that amount in this budget—$2.9 trillion.

The budget also provides $2.3 billion more than the President's budget for law enforcement and first responders. This is an area which I find utterly inexplicable in the President's budget. President Bush sent this Congress a budget that eliminates the COPS Program—eliminated it. He did not just cut it, he eliminated it. The COPS Program has put 100,000 police officers on the streets in this country, put over 250 police officers on the street in my State of North Dakota. Why the President would eliminate the COPS Program eludes me.

He has also proposed cutting the first responder grants; that is for emergency medical personnel, that is for our firefighters and our other first responders. He has proposed cutting these grants 78 percent. We have rejected those cuts in this budget at a cost of $2.3 billion.

While we have restored funding in certain key priority areas and made targeted investments in reducing our energy dependence and promoting education and in building our infrastructure, we have also sought to be fiscally responsible by balancing the budget by the fourth year and maintaining balance in the fifth.

Those are the numbers that are in the budget resolution, but this is before we extend the middle-class tax cuts. When we extend the middle-class tax cuts, these numbers will drop dramatically, but we will still be in surplus, we will still be balancing by 2012, by the fourth year, and be maintaining balance in the fifth. But we do think it is critically important to extend the middle-class tax cuts and to reform the estate tax, which previous legislation has left in a chaotic state, I think would be a fair way to say it.

We also, under this budget resolution, bring down the debt as a share of gross domestic product each and every year. Again, this is before the amendment to extend the middle-class tax cuts, but you will see the same pattern after we extend the middle-class tax cuts—the debt as a share of GDP going down each and every year of the 5 years—because we think that is critically important for the long-term economic health of the country.

This is a comparison of spending under the resolution and the President's budget. The red line is the President's spending line, the green line is ours. You can see there is very little difference. That is a difference of 2.1 percent in overall spending over the 5 years. So we do have some additional spending to meet these priorities in education and energy and infrastructure and reducing the cuts the President proposed for law enforcement, weatherization, and other priorities.

Spending as a share of GDP under the resolution goes down each and every year, from 20.8 percent of GDP in 2009 to 19 percent of GDP in 2013, applying the spending discipline that I think is necessary, that I think most of us would say is necessary if we are going to address these problems of deficit and debt. The first thing we have to do is bring down the deficit, and this budget seeks to do that.

We also, for this year, for 2009—this shows the overall spending difference for this year. I have showed the spending comparison for 5 years showing that we are spending 2.2 percent more, but I think it is also important to look at 2009, the first year of this 5-year budget, on overall spending. We are spending 1 percent more than the President—1 percent more.

Some say: Well, you should not spend more than the President did. But the problem is, he had cuts that I do not think are broadly embraced by the American people. I do not think they think we should eliminate the COPS Program. I do not think they think we should eliminate weatherization. I do not think they believe we should cut the grants to first responders, our emergency personnel, by 78 percent. I do not think the American people think we should fail to invest in reducing our dependence on foreign energy. I do not think that is what the American people want. I do not think they believe we should continue to dramatically underfund infrastructure, which leads to bridges collapsing in our country. So we have spent more than the President—in total for 2009, 1 percent more. That 1 percent will go to those high-priority areas of energy, education, and infrastructure.

On the revenue side, this is the comparison when the middle-class tax cuts are extended. We will have 2.6 percent more revenue than in the President's budget—2.6 percent more revenue than in the President's budget.

Now, this shows that difference in revenue. The President's budget has $15.2 trillion over the 5 years, and our budget is $15.6 trillion—a 2.6-percent difference. Because we have more revenue, of course, we have the ability to fund in those high-priority areas but still balance the budget in the fourth year and maintain balance in the fifth. According to the Congressional Budget Office, the President's budget does balance in the fourth year but then promptly falls back out of balance in the fifth year. Our budget not only balances by the fourth year but stays in balance in the fifth.

Now, this is where we get into the question of, Well, how do you come up with 2.6 percent more revenue than the President has? I believe you can come up with the 2.6-percent more revenue than the President has by looking at three areas: the tax gap—that is the difference between what is owed and what is paid. The Internal Revenue Service tells us that for 2001 the tax gap was over $300 billion; that is, the vast majority of us pay what we owe, but some do not. Before we ask for a tax increase from anyone, I think we ought to go to those who are not paying what they owe. Now, I think that is the first thing we ought to do before we ask for a tax increase from anyone.

But it is not just the tax gap, it is also those offshore tax havens that are proliferating and costing us a lot of money. There is a report from the Permanent Subcommittee on Investigations from February of last year. This is what they said:

> Experts have estimated that the total loss to the Treasury from offshore tax evasion alone approaches $100 billion per year, including $40 to $70 billion from individuals and another $30 billion from corporations engaging in offshore tax evasion. Abusive tax shelters add tens of billions of dollars more.

Shame on us for allowing this kind of abuse to occur. Let me say, there have been some in this Chamber who have made a serious effort to close this kind of scam down, and I would be the first to recognize the ranking member of the Finance Committee, Senator GRASSLEY of Iowa, who has been very serious about going after not only abusive tax shelters but offshore tax havens.

Here is an example of what is going on. There is a little five-story building in the Cayman Islands called Ugland House, a nice little building; 12,748 companies call it home. Mr. President, 12,748 companies say they are doing business out of this little five-story building. Can you imagine having 12,000 companies conducting business out of that little building? Of course they are not conducting business; the only business they are conducting is monkey business because what they are doing is cheating all of the rest of us who pay our taxes. They are engaged in very ambitious tax scams and tax schemes to avoid paying what they owe in this country.

Here is a picture of a building that was in the Boston Globe. Let's put up the Boston Globe story. This was a building that is also in the Cayman Islands where shell companies allowed KBR to avoid Medicare and Social Security deductions.

This story says:

> Kellogg, Brown and Root, the nation's top Iraq war contractor, and until last year a subsidiary of Halliburton, has avoided paying hundreds of millions of dollars in Medicare and Social Security taxes by hiring workers through shell companies based in this tropical tax haven.

So what they were doing is hiring people paid for by American taxpayers, hiring them for contracts, and they were running them through these shell operations down in the Cayman Islands, and by doing that they were avoiding paying their Medicare and Social Security taxes to this country and saved hundreds of millions of dollars, according to this story in the Boston Globe from March 6 of this year. This is just days ago that this story appeared.

They point out:

> More than 21,000 people working for KBR in Iraq, including 10,000 Americans, are listed as employees of two companies that exist in a computer file on the fourth floor of a building on a palm-studded boulevard here in the Caribbean. Neither company has an office or phone number in the Cayman Islands.