to move this Nation forward. I think we can perhaps judge how important this budget resolution is, based on what happened last year. I heard a lot of my friends comment about last year's budget resolution, whether it would make a difference in the lives of people in our country. When we look at the budget resolution we enacted last year, based upon the President's submission, I think we have a right to be proud of how important this debate is for the American people. Let me point out that if we didn't pass that budget resolution last year—my colleagues know about the higher education bill that passed and was signed into law and supported by almost all my colleagues; that is going to make a major difference in the ability of families to afford higher education, the largest single increase in financial aid since the GI bill after World War II. Well, that bill couldn't have happened but for the ability of the budget resolution to allow it to be considered. So I think we should be very proud we were able to accomplish that. My colleagues seemed to support that, although some seem to have questions about this budget resolution. The President's budget would not allow us to have had that.

I have heard most of my colleagues talk in glowing terms about what we did last year to help our veterans through veterans health care. Let me remind my colleagues it was our budget resolution, not the President's, that made that a reality. It is important what we include in a budget resolution. It speaks to the priorities of our country.

We had significant bipartisan support—two-thirds of our Members—who supported the Children's Health Insurance Program. We made room for that in the budget. I regret that the President vetoed it. The President was wrong. We are going to come back to that. But we, as Members of the Senate, spoke to the priorities to take care of our children's health care needs. That was in last year's budget. What we did last year is create a glidepath that is going to bring us to a balanced budget faster than the President. So not only are we investing in America's future, we are doing it in a more fiscally responsible way.

I also appreciate—and I might speak parochially for one second for the people of Maryland—the cuts to the Chesapeake Bay program would have been very severe if the President's budget was passed. Fortunately, we had our budget resolution that allowed our committees to come in with resources so the Federal Government could continue to be a partner in the Chesapeake Bay.

So I think this debate is very important. I think the budget resolution that is before us, as my friend from Michigan pointed out, speaks to investing in the people of this country and speaks to job growth in America. Now, how is that done? Well, this budget resolution, compared to the President's, allows us to invest in education. Last year, we did it in higher education. This year, we can invest in teacher quality and in schools in our communities so every child can get a quality education. That should be our goal. Our budget moves us toward a Federal partnership to achieve those goals; whereas the President's budget would not let us move forward.

We all talk about how we are going to become energy independent and how we are going to become friendlier toward the environment. Our budget resolution allows us to move in that direction; once again, compared to the President's budget, it wouldn't happen.

In health care, our budget provides for the expansion of the Children's Health Insurance Program. I know we have a difference with the President on this. We are going to win this battle. If it is not in 2008, we will win it in 2009. Over 100,000 children in my State have no health insurance. The Children's Health Insurance Program needs to be expanded. We need to make sure every child in America—quite frankly, I think every family in America—should have access to affordable, quality health care.

For infrastructure needs, meaning investing so we can create jobs, is very important. I came from a meeting with biotech leaders in my State where we talked about what we need to do as a Federal partner to help in the biotech industry and to help with new, creative innovations in America. We talked about the NIH budget and how the Bush administration's budget would level fund—which is a reduction—the number of projects NIH could participate in. The budget resolution we have before us today would allow us to invest in research in America to help keep jobs here in America, to develop the type of technology that we know Americans are capable of doing.

But the Federal Government should be a partner, and NIH always has enjoyed bipartisan support. Our budget allows NIH to expand to cover more of the very worthy requests that they receive every year.

The budget provides for dealing with the housing crisis. We have a continuing housing crisis in all parts of our Nation. In my State of Maryland, we have record numbers of foreclosures—people who cannot afford their mortgages because of the adjustable rates coming in that were subprime mortgages. We can do better than that. We have already heard bipartisan support for giving the Government more authority to deal with refinancing loans, giving better counseling to people who are in the market to buy a home and take out a mortgage. I hope to provide additional incentives so people can stay in their homes, and so they can buy homes, and so homeowners can sell their homes. We need to do that for the sake of the individuals involved. We need to do it to preserve communities, property tax revenues for local government, and we need to help spur economic growth.

This budget allows for those types of programs to reach the floor of this body for consideration. The President's budget would not allow us to do that. This budget provides for middle-income tax relief. You have heard the chairman talk about it. The AMT is very important. It is important that we extend that relief; otherwise, literally hundreds of thousands of Marylanders will fall within the AMT, and millions of Americans will fall into a tax we never intended for them to have to pay. Our budget resolution provides for that type of relief.

One more thing about this budget resolution. This budget resolution actually moves us toward a balanced budget faster than the President's budget. I could go back and talk about 7 years ago, and how we had all these surpluses, and how the Bush policies have led to these huge deficits. I can talk with a lot of credibility on it because I didn't support the President's economic plan. I said it was wrong for us to spend the surplus before it was fully there, wrong for us to do this war funding without paying for it, wrong to give out tax cuts to wealthy people when we were in a deficit. I thought we owed it to our children and grandchildren to pay for our bills today. But I was outvoted and we did it. Now we

have the Bush deficits that we have to deal with, and we cannot rewrite history. It is our responsibility to balance the Federal budget.

The budget resolution we have before us, offered by the Budget Committee, puts us on a glidepath to balancing the budget at a faster rate than the President's budget would. So we are acting fiscally responsible and investing in America's future, investing in jobs, and providing the appropriate tax relief for middle-income families.

