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## Senate

The Senate met at 1 p.m. and was called to order by the President pro tempore (Mr. STEVENS).

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Rev. Charles V. Antonicelli, St. Joseph's Church on Capitol Hill, Washington, DC.

### PRAYER

The guest Chaplain offered the following prayer:

Let us pray. Almighty God, source of all power and goodness, we give You thanks and praise this day for the many blessings You bestow on our country. Help us to be a beacon of hope and freedom to all nations.

Lord, look kindly on the Members of this august body. Give them wisdom and compassion, patience and endurance, so that they may meet the needs of Your people with justice and truth. Give them a sense of humble reverence for You and a sense of loving service to the people they have been elected to represent. Strengthen them with fortitude to make difficult decisions and courage to carry them through.

Dear God, bless these Senators in their deliberations this day. Keep them always from harm and watch over the people whom they serve. Help them to be a sign of Your care and protection to us always.

We ask this in Your holy name. Amen.

### PLEDGE OF ALLEGIANCE

The Honorable TED STEVENS 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.

### RESERVATION OF LEADER TIME

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

### MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a

period for the transaction of morning business not to extend beyond the hour of 2 p.m., with the time equally divided between the two leaders or their designees.

### RECOGNITION OF THE ACTING MAJORITY LEADER

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

### SCHEDULE

Mr. GRASSLEY. Mr. President, there will be a period for morning business until 2 p.m. At that time, the Senate will begin consideration of S. Con. Res. 23, the budget resolution. By statute, there will be 50 hours of debate. So Senators should expect late nights and numerous votes throughout this week.

As previously announced, there will be no votes today. However, it is the leader's intention to complete action on this matter of the budget this week.

There will be a cloture vote on Mr. Estrada's nomination tomorrow. Senators will be notified as to the precise time of that vote as soon as the majority leader and minority leader have consulted.

The PRESIDING OFFICER (Mr. CORNYN). The Senator from Iowa.

### CELEBRATE AMERICAN AGRICULTURE

Mr. GRASSLEY. Mr. President, we have an opportunity this week, as we do every year, to celebrate American agriculture. This is the week we traditionally recognize. It is called National Agriculture Week.

Ask any friend or neighbor what is eating them and you are likely to get an earful about rising gas prices, military action in Iraq, the high cost of health care, prescription drugs, or the downturn in the U.S. economy.

In my most recent town meetings, I listened to Iowans express anxiety about job security, retirement security, health care security, energy secu-

rity, national security, and homeland security. But never once did I have a single person in my State list as one of their concerns the concern of food security. That is because we in the United States are blessed with a rich agricultural bounty to provide more than enough food to feed U.S. consumers and a growing world population. American farmers are the most productive food producers in the world and, as a result, each American farmer can feed more than 120 people at home and abroad.

That is reason enough to give Americans an extra peace of mind. Yet I guess a majority of Americans take their food and how it got to their fork somewhat for granted. That is, in fact, a shame.

American agriculture serves an instrumental role in the life of every American. As George W. Bush has noted:

A nation that can feed its people is a nation more secure.

Beyond the benefits to national security, American agriculture also anchors the economy because the production of food and fiber from the farm to the consumer represents one-fifth of the U.S. economic pie. It props up our balance of trade. Agricultural exports exceed \$1 billion per week. It creates jobs. Twenty percent of America's workforce is employed in the food chain from production to processing, marketing, and retailing. It saves the American consumer money because each American consumer spends only 9 percent of their income on food, the lowest percentage in the world.

Every year in March those of us with interests in agriculture join forces to celebrate National Agriculture Week and spread the word about agriculture's affordable, high-quality abundance and its social, economic, and environmental influences on America.

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



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Located in the heart of America's breadbasket, Iowa's agricultural heritage goes back many generations. Iowans appreciate how significant our food system is, not only to basic human existence, but to the State's economy and also to our way of life.

As the leading producer of corn, soybeans, hogs, and eggs in America, Iowa's high-quality agricultural bounty would make George Washington proud. The farmer and our first President, George Washington, once said:

Agriculture is the most healthful, most useful, and most noble employment to man.

At the turn of the 21st century, Iowa is working to stay on the leading edge of the research and use its bounty to benefit biotechnology and advances in life science. Whether growing crops for pharmaceutical use or raising cattle capable of producing proteins that can be used for human drug therapies, Iowa has significant potential to create good, high-paying jobs and reap economic benefits in ways unimaginable at the turn of the last century when the production of food was all that was on farmers' minds.

With several farmer-owned ethanol plants up and running, Iowa also is fueling local economic activity and helping to increase our energy independence by turning home-grown corn into ethanol, lessening our dependence upon a foreign source such as Iraq, for instance.

As a life-long family farmer, I take advantage of every opportunity in Washington, DC, in Congress, like now in this Senate Chamber, to serve as a farmer's advocate because I want to make sure that family farmers' voices are heard at the policy tables in Washington. Notwithstanding the need to keep our food production and supply system safe from sabotage, Americans are blessed to live in a Nation where food security does not mean wondering if there is enough food available to feed one's family every day.

National Agriculture Week, March 16 to 22, is a good opportunity to showcase American agriculture and to give thanks to those who work hard to get high quality, affordable food from the farm to our table. I hope every one of those people living in urban America who might think that food grows in super markets rather than on farms would give a thought to the usefulness of the family farm and what it contributes to the quality of life of Americans.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I first want to commend the Senator for his eloquent statement. I think it is always important to remind Americans, no matter where they live, of the productivity of American agriculture and the importance, particularly, of our family farmers. There is no one who is a greater advocate for America's farmers than the Senator from Iowa. So I am very pleased to have had the privilege of hearing his comments today.

(The remarks of Ms. COLLINS pertaining to the introduction of the legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### POST-BALANCED BUDGET ACT

Ms. COLLINS. Mr. President, I want to discuss the upcoming budget resolution and its impact on home health agencies. According to the Congressional Budget Office, the Post-Balanced Budget Act reductions in home health care have totaled more than \$72 billion between fiscal years 1998 and 2002. This is more than four times the \$16 billion that CBO originally estimated for that time period and it is a clear indication that the Medicare home health cutbacks have been far deeper than Congress ever intended.

As a consequence of these reductions, cost-efficient home health agencies across the country have experienced acute financial difficulties and cashflow problems which have inhibited their ability to deliver vital care. Home health spending has been cut in half since 1997. More than 3,400 home health care agencies have either closed their doors or stopped serving Medicare patients. Moreover, the number of Medicare patients receiving home health care nationwide has dropped by 1.3 million, more than a third. This points out the most central and critical issue: Cuts of this magnitude simply cannot be sustained without ultimately affecting patient care, without ultimately diminishing the provision of care to some of the most vulnerable citizens in our Nation.

It, therefore, is my intent to offer an amendment to the budget resolution this week calling on the Senate to stabilize and promote fairness in Medicare home health reimbursements by avoiding further cuts in home health spending, preserving the full market basket update, and restoring funding for this important benefit, including the extension of the 10 percent rural add-on reimbursement I have discussed today. I hope all of my colleagues will join me in supporting this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I will make a few comments in morning business. I agree with the Senator from Maine. As cochairman of the Rural Health Caucus in the Senate, we have been working for a very long time and will continue to work for equity payments between urban and rural areas. In this instance, in-home health care costs are often higher in rural areas.

#### ENDANGERED SPECIES ACT REFORM

Mr. THOMAS. Mr. President, I will talk a moment about an issue that has been important to Wyoming and to the entire country. As in many cases, the things we do here and the national

laws we pass have different effects in different places. Wyoming, being a rather large State, a rural State, is 50 percent owned by the Federal Government. When we talk about endangered species, the program works much differently than it does in Delaware. There needs to be a certain amount of flexibility, as is the case with many things we do.

I am for endangered species acts. It is proper we have programs that protect various endangered species, whether they be plants or animals. That should continue. However, we have been in this program now since about 1970 and there are, from our experience, changes we ought to consider. I am convinced this program needs some kind of change.

Unfortunately, the results we have had are not the kind of results we intended. There has been a large amount of listing of endangered species but very little recovery. Of course, the purpose, the bottom line, is intended to protect special species and to recover them so they are self-supporting. We are hopeful we can strengthen the program to some degree so we can emphasize the recovery rather than simply the listing. The listing has an impact, particularly where there are interspersed private and public lands. What is done in public lands affects those on private lands.

Because of the way lands were developed in the West with the Homestead Act, part of the lands were homesteaded and are now private. Those that were public are used by those folks with leases and they intermingle. It is an overlapping issue.

We have had several experiences in our State and particularly with the States surrounding Yellowstone Park—Idaho, Montana, and Wyoming—particularly with grizzly bears. Everyone recognizes the importance and wants to maintain the grizzly bear. They were developed in the park to refurbish them. We have long since, several years ago, surpassed the numbers in the plan for total recovery numbers, but they are still not de-listed; they are still listed and treated as endangered because we cannot come together on what the range ought to be. We cannot figure it out to get them de-listed.

The same thing is true with wolves. We have wolves that were there years ago and they left. The Park Service re-imported them from Canada and put them in Yellowstone Park. We knew they would not stay in Yellowstone Park and, of course, they did not. We have the same sort of problem with a predatory animal that is now in Wyoming, Montana, and Idaho, and it is managed as an endangered species. For people who have property at risk, sometimes even humans at risk, there is not much that can be done as long as these critters are endangered.

We seek to get a plan so they can be endangered in Yellowstone Park, but the States surrounding can have a plan to manage the animals so there is some

control. We need to shift it. Under the program that very seldom happens.

This program has been around for about 30 years. Most people would be surprised to know there has been over 1,000 animal species and 750 plant species that have been listed under the act. There have been only about 15 animals recovered. The emphasis has been on the listing, and continuing to be listed, rather than to find a way to get them recovered, which is what it is all about.

My bill would continue to have the program and would strengthen the program rather than weaken it. It did two fairly basic things. One, it requires in the listing process there be substantive and substantial scientific information. Animals can currently be listed easily by nomination, sometimes without sufficient documentation of the facts. That is clear with the so-called jumping mouse in eastern Wyoming. After it was listed, no one could find evidence it was actually there. So there really was not any scientific and useful evidence before being listed. That ought to be changed.

In addition, when there is a listing, there has to be a plan for recovery. So the range of the animal or plant is known. We know the numbers, and when appropriate, they will be de-listed.

I introduced a bill now before the Congress. I hope we can take it up in the Committee on Environment and Public Works. Senator CRAIG and Senator HAGEL are currently cosponsors. We are circulating materials and have quite a bit of support. Interestingly enough, the group that was in my office last week that represents shopping centers was very much in favor of this bill. I was pleased but surprised.

This impacts local land owners and public land managers and impacts com-

munities and State governments particularly. We can make the program useful but also workable for the people who live in the area.

We have listed over 1,800 species, including plants and animals, and there have been only 15 recoveries. There is something wrong with that. We need to look at that. Hopefully, we will have a chance to make some changes in the committee and in the Senate.

I ask unanimous consent to have printed in the RECORD some pertinent information.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. FISH & WILDLIFE SERVICE: THREATENED AND ENDANGERED SPECIES SYSTEM (TESS)—LISTINGS BY STATE AND TERRITORY AS OF MARCH 4, 2003

#### WYOMING

##### Notes:

Displays one record per species or population.

Includes experimental populations and similarity of appearance listings.

The range of a listed population does not extend beyond the states in which that population is defined.

Includes non-testing sea turtles and whales in State/Territory coastal waters.

Includes species or populations under the sole jurisdiction of the National Marine Fisheries Service.

##### Animals—14

Bear, grizzly lower 48 States, except where listed as an experimental population (*Ursus arctos horribilis*);

Crane, whooping (except where XN) (*Grus americana*);

Crane, whooping U.S.A. (CO, ID, FL, NM, UT, and the western half of Wyoming) (*Grus americana*);

Dace, Kendall Warm Springs (*Rhinichthys osculus thermalis*);

Eagle, bald (lower 48 States) (*Haliaeetus leucocephalus*);

Ferret, black-footed (except where XN) (*Mustela nigripes*);

Ferret, black-footed U.S.A. (specific portions of AZ, CO, MT, SD, UT, and WY, see 17.84(g)) (*Mustela nigripes*);

Lynx, Canada (lower 48 States DPS) (*Lynx canadensis*);

Mouse, Preble's meadow jumping (*Zapus hudsonius preblei*);

Pikeminnow (=squawfish), Colorado (except Salt and Verde R. drainages, AZ) (*Ptychocheilus lucius*);

Sucker, razorback (*Xyrauchen texanus*);

Toad, Wyoming (*Bufo baxteri* (=hemiophrys));

Wolf, gray (lower 48 States, except MN and where XN; Mexico) (*Canis lupus*); and

Wolf, gray [XN] (*Canis lupus*).

##### Plants—4

Butterfly plant, Colorado (*Guara neomexicana* var. *coloradensis*);

Penstemon, blowout (*Penstemon haydenii*);

Ladies'-tresses, Ute (*Spiranthes diluvialis*); and

Yellowhead, desert (*Yermo xanthocephalus*).

##### GENERAL STATISTICS FOR ENDANGERED SPECIES: DATA CURRENT AS OF MARCH 15, 2003

How many species in the United States are listed as threatened and endangered or proposed for listing as threatened or endangered?

517 U.S. species of animals are listed.

745 U.S. species of plants are listed.

29 U.S. species of animals are currently proposed for listing.

4 U.S. species of plants are currently proposed for listing.

How many listed species have designated critical habitat?

410 U.S. species have designated critical habitat.

How many candidate species are there?

117 species of animals are candidate species.

140 species of plants are candidate species.

How many habitat conservation plans (HCPs) have been approved?

415 habitat conservation plans have been approved.

How many listed species have approved recovery plans?

1,000 species have approved recovery plans.

##### THREATENED AND ENDANGERED SPECIES SYSTEM (TESS)

##### SUMMARY OF LISTED SPECIES—SPECIES AND RECOVERY PLANS AS OF MARCH 3, 2003

| Group                     | Endangered |         | Threatened |         | Total species | U.S. species with recovery plans** |
|---------------------------|------------|---------|------------|---------|---------------|------------------------------------|
|                           | U.S.       | Foreign | U.S.       | Foreign |               |                                    |
| Mammals .....             | 65         | 251     | 9          | 17      | 342           | 53                                 |
| Birds .....               | 78         | 175     | 14         | 6       | 273           | 77                                 |
| Reptiles .....            | 14         | 64      | 22         | 15      | 115           | 32                                 |
| Amphibians .....          | 12         | 8       | 9          | 1       | 30            | 14                                 |
| Fishes .....              | 71         | 11      | 44         | 0       | 126           | 96                                 |
| Clams .....               | 62         | 2       | 8          | 0       | 72            | 57                                 |
| Snails .....              | 21         | 1       | 11         | 0       | 33            | 22                                 |
| Insects .....             | 35         | 4       | 9          | 0       | 48            | 29                                 |
| Arachnids .....           | 12         | 0       | 0          | 0       | 12            | 5                                  |
| Crustaceans .....         | 18         | 0       | 3          | 0       | 21            | 13                                 |
| Animal Subtotal .....     | 388        | 516     | 129        | 39      | 1072          | 398                                |
| Flowering Plants .....    | 570        | 1       | 144        | 0       | 715           | 572                                |
| Conifers and Cycads ..... | 2          | 0       | 1          | 2       | 5             | 2                                  |
| Ferns and Allies .....    | 24         | 0       | 2          | 0       | 26            | 26                                 |
| Lichens .....             | 2          | 0       | 0          | 0       | 2             | 2                                  |
| Plant Subtotal .....      | 598        | 1       | 147        | 2       | 748           | 602                                |
| Grand Total .....         | 986        | 517     | 276        | 41      | 1820*         | 1000                               |

Total U.S. Endangered—986 (388 animals, 598 plants).

Total U.S. Threatened—276 (129 animals, 147 plants).

Total U.S. Species—1262 (517 animals\*\*\*, 745 plants).

\*There are 1851 total listings (1288 U.S.). A listing is an E or a T in the "status" column of 50 CFR 17.11 or 17.12 (The Lists of Endangered and Threatened Wildlife and Plants). The following types of listings are combined as single counts in the table above: species listed both as threatened and endangered (dual status), and subunits of a single species listed as distinct population segments. Only the endangered population is tallied for dual status populations (except for the following: olive ridley sea turtle; for which only the threatened U.S. population is tallied). The dual status U.S. species that are tallied endangered are: chinook salmon, gray wolf, green sea turtle, piping plover, roseate tern, sockeye salmon, steelhead, Steller sea-lion. The dual status foreign species that are tallied as endangered are: argali, chimpanzee, leopard, saltwater crocodile. Distinct population segments tallied as one include: California tiger salamander, chinook salmon, chum salmon, coho salmon, steelhead. Entries that represent entire genera or families include: African viviparous toads, gibbons, lemurs, musk deer, Oahu tree snails, sifakas, uakari.

\*\*There are 561 distinct approved recovery plans. Some recovery plans cover more than one species, and a few species have separate plans covering different parts of their ranges. Recovery plans are drawn up only for listed species that occur in the United States.

\*\*\*Nine animal species have dual status in the U.S.

THREATENED AND ENDANGERED SPECIES  
SYSTEM (TESS)

DELISTED SPECIES REPORT AS OF MARCH 15, 2003

| Date species first listed | Date delisted | Species name   | Reason delisted             |
|---------------------------|---------------|--|-----------------------------|
| 03/11/1967                | 06/04/1987    | Alligator, American ( <i>Alligator mississippiensis</i> )                                | Recovered.                  |
| 02/17/1984                | 02/06/1996    | Bidens, cuneate ( <i>Bidens cuneata</i> )  | Taxonomic revision.         |
| 04/28/1976                | 08/31/1984    | Butterfly, Bahama swallowtail ( <i>Heracles andraemon bonhotel</i> )                     | Act amendment.              |
| 10/26/1979                | 06/24/1999    | Cactus Lloyd's hedgehog ( <i>Echinocereus lloydii</i> )                                  | Taxonomic revision.         |
| 11/07/1979                | 09/22/1993    | Cactus, spineless hedgehog ( <i>Echinocereus triglochidiatus</i> var. <i>inermis</i> )   | Not a listable entity.      |
| 09/17/1980                | 08/27/2002    | Cinquefoil, Robbins' ( <i>Potentilla robbinsiana</i> )                                   | Recovered.                  |
| 03/11/1967                | 09/02/1983    | Cisco, longjaw ( <i>Coregonus alpenae</i> )  | Extinct.                    |
| 06/02/1970                | 09/12/1985    | Dove, Palau ground ( <i>Gallicolumba canifrons</i> )                                     | Recovered.                  |
| 03/11/1967                | 07/25/1978    | Duck, Mexican (U.S.A. only) ( <i>Anas "diaz"</i> )                                       | Taxonomic revision.         |
| 06/02/1970                | 08/25/1999    | Falcon, American peregrine ( <i>Falco peregrinus anatum</i> )                            | Recovered.                  |
| 06/02/1970                | 10/05/1994    | Falcon, Arctic peregrine ( <i>Falco peregrinus tundrius</i> )                            | Recovered.                  |
| 06/02/1970                | 09/12/1985    | Flycatcher, Palau fantail ( <i>Rhipidura lepidia</i> )                                   | Recovered.                  |
| 04/30/1980                | 12/04/1987    | Gambusia, Amistad ( <i>Gambusia amistadensis</i> )                                       | Extinct.                    |
| 04/29/1986                | 06/18/1993    | Globeberry, Tumamoc ( <i>Tumamoca macdougalii</i> )                                      | New information discovered. |
| 03/11/1967                | 03/20/2001    | Goose, Aleutian Canada ( <i>Branta canadensis leucopareia</i> )                          | Recovered.                  |
| 10/11/1979                | 11/27/1989    | Hedgehog cactus, purple-spined ( <i>Echinocereus engelmannii</i> var. <i>purpureus</i> ) | Taxonomic revision.         |
| 12/30/1974                | 03/09/1995    | Kangaroo, eastern gray ( <i>Macropus giganteus</i> )                                     | Recovered.                  |
| 12/30/1974                | 03/09/1995    | Kangaroo, red ( <i>Macropus rufus</i> )  | Recovered.                  |
| 12/30/1974                | 03/09/1995    | Kangaroo, western gray ( <i>Macropus fuliginosus</i> )                                   | Recovered.                  |
| 04/26/1978                | 09/14/1989    | Milk-vetch, Rydberg ( <i>Astragalus perianus</i> )                                       | Recovered.                  |
| 06/02/1970                | 09/12/1985    | Owl, Palau ( <i>Pyroglaux podargina</i> )  | Recovered.                  |
| 06/14/1976                | 01/09/1984    | Pearlymussels Sampson's ( <i>Epioblasma sampsoni</i> )                                   | Extinct.                    |
| 06/02/1970                | 02/04/1985    | Pelican, brown (U.S. Atlantic coast, FL, AL) ( <i>Pelecanus occidentalis</i> )           | Recovered.                  |
| 07/13/1982                | 09/22/1993    | Pennyroyal, Mckittrick ( <i>Hedeoma apiculatum</i> )                                     | New information discovered. |
| 03/11/1967                | 09/02/1983    | Pike, blue ( <i>Stizostedion vitreum glaucum</i> )                                       | Extinct.                    |
| 10/13/1970                | 01/15/1982    | Pupfish, Tecopa ( <i>Cyprinodon nevadensis calidae</i> )                                 | Extinct.                    |
| 09/26/1986                | 02/28/2000    | Shrew, Dismal Swamp southeastern ( <i>Sorex longirostris fisheri</i> )                   | New information discovered. |
| 03/11/1967                | 12/12/1990    | Sparrow, dusky seaside ( <i>Ammodramus maritimus nigrescens</i> )                        | Extinct.                    |
| 06/04/1973                | 10/12/1983    | Sparrow, Santa Barbara song ( <i>Melospiza melodia graminea</i> )                        | Extinct.                    |
| 11/11/1977                | 11/22/1983    | Treefrog, pine barrens (FL pop.) ( <i>Hyla andersonii</i> )                              | New information discovered. |
| 09/13/1996                | 04/26/2000    | Trout, coastal cutthroat (Umpqua R.) ( <i>Oncorhynchus clarki clarki</i> )               | Taxonomic revision.         |
| 06/14/1976                | 02/29/1984    | Turtle, Indian flap-shelled ( <i>Lissemys punctata punctata</i> )                        | Erroneous data.             |
| 06/02/1970                | 06/16/1994    | Whale, gray (except where listed) ( <i>Eschrichtius robustus</i> )                       | Recovered.                  |

The PRESIDING OFFICER (Mrs. DOLE). The Senator from New Mexico.

Mr. BINGAMAN. What is the order?

The PRESIDING OFFICER. The time for morning business is equally divided. The minority controls 28 minutes 19 seconds.

Mr. BINGAMAN. Madam President, I ask I be allowed to speak for up to 10 minutes as in morning business.

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

## CRITICAL ECONOMIC SITUATION

Mr. BINGAMAN. Madam President, I appreciate the chance to speak for a few minutes on the critical economic situation we are facing in the United States and the direct effect that low crude oil inventories, combined with high energy prices, are having on the American economy. This is a particularly important time to focus on this issue because of the impending conflict with Iraq that we all are keenly aware of.

We have a situation today of constrained supply of crucial products and very high prices. We saw nearly 3 million barrels of oil per day come off the market during the Venezuela crisis which began in December. This—combined with an unusually cold winter in the eastern part of the United States and refiners drawing down their crude oil inventories—has left crude oil and crude product markets extremely tight.

From a supply standpoint, we are operating on very thin margins. Any accident that unexpectedly shuts a refinery or interrupts flow through a major pipeline is capable of producing real shocks in our supply of these products. It has happened before. In 1996, a pipeline emergency blocked deliveries to refineries in the Midwest during a

similar period of tight supplies. In the year 2000, a dock collapsed along the Intracoastal Waterway near Lake Charles, LA, curtailing supplies to two major gulf coast refineries.

The sharp increase in energy prices that we have seen so far this year has caused a major problem for our economy. The Nation's manufacturing sector continues to struggle. Consumers across America are faced with real hardships because of these high prices. Nearly all of the inflationary pressures that our economy is experiencing are coming from increased energy costs, which jumped 4.8 percent in January. They jumped an even sharper 7.4 percent in February—the largest 1-month jump since 1990. Excluding increases in the food and energy items, the core inflation index actually dropped 0.5 percent in February, instead of rising as it did.

