Mr. President, I want to discuss an issue concerning U.S.

efforts to rebuild Iraq. Before I begin, however, I want to again

recognize the bravery and sacrifices that are being made every day by

Americans and Iraqis, and especially those who have been killed or

wounded. There have been, almost daily, horrific, cowardly acts of

terrorism, increasingly aimed at citizens. The appalling attacks this

week, where the bodies of Americans were dragged through the streets,

disgust and deeply sadden us all. My deepest condolences go out to the

families and friends of those who have died.

Yesterday, the Inspector General of the Coalition Provisional

Authority, CPA-IG, issued his first report on the reconstruction

efforts in Iraq. I want to remind people that it was Senator Feingold,

and later in the process, Senator Stevens, not the Bush administration,

who worked hard to establish the CPA-IG office during the debate on the

Iraq supplemental. I had the privilege of working with Senator Feingold

to help draft some of the provisions of his amendment, and he, along

with Senators Stevens, are to be commended for their leadership on this

issue.

Page 33 of the CPA-IG's report contains a table, and I ask unanimous

consent that it be printed in the Record following my remarks.

The information it contains concerns me, as it should

every Senator. It shows that, as of February 29, 2004, nearly 4 months

after President Bush signed the Iraq supplemental into law, only $900

million of the $18.4 billion appropriated for reconstruction programs

has been obligated, less than 5 percent.

At a time when security is the most critical issue in Iraq, sadly

demonstrated by this week's tragic attacks in which nine Americans were

killed, the administration has obligated only $292 million of the $3.24

billion for ``security and law enforcement,'' less than 10 percent of

the total appropriated. This is money that is supposed to go for

training a new Iraqi army and police force to reduce the risks to

American soldiers and civilians working in

Iraq. On top of this, only $25 million for ``justice, public safety,

and civil society'' has been obligated. This is less than 3 percent of

the $1 billion appropriated.

Not one dime of the $1.85 billion appropriated in the supplemental

has been obligated for ``health care,'' ``private sector development,''

``roads, bridges and construction,'' and ``transportation and

telecommunications.''

It would be one thing if the administration had warned us they were

going to have trouble spending the $18 billion, but they said the

opposite. They told us these funds were urgent. It was ``an

emergency.'' The money had to be appropriated immediately, and not one

dime less than the amount requested. There was no time for Congress to

carefully consider this legislation. It had to be rammed through as

fast as possible.

The administration resisted accountability for how it would spend

these billions and billions of dollars, and that fact was, and is, a

major concern that many in the Senate have had about that supplemental

appropriations bill.

In a letter to Congress on September 17, 2003, the President stated:

``This request reflects urgent and essential requirements. I ask the

Congress to appropriate the funds as requested, and promptly return the

bill to me for signature.''

Ambassador Bremer testified before the Senate Foreign Relations

Committee on September 24, 2003: ``No one part of this $87 billion

supplemental is dispensable, and no part is more important than the

others . . . This is a carefully considered, integrated request. This

request is urgent. The urgency of military operations is self-evident.

The funds for nonmilitary action in Iraq are equally urgent. Unless

this supplemental passes quickly, Iraqis face an indefinite period with

blackouts eight hours a day. The link to the safety of our troops is

indirect but no less real.''

I would point out to Ambassador Bremer, who I respect a great deal,

that less than 8 percent of the funds for ``electricity'' have been

obligated. That is $428 million out of $5.6 billion.

I could go on, but by now the point is clear: If every dime of the

$18 billion was so necessary, as a lump sum, to pay for the

reconstruction of Iraq this year, why then has so little been obligated

nearly 4 months after the President signed the bill?

I did not vote for the $18 billion and at the time I discussed my

reasons in detail. But one of the reasons was that it was obvious that

the White House was asking for far more than they could effectively use

this year because they did not want to revisit this issue in an

election year. They did not want to have to defend this controversial

program again in the court of public opinion. They did not want the

accountability that should accompany the spending of such large sums.

This is one Senator who does not believe we should spend billions of

dollars of the taxpayers' money without proper accountability. We all

knew we would have to spend billions to help rebuild Iraq. But the

issue was how many billions, over what period of time, and how to pay

for it in a time of rising deficits. Back when we were asked to vote on

the supplemental, I urged, as did others, that because the situation in

Iraq was, and is, so unpredictable, that we appropriate only as much as

could be effectively used. I said that we should then revisit the issue

this year, see how the funds were being used, make any necessary

adjustments to the reconstruction program, count what other nations

were contributing, and then decide how much additional U.S. funding

this year would be needed to fill gaps in resources.

But the White House would have none of that. The President insisted

on getting every dime up front, paid for by increasing the deficit

rather than reducing the President's tax cut for the wealthiest

Americans, even though, as the CPA-IG and OMB reports clearly show,

they cannot possibly spend it all this year. They probably will not be

able to spend half of it. All that talk about how this had to be done

in the blink of an eye and without adequate checks and balances was

baloney.

Congress received some of the first indications that the

administration was going to have trouble handling all of this money

when the Office of Management and Budget published a plan, on January

5, 2004, that projected CPA spending at a modest $1.4 billion by the

end of the first quarter. The CPA-IG report confirms that the

administration is having difficulty handling all of this money, as many

of us predicted.

We all want this money spent wisely, and no one wants any

administration to spend money for the sake of spending money. Also,

this is not to take anything away from the brave men and women who are

working so hard, under extremely difficult conditions, to rebuild Iraq.

But the issue exposed by this report is not the administration's

spending rate in Iraq. The issue it exposes is the administration's

credibility. It seems self-evident that a large portion of the money

was not as urgently needed as administration officials insisted at the

time, or the CPA, as press reports have suggested, is tied up in

bureaucratic knots and is not able to move fast enough to rebuild Iraq.

I submit that the answer is both of the above, but I will let the

numbers speak for themselves.

Perhaps we will see a large ramping up of spending in the second

quarter, as the administration suggests it will do according to OMB's

spending plan. Perhaps the administration can provide a good

explanation for why these projects have proceeded so slowly. But

regardless, it is clear that Congress could, and I believe should, have

appropriated only a portion of the money last year. There is plenty of

opportunity to act on another supplemental this year, instead of

frittering away the Senate's time on hot-button political issues

designed to score points in an election year.

I believe the Congress can encourage the administration to do better

in Iraq, shaping a more effective strategy in the process. This

Vermonter believes that more debate, more transparency, and even a dose

of frugality, especially when it comes to spending $18 billion of the

taxpayers' money would be a good thing.

I yield the floor.