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Senate

The Senate met at 10 a.m. and was called to order by the honorable JON TESTER, a Senator from the State of Montana.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal God, source of light and consolation, we need You every hour. Our strength is inadequate to meet the challenges of our time, so we place our hope in You.

Strengthen our Senators. Give them knowledge and wisdom to solve the riddles that beset us. Open their minds to think Your thoughts. Make them quick to listen, slow to speak, and slow to anger. May they place themselves under Your control so that You can use them for Your glory. Lead them through life's storms with hope in their hearts. Help them to commit to You everything they think, say, and do today.

We pray in Your transforming Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JON TESTER led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 11, 2008.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable JON TESTER, a Senator from the State of Montana, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. TESTER thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following my remarks and those of the Republican leader, there will be a period of morning business for an hour. Senators will be allowed to speak for 10 minutes each, with the time equally divided and controlled between the two leaders or their designees. The Republicans will control the first half, the majority controls the final half. Following morning business, the Senate will resume consideration of S. Con. Res. 70, the concurrent resolution on the budget, for debate only until the 12:30 recess for the caucus luncheons.

MEASURES PLACED ON THE CALENDAR—S. 2738 AND S. 2739

Mr. REID. I understand there are two bills at the desk due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will report the bills by title.

The assistant legislative clerk read as follows:

A bill (S. 2738) to identify and remove criminal aliens incarcerated in correctional facilities in the United States and for other purposes.

A bill (S. 2739) to authorize certain programs and activities in the Department of the Interior, the Forest Service, and the Department of Energy, to implement further the Act approving the Covenant to Establish

a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, to amend the Compact of Free Association Amendments Act of 2003, and for other purposes.

Mr. REID. I object to any further proceedings with respect to these bills en bloc.

The ACTING PRESIDENT pro tempore. Objection is heard.

The bills will be placed on the calendar.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

THE TAX GAP

Mr. MCCONNELL. Mr. President, after reviewing the budget proposed by the other side of the aisle, one thing is clear: the people who wrote it were more interested in growing the size and scope of Washington spending than in growing the American family's budget. But Americans expect more from government than a \$1.2 trillion tax hike and billions of dollars in new spending, especially in these difficult economic times.

But even with a giant tax hike, the new spending in this budget isn't really accounted for. Democrats say they want to "pay for" massive spending by—among other gimmicks—closing what they like to refer to as the "tax gap." This is the gap that exists between what people actually owe in taxes and what they pay.

Well, we need only look back at last year to see that Congress hasn't been very successful in attempting to close the "tax gap". In 2007, Congress passed the Democrat budget resolution which promised to reduce the tax gap by \$300 billion over 5 years. Unfortunately, this promise was never followed up on with actual legislation to make it law and no progress was made.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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In other words, Democrats are counting on a direct deposit from a job they never completed. That doesn't work in the family budget, and it shouldn't work in the Federal budget.

While Congress did enact a few—a few—of the tax gap proposals included in the President's 2008 budget, those amounted to only a tiny fraction of the tax gap, hardly enough to rely upon for offsetting the billions of dollars in the new spending Democrats are proposing. As the ranking member of the Finance Committee reminded the Senate yesterday, the promises didn't come close to matching reality. During the first year of this Democrat majority the enacted tax-gap provisions amounted to two-tenths of 1 percent of the tax gap.

Two-tenths of 1 percent; that is 99.8 percent short of the promised revenue. That is hundreds of billions of dollars short of the revenue they projected to pay for their new Washington spending.

That is not even close, not even in the same ballpark.

There are serious disagreements between the parties on taxes. The other side supports higher rates. We want to keep tax rates low. But we should all agree that people have a responsibility to pay what they lawfully owe.

Over and over again the Democrat majority has failed to enact any sort of serious and substantial strategy for closing the tax gap. And as a result, their numbers simply don't add up. Faulty numbers don't pay the bills, and funds that aren't collected won't shrink the deficit.

So if the budget written by our friends across the aisle is going to rely on these funds to balance the budget, we need to think again, or the family budget is going to shrink to make up for the red ink in Washington's budget.

I yield the floor.

The ACTING PRESIDENT pro tempore. The majority leader.

THE BUDGET

Mr. REID. Mr. President, the Democratic budget is about three things: jobs, jobs, jobs. It is about green-collar jobs, jobs rebuilding America, jobs relating to education and job training.