The simple truth of the matter is this. Rising energy prices are keeping Americans from spending their hard-earned dollars elsewhere. Given the current energy price environment, consumers are likely to pay more than \$200 billion in higher energy costs this year. This \$200 billion works out to be about 2 percent of our gross domestic product, which is no small item.

The obvious question we need to be asking is, Where does this money come from? Companies are not hiring. In fact, they are laying people off.

A looming crisis that should worry all of us exists in the Nation's chemical industry. We are in danger of losing our domestic chemical industry as high natural gas prices push it to operate offshore. That, of course, will result in the loss of thousands of more good, high-paying American jobs.

U.S. oil and natural gas stocks are dangerously low and the risk that energy price spikes will continue to sig-

nificantly damage our economy is a very real prospect.

Gasoline and diesel prices are at near decade highs. In fact, in my home State of New Mexico and across the country, diesel prices are at an all-time high—\$1.75 per gallon today.

High diesel prices have a direct impact on the trucking industry. There was an article in the Albuquerque Journal this weekend that talked about the impact of high energy prices on consumers and on the trucking industry. I ask unanimous consent to have that article printed in the RECORD.

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

(See exhibit 1.)

Mr. BINGAMAN. In my home State, again, 12 percent of the State's population is estimated to be involved in the trucking industry. High diesel prices are shutting down small trucking companies every day. These are real economic effects. We are all well aware of the problems in the airline industry as well and the threatened bankruptcy of some of our major airlines; in part traceable to the high price of energy.

In our discussion of the current situation and use of the SPR, we have used several phrases. One—"Likely to cause a major adverse impact on the national economy. . . ."—that description matches very closely the statutory provisions we wrote into the law when we created the Strategic Petroleum Reserve.

As I read that statute and look around at what is happening, it is clear to me that the time has come to act on that statutory authority. I have repeatedly asked the administration to clearly state what its policy is with regard to the Strategic Petroleum Reserve, and they have refused to do so as

yet. It has become apparent from what has been said by the administration that it is not likely to use the Strategic Petroleum Reserve to correct this rapidly deteriorating situation. Rather, the administration seems to be relying on OPEC to increase production and to send that production to our shores.

At their meeting last week, OPEC Ministers asserted that they would provide additional supplies in the event that there is a war with Iraq, but they also made it clear that those new supplies would be costly.

The administration appreciates the promise of the Saudis to raise production in the event of a shortage, and I appreciate that as well. Some Saudi oil, evidently, is already on its way to United States ports. But the fact is, given the present situation, this is not enough. This is long-haul oil. We need oil in our system now to keep the system functioning and prevent refineries from running on empty.

We have a timing problem. If war begins—and we all are well aware it may begin at any time—Iraqi oil production and perhaps some Kuwaiti production will cease. This will cause a shortfall of somewhere between 2 percent and 6 percent of the world oil supply. We seem to be assuming that the Saudis can make up that difference, and it is possible that they can. Some analysts estimate however that they are already operating at full capacity.

But let's suppose they can make it up. They still have to get that oil here. It takes 40 days for an oil tanker to get here from the Persian Gulf, and we need to release oil from the SPR now in order to keep liquidity in the system, to keep our refineries running, and to prevent further harm to our economy. If it takes 40 days for Persian Gulf oil to reach our shores, and those tankers set sail perhaps 10 days ago, there are still 30 days left before we will see any of that oil.

The delivery process has started, but the extra oil is still far away at sea. We need liquidity in the system now, and I am saying the smart thing to do is to take out a little insurance policy to cover that period, from today until that oil can arrive.

I am urging the President to allow private companies to exchange up to 750,000 barrels of oil per day from the SPR, until this long-haul crude from the Middle East reaches our ports. Companies taking part in this swap that I am proposing would pay the Government a fee plus a future price differential for leasing the oil, and would replace the oil with an equivalent grade of crude within 6 to 12 months.

This modest release would complement and not compete with the oil that is headed this way. It would provide supply in a crucial time. I believe this swap drawdown could begin immediately and could continue until additional oil that OPEC producers have promised actually arrives.

This 750,000 barrels-per-day swap is well-short of the 4.3 million barrels-per-day of drawdown capacity we have within the Strategic Petroleum Reserve. I understand President Bush does not want to release all of the Strategic Petroleum Reserve as our Nation is on the brink of war. But what I am proposing leaves nearly 85 percent of that total SPR drawdown capacity untouched. We will be minimizing the damage to our economy by putting these extra barrels out there into the system now, and we will be helping to prevent a gasoline supply shortage and further price spikes.

The U.S. refining sector already is functioning at minimum operating levels. Without new crude supplies, refiners may be forced to reduce those production levels, leading to higher gasoline, higher jet fuel, and higher diesel prices, and causing even more damage to our economy.

Our economic security is at stake. We cannot afford not to do this. The American people also cannot afford for us not to do this. I urge the administration to seriously consider this proposal. In my view, it is time for us to act.

I yield the floor.

#### EXHIBIT 1

[From the Albuquerque Journal, Mar. 15, 2003]

#### N.M. GETS SHOCK AT PUMP

(By Diane Velasco)

"It's just ridiculous," said Bill Andes of Albuquerque as he pumped \$1.69-a-gallon gasoline into his company car at a Chevron station in the Northeast Heights.

Andes' reaction on Thursday evening was typical of many motorists as gasoline prices spiraled to record levels in Albuquerque, Las Cruces and statewide this week.

Andes doesn't pay personally for gasoline in his company car, but his wife's Suburban has a 60-gallon tank.

"\$1.69 times 60—you do the math," he said.

Andes was paying the average statewide price of \$1.69 a gallon for regular unleaded gasoline, five cents higher than a week earlier and a record. The previous record, set May 31, 2001, was \$1.68 a gallon.

Albuquerque's average price per gallon was lower than the statewide average. In Albuquerque, the price climbed 6 cents to \$1.66 a gallon for regular unleaded fuel, according to AAA New Mexico's Weekend Gas Watch, which was released Friday. The price tied a record set two years ago.

Santa Fe's average price rose 4 cents to \$1.73 a gallon, higher than the national average of \$1.72 but still below the city's record \$1.75 set two years ago.

In Las Cruces, the average price climbed 3 cents last week to \$1.63 a gallon, tying that city's record.

Rising prices have caused Albuquerque resident Lorenzo Gutierrez to think about parking his 1999 Dodge Ram pickup, which he said gets just 11 miles a gallon, and buying a motorcycle for daily use.

Nicole Monge used to spend \$20 a week to fill her Toyota Tacoma pickup. Now she spends \$26.

"The prices won't restrict my travel plans, but they will restrict my spending money," she said.

It could be worse.

Some places around the country are seeing prices above \$2 per gallon.

Rising prices at the pumps are caused by the record-high price of crude oil, said Bob Gallagher, president of the New Mexico Oil and Gas Association.

At the New York Mercantile Exchange on Friday, April crude oil futures closed at \$35.38 a barrel.

Crude now represents 50 percent of the cost of a gallon of gasoline, up from its usual 25 percent, he said.

The crude oil price has risen by \$7 to \$10 per barrel because of uncertainty about what will happen if the United States goes to war with Iraq.

"At this point, you have to start to become concerned that (price increases) will impact the daily activities of individuals as well as small and large businesses," Gallagher said.

"If daily activities are impacted, that will have a negative impact on the economy because there will be less money available to spend," he said. "I am hopeful we are all but topped out for the price of gasoline."

High gasoline prices will hinder Yvonne Shije's 45-mile trips from Zia Pueblo to Albuquerque. She will try to do all of her shopping at once to eliminate extra trips, she said.

The world political situation is also making her a more discerning consumer.

"I don't want to be purchasing gas from particular stations (whose companies) buy oil from Iraq," she said. "Why would you want to put money into their pockets when you could buy American?"

Diesel prices are also at an all-time high—more than \$1.75 a gallon nationwide—said Vic Sheppard, managing director of the New Mexico Trucking Association.

"We see a lot of people just closing their doors in New Mexico," he said. "We hear daily of people just saying, 'I can't make it any more.'"

About 86 percent of the state's trucking firms have six or fewer trucks and are thus more vulnerable to price swings in fuel, Sheppard said.

While Sheppard does not know how many jobs have been lost in the industry since prices began spiraling, he estimates 12 percent of the state's population is involved in trucking, including warehousing and distribution.

Henry Pacheco, owner of Pacheco Trucking Co., is currently charging his customers a 5 percent surcharge to cover rising fuel costs. He said he plans to increase that to 7 percent next week.

"It's put a slowdown on us—I'm not getting as much freight as I used to because I added the surcharge to my rates," he said.

Although he is getting more calls, potential customers are reluctant to pay the surcharge, Pacheco said.

His 20-year-old Pacheco Trucking Co. has 10 trucks and employs as many as 14 drivers.

#### IRAQ

Mr. LEVIN. Madam President, I would like to take a few minutes to speak about the current situation in Iraq.

There has been a broad consensus that Saddam Hussein is a murderous tyrant and that the world is a more dangerous place if he has weapons of mass destruction. There has also been consensus that he has not complied with his obligations under the U.N. ceasefire resolution at the end of the Gulf War and the numerous resolutions that followed, which called for him to disarm, particularly with respect to weapons of mass destruction. And

there has been consensus that the U.N. should enforce its resolutions more forcefully than it had in recent years. This led to passage of U.N. Security Council Resolution 1441 which resulted in the resumption of weapons inspections by the U.N.

Now there is division at the U.N.

Many members of the United Nations want to complete the inspections and keep Saddam contained and in a box until those inspections are completed. Just a few days ago, the President said he would call for a vote at the U.N. Security Council to authorize the use of force so that every member nation could state its position. The President has now apparently reversed himself in the face of a likely rejection by the Security Council.

The issue, until yesterday, was whether to proceed militarily without the support of the world community as expressed by the Security Council or, alternatively, to give the inspectors the months they said they need to complete their work, the position which many members of the Security Council apparently favor.

The President has apparently chosen the former course. I have felt that course was unwise for a number of reasons. By failing to rally the Security Council to a common view, we have lost the best chance to force Saddam Hussein to capitulate because it is likely that only if Saddam Hussein sees a united world at the other end of the barrel will he see no potential to turn the tide to his favor. A world solidly against him would be a world that an anti-U.S. propaganda machine would have great trouble stirring up. Just as in the gulf war, Saddam was unable to score any propaganda points when 28 nations, including a number of Muslim nations, provided military forces against him.

Another reason I have felt that proceeding without the U.N. would be unwise is we would lose some support in the region, with the resulting loss of staging areas and overflight rights, as is apparently the case in Turkey, which, in turn, could increase the length of the war and the number of casualties.

There are also serious long-term risks in proceeding without support of the world community as expressed through the U.N. Such an attack on Iraq would be viewed by much of the world as an attack by the West against an Islamic nation, rather than of the world against Saddam. We would fuel the anti-Americanism that is already so prevalent, and stoke the terrorism which is already our No. 1 threat.

Admiral Lowell Jacoby, the Director of the Defense Intelligence Agency, told the Senate Armed Services Committee in February:

Much of the world is increasingly apprehensive about U.S. power and influence. Many are concerned about the expansion, consolidation, and dominance of American values, ideals, culture, and institutions. Reactions to this sensitivity to growing

"Americanization" can range from mild "chafing" on the part of our friends and allies, to fear and violent rejection on the part of our adversaries. We should consider that these perceptions mixed with angst over perceived "U.S. unilateralism" will give rise to significant anti-American behavior.

I have also felt that proceeding without the U.N. would make it less likely that other nations will join us in the difficult tasks of providing stability in reconstructing Iraq in the aftermath of the conflict. U.N. Secretary General Kofi Annan recently said the following:

If they [the members of the U.N. Security Council] cannot agree on a common position and if some of them launch action without the support of the [Security] Council, the legitimacy of this action will be widely questioned and it will not obtain the political support required to ensure its success in the long term, once the military phase is over.

The European Union's External Relations Commissioner, Chris Patten, likewise pointed out recently that "if it comes to war, it will be very much easier" to make a case for other countries to contribute to the reconstruction of Iraq "if there is no dispute about the legitimacy of the military action that has taken place."

Further, and of great significance, President Bush's principal basis for launching a military action is Iraq's failure to comply with U.N. Security Council Resolution 1441 and other U.N. resolutions. But how is it credible to invoke the Security Council's resolutions as a basis for our action and then ignore that same Security Council if it does not agree with us on the wisdom of military action at this time and does not give us the resolution we want?

Stressing the importance of a U.N. authorization does not give the U.N. a veto over American action. Nobody has a veto over America's foreign policy or decisionmaking. The decision is America's and America's alone. The issue is not whether we need the U.N.'s permission to use force; we don't. The issue is whether it would be wise to have the U.N.'s support and whether we will be more secure from terrorists and other threats if we initiate a military action against Iraq without the support of the world community. If there were an imminent threat against us, we would not—and should not—hesitate to use force. But attacking in the absence of an immediate threat is a very different scenario with very different risks.

The President has said that the U.N. will become irrelevant if it does not authorize member states to use military force at this time against Iraq. But the Security Council's decision in this matter, whichever way it would have gone, would have been highly relevant.

If the Security Council authorized force by member states, that would be relevant as a statement of the world community against Saddam. But if the Security Council rejected authorizing force at this time, as they apparently would have, it would still be relevant because our use of military force in the face of such a Security Council rejection

could have a worldwide negative political impact with great peril to us.

The issue is not whether we will prevail militarily without the U.N.'s support; we will. The issue is whether our long-term security would be enhanced in that circumstance or whether chaos and instability in the Middle East, following our unilateral action, will be deep and long and more costly, and whether the level of terrorism against us in the world will rise to a higher point than it otherwise would.

The U.N. too often has been seen by the administration as an obstacle to overcome instead of an opportunity to rally the world. And the administration has also weakened its case at the U.N. in a number of ways.

It has used divisive rhetoric and denigrating attitude towards the views of other nations whose support we seek. Countries have been told "you are either with us or against us." The U.N. has been told that while we welcome U.N. endorsement, we can do just fine without you. U.N. inspectors were called "so-called" inspectors. And before U.N. inspections even began, they were called useless. Germany and France were sneered at as being part of "old Europe." This kind of rhetoric alienates our friends and fuels the inflammatory propaganda of our enemies. Divisive and dismissive rhetoric is no way to rally the Security Council. It comes across as bullying and domineering.

The White House spokesmen have also spun facts in a transparent way, contradicting themselves from day to day. The refusal of Iraq to assure the safety of U-2 surveillance planes was at first called a serious breach of resolution 1441. When agreement was reached between U.N. inspectors and Iraq to fly the planes shortly thereafter, the White House spokesman said the agreement was no big deal. Similarly, when the inspectors determined that Iraqi missiles violated U.N. resolutions limiting their range, the White House pointed to the violation as significant evidence of noncompliance. When, soon thereafter, Iraq agreed to destroy those missiles, with U.N. inspectors looking on, the White House spokesman said that action was evidence of the Iraqis' deception. That kind of spinning and reversal of field by White House spokesmen has not helped our credibility or our cause.

We will prevail militarily in Iraq on our own, albeit with increased risk, but it will be more difficult to win the larger war on terrorism without the world community in our corner. We need the eyes and the ears and the intelligence of the people of the world if we are going to detect and ferret out, deter, and destroy those who care nothing for international law and do not even accept the rules of war.

Historically, America has been strongest when we found common cause with other nations in pursuit of common goals. The path to a safer world and a more secure America has

rarely come from a go-it-alone approach. Thomas Friedman wrote recently in the *New York Times*:

[I]f Mr. Bush acts unilaterally, I fear America will not only lose the chance of building a more decent Iraq, but something more important—America's efficacy as the strategic and moral leader of the free world.

If war against Iraq comes, far better it be seen as the decision of the world community, not just a U.S.-British decision.

The President said accurately on January 3 that Saddam Hussein has no respect for the Security Council and does not care about the opinion of mankind. But surely we should.

President Bush has now decided to end the diplomatic effort. Those of us who have questioned the administration's approach, including this Senator, will now be rallying behind the men and women of our armed forces to give them the full support they deserve, as it seems certain we will soon be at war.

Last October a majority of both Houses of Congress voted to authorize the President to use military force with or without the authority of the United Nations. While I disagreed with that decision and offered an alternative, the overriding fact is that this democracy functions through debate and decision. The decision to give the President wide authority was democratically arrived at.

The courageous men and women whom we send into harm's way are not just carrying out their orders with bravery and the highest form of professionalism. They are also implementing the outcome of the democratic debate which this Nation protects and honors. Those men and women should know that they have the full support and the fervent prayers of all of the American people as they carry out their missions.

Madam President, I ask unanimous consent that my recent remarks to the Council on Foreign Relations and the Boston World Affairs Council, along with two of my opening statements at recent Armed Services Committee hearings, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR CARL LEVIN, CHAIRMAN, SENATE ARMED SERVICES COMMITTEE, "U.S. POLICY TOWARDS IRAQ," COUNCIL ON FOREIGN RELATIONS, OCTOBER 8, 2002

Thank you, Walt, for your kind introduction. I understand that with the change in Administrations, you have returned to your tax law practice. I think it was John Maynard Keynes who remarked that "The avoidance of taxes is the only intellectual pursuit that carries any reward." We'll ask you about the truth of that statement when I'm finished speaking about U.S. policy towards Iraq!

I want to thank Les Gelb, the Council on Foreign Relations President, and Pete Peterson, the Council's Chairman of the Board, for inviting me this evening, and I want to thank the Council for its 80 years of outstanding service to our Nation and to the world as the "privileged and preeminent non-

governmental impresario of America's pageant to find its place in the world." Those are the "objective" words of Les Gelb, by the way.

Last night, President Bush described in detail the threat that Saddam Hussein's regime poses. I have relatively few differences with that description, and there is also a consensus that if Saddam Hussein continues to refuse to meet his obligation to destroy his weapons of mass destruction and prohibited missile delivery systems, the United Nations should authorize member states to use military force to destroy those weapons and systems and that the United States Armed Forces should participate in and lead a United Nations authorized force.

So the issue that is in dispute is whether unilateral force should be authorized by Congress now in case the U.N. does not act. How we answer that question could have a profound and lasting impact on the safety of our children and grandchildren for decades to come. Because the difference between attacking a nation with the support of the world community or attacking it without such support is fundamental, and it can be decisive.

The President answers the question by seeking a resolution from Congress that gives him the authority to use force under the auspices of the United Nations or to go-it-alone if the United Nations fails to act. He seeks this unilateral authority even though he does not condition its use on the threat to the United States by Saddam being imminent. Indeed, he argued in the National Security Strategy that was released by the White House last month that preemptive attacks to forestall or prevent hostile acts by our adversaries can now be undertaken although a threat is not imminent. The new strategy states explicitly that "We must adapt the concept of imminent threat to the capabilities and objectives of today's adversaries. Rogue states and terrorists do not seek to attack us using conventional means." The President's Iraq resolution and the National Security Strategy, therefore, both take the position that an "imminent" threat is no longer required as a basis for our military action in self-defense. The President is explicitly seeking to modify the traditional concept of preemption by deleting the need for "imminence" and substituting that of "sufficient" threat in the Strategy and "continuing" threat in the proposed resolution.

That the President is seeking the authorization for unilateral preemptive attack without U.N. authorization is at the heart of the Senate debate that is presently taking place, and the vote on that resolution will come soon.

Under the traditional international law concept of preemption in self-defense, the United States would be justified in acting alone in the case of a serious threat to our nation that is imminent. In a case where such a threat is not imminent, military action would be justified only if it were carried out pursuant to an authorization for the use of force by Member states by the United Nations.

The choice facing the Senate is whether Congress should now—at this time—give the President the authority to "go-it-alone," to act unilaterally against Iraq if the United Nations fails to act. Congress is being presented with this issue at the very same time our Secretary of State is trying to get the United Nations to back a tough new resolution authorizing member states to use military force to enforce Iraqi compliance with inspections and disarmament.

Last night the President said, "I have asked Congress to authorize the use of America's military if it proves necessary to enforce U.N. Security Council demands." But,

the White House resolution asks for much more. It isn't limited to the use of force if the United Nations authorizes it; on the contrary, it specifically authorizes, now, the use of force on a unilateral, "go-it-alone" basis, that is, without Security Council authorization. The President's rhetoric doesn't match the resolution. Moreover, the White House approach authorizes the use of force beyond dealing with Iraq's weapons of mass destruction and their means of delivery.

The resolution I introduced is consistent with how I think most Americans want us to proceed. It emphasizes the importance of dealing with Iraq on a multilateral basis and it withholds judgment at this time on the question of whether the United States should "go it alone," that is, should act unilaterally against Iraq, if the United Nations fails to act.

My resolution does the following: First, it urges the U.N. Security Council to adopt a resolution promptly that demands unconditional access for U.N. inspectors so Iraq's weapons of mass destruction and prohibited ballistic missiles may be located and destroyed; and within that same U.N. resolution, authorizes the use of necessary and appropriate force by U.N. Member States as a means of enforcement in the event Iraq refuses to comply.

My resolution also specifically authorizes the use of the United States Armed Forces, pursuant to that U.N. Security Council resolution, if Iraq fails to comply with its terms and the President informs the Congress of his determination that the United States has used appropriate diplomatic and other peaceful means to obtain Iraqi compliance with such a U.N. resolution.

My resolution affirms that under international law and the U.N. Charter, especially Article 51, the United States has at all times the inherent right to use military force in self-defense, affirming the fact there is no U.N. veto over U.S. military action. It also affirms that Congress will not adjourn sine die so that Congress can return to session, if necessary, and promptly consider proposals relative to Iraq if, in the judgment of the President, the U.N. Security Council does not promptly adopt the resolution I described above.

My resolution, therefore, supports the President's appeal to the United Nations and approves—right now—the use of our Armed Forces to support the action of the United Nations to force compliance by Saddam Hussein with inspections and disarmament. It does not, however, authorize now—before we know what the United Nations intends to do, before we know whether or not we have the world community on our side—it does not authorize the United States Armed Forces going-it-alone. Should we need to consider that possibility at a future time, the resolution provides for the immediate recall of Congress to do so. My resolution doesn't—on a matter of war and peace/life and death—exceed the grant of authority needed at the present time.

If Congress instead endorses the resolution proposed in the Senate by Senator Lieberman and others allowing the unilateral use of force at this time—even in the absence of a U.N. authorization—we will be sending an inconsistent message. We will be telling the United Nations that, if you don't act, we will—at the same time that we are urging them to act. We will be telling the United Nations that they are not particularly relevant—at the same time we are urging them to be very relevant.

If we want the United Nations to be relevant and credible—if we want the United Nations to succeed—if we want the United Nations not to be limited to humanitarian and disaster relief and other tasks that are



mighty useful but are not essential—and I think most of us do—then we have to focus our efforts there and give those efforts a chance to succeed.

If we act wisely—authorizing the use of our forces pursuant to a U.N. resolution authorizing Member states to use force—we will not only unite the Congress; ultimately, we would unite the world community, on a course of action that we all seek: the elimination of Saddam Hussein's ability to threaten the world with weapons of mass destruction. That's where our focus should be: uniting the world, not dividing it.

Moreover, a go-it-alone approach in which we attack Iraq without the support and participation of the world community entails serious risks and could have serious consequences for us in the Middle East and around the world. It makes a difference, when deciding to use force, whether that use of force has the support of the world community.

It makes a difference for us in the current situation involving a possible attack on Iraq:

If we go it alone, will we be able to secure the use of airbases, ports, supply bases, and overflight rights in that region? Those rights and those capabilities are so important to the success of a military operation against Saddam.

If we go it alone, will there be a reduction in the broad international support for the war on terrorism, including the law enforcement, financial, and intelligence cooperation that is so essential?

If we go it alone, will that destabilize an already volatile region and undermine governments such as Jordan and Pakistan? Could we possibly end up with a radical regime in Pakistan, a country that has nuclear weapons?

If we go it alone, will Saddam Hussein or his military commanders be more likely to use weapons of mass destruction against other nations in the region and against our military forces in response to our attack than would be the case if he faced a U.N.-authorized coalition, particularly if that coalition included Muslim nations as the coalition did during the Gulf War?