I thank Chairman CONRAD for his cooperation and leadership and for bringing us all together on the Budget Committee. I particularly thank him for the help on an amendment I was able to get into the budget resolution, which will help in providing dental care particularly to our children.

I mention that whenever I can because a little over a year ago, a 12-year-old boy from Maryland, who lived about 6 miles from here, Deamonte Driver, had a toothache. His mom tried to get him to a dentist. Social workers made numerous phone calls to try to find a dentist to take care of his needs. That was in 2007, in the United States of America, in my own State of Maryland. They could not find a dentist who would take care of him. He only needed an $80 tooth extraction. Instead, he suffered from abscessed teeth and he had to go through two brain surgeries, costing a quarter of a million dollars, and he lost his life because we would not invest in access to affordable dental care for our children.

I thank Chairman CONRAD for allowing an amendment to be added to this budget bill that will allow the Finance Committee to bring a bill to this floor that will make sure we will have no more tragedies like Deamonte Driver's in America, and make sure our children have access to dental care. It is the No. 1 leading disease affecting children. The number of children who have untreated tooth decay is alarming, particularly in minority communities and in rural areas. We can do much better. This budget resolution will allow us to move in that direction.

I thank Chairman CONRAD for allowing us to move forward with NIH research so we can do much better. In the 1990s, we were committed to doubling the amount of money in NIH. It was a great day for this Nation. But the Bush budgets would have us fall back and lose our competitive advantage. The budget before us will allow us to continue to make progress in the Federal Government on NIH research.

On Amtrak funding, I thank the chairman and the committee for allowing us to move forward. Senator LAUTENBERG has been particularly effective in bringing this issue to our attention. We need an efficient rail system in this country.

We have read recently about how we have to monitor our water more effectively. The budget before us gives us a much better chance of achieving those objectives than the President's budget. This budget is a good investment for America's future—that is what it is—so we can become more competitive and pay down our debt, so we can provide the appropriate relief to middle-income families. It is about choices, and we made tougher choices. We could not do everything we wanted to do.

I want to make this point: Considering the legacy of the Bush deficits we have to deal with, considering the economic problems this Nation is confronting, considering the political realities we have to work with, where there are serious differences between the majority in Congress and President Bush, considering all those issues, considering the Bush budget and how that would lead us into red ink by providing tax relief to individuals who I don't believe need it—particularly when we are asking our children and grandchildren to pick up those costs—considering all that, and considering that this budget puts a priority on job growth and the competitiveness of our Nation, I urge my colleagues to support this resolution. I think it is worthy of strong support in this body. I am certain when we pass this resolution and reconcile it with the House, many of the implementing bills are going to enjoy large bipartisan support.

This budget resolution deserves that support. I am proud to endorse it, and I urge my colleagues to support it.

Mr. CARDIN. Mr. President, I suggest 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. CARDIN. 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.

RECESS

Mr. CARDIN. Mr. President, I ask unanimous consent that the Senate stand in recess under the previous order.

Thereupon, the Senate, at 12:25 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

AUTHORIZING USE OF THE ROTUNDA

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 313, received from the House and at the desk.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 313) authorizing the use of the rotunda of the Capitol for a ceremony to honor the 5 years of service and sacrifice of our troops and their families in the war in Iraq and to remember those who are serving our Nation in Afghanistan and throughout the world.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to and the motion to reconsider be laid upon the table.

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

The concurrent resolution (H. Con. Res. 313) was agreed to.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2009—Continued

The PRESIDING OFFICER. Who seeks recognition?

AMENDMENT NO. 4160

Mr. BAUCUS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself, Mr. BAYH, Mr. PRYOR, Mr. NELSON of Florida, Mr. SALAZAR, Mr. ROCKEFELLER, Mr. TESTER, Mr. BROWN, Mr. MENENDEZ, Mr. BINGAMAN, and Mr. CONRAD, proposes an amendment numbered 4160.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide tax relief to middle-class families and small businesses, property tax relief to homeowners, relief to those whose homes were damaged or destroyed by Hurricanes Katrina and Rita, and tax relief to America's troops and veterans)

On page 3, line 11, decrease the amount by $1,755,000,000.

On page 3, line 12, decrease the amount by $1,730,000,000.

On page 3, line 13, decrease the amount by $28,324,000,000.

On page 3, line 14, decrease the amount by $167,072,000,000.

On page 3, line 15, decrease the amount by $141,689,000,000.

On page 3, line 20, decrease the amount by $1,755,000,000.

On page 3, line 21, decrease the amount by $1,730,000,000.

On page 3, line 22, decrease the amount by $28,324,000,000.

On page 3, line 23, decrease the amount by $167,072,000,000.

On page 3, line 24, decrease the amount by $141,689,000,000.

On page 4, line 5, increase the amount by $22,000,000.

On page 4, line 6, increase the amount by $97,000,000.

On page 4, line 7, increase the amount by $846,000,000.

On page 4, line 8, increase the amount by $5,664,000,000.

On page 4, line 9, increase the amount by $13,496,000,000.

On page 4, line 14, increase the amount by $22,000,000.

On page 4, line 15, increase the amount by $97,000,000.