The one thing my friends on the other side of the aisle never talk about is where we are now. They want more of the same. We don't want more of the same. We have had enough. The American people have had enough. The economy is in a downturn, spiraling down. The housing market is in a state of tremendous distress. The stock market is dropping as we speak. Oil is now at \$109 a barrel.

Everything you hear from the Republicans is a buzzword for status quo—keep things the way they are; the way things are is just fine; let's just let things work out.

We don't believe in that. We have a recipe for change. Is it something that has never been done before? No. Look at the Clinton years, where we were taking in X number of dollars. If we

brought in \$10, we only spent 8 of those dollars. That is the way it was during the Clinton years. We paid down the national debt.

The budget we have, led by Senator CONRAD, who has been chairman of the Budget Committee for many years, is a program that creates jobs, jobs, and jobs. That is what is important to the American people.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to a period of morning business for up to 1 hour, with Senators permitted to speak for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half.

The Senator from New Hampshire.

BUDGET ISSUES

Mr. GREGG. Mr. President, I rise to speak about the budget.

First, I express my respect for the people who have worked on this budget, my staff especially but also the Democratic staff, and the chairman of the Budget Committee, Senator CONRAD.

We are, however, in an extraordinarily difficult time as a nation. We confront major issues. We confront international issues involving the threat of Islamic terrorism. We confront domestic issues of even more or equal significance—not equal significance; nothing is more significant than the threat of a terrorist attack with some sort of weapons of mass destruction, but we confront huge domestic issues such as the projected bankruptcy of the Nation. That is a pretty big issue, that is an undeniable fact that is going to occur unless we take some action because of the fact that the baby boom generation is beginning to retire, and the cost they will put on the Federal Government and, therefore, on our children who support them through taxes is going to be extraordinary. We also confront the extremely difficult issue of energy policy and the cost of gasoline. A barrel of gasoline went over \$107. It is not projected to come down. The effect on the economy is devastating. We confront the fact that we have a Federal Government which is spending and continues to spend significantly more than it is taking in and, as a result, is spending the Social Security surplus and is significantly adding to the debt of the Nation.

One would hope that in light of these very large issues—the threat of ter-

rorism, the issue of the retirement of the baby boom generation and the fiscal devastation that is going to bring to our children's ability to have an affordable lifestyle, the issue of the cost of energy, the issue of the size of the Federal Government and its growth at a pace which it cannot sustain, the tax on the American people, which gasoline now represents, which is undermining the economy, and the general tax policy of the proposed budget which will undermine it even further—that the Democratic leadership of Congress would have come forward with a budget that showed some imagination, some creativity, some initiative in the area of addressing some of these crucial problems.

Regrettably, what we got was the same old-same old—a budget filled with taxes; a budget filled with spending on this special interest program and that special interest program, a budget which underfunds the national defense, a budget which dramatically increases taxes on working Americans, a budget which dramatically increases the debt of the Federal Government and therefore the debt passed on to our children, a budget which raids the Social Security trust fund, a budget which has no creativity in the area of trying to address entitlement reform, a budget which uses gimmick after gimmick after gimmick and even gimmicks its own gimmicks in the area of pay-go, in the area of discipline, in the area of revenues. To say the least, it should be an embarrassment because it is such a mediocre presentation. It passes the problems on to the next generation. It doesn't even try to confront them and simply aggravates those problems for the next generation.

That is unfortunate because we are running out of time here. We are the generation of leadership, the baby boom generation. We have some obligation to fix the problems we are going to pass on to our children. I believe we have a significant obligation to do that. But this budget doesn't accomplish anything in that area. This budget has one thought in mind. It is not jobs, jobs, jobs, as the majority leader said; it is reelect, reelect, reelect—win the next election rather than trying to solve the problems which we are passing on to the next generation.

The horizon of this budget is somewhere this July, this August, as we move into the full-scale election cycle, when they can go to this interest group and say, we have given you this money, and this interest group and say, we have given you this money, and then deny that they are taxing people because the taxes for those costs won't hit people until after the election and deny that they are fudging the numbers through using gimmicks because those events won't occur until after the election.

It is truly a budget that fails on all counts to take on what is the real issues facing our Nation—how we fight