If we go it alone, will other nations view our action as a precedent for threatening unilateral military action against their neighbors in the future?

If we go it alone, will we be undercutting efforts to get other countries to help us with the expensive, lengthy task of stabilizing Iraq after Saddam is removed?

Beyond the current situation relative to using force in Iraq, going-it-alone without U.N. authorization, based on a modified concept of preemption that no longer requires the threat to be imminent, will lead to a serious risk to international peace and security.

If we act unilaterally, without U.N. authority or an imminent threat, that will create a dangerous situation for international peace and stability in the long term. We would be inviting other nations to forego an important rule of international law requiring a serious and imminent threat before one nation can attack another in the name of self defense.

By seeking a U.N. resolution that will authorize U.N. Member States to use force if Iraq does not comply with its terms, we are not giving the United Nations a veto over the conduct of our foreign policy. Rather, we are getting from the United Nations strength and international credibility and legitimacy, should military force be needed.

We should be seeking to unite the world against Saddam Hussein, not dividing it. Our immediate objective should be to get the United Nations to act—to locate and destroy Iraq's weapons of mass destruction and the

means of delivering them. The threat Saddam presents is real, and we should deal with it. But authorization for preemptive, unilateral U.S. action in Iraq does not need to and should not be granted at this time. If the U.N. doesn't act, Congress can be called back promptly to consider a request to authorize force unilaterally and to consider the serious and different risks involved in pursuing that course at that time.

Last Monday's Washington Post carried a story in which a senior European official's response to the United States going-it-alone was, "A lot of Europeans would feel they'd been put in an intolerable position." For those who would agree to participate militarily, "it would be less a coalition of the willing than of the dragooned."

Javier Solana, former NATO Secretary General and currently High Representative for the European Union's Common Foreign and Security Policy, the EU's top foreign policy official, in an address at NATO Headquarters last Thursday, stated "Ad hoc coalitions of docile followers to be chosen or discarded at will is neither attractive nor sustainable."

Just last week, after hearing from Prime Minister Blair and Foreign Minister Straw, the ruling Labor Party's Conference issued a formal position on Iraq that included the following: "Conference believes that the authority of the U.N. will be undermined unless it is enforced, and recognises that in the last resort this could involve military action but considers that this should be taken within the context of international law and with the authority of the U.N."

And just last Friday, Turkey's presidential spokesman said that his nation would participate in a campaign against Iraq only if the world body blessed it, stating "An operation not based on international law cannot be accepted."

The best chance of having Saddam Hussein comply with U.N. Security Council resolutions is to make sure that when he looks down the barrel of a gun, he sees the world at the other end, and not just the United States.

Congress should give the President what he said last night he was asking for—the authority to use U.S. military force to enforce U.N. Security Council demands, not what the White House resolution also provides—go-it-alone authority. Our focus then would be where it belongs: securing a United Nations resolution that can unite the world; that has the best chance of forcing compliance; that reduces the risk to our forces and to our interests throughout the world; that avoids to the maximum extent possible the negative consequences if force is required, including the loss of cooperation on the war on terrorism; and that has the best chance of isolating Saddam Hussein rather than isolating the United States.

Thank you for listening. That concludes my remarks. I would be happy to answer your questions.

SENATOR CARL LEVIN'S REMARKS TO THE BOSTON WORLD AFFAIRS COUNCIL REGARDING THE CHRISTIAN A. HERTER AWARD, DECEMBER 2, 2002

Thank you for honoring me with this prestigious award.

The past recipients of the Christian A. Herter Award are a distinguished group of people who have made significant contributions to better understanding among nations, and I am honored to be included in this group.

It is a particular pleasure to be receiving this award with Dick Lugar, who will become the Chairman of the Senate Foreign Relations Committee in January. No member of the Senate is better qualified for this

important position than Dick. He is a true internationalist who enjoys the confidence of both Senate Democrats and Republicans, as well as the respect of foreign leaders and parliamentarians around the world.

A Senator from Michigan can't talk about the importance of national consensus and bipartisanship in America's foreign policy without recalling the career of Arthur Vandenberg, who was an ardent champion of a bipartisan American foreign policy. Senator Vandenberg helped draft the 1945 United Nations Charter and steered its passage through the Senate. He later played a leading role in constructing the Marshall Plan and in the formulation of NATO. Over the years, his name has become synonymous with the expression that "politics end at the water's edge."

That expression is a good one to keep in mind in the weeks after a hard-fought midterm election and a lengthy debate in Congress over U.S. policy in Iraq. Both these events revealed differences over foreign policy between Democrats and Republicans, and even in some cases among Democrats and Republicans.

For the most part, Democrats and Republicans will be in agreement on a foreign policy agenda in the coming year.

We agree on the need to continue an all-out effort against al Qaeda and other international terrorist groups.

We agree on the need to follow to the finish the effort to disarm Saddam Hussein, especially if the multilateral path that the President started at the United Nations is followed.

We agree on the need to deal with the problem presented by North Korea's recently acknowledged nuclear weapons program, working calmly and determinedly with South Korea, Japan and others.

We agree on the need to strengthen the authority of the central government in Afghanistan.

We agree on the need to combat the proliferation of weapons of mass destruction, a goal to which Dick Lugar has contributed so much by creating the Cooperative Threat Reduction Program.

We agree on the value of expanding NATO and modernizing its mission and operations.

But leaving politics at the water's edge doesn't mean that there won't be differences over foreign policy. While a bipartisan foreign policy is important for both domestic and international purposes, it is healthy—indeed essential at times—for constructive alternative positions to be expressed, as long as these alternatives are not prompted by partisan motivations.

The Bush Administration's initial foreign policy positions on a host of issues had a pronounced unilateral, and at times, even an isolationist tone. Despite Candidate Bush's call for humility on the part of the world's sole superpower, President Bush too often ignored Candidate Bush's good advice. For instance, his early statements on international treaties and peacekeeping in the Balkans served to undercut or offend even close Allies and, perhaps more importantly, unnecessarily provoked feelings of hostility among the peoples of many nations.

Constructive criticism of some of the Administration's foreign policies and foreign policy statements over the past year has had a positive impact on both the policies and the rhetoric. That criticism came from within the Administration, from members of Congress of both parties, from the media, and from the leaders of allied and friendly nations.

For example, during the weeks leading up to the Congressional vote on an authorization for the use of military force against Iraq, many members of Congress sought



changes to the Administration's initial proposal. The Administration, in essence, originally sought authority to act unilaterally to bring about regime change in Iraq at a time of the President's choosing.

Senator Lugar joined forces with Senator Biden to modify the Administration's proposal to refocus the grant of authority to use military force on Iraq's weapons of mass destruction and on seeking a new U.N. Security Council resolution authorizing the use of force.

I offered an alternative resolution, which was not adopted, which was designed to give even greater importance to a multilateral approach through the United Nations. It deferred a Congressional decision on authorizing the unilateral use of force until such time as the multilateral approach proved to be beyond our reach. My alternative would have called on the United Nations to promptly adopt a new resolution demanding that Iraq provide immediate, unconditional and unrestricted access to the U.N. weapons inspectors so its weapons of mass destruction could be destroyed, authorizing the use of military force by U.N. Member States to enforce the resolution in the event that Iraq refused to comply. My alternative would have authorized the President to use U.S. military force to destroy Iraq's weapons of mass destruction pursuant to such a U.N. resolution, and would have provided that Congress not adjourn so we could consider proposals relative to the use of unilateral force if the U.N. Security Council failed to adopt a resolution authorizing the use of force by member states.

I have urged a multilateral approach to the Iraq threat because I believe that approach has the greatest chance of success. A multilateral approach reduces the risks involved in military action and minimizes the fallout from vengeful, violent retaliatory responses which often result if we're perceived as a unilateral bully. The events of 9/11 made clear that dealing with international terrorism must be our first priority, but we can't effectively deal with international terrorism without the political, law enforcement, intelligence, and, at times, military assistance and cooperation of the world community. That same multilateral approach is essential to combating the proliferation of weapons of mass destruction, or to dealing with the threat posed by North Korea's nuclear program.

I believe the efforts of many within and without the Administration had an impact on the course of action chosen by the Administration and on the legislation on Iraq that was enacted by Congress, which endorsed the multilateral approach and conditioned the unilateral use of force on the President certifying that diplomatic means will not succeed. I also believe those efforts helped Secretary Powell to prevail, at least temporarily, over other views within the Administration during the painstaking negotiations that led to the unanimous adoption of U.N. Security Council resolution 1441 on November 8th.

The U.N. resolution was a victory for those who favor a multilateral approach to the use of force. It's great to be the world's only superpower, and I hope it stays that way. But I do not believe that our national interests are well served when we engage in rhetoric that needlessly inflames passions and incites hostility towards the United States and its citizens. Teddy Roosevelt's soft rhetoric and big stick approach was about the right balance.

We must be more than powerful; we must be wise in the use of our power and wise in the use of our rhetoric. The United States must be a leader, not a loner. Otherwise, we will turn what has been admiration for our

values and our beliefs into fear of domination by us and hostility towards our apparent arrogance.

Recently I was struck in reading an excerpt from Bob Woodward's new book, "Bush at War," in the Washington Post. Woodward was reporting on an interview with the President, and at the end which Laura Bush joined them. The President had just told Woodward that the First Lady wished the President's rhetoric wasn't quite so harsh about getting them "dead or alive." When the President asked her why, the First Lady said, "It just didn't sound that appealing to me, really." The First Lady added that she tells the President from time to time, "Tone it down, darling."

In the spirit of the Christian Herter award, I pledge to work with others in the Congress to seek consensus in support of the Administration's foreign policies whenever possible and, when necessary, to support constructive alternatives that I believe will better suit the interests of the United States. And relative to the Administration's rhetoric, I also will from time to time will urge them to "tone it down, darlings."

OPENING STATEMENT OF SENATOR CARL LEVIN, HEARING ON WORLDWIDE THREATS WITH GEORGE TENET, DIRECTOR OF CENTRAL INTELLIGENCE AND LOWELL JACOBY, DEFENSE INTELLIGENCE AGENCY, WEDNESDAY, FEBRUARY 12, 2003

All of us want Saddam Hussein to be disarmed. The best way to accomplish the goal of disarming Saddam Hussein without war is if the United Nations speaks with one voice relative to Iraq. I also believe that if military force is used, the best way of reducing both the short-term risks, including the risks to U.S. and coalition forces, and the long-term risks, including the risk of terrorist attacks on our interests throughout the world, is if the United Nations specifically authorizes the use of military force.

That's the bottom line for me—the best way of increasing any chance of disarming Saddam Hussein without war and of minimizing casualties and future attacks on the United States if war does ensue is if the United Nations acts relative to Iraq.

Supporting U.N. inspections is an essential step if we are going to keep the Security Council together. We can support those U.N. inspections by sharing the balance of our information about suspect sites, by quickly getting U-2 aircraft in the air over Iraq, with or without Saddam Hussein's approval, and by giving the inspectors the time they need to do their work as long as the inspections are unimpeded.

I disagree with those, including high officials in our government, who say that U.N. inspections are useless. We heard that before the inspections began. We heard it from Dr. Rice at the White House last week. I am astounded that some of those high officials have gone so far as to refer in a derogatory way to the "so-called" U.N. inspectors. If these inspections are useless without Iraqi assistance in pointing out where they have hidden or destroyed weapons of mass destruction, why are we sharing any intelligence at all with the inspectors; and why are we apparently finally implementing U-2 flights to support the inspectors?

It's one thing to be realistic about the limitations of the U.N. inspections and not have too high hopes about what they can produce.

It's another thing to denigrate their value, prejudice their value, be dismissive and disdainful about the beliefs of others on the U.N. Security Council about their value, and be cavalier about the facts relative to those inspections.

Referring to being cavalier about facts brings me to my next point, the sharing of

intelligence information in our possession with the U.N. inspectors.

This is an issue that I have followed very closely. For the last several weeks, at my request, the CIA has been providing me with the classified details of how much information we have been sharing with the U.N. inspectors in Iraq. We just began sharing specific information in early January, according to Secretary Powell as quoted in the Washington Post on January 9th. While I can't go into those classified details in an open hearing, I can say that the information the CIA has provided me made it very clear that we had shared information on only a small percentage of the suspect sites in Iraq and that we had not shared information on the majority of the suspect sites, which was confirmed by CIA staff.

At yesterday's hearing, I was astounded when Director Tenet told us that we have now shared with U.N. inspectors information about every site we have where we have credible intelligence. Then, last night, in Director Tenet's presence and in the presence of Senator Warner, his staff acknowledged that we still have useful information that we have not shared with the inspectors—which is the opposite of what Director Tenet told the Intelligence Committee yesterday in open session. If we haven't shared yet all the useful information that we have with the U.N. inspectors, that would run counter to the Administration's position that the time for inspections is over.

When President Bush addressed the U.N. General Assembly on September 12th of last year, he said that "We want the United Nations to be effective, and respectful, and successful. Well we have some responsibility to help the United Nations achieve that. Saying to other countries, including allies, that if you don't see it our way, you must have some ulterior motive, doesn't help."

While a number of heads of State and Government have called for the U.N. Security Council to take the necessary and appropriate action in response to Iraq's continuing threat to international peace and security and some have pledged to contribute military forces to that effort, others believe that we should give the strengthened inspections the time they need to finish their job. Both groups agree on the necessity of disarming Iraq. Rather than following a course that divides the United Nations and separates us from some of our closest allies, we should at least fairly consider courses of action that unite the world community against Iraq.

OPENING STATEMENT OF SENATOR CARL LEVIN, RANKING MEMBER, COMMITTEE ON ARMED SERVICES HEARING WITH SECRETARY OF DEFENSE DONALD RUMSFELD AND CHAIRMAN OF THE JOINT CHIEFS GENERAL RICHARD B. MYERS, THURSDAY, FEBRUARY 13, 2003

Secretary Rumsfeld and General Myers, thank you for coming.

Mr. Chairman, as we meet today, America's Armed Forces stand on the brink of possible military action. In the next few weeks, as many as 250,000 of our soldiers, sailors, airmen and marines will be in the Persian Gulf region, preparing for a possible war against Iraq. Almost 40,000 more stand on the front lines in Korea, within range of North Korean artillery and rockets. Thousands of additional American troops are risking their lives every day in continued operations in the global war on terrorism in Afghanistan and other hot spots around the world. And of course many more continue to work to keep the peace and work to build a more stable future in the Balkans and elsewhere. To support these efforts, the President has already called up more than 110,000 members of the Reserve components to active duty.

Many questions have been raised in recent months about our policy moves on Iraq, Korea, and elsewhere. Concerns have been raised about our proclivity to proceed unilaterally; about a rising tide of anti-Americanism overseas; about the risk that the focus on Iraq has reduced our focus on the war against terrorism, which has to be fought and won here at home as well as overseas; about whether our refusal to talk directly with the North Korean regime as urged by our South Korean allies may be undermining our interests in that area of the world; and about the degree of our commitment to rebuilding Afghanistan and the possible consequences of a similar lack of follow-through in Iraq.

I share many of these concerns. I believe that America is at its strongest and best when we make common cause with other nations in pursuit of common goals. I believe that the path to a safer world and a more secure America rarely comes from a go-it-alone approach. Specifically, I believe that, in the absence of an imminent threat, it is in our interest to have a U.N. resolution authorizing member States to take military action before initiating a pre-emptive attack against Iraq.

If there is any chance of disarming Saddam Hussein without war, it is for the United Nations to speak with one voice. And if military force is used, the best way of reducing both the short-term risks, including the risks to U.S. and coalition forces, and the long-term risks, including the risk of terrorist attacks on our people throughout the world, is also a U.N. resolution authorizing the use of force.

Supporting U.N. inspections is an essential step if we are going to keep the Security Council together. We can show support for those U.N. inspections by sharing with the U.N. inspectors the balance of our significant intelligence information about suspect sites, by quickly getting U-2 aircraft in the air over Iraq without conditions and with or without Saddam Hussein's approval, and by giving the inspectors the time they need to finish their work as long as the inspections are unimpeded.

Yesterday, I talked about statements by the administration that all useful intelligence information in our possession has been shared with the U.N. inspectors.

Condoleezza Rice told us that at the White House 10 days ago. George Tenet told us that at an open Intelligence Committee hearing two days ago. They were in error. Director Tenet acknowledged yesterday here that we still have information and will be sharing it.

The premature declaration that we've already shared all useful intelligence makes us seem excessively eager to bring inspections to a close.

Top administrative officials from the beginning said inspections were useless and that inspectors couldn't find anything without Saddam showing them where it was.

Well, that's what he is supposed to do, but there's at least a chance inspections will prove useful even without his cooperation. Inspectors caught him in lies about his biological weapons program in the '90s. And in this morning's paper it appears they are catching him in lies about the range of missiles he's developing.

Another way to support the inspectors is to back up their request for U-2 surveillance planes, with a U.N. resolution that any interference with them by Saddam Hussein would be considered an act of war against the United Nations.

During the State of the Union speech, President Bush noted that "Iraq is blocking U-2 surveillance flights requested by the United Nations." Secretary Powell, during his address to the U.N. Security Council a

week ago noted that "Iraq also has refused to permit any U-2 reconnaissance flights that would give the inspectors a better sense of what's being moved before, during and after inspections."

Indeed the New York Times on January 30th quotes a senior White House official as describing Iraq's refusal to allow the U-2 surveillance flights "the biggest material breach of all, so far."

I met with Dr. Blix and his staff in New York on January 31st. They told me that U-2 flights would be very useful because of their ability to observe large areas of Iraq and to loiter for extended periods of time. U-2 flights would be particularly helpful to track trucks that appear to be moving items from one suspicious place to another, and to track mobile labs. Satellites can't track suspicious vehicles; U-2s can.

For this reason, I was astonished to read on Tuesday that State Department spokesman Richard Boucher characterized what appears to be an agreement to implement U-2 flights as nothing "worth getting excited about." If Iraq's refusal to allow U-2 surveillance flights is cited by the President and characterized by the White House as "the biggest material breach of all," if Secretary Powell is right when he says that U-2 surveillance flights would give the inspectors a better sense of what's being moved before, during and after inspections, then minimizing their usefulness at this point can only be explained as further disdain for the inspections effort.

It may be unlikely that inspectors will catch Saddam with the goods without his cooperation. But it's at least possible and we should increase that possibility by sharing all our useful intelligence and using the U-2s.

Supporting the inspectors in these and other ways is not inconsistent with the position that administration has correctly taken that the burden is on Saddam Hussein to show where the prohibited material is or what he's done with it. The fact that he hasn't carried his burden is undeniable. But how best to deal with his deceit and deception is still ours and the world's challenge.

There is unanimity around here about one thing at least: all of us and the American people will stand behind our uniformed forces if they are engaged in military conflict. Should they be so engaged, we will provide our men and women in uniform with everything they need to ensure that they prevail promptly and with minimal casualties.

Mr. LEVIN. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

#### CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 2004

The PRESIDING OFFICER. Under the previous order, the clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 23) setting forth the congressional budget for the United States Government for fiscal year 2004 and including the appropriate budgetary

levels for fiscal year 2003 and for fiscal years 2005 through 2013.

The Senate proceeded to consider the concurrent resolution.

Mr. NICKLES. Madam President, I ask unanimous consent that the staff of the Senate Budget Committee named on the list I send to the desk be permitted to remain on the Senate floor during consideration of S. Con. Res. 23 and the conference report thereupon, and the list be printed in the RECORD.

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

The list is as follows:

#### SENATE BUDGET COMMITTEE STAFF

AMDUR, Rochelle, ANGELIER, Amy, BAI-LEY, Stephen, BAYLOR, Lauren, BRANDT, Daniel, P., III, CHEUNG, Rock E., DUCKWORTH, Cara, ESQUEA, Jim, FELDER, Beth (Chief Counsel: Full Access Pass), and FLOYD, Ronnie.

GALVIN, Timothy, GREENWOOD, Lee A., HEARN, Jim, HERNANDEZ, Jody, full access (by UC), HERSHON, Lawrence, HORNEY, James, full access (by UC), HAUCK, Megan, HUGHES, Stacey, full access (by UC), JONES, Michael, and JONES, Rachel.

KENT, Don, KEOGH, Erin, K., KONWINSKI, Lisa (General Counsel: Full Access Pass), KUEHL, Sarah, LAVINE, Jessie, MARSHALL, Hazen (Staff Director: Full Access Pass), MYERS, David, NAGURKA, Stuart, and NAYLOR, Mary (Staff Director: Full Access Pass).

NELSON, Sue, full access (by UC), NOEL, Koby, NOLAN, Tim, O'NEILL, Maureen, ORTEGA, David A., OSTERBERG, Gayle, OSWALT, Anne, PAPPONE, David, PHILLIPS, Roy, POSNER, Steven, and PRICE, James Lee.

REIDY, Cheri, RIGHTER, John, RUDESILL, Dakota, SEYMOUR, Lynne, STEWART, Margaret Bonyng, STRUMPF, Barry, TAYLOR, Robert, WINKLER, Jennifer, and WOODALL, George.

Mr. NICKLES. Madam President, I ask unanimous consent that the following floor staff members, two from my staff and two from Senator CONRAD's staff, named on the list I send to the desk be given "all access" floor passes for the Senate floor during consideration of S. Con. Res. 23: Stacey Hughes and Jody Hernandez from the Republican staff, and Jim Horney and Sue Nelson from the Democratic staff.

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

Mr. NICKLES. Madam President, I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor during the consideration of the fiscal year 2004 concurrent resolution on the budget.

The PRESIDING OFFICER (Mr. BURNS). Without objection, it is so ordered.

Mr. NICKLES. Mr. President, today we will be considering the budget resolution, S. Con. Res. 23, a resolution for fiscal year 2004—actually, 2004 through fiscal year 2013. I urge my colleagues to seriously consider this resolution.

I will readily say it is not perfect. It is a result of a lot of work from individuals on both sides of the aisle who considered and put this resolution together.

We had a 2-day markup in the Senate Budget Committee. We had 20-some-odd votes. And I thank my colleague Senator CONRAD for his cooperation that we were able to finish and conclude the resolution we are now reporting to the Senate this week.

This resolution has a lot of provisions in it. It provides for how much money we are going to spend, how much money we are going to tax, how much money we are going to take in. It also has a few other provisions in it, and I will go into those in a moment. It is most important that we pass a budget resolution. We have passed budget resolutions every year since the enactment of the Budget Act in 1974, except for last year when we did not get it done. I am not throwing complaints at anybody. I think it is vitally important, if Congress is going to get its work done; that we pass a budget resolution; that we tell the appropriators how much money they are going to spend; that we tell the Finance Committee and the Ways and Means Committee how much money we are going to spend on Medicare; that we set the outlines or the framework on the size of government; that we tell the Finance Committee whether they should have a growth package.

In this resolution, we do call for a growth package. It is similar or identical to the number that the President requested. Actually, I think the President requested a number of about \$670 billion for the growth package. The Committee on Joint Taxation scored it and said it is \$725 billion. That is what we have in our resolution. It is a resolution that says we want to figure out how we can grow the economy.

It is vitally important that we do grow the economy, and I will make a couple of comments about that. We have inherited a very difficult situation. We have very large deficits. Some people might say that was caused by President Bush's tax cut in 2001. I say that is not the case. The very large deficits that we have, have primarily happened because we have had a precipitous decline in revenue, and that decline in revenue was not because of the tax cut, it is because the economy has been very soft, because a lot less money is coming into the Federal Government, both on personal income tax and corporate income tax.

The chart behind me shows that in the year 2000, the Federal Government total receipts were over \$2 trillion—actually \$2.025 trillion. In 2001, that declined about 2 percent to \$1.9 trillion. It was \$2 trillion, and then \$1.9 trillion. Last year, it declined to \$1.85 trillion. That is a reduction of \$175 billion over that 2-year period of time. That is a reduction of 9 percent.

Because of that reduction in revenue and because of an increase in expenditures, expenditures went from \$1.8 trillion in 2000 to \$1.86 trillion, to last year over \$2 trillion. So spending went up by about 12 percent and revenues went down by 9 percent. That kind of inter-

section meant we went from a surplus of \$127 billion in the year 2001 to a \$158 billion deficit in the year 2002. So we went from a surplus of \$127 billion to a deficit of \$158 billion in that period of time because revenues have gone down and expenditures have gone up. It is about that simple.

One might say, why? Well, let's look a little bit more at the economy. There has been a very precipitous drop in the stock market, well beyond what our computers were able to estimate as to what is the flow going to be, what does this mean in actual revenues that will come in to individuals, both in capital gains and also in personal income tax.

This gives an example. Nasdaq, which peaked in March of 2000, was down. It was almost 5,000. I believe it did hit 5,000 in March, went down to 2,500 or 2,600 by the end of the year 2000—almost a 50 percent reduction in the last 9 months in the year 2000. It continued to decline somewhat in 2001 and 2002.

As a result of that flow, everybody missed it, including the Congressional Budget Office and the Office of Management and Budget when they gave their estimates of what the fiscal situation was in January of 2001. They missed it big time. They greatly overestimated the amount of money that would be coming in to the Federal Government.

Both CBO and OMB were projecting revenues would continue to climb, maybe a little slower than what they did for the last several years in the 1990s, but they assumed that they would continue to ascend. In reality, they dropped by 9 percent. So the Congressional Budget Office, which is a nonpartisan office—and I do not fault them for their work; I am saying they missed it. Then we also had a little event on September 11, 2001, that was a real tragedy that cost 3,000 lives in the United States and caused untold damage to this economy. It would be interesting to see if the economists could ever figure the costs of that to our economy, but it has been in the billions of dollars and therefore and ultimately in revenues to the Federal Government.

So we had a recession that was already starting in 2000. We had a stock market decline that was enormous, and then we also had 9/11/01, which was a double hit. If we add these things together, revenues are way down. They are actually down for the first 4 or 5 months of this year compared to last year.

So we have been hit by a lot: The war on terrorism, that terrible tragedy of September 11, and the fact that we have had a very large decrease in the value of the stock market. All combined means that revenues coming into the Federal Government, like maybe revenues coming into a lot of States, are way down. So we went from surpluses of over \$150 billion to last year we had a deficit of over \$120 billion, which is forecast by the Congressional Budget Office to rise this year to, I be-

lieve, \$246 billion. That is if we do nothing.

I do not believe doing nothing is satisfactory. I guess we could just do nothing and hope that maybe things will get better, but I think we should do something. What can we do to help grow the economy? The President has a growth package. I understand people on the other side of the aisle have a growth package. Good. Let's consider a growth package. How can we grow the economy? I think we should consider any and all ideas. The President requested us to set aside as much as \$700 billion for a growth package. That is what we have done, and we have it in a reconciliation instruction.

Now, we do not write the tax bill, and all of our colleagues should be aware of that. We do not write the tax bill in the Budget Committee. We do give instructions to the tax-writing committees: Here is the amount of money they can use to put together a growth package.

What we have proposed is about \$725 billion. I believe about \$30 billion of that is for actual spending, what we would call refundable tax credits, and the balance of the President's proposal is mostly geared toward various tax cuts that would help grow the economy.

I believe many of those tax cuts would do that, they would help grow the economy. They would help get these figures on the revenues, that blue line, instead of going down, to go up. Frankly, it will not go up unless we really have a growing economy.

The President has several proposals. I will touch on a couple of them. Probably the most controversial is eliminating the double taxation of dividends. We are long overdue for eliminating the double tax on dividends. Many have called for it, Democrats and Republicans.

I don't see how anyone can defend the present policy which taxes distributions from corporations higher than almost any other country in the world. We tax the distribution profits, called dividends, to the stockholders at rates of 65 or 70 percent. There is only one country in the world that taxes dividends higher than the United States, and that is Japan. We are about even with them. We tax dividends higher than France. We tax dividends higher than the Swiss and almost higher than anyone with the exception of Japan. That is absurd.

We are supposed to be this defender of free markets, entrepreneurship, and we are saying if you make money in the corporation, and you distribute to the owners, we want two-thirds, maybe three-fourths of it. That is terrible tax policy. The President said we should eliminate double taxation of dividends. If we did that, we would encourage a lot of changes in behavior. Right now, the present Tax Code encourages debt and discourages investment in equities. I compliment the President for his proposal. If we can get the taxation of

dividends down at a more realistic level, we would have encouragement for investment which would create jobs. That would be positive. We need to think what can we do—not to score political points but what can we do to help grow the economy. That is a fundamental part of the President's growth package, the elimination of the double taxation of dividends.

He has several other provisions that would help. I used to run a small business, and he has a provision that would allow people to expense up to \$75,000. That is a good provision. That would encourage jobs. That is positive. We should pass that.

The President has several provisions that would be very helpful to families. Basically, eliminating the marriage penalty for couples with incomes less than \$56,000 would be very positive. Right now, a married couple with combined incomes up to \$56,000 have a marginal rate of 27 percent. Say they make \$50,000. Any additional dollar they make is taxed at 27 percent. The President said you should be taxed at no more than 15 percent, all the way up to \$56,000. Not to get too wonkish, that equates to \$1,100 more per couple with combined incomes up to \$56,000.

Some say this just benefits the wealthy. That is not true. You are not wealthy if you make \$56,000. The President says you should pay combined tax together, husband and wife, not in excess of 15 percent. That is a positive proposal.

The President has a proposal that says we should increase the per-child tax credit from \$600 to \$1,000. If you have four kids, that is \$4,000 you do not have to pay taxes on. That would be an increase of \$1,600 that you get to keep from present law. Present law on the child credit and on the marriage penalty and on the 1-point rate deductions we have had is \$600. That is scheduled to expire at the end of the year 2010. In the budget, we extend that for the years 2011, 2012, and 2013.

We do not propose to do it in the so-called reconciliation package. The reconciliation package is the growth package. In the growth package, what we proposed to the Finance Committee is an amount that would allow the per-child tax credit, that would allow elimination of the marriage penalty, that would allow expensing for small business, and that would allow for eliminating the double taxation of dividends, something I believe would very much help grow the economy.

I had business people who saw me today and thought that would help grow the economy by hundreds of thousands of jobs. I heard others say that just eliminating double taxation of dividends alone would be several hundred thousand jobs.

We need to consider how we can grow the economy. We have a measure in the budget that is under reconciliation that says we should consider opening the Alaska National Wildlife Refuge and allow exploration to occur in the

refuge. I urge my colleagues to vote in favor of that proposal. I understand there may be an amendment to strike. That is one proposal that would create jobs. That is one proposal that will reduce our dependency on imported oil which right now is right at 60 percent and increasing. A lot of that is from the Middle East. Some of it happens to be from Venezuela and other places. Oil costs are high. So we need to figure out how we can reduce our dependence on foreign oil. This is a main provision where we can do it. And for those who say they don't think we should do that because it might not be sensitive to the environment, I guess they have not been there.

I have been in the Alaska National Wildlife Refuge and the Coastal Plain area. It can be done. If you have been to Prudhoe Bay, you can see that is where we have been getting up to 2.1 million barrels per day. That is now under 1 million barrels a day. We need to supplement that. We can do that with exploration in a very scientific, environmentally safe and sound manner that will not have any negatives whatever on wildlife and will help reduce our dependence on foreign sources of oil. And we will keep billions and billions of dollars in the United States instead of sending those dollars to the Middle East and other countries. We are exporting so many dollars in purchasing imported oil; this is a way we can create jobs. There will be thousands and thousands of jobs created, good jobs created if we are able to enact the provision dealing with the Alaska National Wildlife Refuge.

It is also important to note we constrain the growth of government under this budget. I have no doubt that many people will be complaining about the budget and will complain about the deficit, but they will probably be some of the same people who will be voting to increase spending far and above what is proposed in this resolution.

The President has proposed and we have adopted in our resolution budget caps on the amount of money that we will have on discretionary spending both for 2004, 2005, and 2003, as well. We have caps for all 3 years. We would increase the spending cap amount to a total of \$784 billion in 2004, compared to what we have enacted in 2003 of \$765 billion. In nondefense, it is a \$10 billion increase. And we also have mandatory, total outlay increase for 2003 and 2004, 4.4. A majority of that is mandatory. We are holding down nondefense. The growth of nondefense between 2003 and 2004 is 2.9 percent. The growth in defense between 2003 and 2004 is 2 percent.

Now, why only 2 percent? The year before in defense, 2003, we are already at 8.6 percent. We added \$10 billion, actually \$6 billion for defense, \$4 billion for intelligence-related in the 2003 appropriations bill just passed last month. I mention that to my colleagues. It is very important.

We hear about the growth package and people want to cut the growth

package. I am sure we will have amendments. That is perfectly right. I hope we have the amendments to eliminate the growth package or to cut the growth package in half. We had those amendments in the committee. I expect we will have them on the floor. I hope they will be defeated. They want to take the growth out of the growth package. I want the economy to grow. How much is enough? Is \$350 billion enough? Is \$700 billion enough? We anticipated having revenues of over \$27 trillion over this 10-year life of this budget. So \$350 billion is a very small percentage. It is about 1 percent; \$700 billion is about 2 percent.

Can we make some changes that would have a dramatic impact on revenues? I think we can. We have a little history on our side showing if we do what is right, we can make the economy grow. In 1997, we had a significant tax cut. We actually passed one in 1995 and President Clinton vetoed it. We passed one in 1997 and he signed it. If you look at the results, you also see the revenues went way up.

What was one of the main components of the tax bill that we passed in 1997? It was reducing the tax rate on capital gains from 28 percent to 20 percent. There was a flood of money coming into the Federal Government as a result of that change, a flood of money—more money than the Government ever anticipated because we didn't use dynamic scoring. We used static scoring. We actually assumed maybe this was not going to raise very much money. It raised a lot of money. Because we reduced the tax on financial transactions, we had a lot more financial transactions, and it caused and encouraged an explosion in the stock market. It encouraged a lot of investment. It encouraged growth.

The changes we make can make a world of difference. That is why I encourage my colleagues to consider the President's growth package. What changes can we make now that will help grow the economy?

If you look at taxation, we were taxing exchanges, financial transactions, and we were taxing those at 28 percent. If we reduced that to 20 percent and we had a lot more transactions, that would generate a lot more money.

What about dividends? If they are taxed at 60 percent—combined rate, corporate and individual, at 65 percent or 70 percent, if we can reduce that and only tax it once so corporations are taxed at 35 percent, it is going to greatly encourage corporate investment and distribution to their owners. I think that would encourage investment and I believe have a very positive impact on the stock market and, frankly, on everybody.

Somebody would say that only benefits the wealthy guy who owns a lot of stock. That is not true. Ask the person who works for the telephone company, who has a 401(k), and they have watched their stock investments go back down as Nasdaq did. They want it

to go back up. They want the entire market to go back up. Ask a Federal employee who invested in the C fund, the common stock fund. Are they invested? Sure they are. They want to see the stock market go up. When it does, I think it has a very positive impact on the economy. I just mention those things. The President has that proposal.

He does have a cap and we put the cap in our budget, a cap on discretionary spending, a cap that grows just a couple of percent, 2.4 percent, for 2004. So this very important figure, 784 figure—last year you might remember we heard a lot of discussion, talk about 751. That was the discretionary cap figure the President had. Then, 759 or 751, we discussed that figure like it was the total Federal budget. It is not. But it is the amount of money we say we are going to appropriate. We ended up appropriating 765, now 784; it is a 2.4-percent increase.

I hope we do not increase that figure during the course of all the amendments we are going to consider. I know there are dozens of amendments that say we need to spend more money. We are already spending something like \$7,000 for every man, woman, and child in the United States.

Spending has been growing dramatically over the last several years. When these revenue figures were going up, our outlay figures said let's just catch up. Just on the discretionary side, outlays, nondefense, went up 17.1 percent; in 2002, they went up 12.5 percent. Both of those figures are greater than what we did in defense for 2001 and 2002. That is not sustainable. That is not affordable.

Our proposal said let's at least limit the growth. We did better in 2003 in nondefense discretionary. Now we are saying let's hold it at 2.4 percent, about the rate of inflation. Many of our colleagues say that is not enough. We need to have more money for everything you can imagine, and I am sure those amendments will come. I urge my colleagues to show some fiscal discipline. Do we want to have the President's growth package, a bigger one or a smaller one? Let's vote and then decide how much money we are going to spend.

We do not dictate to the Finance Committee the composition of the growth package. We are assuming the composition is similar to the President's.

We also do not dictate to the Appropriations Committee. We make assumptions: This is how it will break down. But I might mention they could reallocate the money in any way they want.

There are a couple of other things I will mention that are part of the resolution. We have assumed \$400 billion for improvements in strengthening Medicare; not just offering a prescription drug package, which would be a component of it, but to improve and strengthen and solidify, make Medi-

care a better system for seniors and for future seniors. That is in the proposal, of the \$400 billion increase.

Homeland security—we have the President's request, an 18.4 percent increase over last year.

In education, we have increased funding for title I by \$1 billion; for IDEA, \$1.2 billion.

We have a reserve fund for uninsured of \$50 billion, an instruction to the Finance Committee.

We have a highway figure of \$32.1 billion; that is 10 percent over the President's request. I know there is going to be a request to increase that figure dramatically—some people say by as much as \$5 billion or \$8 billion or \$10 billion more per year. There is not enough money in the trust fund to do it. There is not enough money generated by gasoline taxes to do it.

I am a believer that highways should be paid for by user fees, by gasoline taxes. Some people would want to increase the deficit by whatever amount it is to expand on that figure. I hope we do not do that. I am sure that will be one of the contentious issues with which we wrestle.

I encourage my colleagues, I hope they review this budget proposal. It tracks largely what the President requested for defense and nondefense for the first couple of years. It tracks the President's request for expanding and improving Medicare, homeland security, education—we bumped over the President's figures in education. I hope my colleagues will consider it. I hope they will say, What can we do that will help grow the economy? If they have a better idea, let's consider it.

We will consider an amendment also at the appropriate time. I look forward to working with all my colleagues and particularly my ranking member, my friend and colleague, Senator CONRAD, on this resolution.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, today we begin a fundamental and critically important debate on the fiscal future of our country. We do it as our country is poised on the brink of war. We do it when our country is now in record budget deficits. We do it at a time when we see challenges facing our country on many fronts. This is a debate of enormous consequence.

I, first, thank our chairman of the Budget Committee, Senator NICKLES, for the way he has conducted our committee. He is new as the chairman. He has walked into a difficult, challenging situation, but he has conducted himself as a real gentleman and we, on our side, appreciate that very much. He has also gathered an exceptionally good staff. We appreciate working with them as well.

This debate is about the fundamental question of where this country will go in its fiscal future. We will decide whether this country will continue down the dangerous path of deficits,

debt and decline, or whether we will take a step back toward fiscal responsibility, balanced budgets, and economic strength.

In the 2 years since the Bush administration has come into office, our Nation has suffered a dramatic and disturbing downturn in our fiscal and economic affairs. We went from a position of unparalleled growth, job creation, and opportunity to one of deficits, growing debt, growing unemployment, and doubt about our Nation's economic future. This budget resolution that we will begin debating today will determine whether we continue on the path set by this administration, a path that is rapidly undermining our fiscal strength, or whether we begin to reverse this dangerous course.

The budget resolution that we have before us, the majority passed out of the Budget Committee on a party-line vote, I believe is not the answer to what ails this country. It follows closely the President's proposal for massive tax cuts for the wealthiest among us that will only drive us deeper into deficit and debt.

The chairman of the committee calls part of those tax cuts a growth package, which is what the President terms it. We respectfully disagree. I do not believe, and many on our side do not believe, that it is a growth package. We believe instead that it will inhibit growth because deficits and debt will explode and the heavy weight of those deficits and debt will hold down economic growth. When you run deficits, you reduce the pool of societal savings. When there is less of a pool of societal savings, there is less money available for investment. And without investment, you cannot grow. I think on both sides of the aisle we agree on that basic premise.

The majority's resolution includes fully \$1.4 trillion in new tax cuts, \$726 billion for the so-called growth package, and more than \$600 billion to make the President's 2001 tax cuts permanent. With interest costs, these tax cuts will add \$1.7 trillion to the deficit.

Let's make no mistake, these are not tax cuts that are being paid for by cutting spending; they are not tax cuts that come out of a surplus. They are tax cuts that will be funded by borrowing the money. I should also add, they will also be financed by taking over \$2 trillion out of Social Security trust fund surpluses to pay for them.

At a time when we are on the brink of war in Iraq, we face a crisis with North Korea, we face an ongoing global fight against terrorism and al-Qaida, deficits are at record levels and continue to grow, job losses are mounting, and the retirement of the baby boom generation looms just over the horizon, I cannot think of anything more irresponsible than enacting this plan.

Now is a time that we should be focusing on strengthening our Nation's

defenses and homeland security, improving our economy, and restoring fiscal discipline over the long term to assure that future generations are not saddled with these debts.

If Congress were to actually adopt the plan before us, it would plunge the country off a fiscal cliff and threaten the education of our children, the financial security of our seniors, the stability of our economy, and the ultimate strength of our Nation.

First of all, it disturbs me we are even considering a massive tax cut package at a time when we are on the brink of war. How can we call on our troops to be willing to make the ultimate sacrifice but ask for no sacrifice here at home to fund their endeavors? I do not think that sends the proper message, when our troops are in the field, on the brink of battle.

Past Congresses and past Presidents have almost always called on the American people to help share the burden of conflict by buying Government bonds, by forgoing tax cuts, or even paying higher taxes to pay for a war. The American people proudly carried this burden and recognized it was their responsibility and a small price to pay for the privilege of living in the greatest and strongest country in the world. They certainly did not consider tax cuts for the wealthiest when their fellow countrymen were in battle and their Nation was in deep deficit and growing debt.

Amazingly, despite the fact that we are on the verge of war, neither the President's budget nor the majority's resolution includes any resources for such a conflict. How can we consider cutting revenues by \$1.9 trillion, with the interest costs included, as the President has proposed and have not one penny in the budget for the looming war?

Some say, well, it is hard to predict what the war will cost. Indeed, that is true. But one thing we know for certain is the right number is not zero. But that is what is in this budget resolution—zero, zero for putting our troops in position to launch an attack on Iraq, zero for the conflict almost certain to come, zero for the reconstruction of that country, zero for the occupation.

We do have estimates of what all those things cost. Before the Armed Services Committee, they were told in some detail that the costs of just having our troops in place, without going to war—just having them in place—between now and the end of September, would be from \$64 to \$84 billion. But there is not a dime in this budget. What sense does that make? Are we in total denial that having a quarter of a million troops poised for a war against Iraq is not going to cost anything? Surely we know that is not true. The cost is substantial, and we ought to provide for it in this budget.

Let's consider just how much this war could cost.

Officially, the administration has refused to provide Congress with a cost

estimate. The press reports have cited administration officials acknowledging that they could request a supplemental appropriation of \$60 to \$95 billion to cover war costs in 2003 alone.

This chart shows how much the administration could request in a supplemental for these war costs, and it shows how much has been put in the budget resolution before us. The number is zero.

Mr. President, colleagues, we know that is not right. That should not be our budget for this looming war. And nowhere has the administration accounted for the possibly large postwar costs, such as occupation, humanitarian assistance, and reconstruction, not to mention any indirect costs to the United States, such as an extended spike in oil prices.

That is why it is so important that Congress be provided with a war cost estimate before we proceed with large tax cuts or large new spending initiatives. Congress should have the information before we make these long-term commitments, not after.

It is disturbing to read press reports that Republican leaders may be asking the administration to delay their supplemental request until these tax cuts are locked into a budget resolution.

This is how Congress Daily reported the situation:

Vice President Cheney met with Senate Majority Leader Frist [on] Thursday to discuss, among other things, the timing of a spending request on military action in Iraq. It is not expected that such a request would come until after the House and Senate complete floor action on the budget resolution, a key aide said.

... [H]owever, having a supplemental that could total somewhere between \$65 and \$95 billion come up while the tax cuts and the budget resolution are being debated could threaten the Republicans' economic agenda. House leaders have also said they want the supplemental war request delayed as long as possible to provide breathing room between the tax cuts and war spending.

If this report is accurate, and the war supplemental is really being held to give breathing room for the tax cuts, we are in worse shape than I even imagined.

To understand why the majority's budget plan is, I believe, making incorrect assumptions with respect to the economy, it is worth reviewing what has happened to the budget over the last 2 years.

When the President was advocating his first tax cut in 2001, he promised we could easily afford it. He ignored warnings that the tax cut he was proposing was too large. In a speech just 2 years ago, the President said:

Tax relief is central to my plan to encourage economic growth, and we can proceed with tax relief without fear of budget deficits, even if the economy softens.

He was wrong. We now know how wrong he was. Instead of the \$5.6 trillion in projected surpluses over the next 10 years that were projected when the President came into office, now, according to the Congressional Budget

Office's latest estimates, if we adopt the President's budget plan, we will face a \$2.1 trillion deficit over that time period. That is a stunning downturn of nearly \$7.7 trillion in just 2 years.

I listened to our chairman give the reasons for this downturn. The one thing I did not hear him mention was the effect of the tax cuts. And yet the tax cuts over the 10-year period are the biggest single reason for this deterioration in our financial condition.

What could be more clear? Let's just do the math. We were told we would have \$5.6 trillion over the next decade in surpluses.

Now we are told if we adopt the President's tax and spending plans, we will be \$2.1 trillion in the hole over that same period. The tax cuts we passed in 2001 were \$1.35 trillion plus the associated interest costs. If you reduce revenue, and that means you have more deficit and more debt, that means your interest cost goes up. The total cost of those tax cuts, about \$1.7 trillion.

Now the President comes before us with an additional \$1.6 trillion of tax cuts over this period of time. The associated interest cost takes that to a total cost of \$1.96 trillion. If you add the \$1.7 trillion from the previous tax cuts, the \$1.96 trillion from these tax cuts, you get almost \$3.7 trillion; \$3.7 trillion of the \$7.7 trillion of deterioration. That is about 40 percent of the variance. That is the biggest reason.

The second biggest reason is the increased cost associated with the attack on this country—increased defense cost, increased homeland security cost, which we all have supported.

The third biggest reason, quite apart from tax cuts, is the economy is not throwing off the tax revenue anticipated for this level of economic activity. That is a simple mistake in the calculations.

The fourth reason is the economic downturn.

Those are the key reasons for this collapse in our fiscal fortunes. But let's be clear, the tax cuts are the biggest single reason.

In last year's State of the Union address when this change in our fiscal fortunes was becoming more clear, the President saw what his policies were doing and he began to acknowledge that deficits had returned. He said then:

... [O]ur budget will run a deficit that will be small and short-term ...

Again he was wrong. It is now very clear that the deficits will be neither small nor short term. In fact, the Congressional Budget Office has told us that the deficit would total \$338 billion in 2004 if we were to adopt his plan. And if, as the law requires, we are to exclude Social Security from that calculation, the deficit in this coming year would be \$512 billion. In fact, we would see throughout the rest of this entire decade deficits would never be below \$400 billion.

This chart shows it. This is what CBO told us back in May would occur without the President's policies, the top line. And we would have emerged from deficit in about 2011. If, instead, the President's policies are adopted, and this is the balance line, this is where you have no deficits, this is what happens if the President's policies are adopted. We never escape from deficits the entire rest of this decade, and they are not small. They are very large. In fact, they are record deficits, record in dollar terms, over \$500 billion in 2004 alone on a budget of \$2.2 trillion. That is a deficit of over 25 percent. That is not a small deficit.

In 2001, the President gave a radio address to the Nation. He said then:

... [M]y budget pays down a record amount of national debt. We will pay off \$2 trillion of debt over the next decade. That will be the largest debt reduction of any [nation] ever. Future generations shouldn't be forced to pay back money that we have borrowed. We owe this kind of responsibility to our children and grandchildren.

The President was absolutely right in his values and in his sentiment, but that is not what we are getting in terms of a policy. What we now see is endless deficit and endless debt passed on to our children and grandchildren. In fact, when he said he would virtually eliminate the debt back in January of 2001, he said there would only be \$36 billion of debt left by 2008. Now we see, instead of almost eliminating the debt, it is growing. In fact, it will be over \$5 trillion by 2008, over \$5 trillion. That is just the publicly held debt. That doesn't include the debt we are running up to the trust funds of Medicare and Social Security, debts that will also be in the trillions and trillions of dollars.

The consequences of this dramatic increase in debt are many. But one of them that hurts this Nation the most is the increased interest cost we will face. Back in January of 2000, we were told the interest cost during this period would be \$622 billion. Now we see that instead of \$622 billion, the interest cost will be \$2.3 trillion; \$1.7 trillion in interest cost, money that can't be used to build a destroyer to protect the Nation, money that can't be used to eliminate the terrorist threat to our country, money that can't be used to educate a child or feed a hungry person or do anything else that government does. Instead, it is wasted money, wasted in the sense it won't do anything positive other than pay our bills.

That increase in debt, that increase in deficits is, to me, the greatest threat posed to our national economic security. Again, if we listen to President Bush, we know his heart is in the right place. In his State of the Union address this year he said he would not pass on our problems to future generations. He said then:

This country has many challenges. We will not deny, we will not ignore, we will not pass on our problems to other Congresses, to other presidents and other generations.

That is precisely what the President's budget plan, and what the bud-

et plan before us, does. It passes on the burden to future generations. It asks our children to shoulder the debts we are running up.

It is interesting to look at what the President's policies will do according to his own analytical perspectives. From page 33 in his budget, what this chart shows is the next 10 years, the budget sweet spot. Even though we are in very large deficit, even though we are in record deficit, even though the debt is mounting, we can see this is the good times because this is the chart from the President's own budget document looking out as far as 2050.

What it shows is, if the President's policies are adopted, his proposals for tax cuts, his proposals for spending, we are going to take a leap off the cliff into deficits that are unsustainable and that are dramatic and that are devastating to this country's economic strength and economic future.

We need to remember this is the worst possible time for us to be accumulating such a mountain of debt.

This is precisely the time when we should be paying down debt, or prepaying the coming liability of the baby boom generation.

When we look at the next two decades, we can see that the President's tax cut explodes in costs at exactly the same time the Social Security and Medicare tax surpluses disappear. Right now, the tax cuts are somewhat less than the trust fund surpluses from Social Security and Medicare.

But look what happens when those trust funds go cash negative in the next decade. At the very time the trust funds of Social Security and Medicare go cash negative, the cost of the President's tax cuts explode. That is what this chart shows us.

The blue bar, which is the smallest, is the Medicare surplus. Ultimately, it becomes Medicare deficits. The green bar is what Social Security is running now in surplus, which will also turn to deficits when the baby boomers start to retire. The red bar shows the President's tax cuts.

What this chart shows is as clear as it can be. None of this adds up. It doesn't come close to adding up. Right now, while the trust funds are running substantial surpluses, those funds are being used to pay for the tax cuts and other expenditures of Government. They are not being banked. They are not being used to pay down our other debt so that we would be in a better position when the baby boomers retire. And those surpluses are not being used to prepay the liability we all know is to come. Instead, those trust fund surpluses are being spent. They are being spent to fund these tax cuts; they are being spent to fund other expenses of Government.

Look what happens when we get out into about the next decade. Then as the baby boomers retire, the trust fund turns to cash negative, instead of throwing off big surpluses.

For example, this year, the Social Security trust fund surplus is over \$160

billion. That is real money—\$160 billion in this year alone. But all of that is going to change when the baby boomers start to retire. Then the trust funds of Social Security and Medicare go cash negative. As the years progress, we go cash negative in a big way. That is the very time that the cost of the President's tax cuts explode. The result: massive deficits, massive debt.

This chart is looking out to 2018, when we will have a deficit approaching a trillion dollars for that year alone. That is what these charts show. That tells me that this budget plan can only have one conclusion, and that is to take us on a course to massive cuts in Medicare, in Social Security, and in all the rest of Government. That is the only conceivable outcome of a policy that has been laid down by the President and that has been largely adopted in the budget resolution.

I don't think that is the direction in which the American people want to go. But they need to know that the logic of this plan is inescapable. It is massive deficit; it is massive debt.

The President has proposed what he calls an economic growth package. Clearly, we need to have an economic growth strategy. That is something on which we can all agree. We need an economic growth strategy because we have lost 2.5 million jobs in the private sector since January of 2001. Let's be clear. What has caused that? No. 1, economic downturn. No. 2, the attack on this country that made the economic downturn more severe. Those are the culprits in the near term for what has happened to us. So we simply must respond to 2.5 million jobs lost during that period of time.

But the President has told us that his growth package, which doesn't cost \$725 billion—when you include the interest costs, it costs \$994 billion from 2003 to 2013—almost a trillion dollars of costs, only a very small part of it is effective this year when the economy is weak and needs a boost. This doesn't make sense to me, nor does it make sense to many economists. Clearly, we need a growth strategy. This is where the chairman and I are in complete agreement. We need a growth strategy.

But we need a growth strategy that will really grow the economy, one that will provide lift at a time of economic weakness, but one that will return us to fiscal balance in the long term so we are not putting upward pressure on interest rates that would only slow economic growth and kill a stronger economic future.

Some have said deficits don't matter, deficits don't affect the economy. Chairman Greenspan, head of the Federal Reserve, believes deficits matter. He said in testimony before the Senate Banking Committee:

There is no question that as deficits go up, contrary to what some have said, it does affect long-term interest rates. It does have a negative impact on the economy, unless attended.



Well, it is not just Chairman Greenspan who believes it. Mark Zandi, a well-respected economist with Economy.com has evaluated the Democratic plan for economic growth and contrasted it with the President's plan. What he concluded is that, in the short term you get more economic growth from the Democratic plan because we put more into giving lift to the economy now, when it is weak.

He shows that, in 2003, we would have almost twice as much economic growth as the President's plan. The same is true in 2004. And perhaps even more interesting, he concludes that over the long term, the President's economic growth plan actually hurts economic growth.

Let's be clear. We believe the President's so-called growth plan will help in the short term—not as much as our plan would, but it would help—but it actually hurts in the long term. Why? Because the tax cuts are not paid for by spending reductions in the President's plan. Instead, the President's tax cuts are financed by borrowing and taking the money out of the Social Security trust fund surpluses. That is a prescription for putting upward pressure on interest rates and for hurting long-term economic growth.

Again, that is not just my view, that is not just the view of Mr. Zandi; it is also the view of Macroeconomic Advisers. They happen to be the group that is hired by the White House, hired by the Congressional Budget Office, to give long-term assessments of what different policies will do for economic growth. This is what they have said the effect of the President's plan will be.

This chart shows the President's policy compared to the base. The base is the green line; the President's policy is the black line. What it shows is that in the short term the President's policy would increase economic growth—again, not as much as the Democratic plan; nonetheless, it would be positive. Over the long term, it would be worse than doing nothing. It would actually hurt long-term economic growth.

Again, the reason for that is very simple. The reason is, if you finance these tax cuts with borrowing, you are increasing deficits, increasing debt, and that provides a dead weight on this economy.

We have the Federal Government in there competing with the private sector to borrow money. That drives up the cost of borrowed money, drives up interest rates, and that hurts economic growth.

It is just not my view, or the view of Macroeconomic Advisers, or Mr. Zandi; it has now been expressed by a group of the most distinguished corporate leaders in America.

The nonpartisan Committee for Economic Development, a group of some 250 CEOs of major companies, has looked at the President's plan, and they have come forward with the following conclusions. I should emphasize the Committee for Economic Develop-

ment is a nonpartisan, nonpolitical group of 250 leading businessmen and academics, a group composed of largely fiscally conservative business leaders and academics, including executives from the Bank of America, Bell South, Allied Signal, PricewaterhouseCoopers, Deloitte & Touche, Ford Motor Company, and many more.

This group issued a report opposing the President's tax cut and noting that it would explode deficits and debt right in the face of the retirement of the baby boom generation. That is exactly right. Here is what they found.

No. 1, current budget projections seriously understate the problem.

No. 2, while slower economic growth has caused much of the immediate deterioration in the deficit, the deficits in later years reflect our tax-and-spending choices. So this is the debate between the chairman and me. He is saying the tax cuts are not the reason for the opening up of these deficits, and he is right, in the first few years of this 10-year plan. But over the full 10 years of the 10-year plan, the biggest reason for the return to deficits is the tax cuts. That is not just my conclusion, that is the conclusion of this group of corporate leaders.

No. 3, deficits do matter. When you have to be borrowing money for the Federal Government, that puts the Federal Government in competition with the private sector and that puts upward pressure on interest rates, especially at a time when the economy is recovering.

No. 4, the aging of our population compounds the problem.

I do not know what could be more clear. We have record deficits now. The President says cut another \$2 trillion out of the revenue base and do not offset it by cutting spending, but increase spending and do it when we all know the baby boomers are about to retire and will really explode costs to the Federal Government. What earthly sense does this make? We are cooking a stew here that will be impossible to choke down. We will be choking on deficits and debt in this country, and you do not have to just take my word for it. The President's own budget documents have reached precisely the same conclusion. They show we never emerge from deficit and that as the baby boomers retire and the costs of the tax cuts explode, the deficits mushroom, the debt grows geometrically to unsustainable levels.

Let me put up the reasons for the decline we were discussing earlier. The reasons for the disappearance of the \$7.7 trillion—remember 2 years ago, we had a forecast of \$5.6 trillion of surpluses over the next decade. We now know, according to the Congressional Budget Office, if we adopt the President's tax-and-spending plans, instead of \$5.6 trillion of surpluses, we will have \$2.1 trillion of deficits. That is a swing of \$7.7 trillion in 2 years.

Where did the money go? Over the 10 years, 38 percent went to the tax cuts,

those already passed and those proposed; 26 percent went to the problem of the models not correctly forecasting revenue for various levels of economic activity. That is apart from the tax cuts. It is less revenue, but not caused by the tax cuts. The two of them together are 64 percent of the reason for the disappearance of the surplus. Sixty-four percent is less revenue than anticipated. Most of it is the tax cuts, but the other is mistakes in forecasting. Twenty-seven percent of the reversal is additional spending caused by the attack on the country, the additional defense spending, and the additional spending for homeland security. Only 9 percent is the economic downturn.

Now we have the Committee for Economic Development telling us that we are on a course that does not make sense. So we look at the proposal before us by the chairman of the Budget Committee that passed on a party-line vote out of the committee. What does it show us?

It shows us that if you do not use Social Security, if you do not throw that money into the pot, if instead you treat it like a trust fund, if instead you protect it, if you treat Social Security as a true trust fund, the deficit in 2004 under the budget chairman's mark will be \$503 billion out of a budget of approximately \$2.2 trillion. That is a huge deficit. What we see is never emerging from deficit if we do not use Social Security for other purposes for the whole rest of the decade. In fact, we never get below \$300 billion in shortfall on an operating basis.

Where is the money coming from? Mr. President, \$2.7 trillion is being taken from Social Security surpluses and used to pay for these tax cuts and being used to pay for the other expenses of Government.

These chickens are going to come home to roost. This is a profound mistake, I believe. I believe we should have either used this money to pay down debt or prepay the liability we know is to come, but to take this money from Social Security surpluses when we are right on the eve of the retirement of the baby boom generation, we know what it is going to do. It is going to force incredible choices on a future Congress and a future administration. They are going to have to run up massive debt or have enormous tax increases or deep cuts to Social Security and Medicare. This is reality talking now, and it is a hard reality, but it is something we have to face up to.

Instead of paying down debt, here is what is happening to the gross Federal debt. It is exploding. It was \$6 trillion in 2002. If we adopt the chairman's mark, it will be \$12 trillion at the end of this budget period; \$12 trillion in debt.

The chairman said the tax proposals of the President are not weighted to those at the top. I must say I differ. I do not know what tax plan he is studying, but the tax plan I look at that the

President has advocated shows the overall tax cuts are almost totally weighted to the top end. This is from the Center on Tax Policy, and it shows that taxpayers with over \$1 million of income a year will get an \$88,000 tax cut—\$88,873. That is pretty generous. Taxpayers who are in the middle of the income scale, those earning from \$21,000 to \$38,000, get a \$265 tax cut. If that is not weighted to the top, I do not know what is.

By the way, this AGI, adjusted gross income, of \$21,000 to \$38,000, is 20 percent of taxpayers who are in the middle of income distribution in this country. They take the income of all those in America and divide them into groups of 20 percent. The group that is in the middle 20 percent has an adjusted gross income of between \$21,000 to \$38,000. They get very little by way of this tax cut. Those at the top—and, of course, people earning over \$1 million a year are in the top 1 percent of this country—get a tax cut of over \$88,000. This is trickle-down economics all right. It did not work before, and I do not think it will work now.

This shows the benefit by quintile of the President's proposal. It shows the bottom 20 percent get two-tenths of 1 percent of the benefit; the second 20 percent gets 10.8 percent; the third 20 percent get 23 percent; the fourth 20 percent get 32 percent; the top 20 percent get a third of the benefit. So that is clearly heavily weighted to the top.

I conclude by saying I hope we pause, think, and reflect about what adopting these policies would mean to the economic future of the country. I think these are fateful decisions that are about to be made, fateful decisions that will have an effect on this country for many years to come. I very much hope that before we are finished our work on this budget resolution that we change course, that certainly we enact a growth package, one that includes tax cuts, one that gives a lift to the economy but one that does not burden us with deficit and debt for years to come; that we return to an understanding that fiscal responsibility is critical to long-term economic growth. That must be the conclusion that we come to during this debate on the budget resolution.

I yield the floor.

The PRESIDING OFFICER (Mr. CORNYN). Who yields time?

Mr. NICKLES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. NICKLES. Mr. President, I have heard many people say the tax cut is really weighted towards the upper income people, and sometimes I do not know if we are talking about the 2001

tax cut or the tax cut that President Bush is now proposing for growth or the extension of the 2001 tax cut.

In his total 10-year budget, the President had about \$1.5 trillion of reduced revenues. Of that, \$695 billion, I believe, was in the growth package and tax cuts; about \$30 billion in expenditures. Some of the tax cuts were refundable, so Government will write a check. So that goes on the expensing side. About \$600 billion of that figure is the extension of the 2001 tax cuts that will sunset at the end of the year 2010. Those are tax cuts that are the per-child tax credit, the marriage penalty, and also the reduction in rates.

I might mention the reduction in rates, what we already passed in 2001, particularly as far as income strata is concerned, who benefited the most percentage-wise, low income benefited a much greater percentage than upper income. Those are the facts. We reduced the 15-percent bracket to 10 percent, and we did it retroactive in June of 2001. We made it retroactive to January of 2001. Now, that is a reduction of rates of about 30-some-odd percent. That is from 15 percent to 10 percent, and it was made retroactive for individuals who were in that income tax bracket.

For individuals who were at the maximum tax bracket, we went from 39.6 percent to 38.6, 1 percentage point. Incidentally, we went 1 percentage point in the other rates as well. The 28-percent rate went to 27 percent, for example. So percentage-wise, they did not do near as well, about a 3-percent reduction compared to a 33-percent reduction for lower income.

As a matter of fact, the Tax Code is more progressive now as a result of the 2001 tax cuts than it was without the 2001 tax cuts. Upper income people pay a greater percentage of the income tax. Senator GRASSLEY will probably allude to this when he makes some of his comments.

If we pass the President's entire package as presented, the tax cut would still be more progressive. One might say, why? Well, because we are increasing the number of people who will pay no income tax. If one has four kids, passing a child credit of \$1,000 per child is \$4,000 they do not pay taxes on. If one has income less than a certain amount, they may not pay any in connection with tax. So percentage-wise, that may be a 100-percent reduction of their income tax. That is rather significant.

I mentioned the marriage penalty. Couples with taxable income less than \$56,000 would be taxed at a 15-percent bracket instead of marginally at a 27-percent bracket. So that benefits them dramatically. It goes from a 27-percent bracket to 15-percent bracket. That is almost a 50-percent reduction. That is very significant. Sometimes people want to play class warfare. I don't. I want to come up with good tax policy. It is absolutely not good tax policy to be taxing distributions from corporations to the tune of 67 or 70 percent.

And now a personal example. I used to run a manufacturing company before coming to the Senate. It was a corporation, Nickles Machine Corporation. We made money for a while. Unfortunately, we turned into a nonprofit organization—but not by choice. When we were making money, we wanted to distribute some of the money to our shareholders, to the owners of the company. At that time, corporate tax was 48 percent and the tax on individuals was 50 percent, for our purposes. If you have \$1,000 and distribute that to the owners, the net result is the Federal Government gets 75 percent and the owners get 25 percent.

What is it today? If a corporation wants to distribute \$1,000, they pay 35 percent corporate tax and the individuals might be paying 27 percent, possibly 33 percent or 38.6 percent. If a corporation wants to distribute \$1,000 in earnings to the owners, the Federal Government gets 70 percent and the owners get 30 percent. This is not a very good deal.

A lot of corporations said: Let's do something else; let's pay bonuses. So there were bonus schemes. The goal of a business is to generate a profit and distribute that to the owners. It makes no economic sense to pay a lot of dividends if the Government gets over half, maybe as much as two-thirds, maybe more than two-thirds, even up to 70 percent. That is how present law is written.

The President proposes changing that, and I compliment him for doing so. Alan Greenspan has spoken in favor of that needed change. Many who follow the markets, including Charles Schwab and others, say this would be very positive and would help raise the markets. We would stop this terrible suffocating policy of overtaxing corporate distributions, which is what we are doing. We are currently grossly overtaxing corporate distributions. We need to change that.

Again, this will help anyone, including Senate employees. I don't see too many millionaires walking around here, but it would benefit every Senate employee who works for me who has money in the retirement account. It would help employees of corporations who have money in retirement funds. A teacher retirement fund is one of the largest in the country. I believe it is the California teachers retirement plan. They invest in the stock market. They would benefit from this proposal. It would benefit everyone, including our country.

I don't think we should be talking about class warfare. Percentage-wise, the lower income group has a greater percentage reduction of its income tax than any other group. That is a fact.

Some are talking about this leading to cuts in Social Security and Medicare. I find that not to be the case. The Social Security trust fund will be just as large in 10 years whether we pass this budget or not. We do not do one thing that would have any impact on the Social Security trust fund.

Right now, the Social Security trust fund is financed by payroll tax. There is more money going out than coming in if you look at Social Security and Medicare combined. If you take the two trust funds combined, there is more money going out because we subsidize Medicare substantially in Part B. I will have charts on the total money in those pots of funds.

We want to have a very good, enlightened debate on this entire budget. I encourage my colleagues, if they find this budget deficient, to please offer their own. We will have ample time to consider alternatives. I am sure others have ideas, and we would be happy to debate those.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, let me indicate when one is assessing effective tax rates on corporations, it is a very tricky business. The chairman is citing the tax rates found in the tax tables. But those are not the effective tax rates that companies pay. It gets to be much more complicated than it appears superficially in terms of top rates.

For example, the chairman is making the point regarding everyone who has retirement account benefits. Our employees benefit—although they are, for the most part, well-to-do people—from the dividend taxation proposal. The way tax law works, they do not pay those taxes in a retirement account. Those are tax-free accounts. They are not paying the dividend tax. It might be true they would benefit if the value of the stocks went up, but that is very much a crapshoot. No one knows for certain what the effect of a dividend tax proposal would be in terms of stock valuation. But we do know the effect on deficits and debt. It will drive up deficits. It will drive up debt.

Many Members believe, and many economists believe, increased deficits and increased debt will inhibit long-term economic growth, not improve it; it will hurt people, not help people.

When the chairman talks about lower income people getting a bigger percentage reduction in their income taxes than higher income people, that leaves out a profoundly important point. That is, most lower income people—in fact, most taxpayers—pay much more in payroll taxes than they pay in income taxes. There is no payroll tax relief in this plan. It is all geared to income taxes. Automatically, that is giving the greatest benefit to those who are the best off.

When you take all the President's proposals together and evaluate who the big beneficiaries are, it is indisputable that it is heavily weighted in the top end. Certainly, the dividend top proposal is weighted in the top end heavily, and that is half of the President's so-called growth package.

I will yield the floor so colleagues have their chance to express their views on the budget resolution before the Senate.

Mr. NICKLES. I yield to the Senator from Wyoming such time as he desires.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I am pleased we are at the point of having the debate now on the budget. It is extremely critical to the operation of the Nation to have this done in a very timely fashion. I appreciate the cooperation on both sides of the aisle to bring it to this point.

I enjoyed the insights and debate we had last week as it congenially went through committee. There was a lot of cooperation, a lot of exploration, a lot of decisionmaking last week that resulted in the budget that is here today so we can begin the floor debate. I look forward to making progress on the budget this week and getting it wrapped up so the authorizing committees can look at the exact projects they have coming, have some kind of idea of the amount of money that is in there and, at the same time, the projects they want to do over the years that are necessary to accomplish. Then, of course, the timely work of the authorizing committees will allow the timely operation of the Appropriations Committee.

Last year we were not able to approve an appropriation until this year, in January. That is supposed to be done in October, not January—October. We got it done in January. But we ought to be able to get it done in October, before October 1, so all the agencies know what they are operating on for that year so we are not guessing for part of the year and then operating on an appropriation.

All of that ties back into this budget process. The budget process is not the details of where the money goes, but it is the broad blueprint for where it goes. Most importantly, it establishes the rules that people have to operate under when they do authorizing and appropriations.

This is an extremely critical piece of the puzzle. It is a piece designed to be done in relatively rapid fire, so those other parts of the process can be done.

Today I rise in support of the budget resolution as reported by the Budget Committee last Thursday. I do commend the chairman of the committee and my colleagues for developing a fiscally responsible and realistic budget, and for doing it in a timely manner. The hard work of the committee has set the stage for final adoption before the April 15 deadline.

You may not know that the April 15 deadline has only been accomplished four times since 1976. We have a great opportunity to have it accomplished this year. I look forward to doing that.

The resolution as introduced today will not only enable us to win the war on terrorism, to secure the homeland, and to generate long-term economic growth, but it will also provide critical funding for America's children and our national transportation system.

As a new member of the Budget Committee, this has been my first oppor-

tunity to work on the Federal budget in depth. The week the President's budget was released I read the entire thing from front to back. Since then, I have studied the summary tables for each of the budget functions and have worked through the costs and benefits of the President's economic growth and development plan. As an accountant and businessman, I believe I have a unique understanding of the President's growth package and the budget, and I strongly urge my colleagues to pass this budget as introduced.

I would like to speak specifically about the President's economic and growth package for a moment. I have taken the last several weeks to closely analyze that Economic Growth and Jobs Plan because I think we must ensure that each initiative will act as a stimulus and not as just another expenditure. While I have a degree in accounting, you do not need to be an accountant to know we cannot spend our way out of debt. Accounting does not work that way. We either have to increase revenue or decrease spending in order to balance the budget in the coming years.

I had a little lesson right after the first of the year in balancing budgets and the importance of it. The President asked me to go to Brazil and represent the United States at the inauguration of the new President down there. I was delighted to make the trip. It was quite an adventure. They invited heads of state to their inauguration, unlike our inaugurations, and the heads of states around the world do respond. There were 130 countries represented.

They take the credentials on a seniority basis that goes to heads of state and then crown princes and then vice presidents and eventually it gets down to the delegation that we had over there. We were 40th in line, so there were a lot of heads of state there. I had an opportunity to talk to many heads of state. Our delegation had an appointment every hour with a different head of state or with a cabinet member of the new President, and a meeting with the new President.

He is from a leftist government, so it was interesting to find out what he had in mind for his country. One that was particularly critical to him was balancing the budget. He recognized that the future of his country depends on that more than, perhaps, any other item that he can do. He is also interested in moving the programs to as close to the people as possible, giving them flexibility and reducing the bureaucracy.

That sounds like a lot of the issues I have been talking about, and I do not consider myself to be leftist, but I did notice with most of the heads of states to whom I spoke, they did put an emphasis on that balancing of the budget. I am convinced that is what we can do for this country to ensure the future of the country, and the sooner it is possible to do it, the more important it is—but the more sure that we can do it, the more important it is.

Unfortunately, while the Federal Government accounting offices are good at estimating expenditures, they are not very good at projected revenues. They use static numbers. That means that no matter what kind of economic plan we have, those numbers are not going to be reflected in any budget, toward helping to balance the budget at all. Keep that in mind when we are talking about budget here.

The static numbers provided by the Congressional Budget Office do not take into account the long-term positive effects of the President's growth package, the effects that would have on the economy. I believe this erroneously skews the debate. Positive results should be reflected along with negative results, and increased revenues should be taken into account when making decisions about an economic growth package.

The answer to improving our economy is not through increased expending of Government programs. You cannot spend yourself into a better economy. Try that on your own budget. It works kind of the same way. You have to do it with the Government by growing tax revenue from the private sector.

As we know from past economic reports, dollars invested by private companies tend to circulate through the private sector nearly twice as much as those spent by the Government on domestic programs. Some of those estimates go up as high as seven times when you spend in the private sector as opposed to spending in the Government sector. For example, when one business buys something, the business that sold it to them receives the money. The business that sold it to them turns around and spends it at another company, which takes it and spends it at another company, which spends it. Some say this action circulates the dollar as many as seven times through the economy—seven taxable times through the economy. That is one of the differences between a government expenditure and a private expenditure.

The result is the efficient use of capital and more Federal revenue. The trick is to get the private sector into that expanded mode fast enough that the tax revenue comes in at greater amounts than had been anticipated. From past times we have seen that providing an economic plan, providing some tax relief, has stimulated the economy. It can do that again. But what we are talking about is the efficient use of capital; where it can be best applied to get the best results.

This does not mean we have to decrease spending for critical programs in order to spur investment. Instead, I believe we must hold our spending in check and then increase revenue by creating an environment that allows businesses to grow and subsequently pay more into the Federal pot.

We need to grow the economy back to where it was before the recession that started 3 years ago, and then was

added to by September 11, and then we have to grow it beyond.

When I first got to the Senate, the first item of business was a balanced budget constitutional amendment. We were going to force ourselves to balance the budget. I have to tell you, the constitutional amendment came within one vote of passing—one vote. I have to tell you, that was pressure from the American people, and we paid attention to it in this body and we began balancing the Federal budget. When we did, the economy skyrocketed. That is what can happen if we have a plan for getting back to a balanced budget. We can grow the economy faster than it grows right now.

It wasn't that we cut spending during that time. Lord knows, we did not cut spending. But we increased the revenues. That is the key. It is easier to balance the budget when you rapidly increase the revenues. That is what I think the President's economic growth plan will do. I believe the President's proposal is the most effective engine for spurring that growth.

We need to aid the people and businesses that make up our economic machine and get it moving down the tracks at full speed again. That is the businesses, particularly the small businesses.

The President's economic growth package makes sense. Eliminating the double taxation on dividend income is fair and right, as income should not be taxed twice. The proposal will eliminate the current tax bias against equity investment, and because a little over 50 percent of American households own equities, it will benefit a wide range of income levels.

I have to mention, there are seniors in this country who have done some planning for their retirement, and one of the ways they did that was to pick out companies that pay dividends, and to pick out companies that pay dividends in different months so they get a dividend check each month. I will tell you, those senior citizens know what it is to have their income taxed twice. In fact, they have a lot of instruction on unfair taxation that falls on them.

Further, eliminating the double taxation may encourage investors to reward companies that pay out a healthy dividend, not just by purchasing their stock but by purchasing the stock at a higher multiple of corporate earnings.

I have to tell you, that balance can be paid out. That has to be real money. That cannot be phony accounting. That straightens out some of the accounting process. Look to the dividends.

The President's proposal to accelerate the 2001 tax cuts will rightly put money back into the hands of hard-working taxpayers. I believe the most important acceleration would be the reduction in the highest tax rate because sole proprietorships, partnerships, and subchapter S corporations are taxed at that level.

We talk about it as though it were a few wealthy individuals. I had people

talking to me about the unfair double taxation of dividends before the President ever mentioned it. It was coming from Wyoming people who had small businesses who have grown those small businesses and have grown them very successfully. They started to mount as regular corporations rather than subchapter S corporations. They were able to build those businesses. They have very successful businesses with some retained earnings now that could go into some other projects, but they are not about to pay that out if they have to get taxed on it one more time. They already paid the tax. They do not think it is fair to be taxed on it again.

As some of you know, I owned a shoe store in Gillette, WY. So I understand this subchapter S and C corp taxation and know that those C corp small businesses are taxed at a different rate. Subchapter S corporations pay at the individual rate. And for many of those in business, because of the money that is flowing through the corporation—not money they are getting, money flowing through the corporation, money they are putting back into inventory and equipment and buildings so they can grow that company—they are paying taxes on it, if they have it as a subchapter S corporation, and they are paying it at the highest individual rate, which cuts into the amount they can put back into the business.

So, simply put, the more money that corporation has to pay in taxes, the less money they have to invest in inventory, to maintain the building, or, more importantly, to hire more people to take care of customers—jobs.

As such, I think reducing this tax burden on small businesses will be the most effective growth mechanism. I also believe the President's efforts to encourage long-term economic growth, through higher expensing caps for small business expenditures, is extremely helpful and long overdue. Again, the money that they are investing in equipment and buildings would be able to be written off quicker, which would encourage them to go ahead and make those expenditures sooner, which is short-term growth for the economy. Months and years before the President released his growth package, small business owners from Wyoming were asking me for that kind of relief as well.

I have to tell you, it is small business that has been building this country. For the past several years we have had the megamergers, we have had a big company buying up another huge company. The numbers they talk about from those purchases are absolutely astronomical to me. I don't even have the concept for how much money they are talking about. But one of the things I have noticed is, after they make that megamerger, they have what they call a downsizing, or a "rightsizing." I call it laying off people—10,000, 20,000 people laid off.

Until the decline of 3 years ago—and actually up until about a year ago—the

slack from those megamergers was being picked up. Those people were being hired. Those people were being put to work. Those people were given jobs. Where? In small business. Small business was growing the economy. They are able to define a niche and are able to provide a need. And they are able to respond to change quickly. That is the advantage of small business.

Fortunately, we have people in this country who are willing to take the risk of developing a special niche, filling a need for this country, and selling the people of this country on that need. That is what has grown the business. A lot of those little businesses have grown into very big businesses, but that is how they started.

That is where we really need to fuel this engine. We need to fuel it from the small business aspect. We have that opportunity. We have that opportunity with the President's economic growth plan. I hope we will take advantage of it.

Small businesses should not bear the brunt of taxes. As corporations struggle to meet income projections and cost reductions, small businesses are the ones providing jobs and putting food on the table for our working families. They are the ones growing the jobs. Small businesses are the backbone of the American economy, and we must allow them to grow and prosper.

While I support the President's plan and the package we assumed in the budget resolution, it is important to remember the Budget Committee cannot dictate how the Finance Committee structures the tax package. This resolution simply reconciles the Finance Committee to reduce revenues by \$698 billion, which is consistent with the President's growth plan. I urge my colleagues to support the reconciliation package without amendment.

During this uncertain time, we must be mindful of the fiscal impact of the war on terrorism and the war in Iraq. These are threats we may not be able to avoid, and we must be prepared to provide the resources necessary to keep the men and women of our armed services safe and strong.

However, I caution my colleagues. We should not add the cost of the war to the baseline of our budget. God willing, this war will be short, if it happens. And we should not treat it as an ongoing expense. We should not put it in as a baseline so that next year we can build from that baseline at even greater expenditures. It has to be treated as a one-time emergency.

Mostly, I fear that the money used this year to fund the war will be swallowed up next year by the spending machines we can't wait to dip into as a new pool of money.

Finally, in closing, I would briefly like to mention another issue that is important to the people of Wyoming and to many Senators who hail from rural States. This issue is drought assistance. During the Budget Committee

markup, I worked with my colleagues to include a sense of the Senate that would direct Congress to develop a long-term drought plan and establish a reserve that would fund emergency and disaster assistance to livestock as well as agricultural producers hurt by drought.

I think this provision goes a long way in making a clear statement that we are systematically preparing for the negative impacts of drought and other disasters through a long-term strategy rather than a knee-jerk reaction.

Something that has disturbed me in the budget for our country has to do with our knowledge of impending disasters. We don't know which disasters they are; we don't know where they are going to strike; we don't know what they are going to be or we might be able to do more in the way of prevention. That just isn't the way Mother Nature works. But we do know every year—since I have been here, and looking back several years before that—there are around \$6 billion worth of disasters in our country.

We do not budget for that. We treat them strictly as emergencies. Anybody in the private business sector who knows there is going to be a huge expenditure builds that into the budget. I am hoping, through a process, we can eventually get to the point where the known emergencies—that is, the known amount of dollars of the emergency—even though we don't know which they are or where they will occur, that they will be provided for up front as part of the budget.

Mr. SESSIONS. Will the Senator yield for a question?

Mr. ENZI. I yield for a question.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, the Senator is speaking so well on these issues as an accountant. I think he is the only accountant in the Senate, and a small businessman himself. I would like to ask this question on the double taxation.

I have heard economists and others, like Larry Kudlow, for example, say that big corporations are withholding earnings. They are not paying them out in the form of dividends because they are taxed. And they are retaining those earnings. Then they are using those earnings, when they don't know what to do with them, basically, to buy up small competitive corporations. Does the Senator think, based on his experience in business, that could be one factor in the consolidation of big businesses more and more in America? And is that unhealthy for the country?

Mr. ENZI. I think our tax system has encouraged companies to get bigger and to enfold more kinds of operations into their current operations, even if they were not compatible with the current operation, just so they could do as you have expressed, avoid some of the double taxation there would be on dividends and also drive up the price of the stock by making these other acquisitions.

Growth, sometimes, of another business will drive up the price of the stock because it increases the number of sales for the host corporation. It did not increase the number of sales for the purchased corporation, but by adding that to the new one or by sticking some other units out there, they can drive up the stock prices. We have seen a number of mechanisms for being able to drive up the stock prices.

I do expect we will see kind of a reversal in the way companies have been doing that. If we can put some plans in place to better stimulate small businesses, we will see some of those big businesses spinning off some of the businesses that they have had before, taking the cash, paying some dividends and increasing the value of their stock based on the true accounting, the cash that they are able to generate. They will be able to do that because they won't have that double taxation burden some of the investors look for, those opportunities. They don't want to receive the dividends. They want to see the increase in stock value instead. So instead of encouraging cash to be distributed so they can put it into the economy, perhaps for smaller business earnings, it is going exactly the opposite way.

Mr. SESSIONS. Just to follow up, is it the view of the Senator that by eliminating the double taxation on dividends, this would encourage businesses to distribute dividends to shareholders and not hoard it and end up purchasing and consolidating their business interests, expanding it by purchase of competitive smaller businesses?

Mr. ENZI. The Senator from Alabama is absolutely correct. It will grow a lot of new businesses. It will put it in the hands of people who will be looking for opportunities of small businesses that fill niches, and there will be money available for small businesses through venture capital to be able to get the money to put that idea they have had in place for a long time and actually produce the product, market the product, get it out there where it is providing a service to people and growing the business at the same time. It will change the way people in this country invest. It will improve the way corporations operate.

I thank the Senator for his questions. I urge my colleagues to support the fiscal year 2004 budget resolution as reported by the Senate Budget Committee.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. I am pleased to yield 25 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, before my friend from Wyoming leaves the floor, I want him to know I listened carefully to his arguments. I had difficulty following the argument that we

should not include any funding in the budget for the war in Iraq. I am sure he has attended—I have seen him there—a number of meetings where we have listened to the Secretary of Defense and others say we couldn't project what the war is going to cost because we didn't know what other allies were going to contribute, how many troops they were going to have, what they were prepared to spend. Now on the eve of the President's statement, we have a very good idea about where the burden of this conflict is going to fall. It is going to fall on American taxpayers.

I am troubled about why we don't include any of that in the budget. We know it cost \$25 billion to send the service men and women over there. That is a CBO figure. It will cost \$25 billion to get them back. We know now that to build the Iraqi oil industry, if we were to go in there today without any kind of impact or any destruction, it is going to cost about \$15 billion more to bring it up to speed. We know that electricity is about half pace and it is going to cost another \$10 billion to bring that up to speed. We are trying to bring Iraq back to its former self. We know that communications is about half speed and that will cost another \$10 billion.

We know we will need a minimum of 50 or 75,000 troops. General Shinseki says 200,000 troops. General Nash, a previous commander over there in the first Gulf War, mentioned a couple hundred thousand troops. We had 70,000 in Bosnia. It is difficult for me to think that just as an opener we will not need \$50 to \$75 billion. I find it difficult to understand why we are not including that and discussing that when we are talking about the budget for the future, when we know we are going to have to get the expenditures.

As I heard, the argument was, we don't want to put it in because it will be part of a baseline in terms of future spending, which suggests that we are not rational enough or sensible enough or responsible enough to be able to deal with these figures down the road.

I don't want to be unfair to my colleague from Wyoming. If I don't have it right, I will be glad to yield for a question.

Budgets are the way a nation sets its priorities, and the priorities in the Republican budget are profoundly wrong for America. It fails to address the real problems of real families. It appears to have been drafted in a sound-proofed room so that the voices of working men and women, students and senior citizens could not be heard. It's a harmful rehash of the same failed economic policies that have caused so much misery and pain for so many Americans.

In the 2 years since President Bush took office, the well-being of American families has declined at an alarming rate. Ask most Americans how their lives have changed since President Bush took office, and they will tell you. Declining job security. Dis-

appearing retirement savings. Plummeting school budgets. Rising college tuition. Skyrocketing health care and prescription drug costs. Duct tape and plastic sheeting instead of real steps to make neighborhoods secure. Federal budget deficits as far as the eye can see. The White House has not only failed to feel their pain, it has made their pain worse.

Even when it comes to the Government's highest obligation—the safety of our country—this budget falls short. Al Qaeda and other terrorist groups are planning every day how they can inflict yet another terrible act of terror on our soil. We deserve better than duct tape and orange alerts to protect our communities from terrorism. We need a budget that ensures that fire fighters and police officers and health care workers and other first responders have the resources and training they need to protect us. We need to protect not only our airports, but our seaports and bridges and schools and other public buildings.

At the same time, President Bush is preparing for a new war with Iraq. At this very moment, a quarter of a million American men and women in uniform are poised in the Gulf, awaiting the order from their Commander-in-Chief. They are prepared to sacrifice their lives for their country. Even after the war, we face an uncertain future in Iraq as we struggle to win the peace. We all know that to do the job right in Iraq may well require a huge commitment of dollars and troops over many years, and it is far from clear that we will have significant support from other nations in this mission.

But what does this budget propose? Yet another round of tax breaks for the very wealthiest Americans.

How will more tax breaks for the wealthy hire more qualified teachers to teach our children? How will another tax break for millionaires help working men and women get job training and find a new job? How will another tax break for the wealthy help families afford health insurance or provide prescription drugs under Medicare? How will another tax break for the wealthy help them recover their lost retirement savings? How will another tax break for the wealthy win the war against terrorism? How will a mountain of budget deficits help us build a better future for our children? And how will more tax breaks for millionaires help us defeat Saddam Hussein?

With the economy in shambles and continuing threats from terrorists, these are not normal times. Our responsibility in Congress is to pass a budget that meets the challenges of our times. Instead of more tax breaks for the wealthy, we should be concentrating on our national security and our economic security.

We should enact no further permanent tax breaks until the costs of war with Iraq are determined. Giving our troops everything they need to do the job, and to do it safely, should come first.

Surely, when our troops come home, we want them to come home to better schools, not schools facing drastic budget cuts, fewer teachers, and with crowded classrooms. We want them to come home to a strong economy, with jobs that let them care for their families and save for a secure retirement. We want them to be able to afford health insurance and look forward in their retirement years to a strong Medicare program that helps them afford the prescription drugs they need.

This budget fails these tests. It rejects the steps needed to restore the economy, and instead embraces ideologically rigid policies that have not worked and will not work. In 2001, President Bush pushed a \$1.3 trillion tax cut through Congress that disproportionately benefits the wealthiest taxpayers. Now, the administration is seeking an additional \$1.6 trillion in tax cuts, even more heavily slanted toward the rich. That is not the solution to the problems facing working families. That is a strategy that will only add to their problems.

These problems have grown steadily worse since President Bush took office in January 2001. Certainly, his policies are not the sole cause of the economic downturn we have witnessed in the last two years. The stock market began its decline before he took office, and so did the recession. The economic shock caused by the September 11 attack was beyond his control. However, the response of the administration to these economic challenges has been ineffective. The President's single-minded commitment to tax cuts for the wealthy as the cure for every economic ailment has made a bad situation worse. The administration has ignored remedies that would provide a significant short term stimulus, while undermining our long-term economic strength. As a result, the economy continues to stagnate, and the number of families facing hardship continues to grow.

Huge numbers of working men and women have lost their job security. As layoffs mount, they live in fear of being the next to be let go. There are two and a half million fewer private sector jobs in America today than there were just two years ago. Those looking for a job are finding it increasingly difficult to obtain one. The number of long-term unemployed workers has increased by nearly 200 percent since President Bush took office. The Bush administration is the first administration in fifty years to have a net loss of private sector jobs. In the face of these problems, Republicans have been slow to support an extension of unemployment benefits. They continue to oppose assistance for one million workers facing long-term unemployment and for hundreds of thousands of part-time and low-wage workers who currently receive no benefits.

Mr. President, this chart shows the 2.5 million private sector jobs that have been lost in the last 2 years. From

111.7 million jobs in January 2001, to 109.2 million in February of this year.

Health insurance is becoming less and less affordable for millions of workers and their families. Over two million more Americans are without health insurance today than there were two years ago. One in ten small businesses which offered their employees health insurance in 2000 no longer do. The average cost of health insurance is rising at double digit rates—up by 11 percent in 2001 and another 12.7 percent in 2002—nearly four times the rate of inflation. The health care squeeze on working families is getting tighter and tighter.

The cost of higher education is rising beyond the reach of more and more families. The gap between the cost of college tuition and the tuition assistance provided by the federal government has grown by \$1,900 in the first 2 years of the Bush administration. Yet, Republicans oppose efforts to meaningfully increase financial aid for qualified students. As a result, the number of worthy students being denied the chance to go to college is growing each year.

For millions of families, their retirement savings have seriously eroded in the last two years. The value of savings in 401(k) plans and other defined contribution plans has declined by \$473 billion in the last two years. The value of individual retirement accounts dropped by \$229 billion in 2001. The 2002 data are not available yet, but given the poor performance of the stock market, it will be another steep decline. Many middle-aged workers who thought their retirements were secure are suddenly being forced to consider staying in the workforce longer and reduce their standard of living in retirement.

These are the realities American families face today. It is no surprise that consumer confidence has dropped more than fifty percent since President Bush took office.

The fiscal well-being of the Federal Government has suffered as dramatic a reversal as the financial well-being of America's families. When President Bush took office, CBO projected a \$5.6 trillion surplus over the next ten years. Two years later, that surplus has disappeared. CBO's most recent projection is a \$378 billion deficit over that same period. Part of the surplus disappeared with the economic downturn, but a major portion of it was dissipated by the policies of the Bush administration. It is even more disturbing that the White House has not learned from this sad experience. If Congress enacts the proposed budget submitted last month by the Bush administration, the deficit will grow to over \$2.1 trillion. These numbers have a serious real world impact. The President's plan would make it impossible for the Federal Government to meet its most basic obligations to the American people.

To all these problems, the Bush administration has one answer—more and

more tax cuts predominately benefiting the wealthiest taxpayers.

In this current situation, the most irresponsible action Congress could take would be to accept the proposal of the Bush administration to enact major new permanent tax cuts. The combined cost of the President's plan to exempt dividend income from taxation, accelerate the tax cuts for the upper income brackets, and make the 2001 tax cuts permanent would be over \$1.3 trillion in the next 10 years. This immense increase in the deficit would also trigger an additional \$300 billion in interest costs on the larger national debt. We cannot afford the loss of an additional \$1.6 trillion from the Treasury. Temporary tax cuts to stimulate the economy are affordable, but the President's large, permanent tax breaks are not. If the Bush plan is adopted, the Federal Government will not have the resources to meet urgent domestic needs in education, in health care, and in homeland security. Even more troubling, their plan will make it virtually impossible for us to keep the commitment of Social Security and Medicare in future years.

If Congress accepts the budget which Senate Republicans have proposed, the on-budget deficit will be nearly four trillion dollars by 2013. That fact is not in dispute. The number comes right from the Chairman's mark. The cumulative on-budget deficit in fiscal year 2013 will be \$3.948 trillion—an extraordinary amount. More than three-quarters of that amount is directly attributable to the Bush tax cuts enacted in 2001 and the additional cuts proposed in 2003.

The impact of these new tax cut proposals is clear from the administration's own budget. When the President says "no" to obviously needed spending on urgent domestic priorities such as education and health care, he says the war on terrorism requires us all to tighten our belts. The burden of these sacrifices falls mainly on low and middle income individuals and families. The President refuses to ask the wealthiest taxpayers to share the burden.

In the midst of his repeated calls on others to sacrifice, he is advocating over \$1.3 trillion in new tax breaks—\$726 billion for his "economic growth" package and \$624 billion to make the reduction of the higher brackets and the estate tax repeal permanent—primarily for those with the highest incomes. That policy is wrong.

As a result of the Bush tax plan already enacted, the wealthiest 1 percent of the taxpayers will each save an average of \$50,000 a year, and now he wants to give each of them even more—an additional \$25,000 a year.

This chart indicates who benefits from President Bush's tax cut proposal. This is a Brookings analysis. We see on this chart \$88,000 to millionaires, \$239 for working families.

It cannot be wartime for middle America, but still peacetime for the rich.

The Bush administration is using the recession to justify major new permanent tax breaks for the wealthy. Exempting dividend income from taxation will take \$400 billion out of the Treasury over the next 10 years. Half of that enormous amount—\$200 billion—will go directly into the pockets of the richest taxpayers.

The information on this chart is from Citizens for Tax Justice. Under the Bush plan to eliminate the tax on dividends, the richest taxpayers get half the savings, pocketing \$200 billion; 49 percent goes to the richest 1 percent; 31 percent goes to the next 10 percent. Effectively, 80 percent of the benefit goes to the richest 10 percent.

The American people deserve better from the White House. We should be freezing the rates of the top income tax brackets at their current level and maintaining the estate tax on estates over \$4 million. We should not be enacting any new permanent tax breaks for the wealthy when we are so clearly failing to address so many of our most basic, urgent national needs.

For the cost of reducing the tax rate—listen to this, Mr. President—for the cost of reducing the tax rate on the top income brackets, we could provide the additional education funding needed to keep the promise made in the No Child Left Behind Act for a decade. We could fund that program for a decade.

For the cost of permanently repealing the estate tax on multimillion dollar estates, we could help to ensure that Social Security has the financial resources needed to keep the promise of a secure retirement for future generations. That is the alternative.

For the cost of President Bush's newly proposed \$726 billion package of additional tax breaks tilted to the most wealthy taxpayers, we could fully fund a generous program of prescription drug assistance for senior citizens and extend health insurance to more uninsured families. That is the alternative.

Which does this body want to do? Which of these choices will make the American community stronger and better able to face the challenges of the future? The decision to pass more and more tax cuts for the richest among us is a decision to ignore America's greatest needs. Now is the time for Congress to bring our policies back in line with our national values.

The economy needs a real stimulus plan. A genuine economic stimulus must meet three criteria. It must have an immediate impact, it must be temporary, and it must be fair, bringing the recovery to all Americans and not just to the wealthy few. The Bush proposal fails on all three accounts.

Less than \$40 billion of the \$726 billion cost of the administration's plan would reach the economy in 2003 when it is needed to stimulate growth. That is, of the \$726 billion of the President's proposal, only \$40 billion of it would be stimulative right now, Mr. President. Most of the revenue will be spent long



after the recession has ended. More than \$570 billion of the total amount would not be spent until 2005 or later. In contrast, our Democratic stimulus proposals would put much more money into the economy in 2003, with little additional long-term costs. Temporary tax cuts to stimulate the economy are affordable, but the President's large permanent tax breaks are not.

The cost of the new permanent tax cuts of the President's plan is so high—\$1.3 trillion over 10 years—that it would dramatically expand the deficit, leading to higher long-term interest rates. These higher rates could actually prolong the recession by making it more expensive for businesses to borrow the money they need to grow. The overall White House proposal is unfair to most Americans. It will provide a tax cut windfall to the wealthy few, while neglecting the needs of working families, and it will not provide the timely and targeted stimulus the economy needs.

The stimulus plan proposed by the Democratic leader would inject \$140 billion into the economy this year, and it is designed in a way that will maximize the stimulus effect of each dollar. Half of the total amount—\$70 billion—would be used to provide immediate tax relief to working families. Each person who pays either income tax or payroll tax will receive \$300, and families with children will receive additional tax relief. Thus, a family of four would receive a \$1,200 tax cut this year. It is a fair plan that will provide tax relief to the hard working families who need it most and are most likely to spend it quickly. In designing a stimulus tax cut, it is particularly important to include relief for low wage workers who pay substantial payroll tax but owe no income tax. The Democratic plan covers the millions of workers in this category who are excluded from the administration's much more costly plan.

The Senate Democratic plan also provides immediate, targeted tax relief for businesses to stimulate new investment. It accelerates depreciation to 50 percent for this year and triples the amount small businesses can expense this year. The goal is to provide businesses with strong tax incentives to invest in new plants and equipment now, rather than postponing those expenditures until further years.

Our plan also recognizes the dire fiscal problems that state and local governments across America are facing. These governments must balance their budgets each year. When a recession cuts revenue sharply, state and local governments must either raise taxes or cut spending. Either step will deepen and prolong the recession, and undercut our stimulus efforts at the Federal level.

It is also important to remember that more people need to rely on state and local programs in an economic downturn. The number of people eligible for Medicaid grows substantially in

times of recession, and many other costs rise as well. Without jobs and without health care, families have no where else to turn. We should make certain that the needed resources are available for them. The Democratic stimulus plan will provide \$40 billion to hard-pressed states and communities. It will provide additional dollars to maintain health care, education, and social services. It will also help with the substantial costs of dealing with the threat of terrorism. It is money well spent which will help stimulate the economy now. Unfortunately, the Republican budget totally ignores this need.

The American people face a health care crisis. The administration and Republicans in Congress have responded with a budget that not only fails to address this crisis, but advances an extreme right wing agenda that will make the crisis worse.

Every American family is experiencing some aspect of this crisis. Health care costs are skyrocketing, and families with insurance are facing unaffordable premium increases at the same time benefits are being reduced. The number of Americans without any insurance at all is unacceptably high and rising rapidly. No family with insurance today can be sure that it will be there tomorrow if serious illness strikes. And for senior citizens, the national promise of affordable health care through Medicare is being broken every day because Medicare does not provide prescription drugs.

In the face of this crisis, the administration and the Republicans in Congress have proposed a budget that pays lip service to meeting the needs of senior citizens for prescription drug coverage, but fails to provide resources that are adequate for the job.

Even worse, they have proposed to dismantle Medicare and force senior citizens into HMOs and other private insurance plans in order to obtain the drug benefit they are offering. They are proposing to use Medicare as a piggy bank to fund tax credits for the rich. Under the House budget resolution, the Ways and Means Committee is directed to come up with \$214 billion in Medicare savings so that the wealthy few can become even wealthier.

It is no accident that the Bush administration's program depends on forcing senior citizens into HMOs and other private insurance plans. Whether the issue is Medicare or the Patients' Bill of Rights, the Bush administration has consistently stood with the powerful special interests that seek higher profits and against the patients who need the medical care. If all senior citizens are forced to join an HMO, the revenues of that industry would increase more than \$2.5 trillion over the next decade. Those are high stakes. There is a big reward for HMOs and the insurance industry if the Bush administration plan is enacted. But there is an even greater loss for senior citizens who have worked all their lives to earn

their Medicare, and that loss should be unacceptable to all of us. No senior citizen should be forced to give up the doctor they trust to get the prescription drugs they need. No budget accepted by this Congress should put the interests of the rich and powerful ahead of the interests of senior citizens and their families.

The Republican prescription for Medicaid is equally unacceptable. Their proposal would victimize 46 million of the most needy and most dependent of our fellow Americans. The administration is proposing the same type of destructive block grant program for Medicaid that the Gingrich Congress failed to enact almost a decade ago. The Republican block grant would leave many innocent victims in its wake—sick and needy children and their parents, the disabled, and low-income elderly.

In each year's budget process, the Bush administration shows less and less support for education. At a time of enormous unmet student needs, it is shameful for the President year after year to submit anti-education budgets that provide zero overall growth in financial support for education and that cut priority programs for schools.

The PRESIDING OFFICER. The Senator has used 25 minutes.

Mr. KENNEDY. May I get 5 more minutes?

Mr. CONRAD. I will be happy to provide to the Senator whatever time he consumes.

Mr. KENNEDY. I thank the Senator.

The PRESIDING OFFICER. The Senator may continue.

Mr. KENNEDY. Mr. President, it is shameful for this administration to talk about the promise of the school reforms contained in the No Child Left Behind Act while submitting a budget to cut the resources necessary to make school reform a reality for millions of children.

The administration proposes massive new tax breaks for the wealthy, but it has no compunction in proposing that over 6 million needy children must be left behind for every year for the foreseeable future. The administration has no hesitation in proposing that over half a million children be dropped from after school programs.

It even proposes to cut aid to the schoolchildren of the Nation's soldiers serving in the war against terrorism who have been sent off to fight a war against Iraq.

The Senate Republican budget before us rejects the President's cut on the Impact Aid Program for military schoolchildren, but it still cuts funding for the No Child Left Behind Act school reform bill by \$700 million.

On this chart, if we look at the years 1997 to 2001 in terms of support for education, it was an 11-percent increase on average during that period of time. Now these figures are the requests, not the actual numbers: In 2002, 3.6 percent increase requested by President Bush; 2003, 2.8 percent; and for fiscal year 2004, half of 1 percent. These figures

were up higher because of the work that was done ultimately on the floor of the Senate, but these are the budget requests over the past few years.

In the past, Democrats and Republicans in Congress have worked together to reject the Bush administration's anti-education budgets by a substantial bipartisan majority, and we should do the same this year. We have to make sure Congress lives up to its promise to leave no child behind.

At the same time, we have to provide more college students with financial aid to meet rising tuition costs. The President proposes not one penny, not a single penny, in individual student Pell grants. Without an increase in Pell grants, over 110,000 students are in danger of being shut out of college.

The gap between the cost of college tuition and the level of tuition assistance has grown by \$1,900 since President Bush took office. Yet this budget does nothing to narrow that gap.

Young Americans now have an average of \$17,000 in student loan debts. Low- and moderate-income students face more than \$3,000 in annual college costs not covered by financial aid, work study, or savings. This budget does nothing to help these students.

Just as Social Security is a promise to senior citizens, we should make education security a promise to every young American. If one works hard, finishes high school, is admitted to college, we should guarantee that they can afford the costs of the 4 years it takes to earn a degree. That was President Kennedy's goal in the 1960s and it must be our mission today, and we will fight on the Senate floor this week to make the dream of a college education a reality for all. We will fight this month, this year. We will not stop because the fight is for America's future.

Finally, as I mentioned earlier, this budget fails to include the costs of the impending war in Iraq. The Senate Republican budget contains no money to pay for the war in Iraq, which may begin in a matter of hours, and no money for the cost of occupying and rebuilding Iraq after the war.

The President has refused to submit a cost estimate to Congress despite repeated requests. Over 200,000 military personnel have been moved into place for the war; 90,000 more are on their way. Many of them are from the National Guard and Reserve. They had to be mobilized especially for this mission. The Pentagon is already soliciting proposals from major contractors for the rebuilding of Iraq, yet the administration continues to stonewall us on the costs of the war.

The President knows that the overall costs will be enormous and is obviously afraid of sticker shock when he discloses the facts to the American people. The President does not want to tell Congress what the war will cost until his tax cut proposals are locked in. He is afraid if he tells us, Congress might do something sensible, such as reducing the size of the tax cut to help pay

for the war. That is the last thing this administration wants—Congress making responsible fiscal decisions.

So instead, this Republican budget is asking us to pretend that the war is not on the horizon. The Senate of the United States cannot accept such a sham. Let's do the responsible thing: Pay for the war with Iraq and the aftermath before we have another tax cutting raid on the Treasury.

The timing of the President's tax cut could not be worse. We already have record deficits. We are about to go to war. We have never cut taxes in wartime before in the history of the country, and now is not the time for new permanent tax cuts.

The Republican budget fails to provide even one dollar to address the costs of the impending war with Iraq. It places more tax breaks for the wealthy ahead of the needs of our men and women in uniform who are making the greatest sacrifices. Funding for their needs should be our highest priority, not an afterthought.

As I have said, it cannot be wartime for most Americans but still peacetime for the wealthy. The wealthy should have to wait for their tax cuts, at least until the costs of the war and reconstruction of Iraq are addressed.

I thank our ranking member for the time he has yielded, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Oklahoma.

Mr. NICKLES. I yield whatever time he consumes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, I appreciate the opportunity to discuss this important issue. This week we are going to be discussing a number of critical issues, as has already been mentioned by a number of those who have spoken. It is expected that the possibility of war with Iraq will come closer, if not become a reality, sometime in the near future. At the same time, we are debating probably the biggest economic issue, and the biggest issue for the management of this country, that the Senate will deal with this year, as we put together the budget resolution. In that context, I will basically give a brief overview of how we got to where we are, where it is that we are, and the decisions we will be making.

Many people will remember that a few short years ago we were talking about major surpluses across the board and for as far as we could see into the future. In fact, I have in front of me a projection that was based back in January of 2001, which estimated that in this budget year that we are working on right now, the 2004 budget year, the surplus was projected to be around \$396 billion. This same sheet shows what the projection today is as opposed to what was projected in the year 2001, and the projection is around a \$199 bil-

lion deficit. In other words, just for the budget year in which we are working, the projections over the last essentially 2-plus years have gone from a projection of a \$396 billion surplus to a \$199 billion deficit.

Now, what caused that? We will hear a lot of debate about what caused it. In fact, it has already been said today that President Bush's tax cut from a few years ago caused it, that President Bush's economic policies have caused it. In reality, we are going to see some of the numbers that have been put together.

What happened is that on 9/11 the United States was attacked by terrorists and people saw the World Trade Center collapse. People saw what happened very vividly as the United States responded to the fact that we were at war with terrorists. Following that, there were massive increases of spending at the Federal level; spending required to respond to the 9/11 attacks; spending required to address the war against terrorism, for example, the war which we have fought already in Afghanistan; spending to deal with our homeland security; spending to deal with strengthening our national security and preparing ourselves to be sure that America and Americans are safe throughout the world as we deal with an increasingly dangerous world.

In addition to that, spending has gone up on health care. Spending has been driven up in a number of the other social areas of our budget. We saw very little relief, if not in fact dramatic increasing pressures, for spending in the last 2 years. At the same time, the economy collapsed.

I will put up our first chart. We have seen this chart already today, but this chart shows that at the same time our spending started to go through the roof, as spending started to go up dramatically, revenue, which is the blue line, dropped off dramatically. The revenue dropped off dramatically for a number of reasons. It has been said that the revenue dropped off because of President Bush's tax cut. In part, that is true, because although that tax cut was phased in over 10 years and although most of that tax cut has not even occurred yet and cannot be the responsibility of these declines in revenue, a part of it was. There was tax relief, and as a result of that tax relief there was some decline in revenue. However, let's go to the next chart.

This next chart is another way of looking at the same thing. Again, the blue is revenue and the red is spending. The revenue since 2000 has gone down precipitously. The spending in Washington has not. This is another way of showing we are facing the dual problem of increasing pressures on spending and reducing our falling revenue to support the Federal budget.

Why did the fall-off on revenue happen? This chart shows what happened in our economy. This is the Nasdaq. Starting in 2001, it hit about 5,000. It is now down to—when the chart was

made—around 1,200 and is hovering in that neighborhood today, about a 75-percent reduction in the values just on this market. The same type of charts could be put here for the New York Stock Exchange or for other exchanges across the world which have seen worldwide dramatic reductions in economic activities.

Virtually everyone who pays any attention to the economy these days knows the bubble popped and the economy went into a serious collapse. Many have called it recession. We have held dozens of hearings in Washington to understand what happened, why it happened, and how soon we will be able to climb out. People know about the Enron debacle, the WorldCom debacle, and the loss of confidence the American people have in our markets today, which loss of consumer confidence has generated further difficulty in the economy. People are also aware we are potentially going to have to go to war in Iraq. That cloud over the economy itself is generating the kind of lack of confidence in economic activity that causes us to have difficulty in seeing a rebound in the markets.

The next chart shows what it was that caused us to see the dramatic change in our deficit. This chart shows the year 2004. There are charts that can predict it out for 10 years and add in some of the proposed stimulus package. But this chart shows what caused us to end up where we are today in the budget.

Over half of the problem we are facing is what I have been discussing, the weak economy and changes in the estimates of what revenue will be coming into the Federal Government through our current tax and revenue structure. As I indicated, a portion is attributable to tax relief, although this is static scoring, and if one looks at what tax relief does to the economy, I suspect that number will go down dramatically. Static scoring shows nothing but 100 percent loss of revenue for any tax dollar relief.

But we know when there is tax relief, that causes an impact in the economy. That dollar is not spent by the Federal Government but spent somewhere else, and if the relief is effectively projected, it could be significant. So this number could be reduced significantly. But even if we use static scoring and say a tax cut reduces revenue, dollar for dollar for the Federal Government, only 19 percent of what we look at now is attributable to the tax relief we passed a few years ago in the Senate and the House. That is another 6 percent for tax relief not attributable to the vote a few years ago and the increased spending.

Take just the increased spending that has been caused in Congress by September 11, the war on terrorism, the need to beef up our national security, the increases in health care costs, and a number of other cost drivers we have in our budget. Take the increased spending and the collapse of the econ-

omy. It represents 75 percent of why we are where we are.

I suspect during the week we will hear how President Bush's economic plan caused us to be where we are. Here are the facts. There will be a lot of projections and a lot of charts, but nothing can change the reality of what happened on September 11, what our response to it has been, and what happened in the economy following that. That, in a nutshell, is what caused us to end up where we are.

With that explanation of what happened, we get to a situation where this economy has put forward a budget. I will be rough in my numbers because I don't have the charts in front of me. If we do nothing, if this committee simply says we will keep Federal spending at its current levels—we will not drive it up or down, we will not reduce taxes or increase taxes, we will take current law as it now sits—someone could give me a more accurate number, but it is in the neighborhood of \$150 to \$200 billion of deficit, if we do nothing.

The question is, Should we do something? Should we cut spending in an effort to keep the difference down? Should we raise taxes? I don't believe there is anyone who is suggesting raising taxes right now is a good idea. But there are those who are suggesting because of this, because the economy is no longer contributing what it was contributing before, and because if we learned any lesson in the last few years, it is that the way to get out of these economic difficulties in the Federal budget is to have a strong, flexible, dynamic, vibrant, resilient economy—if we want to do something to make this gray part of the chart get stronger and become better in terms of generating revenue for the Federal Government, then we should have some kind of a stimulus package.

So the debate comes around: Should we cut spending? Should we freeze spending? Should we keep spending controlled? Should we reduce taxes? Should we have a stimulus package? And if so, what, and how?

Looking at the spending side of this equation, the spending drivers in this budget are the beef-up in our national security. In fact, these numbers do not even include the possibility of a war with Iraq. I will talk about that in a moment. The increase in our national security spending, the increase in the costs of fighting the war on terrorism, the increases in homeland security, and the increases in health care—and there are a few others—are the main drivers of the increases in costs in this budget. I don't believe there are very many in the Senate, or in America, who would say right now is the time to cut defense spending or right now is the time to cut homeland security spending. We can hold the line, and we are going to do that, and this budget does put significant pressure on holding those lines, but there is not a lot of room in the circumstances we see right now to reduce those spending areas, al-

though we will work our hardest to do so. I believe we will do so in a bipartisan fashion to get to the right numbers on the budget.

To make a quick aside, I have fought for a balanced budget amendment for years. I still believe we should have one. As I and others have fought for a balanced budget amendment, one of the examples for exceptions we have always acknowledged is we could see a situation where we would need to tolerate deficits for a period of time if we were facing war or a national emergency declared by the President. Today I believe those circumstances face us. I believe we are at war today with terrorists. I believe it is very possible we will be at war with Iraq soon. And I believe we face a national emergency in terms of our homeland security needs. Those are the unfortunate realities that cause us to have very little flexibility on the spending side of this budget, although again I say we are going to do everything we can to bring it under control on the spending side.

The question is, What do we do then, after we have done everything we can on the spending side? By the way, contrary to some of the arguments heard today, the budget proposed works its way back to a balance. It takes 10 years to do so. I am very disheartened by the fact, with the spending pressures we see and with the revenue drop-off we have seen, that our projections are going to take us 10 years to get back into balance. The fact is, this budget balances over the 10-year period.

What do we do when we look at this revenue side? The question is, Do we do nothing? There are those who have advocated today that we should not have any tax relief. One argument is, have no tax relief until we know what the cost of the war is. Another argument is, have no tax relief because we should not have tax relief when we face this kind of spending pressure in the budget. And when we face these kinds of problems we have talked about that legitimately cause us to have to increase expenditures in major categories, we should not be looking at tax relief.

There is another side of the argument, and that side of the argument is, unless we do something to give a basic boost, a shot in the arm, a revitalization to our economy, we will see the grow-back of this weakened economy be much slower. It gets back to that argument about dynamic scoring, of what a tax cut really will do. That is one of the reasons President Bush has proposed—and this Budget Committee has proposed to the Congress—that we have tax relief.

As our chairman of the Budget Committee has indicated, this Budget Committee does not write the tax bill. We simply tell the rest of the Congress, and in this case the Finance Committee, how much money we are willing to budget for them to utilize in establishing a tax cut. Then the Finance Committee can come together and, in

its best wisdom, craft the most effective tax cut designed, in their opinion, to do the best for our economy.

That having been said, there are proposals out there. The President made his proposal. This budget accommodates the President's proposal. The President's proposal is to do basically three things.

It is to take the tax cut that we passed in the year 2000 and make it permanent. Most people in the country never quite understood why it was that Congress would pass a tax cut and make it only last for 10 years, phase it in over 10 years, and then have it expire basically as soon as it is phased in. It has to do with some interesting procedural requirements on the floor of the Senate which I will not get into now, but the fact is the tax cut which was implemented a few years ago will expire in 10 years, and the first part of the President's plan is to make it permanent.

The second part is to say we should not phase it in over 10 years. We should accelerate it and implement it all now.

The third part has a number of pieces, but the core of it is elimination of double taxation on dividends.

Let's put up the next chart.

There is a big attack on this. Frankly, in all these areas the attack starts out—you will hear this said dozens of times in the next few days—it is a tax cut for the wealthiest of Americans.

I have been in Congress now 10 years. I served 6 years in the House, 4 years in the Senate. I am in my fifth year in the Senate. Over that 10 years, in virtually every year I and others like me who want to see taxes cut and reduced, when we have fought for tax relief, every single solitary time that we proposed a tax cut of any kind or nature, it has been attacked as a tax cut for the wealthy. Every time. Even when all we did was propose the marriage tax penalty elimination, it was attacked as a tax cut for the wealthy.

The common rhetoric of those who do not support reducing the Federal tax burden begins with "a tax cut for wealthy Americans," because the attack is that any tax cut is going to benefit the wealthy. If you look at the numbers, as to who pays taxes in America, it is primarily those in the upper income brackets who pay by far the largest percentages of the taxes. So if you look at actual dollars, you can make that argument.

But if you look at what is being done in the tax relief proposed by the President on a proportional basis, on a percentage basis, the biggest amount of tax relief is going to those in the lower income brackets.

As this chart shows, those earning from zero to \$30,000 will have their taxes reduced by 17 percent. Those earning from \$30,000 to \$40,000 will have their taxes reduced by 20 percent. In the \$40,000 to \$50,000 category, the reduction is 14.5 percent.

You can see as you go up in income categories, until you get past the

\$75,000 to \$100,000 figure, the higher percentage reductions are all occurring in the lower brackets. The higher income brackets have the lowest percentage of income reduction.

Again, one could take the actual dollars, but because very few numbers of Americans fit in these categories proportionately, but they make the higher levels of income, a smaller reduction in their taxes is going to give them a higher dollar benefit and people can use dollar numbers to show that. But the reality is that the higher percentage of relief is going to those in the lower income categories. It is pretty much impossible to have a tax cut, unless it is just a tax cut for the lower brackets, that doesn't have some relief across the board, and then allow those to make that argument about the tax cut for the wealthy.

In my opinion, it is class warfare. It is attempting to say those at the upper ends of the income brackets in America should have no tax relief and all tax relief should be favored toward this end, toward the lower income brackets. What happens if you follow that logic is that eventually no tax cut is ever acceptable because the tax down in these categories gets to the point where, no matter what you do with it, unless you eliminate it, it doesn't generate the revenue reductions or doesn't generate the stimulus to the economy that is necessary to get the impact that is desired. That is where we are today. That is why we are seeing these arguments.

I think it is very unfortunate that every time we try to cut taxes in this Congress the first response is that whatever the tax is that is proposed to be reduced, it is a tax cut for the most wealthy Americans.

Let's go back to the chart I just took down. With regard to the proposal that we eliminate double taxation of dividends, Charles Schwab, the founder and chairman of Charles Schwab Company, indicated in a Washington Post commentary on March 11 of this year:

I can't think of any other tax policy that would, at one stroke, be more beneficial to ordinary investors.

I suspect somebody could say only rich people invest, and therefore this is a tax cut for the wealthy. But I do not think that argument is going to be made too strongly on the floor this week because most Americans are now involved in the markets in one way or another, even if it is only through their retirement plans. But most Americans know it is critical to see things like the New York Stock Exchange and the NASDAQ and others get a boost.

Charles Schwab goes on to say:

The impact [of dividend relief] would be enormous.

I believe in that same commentary he indicated his personal belief to be he would expect to see the stock market rise 10 or 15 percent with a renewed bolt of confidence throughout the entire economy just by doing what the President has proposed with regard to the double taxation of dividends.

We have another financial expert in the country who has weighed in on this issue, Alan Greenspan, on February 12, before the House Financial Services Committee:

In my judgment, the elimination of the double taxation of dividends will be helpful to everybody.

I think he was responding directly to this notion that it only helps a certain class in society. He was responding to this class warfare argument that continues to be brought up as we try to address tax policy. He said:

There is no question that this particular program will be, net, a benefit to virtually everyone over the long run, and that's one of the reasons I strongly support it.

The reason it is strongly supported by these experts is because today, as has been indicated by others who have spoken on the floor, there is very little incentive in a corporation to generate dividends. That is because, if those dividends are paid out, they are taxed twice. As the chairman of the committee indicated, the net tax burden is about 70 percent. Whereas, if the corporation instead incurs debt, and further leverages itself, then it gets a deduction for that debt or it gets a deduction for a portion of the debt costs. So it can actually get a tax benefit for going further into debt, and it pays a tax penalty if it sends out dividends to its shareholders.

What we have seen is corporations increasingly following this path because of the pressure that is put on them by our Tax Code, putting themselves further and further into leveraged positions which I believe is one of the reasons we saw what happened to Enron. That is why Enron had to go through these incredibly complicated sets of transactions to try to mask the amount of debt it was really carrying. It is the same with many other corporations.

If we want to encourage corporate America, which generates strength and jobs for this country and the families which depend on those jobs, if we want to generate pressure in the business community for the kinds of proper decisionmaking that will give us stable, strong businesses that will generate strong and lasting jobs, then we need to address the policies by which we tax them. We need to encourage policies that will support dividend payment rather than debt. That is one of the reasons why you see so many experts saying it is critical for us to move into this new kind of tax policy.

The question is—given it is good policy—can we do it now with this very dire budget situation we face? That is a tough question. It is a tough question for me to answer because in the short term it will cause our deficits to go up, although the amount of that is in discussion and in dispute because some will use static scoring, and some will use dynamic scoring, and we really don't know the dynamics of it.

There will probably be charts here today that show all these projections

have the potential to be widely inaccurate; and we all agree with that. But the fact is, we do know there is a dynamic that occurs when we change our tax policy, and the experts are telling us that dynamic will be beneficial to making our economy more flexible and more resilient.

So the question is, Do we take this stand now? Do we do what is necessary to give a boost to the economy, realizing it may take a period of years for the real strength of it to build us back to where we have made our posture stronger, do we sit tight and do nothing now and hope the economy grows out of it on its own or, as some will probably suggest, do we spend ourselves into prosperity? Does the Federal Government take the position that we need to have a lot of spending, a lot of stimulus in the economy, and we should just not concern ourselves with the deficit but spend ourselves back into a strong position economically?

As you might guess, I strongly reject that "spend ourselves back into prosperity" argument. It will probably never be said that way today or throughout this week. But I encourage people who follow this debate to note, when amendments are proposed, do those amendments drive up the deficit or do they not? Do those amendments drive up Federal spending or do they not?

Let's go back to that first chart with the lines, because as we debate amendments on this budget, the amendments will generally have one of two or three impacts. They will either be deficit-neutral, which means they could increase spending by increasing taxes or they could reduce taxes, which is reduce this line, or they could increase spending, which is this line.

I think it is very important for people to pay attention to the amendments that are offered because this whole week I hope we do not get any amendments on the floor that would drive the deficit up with more spending. I would hope we would recognize the deficit increases that are caused by the tax reductions can be addressed with an understanding of the dynamic impact they will have over time.

Just a couple of other arguments I want to address.

It has been said the proposals of this budget spend the Social Security trust fund. I understand what is being said there. Let me clarify what the situation is because I do not believe Americans should go away from this debate believing that somehow the Social Security trust fund is being robbed. The fact is, regardless of whether the tax cut is eliminated from this budget or whether it is put into this budget, the Social Security trust fund, at the end of the 10-year cycle, will be about \$4.1 trillion. It will be the same trust fund no matter what happens. Because what occurs is that, in the Social Security trust fund, the excess that comes in from payroll taxes that is not spent out into the Social Security system is

a part of that surplus. That surplus is turned into Federal debt instruments.

Then, what are those Federal debt instruments used for? Spending, or for tax relief, or for whatever is a matter for Congress to address. But the fact is, those Federal debt instruments are there, and they are still there to protect Social Security.

My last point. Some have said we should not do anything because we are possibly going to be going to war. Again, the argument there seems to be that tax relief is not wholesome for the economy; therefore, we should not be doing anything to destabilize the economy.

I believe what I have said indicates where I come down on that point, that the fact is we must do something to stimulate and strengthen this economy. The medicine we need is in the President's proposal and is made possible by the projections of this budget.

Although we will face some very expensive and very difficult budget decisions, if the United States goes to war in Iraq, that simply increases the need for us to do our best to make this economy strong and to do what we can, through our tax policy decisions, to put us in the best posture to have a flexible, resilient economy in these difficult world circumstances. So for all these reasons, I encourage this Senate to support this budget.

I yield the floor.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I wish to speak as in morning business and I will use my leader time to do so.

#### SALUTING SENATOR ROBERT C. BYRD

Mr. DASCHLE. Mr. President, about 3 months ago, a remarkable discovery was made. In an abandoned storeroom in the subbasement of this Capitol, two Senate staffers discovered the long-lost, handwritten payroll records of the Senate from 1790 to 1870.

The ledger contains a vast wealth of information about the birth and the history of this Senate. It also contains authentic signatures of John Adams, Thomas Jefferson, and Aaron Burr. Historians say it is very likely the only document in the world signed by all three of those giants of American history.

Three days after it was found, I was able to hold that ledger in my hands. Every page I turned revealed more legendary names: James Monroe, George Mason, Abraham Lincoln, Daniel Webster, Henry Clay, John Calhoun. It was a rare privilege to be able to hold such a tangible link to the giants of this Senate. For the last 16 years, I have had the privilege to be able to serve with—and learn from—a living link to those giants: the incomparable senior Senator from West Virginia, ROBERT C. BYRD.

Today, we celebrate yet another milestone in Senator BYRD's extraor-

dinary career. As of today, Senator BYRD has served in Congress for 50 years, 2 months, and 14 days. Since the beginning of our Nation, only two Members of Congress have served longer than Senator BYRD.

For the last 44 years—more than half his life—Senator BYRD has served in this Senate—longer than all but one other Senator. I come to the floor today to congratulate Senator BYRD on reaching this historic milestone and to thank him for the many lessons he has taught me and for the kindnesses he has shown me over these many years. I also thank Erma Byrd, Senator BYRD's wife. I have heard Senator BYRD say often that he could not do this job were it not for her support and her love. I thank Mrs. Byrd for sharing so much of her husband with their State, and our Nation, for so long.

At the beginning of our Nation, there was another couple who shared a great passion for democracy and public service. Their names were John and Abigail Adams. On July 3, 1776, the day the Declaration of Independence was signed, John Adams wrote to Abigail about the world-changing events that had occurred that day in Independence Hall in Philadelphia. In that letter, John Adams wondered whether future generations would understand how much the signers of the Declaration had risked so that the Americans who would come after them could know freedom.

Somewhere, I think, John and Abigail Adams must be smiling down on Senator BYRD. In these anxious days, when some argue that the United States must curtail some of our Constitutional rights, or rewrite the balance of powers in our Government, ROBERT BYRD reminds us that principled compromise is a worthy goal—but our basic constitutional principles themselves must never be compromised.

ROBERT CARLYLE BYRD seems as much a part of West Virginia as the Appalachian Mountains themselves. In fact, he was born, in 1917, in North Carolina. After his mother died of scarlet fever, his father gave him up before his first birthday. He was adopted by his aunt and uncle, who took him to West Virginia's coal country. His family had little money.

After graduating from high school and working for a time as a butcher in a coal company store, he yearned for a political life. He began that political life in 1946, when he was elected to the West Virginia state legislature. Six years later, he was elected to the U.S. House of Representatives. And 6 years after that, he was elected to this Senate. Two years ago, he was elected to his eighth term in the Senate. Only one Senator—Strom Thurmond—ever served longer in the Senate. He is one of only a handful of Senators ever to cast 15,000 votes in this body.

Over the years, ROBERT BYRD has served as majority leader, minority leader, President pro tempore and

President pro tem emeritus of the Senate, not to mention Democratic whip and chairman and ranking member of the Senate Committee on Appropriations. He is the preeminent historian of the Senate and the author of the definitive history of this institution. He is a legendary orator. His speeches cover everything from the great issues of the day to the framers of the Constitution and the need for civility in the Senate to the virtues of the King James Bible and even the greatness of dogs. He is a master of the Senate's rules and traditions. Two years ago, he offered to share his knowledge of those rules with newly elected Senators. Most of the new Senators took advantage of those priceless tutorials. So did a few Senators who had been around for a lot longer.

All of his life, ROBERT BYRD has been driven by the desire to know and understand more. He was already serving in the Senate when he earned a law degree from American University in 1963, after a decade in night school. He received his bachelor's degree from Marshall University in 1994.

Besides great constitutional issues, another development that always provokes eloquence from Senator BYRD is when one of his fellow Senators marks a personal milestone. I was deeply touched by his beautiful words to my family and me on the birth of my first grandchild nearly a year ago. I know those words were not easy ones for a man whose heart still breaks over the death of his own grandson 20 years ago. And my family and I treasure them.

Last November, the New York Times ran a profile on Senator BYRD on the occasion of his 85th birthday. The article described how, during the debate on the homeland security bill, Senator BYRD would come to this floor every day and, for hours, voice his concerns about what he regarded as serious flaws in the bill.

The reporter asked Senator BYRD: "Why are you spending so much time—and irritating some of your fellow Senators—prolonging a battle you're sure to lose?" Senator BYRD replied, "To me, that question misses the point, with all due respect to you for asking it." "To me," he said, "the matter is there for a thousand years in the record. I stood for the Constitution. I stood for the institution. If it isn't heard today, there'll be some future member who will come through and will comb through these tomes."

To that, I will add a prediction of my own: Years from now, Americans will read the name "ROBERT C. BYRD" and they will read the words of this extraordinary Senator. And when they do, they will feel that same respect and gratitude I felt when I held that ledger in my hands and looked at the names of some of the giants of our past. ROBERT C. BYRD is a vital link to the patriots who created our democracy . . . I am honored to know him and serve with him, and to call him my teacher and friend.

By the way, on December 2, 2009, Senator BYRD will become the longest-serving member in the history of Congress. I look forward to celebrating that day with him and to the many days I hope to be able to serve with him and learn from him between now and then.

I yield the floor.

#### CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 2004—Continued

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I rise to respond briefly to my colleague who spoke previously on the question of the budget before us. He put up a chart that showed just the effects in 2004 and said that the tax cut was not the biggest reason for the decline in our fiscal condition. But let us recall that the chart he put up was for 2004 alone.

The President's proposals are not 1-year proposals. They are multiyear proposals. Two thousand four is one of the years where the tax cuts have the least cost and the least effect. The reason for that is the tax cuts that have already been passed and the tax cuts the President has proposed are back-end loaded.

The biggest cost comes toward the end of the 10-year period. When we look at the whole 10-year period of 2001 going forward, what we see is a much different picture than our colleague from Idaho showed.

There we see that the biggest single reason for the decline in our fiscal condition is the tax cuts. We can see, just as a reality test, the tax cuts already passed, including the interest cost, are \$1.7 trillion. The tax cuts going forward, the President has proposed, including interest costs, are \$1.96 trillion. That is a total of nearly \$3.7 trillion. The decline in our fiscal circumstance is \$7.7 trillion. So just as a reality test, the biggest single reason for the overall decline in our fiscal condition is the tax cuts.

The next biggest is the spending that occurred because of the attack on this country, 27 percent. Twenty six percent is also revenue decline, revenue decline not attributed to tax cuts but because there was an overestimation of revenue. The smallest part of the reason for our declining fiscal condition is the economic downturn.

Our colleague from Idaho also said that this budget balances by 2013. It does on a so-called unified basis. That is when you put all the money in the same pot—all the money from whatever source going in the pot, all the spending coming out of that pot.

I have never believed that that is the right way to handle Federal revenue and Federal spending because, for example, the Social Security trust fund ought to be treated differently. All the money should not go in the same pot. You should not be taking operating expenses out of Social Security revenues.

We didn't put on a payroll tax to raise revenue to pay for the other functions of Government. We raised payroll taxes in order to pay for Social Security benefits.

In the year 2013, the amount of money from the Social Security trust fund that will be used to pay the operating expenses of the Federal Government will be \$331 billion.

That doesn't strike me as a balanced budget. No private sector firm could take the retirement funds of their employees and use them to fund the operating expenses of the company. If you tried to do that, you would be on your way to a Federal institution, but it would not be the U.S. Congress.

On the issue of who benefits from the tax cut, the Senator showed percentage reductions for various income categories. But if we look at who gets the dollars, we get quite a different picture. This is from the Department of Treasury. It shows those earning \$30,000 to \$40,000 get, on average, \$252. Those earning over \$200,000 get \$12,500. And if you earn over \$1 million, you get an \$88,000 tax cut. It is true that the wealthy pay a higher proportion of taxes in this country than do the rest of us, but they don't pay that much more.

Our friends always want to exclude payroll taxes. The fact is, 80 percent of American taxpayers pay more in payroll taxes than they pay in income taxes. So that has been left out of the calculation completely.

Finally, on the question of what do we do about our circumstance, I was glad that our colleague put up a chart that showed the revenue of the Federal Government and the spending of the Federal Government. It is both of those elements that create deficits. So if you have a tax cut that costs \$100 billion, that adds \$100 billion to the deficit just like if you spent \$100 billion.

In this budget proposal, even though we are already in record deficit, they propose cutting another \$1.4 trillion. With interest costs, that will be an additional deficit of \$1.7 trillion. I don't think you can stand up and be against deficits and, on the other hand, vote to explode them. You either walk the walk and talk the talk, or else you wind up where we are headed, which is into deep deficit and deep debt.

The fact is that we are not making the choices that are going to be necessary. If we are going to have that level of tax cut, then you have to cut the spending to offset it, unless you want to put it on the charge card, create deficit.

Finally, the Senator from Idaho indicated that some of us are advocating doing nothing. Well, I am not advocating doing nothing. I am advocating that, with our country in the position of record deficits, on the brink of war, with not a dime of war costs in this budget, it would be wise for us not to add new spending unless it is for national defense or homeland security—not to add additional tax cuts, unless it

is for a stimulus package for the economy, until we know more about what this war cost might be.

It seems to be common sense to me that we know more about our circumstances. I will offer an amendment tomorrow that does that. It at least creates a 60-vote point of order against new spending, unless it is for national defense or homeland security, and it will preclude additional tax cuts unless they are for a stimulus package because it seems to me to head off the cliff on the brink of war is extraordinarily unwise.

With that, I thank the Chair. Does the Senator seek time?

Mrs. MURRAY. I do. I would like 15 minutes.

Mr. CONRAD. Mr. President, I yield 15 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, I thank my colleague from Alabama and my colleague from North Dakota. I also thank the Senator from North Dakota for his tremendous work on this budget.

Mr. President, I can really think of only one word to describe the budget now before the Senate. In the middle of a war on terrorism—and on the eve of a war in Iraq—this budget offers a huge tax cut to the few, projects massive deficits for decades, and ignores the cost of war in Iraq.

There is only one word for that approach: reckless.

Lacking in caution—reckless.

Deliberately courting danger—reckless again.

It is time for a reality check. Hundreds of thousands of our soldiers are poised on the knife's edge, ready to perform their duty at any moment. On this critical day, we hope and pray for their safety, security, and speedy return. There is no doubt that Congress will provide for our soldiers, both on and off the field of battle.

We know it will cost a lot of money. We know the money is well spent in keeping our Nation's best and brightest as secure and safe as possible.

But the cost of winning this war and winning the peace afterward is not reflected anywhere in this budget. That is irresponsible. That is burying our heads in the sand as the danger approaches. I cannot imagine any American family going out and running up their credit cards when they know they are going to have a major expense in the next months.

Ignoring the financial costs of war will not make those costs go away. Driving our country further into debt will certainly make it harder for us to pay those bills when they come due.

Mr. President, the only word for that approach is "reckless." This budget would pile on record deficits, give a tax cut to the few, and ignore the costs of war and peace. But even worse, this budget doesn't even adequately fund the basics, such as homeland security, education, and transportation.

A budget is a statement of priorities. In an environment where we cannot fund everything, we have to make choices based on our values. I think we have to get our priorities straight.

Today, we are fighting a war on terrorism, we are on the brink of a war in the Middle East, and we have many other international challenges, including North Korea and Iran. Historically, when our Nation is facing war and so many challenges, we sacrifice, we make every dollar count, but not in this budget.

I cannot recall another time in our history when we have faced so many challenges, yet have been so reckless with our budget. This budget would provide a massive giveaway to the few, while our sons and daughters fight a war overseas. That is not sacrifice, that is not responsible and I think it is wrong.

The President's budget, with its free-wheeling tax cuts and lack of sacrifice in the face of war, is more appropriate for the roaring twenties than for the challenges we face today, in 2003.

I am very skeptical of a budget that says we can have it all, even as we stare down massive financial commitment for years in places such as Iraq. Ignoring the cost of war and its aftermath is reckless. Running up huge deficits to fund a misguided tax plan is reckless. Failing our needs at home, such as homeland security, border security, education, and transportation, is reckless.

Just look at homeland security, which will become, by the way, even more important if our country is at war. September 11 showed us, in a most horrific way, that we are vulnerable at home. Our intelligence officials have told us that another attack at home is not a question of "if" but "when."

We know our first responders—our firefighters, EMTs, and police will be on the front lines if, Heaven forbid, there is another attack. I recently got a letter from Kelly Fox, president of the Washington State Council of Firefighters. They represent 6,500 firefighters in my State. These are the people who are in the trenches of the homeland security front. They told me they don't have the training, the equipment, or staffing to respond to various attacks.

I want to share with my colleagues a letter that Kelly Fox, president of the Washington State Council of Firefighters, wrote to me:

Let me assure you, we are prepared to do whatever is necessary to protect the citizens of this State—even if it means putting ourselves in harm's way. Although the job we need to perform in this war on terrorism is familiar, the magnitude of the challenges before us is unprecedented—as the enemy now comes to our cities and towns.

He goes on to write:

Last August, Congress (led by a Democratic majority in the Senate) provided President Bush \$2.5 billion in emergency homeland security funding, for him to release to local police and fire departments if he thought it was needed. Regrettably, he re-

jected that funding and vowed, "we'll spend none of it."

President Bush held back hundreds of millions of dollars for equipment, training, and other needs for our first responders.

Fifteen months ago, we were told that \$3.5 billion was being earmarked for first responders in the Bush administration's fiscal year 2003 budget. But to date that money is nowhere to be found. Firefighters in Washington and across our Nation have received plenty of praise and accolades since 9/11. We have been invited to many photo ops.

But our cities and towns, our counties, our fire districts, and their fire departments are still waiting for that funding. In fact, our State has yet to see a dime of money that was promised by the Bush administration to help our firefighters and paramedics.

Kelly Fox speaks for 6,500 firefighters in my State. We need to heed his call.

Last year, Congress passed funding for homeland security. The President rejected it. The President then actually blamed Congress for not funding homeland security.

The bottom line is we must fund the security needs in our communities—from our fire departments and police departments to State public health labs. With States facing budget deficits, first responders need our help to protect our citizens. We can do better than this budget. I will support an amendment to adequately fund homeland security, and I will likely even offer my own amendment.

I am also concerned that this budget does not provide enough funding for education. When we passed the No Child Left Behind Act, we passed it based on two commitments. First, we would hold schools accountable for their progress. And second, we would provide schools with the resources to meet those new requirements. Those two always went together—otherwise schools cannot make real progress. But now it seems that Congress and the President have forgotten about the funding part. We still have an obligation to fund the new requirements that Congress imposed on local schools. We cannot leave local schools holding the bag, so I intend to offer an amendment to fully fund the No Child Left Behind Act.

I also think this budget falls short in supporting our transportation infrastructure. We know that transportation problems plague our biggest cities and isolate our rural communities. In my home State of Washington, our inadequate transportation network is hindering our economy, our productivity and our quality of life.

When we make sound investments in our transportation infrastructure, we create good jobs today, and we build the foundation for our future economic growth. When we make our transportation systems more efficient, more productive, and safer, that will pay real dividends for our economy and our communities. Throughout this process, I am going to support efforts to adequately fund our transportation infrastructure.



Another area where this budget is severely flawed is in its treatment of the Arctic National Wildlife Refuge. The Arctic National Wildlife Refuge is an important and unique national treasure. It is the only conservation system in North America that protects a complete spectrum of arctic ecosystems. It is the most biologically productive part of the Arctic Refuge. And it is a critical calving ground for a large herd of caribou, which are vital to many Native Americans in the Arctic. Energy exploration in ANWR would have a significant impact on this unique ecosystem.

The proponents of this measure argue that over the years, energy exploration has become more "environmentally friendly." While that may be true, there are still significant environmental impacts for this sensitive region. Exploration means a footprint for drilling, permanent roads, gravel pits, water wells, and airstrips.

The oil reserves in ANWR—in fact, the oil reserves in the entire United States—are not enough to significantly reduce our dependence on foreign oil. There are four ways to really reduce our need for foreign oil.

First, we can increase the fuel economy of our automobiles and light trucks. That will reduce air pollution and carbon dioxide emissions, save consumers significant fuel costs, and reduce our national trade deficit.

A second way to reduce our need for foreign oil is to expand the use of domestically produced renewable and alternative fuels. That will reduce emissions of toxic pollutants, create jobs in the United States, and reduce our trade deficit.

Third, we can invest in emerging technologies like fuel cells and solar electric cars.

Fourth, we can increase the energy efficiency of our office buildings and homes.

These four strategies will reduce our dependence on foreign oil and protect one of our Nation's most precious treasures.

Let us all remember that the amount of oil in ANWR is too small to significantly improve our current energy problems. The oil exploration in ANWR will not actually start producing oil for as many as 10 years. Exploring and drilling for oil and gas at ANWR is not forward thinking. It is a 19th century solution to a 21st century problem.

Mr. President, these are just some of the flaws that make this budget reckless.

As I close, let me put this into context because I have served on the Budget Committee since 1993. During that time, I have seen our country's economy turn around twice now. In 1993, we started with huge budget deficits. On the Budget Committee, we made tough decisions, and throughout America families worked hard and got our economy moving again. Employment rose; the stock market soared; and Americans benefited from low interest rates and declining poverty.

But today it seems as if we are back where we started: the surplus is gone; we are facing looming deficits; Americans are out of work, and they need help.

If the President and the majority in this Congress have their way, their plan will grow our Nation's debt from \$5 trillion to over \$12 trillion as their plan reaches full maturity—\$12 trillion. And for what? So millionaires can get an average tax break of \$90,000, according to the Tax Policy Center, and the rest of us get a \$12 trillion debt. That debt and our annual deficits will make it harder for us to fund urgent national priorities. It will hit every American when they buy a house or finance a car.

I hope we can find a way to produce a bipartisan budget that addresses these issues for the benefit of the American people. Doing anything less would be reckless.

I thank the Chair and yield the floor.

The PRESIDING OFFICER (Mr. CHAMBLISS). The Senator from Oklahoma.

Mr. NICKLES. Mr. President, how much time does the Senator from Alabama desire?

Mr. SESSIONS. Fifteen to twenty minutes.

Mr. NICKLES. I yield the Senator from Alabama as much as he desires.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. I thank the Chair for giving me an opportunity to speak on this important budget issue, and I thank Senator NICKLES for yielding me time.

Mr. President, I congratulate Senator NICKLES and express my admiration for him, quite sincerely, for the superb job he has done as chairman of the Budget Committee. It is a very important committee in this Congress. He has handled it with great skill. He knows, and we all know, that this year we need a budget.

Last year we did not pass a budget. Last year we did not pass 11 out of the 13 appropriations bills during the tenure of the Democratic leadership, and we were left to commence this year with the very difficult problem of funding the Federal Government by passing in an omnibus bill 11 appropriations bills that should have been passed last year before October 1 when the fiscal year began. We were operating on a continuing resolution and operating in a way that made no sense if anybody studied it. If the American people had known how poorly we had operated last year, they would have perhaps been even more upset than they have been with us.

This year, we have a Budget Act and we passed it out of committee. We have it before the Senate. If we continue our timely operation, we will pass it according to the time limits of the Budget Act. We will have a framework for our spending program in the Congress, and only then will we know what our limits are and what we have to spend, what we can do in terms of tax cuts,

and how we can stimulate and grow this economy. Those are the issues that I think are important.

I note, in response to some of the comments, my good friend Senator CONRAD complained that Senator CRAPO had not been accurate or described the full picture when he discussed the problems with surpluses this year, the deficit this year, and how it occurred. What Senator CRAPO said was absolutely correct. Senator CRAPO pointed out that they had predicted a \$300 billion-plus surplus this year, and with that prediction hanging out there, spending went up substantially the last couple of years. Now with the economic slowdown and the 9/11 attack, the stock market taking hits, those predictions have not been accurate. He posed a question: Why is there a deficit this year? Why is it being projected for next year? And he explained without dispute, I think, that it was not the 2001 tax cut passed by this Congress and requested by President Bush. It represented only 19 percent of the reduction in revenue. That 51 percent of the reduction in revenue to the Federal Government was a result of the economic slowdown, and 24 percent of the disappearance of our surplus was the direct result of increased spending.

The point he was making, and that is so important for us to know, was that economic growth is the way we are going to get out of deficit. It is not counting numbers. It is what we can do to strengthen the American economy, to get people working again.

There are some good aspects in the President's package for growth, but one of them is ANWR. I flatly dispute the argument that if we could bring on the oil production out of Alaska, that the Alaskans want us to produce, that would not positively impact our economy. As a matter of fact, the National Group of Unions has come before Congress and urged us, pleaded with us, to pass ANWR. Their estimates are that it would create 600,000 jobs. That is jobs in the United States of America.

When we buy oil from other countries such as Venezuela and Saudi Arabia, who gets the jobs? People in those countries get the jobs. They pay taxes to their countries on the income they make. If we had Americans working on this pipeline and steel mills build the pipe and do all that would be a part of this tremendous endeavor economically, they would be paying taxes to the United States of America. When we buy oil from Saudi Arabia, Iraq, Venezuela, and places such as that, it is a transfer of our wealth to those countries. We want to keep as much of that wealth home as possible.

Does anyone think the environment is important in Venezuela? I do not think they would. I submit that with the technology, and control by the Environmental Protection Agency, and the watching by the environmental groups, there is no doubt in my mind we will produce oil cleaner in the ANWR region than we would in any of

these other countries. So I believe that is a red herring, and it is a tremendous economic potential for us to work on that. So growth is important.

I also would point out to my friend, Senator CONRAD, there is no dynamic scoring whatsoever in his numbers. They do not suggest there is any growth in the economy that comes from allowing people to have revenue and be able to keep money in their own pocket. It does create an economic growth situation. That is unaffected, and it even becomes more significant as the years go by in the outyears.

Our friends across the aisle are proposing some sort of growth package, but it is very anemic, \$300 or \$350 per person. That is no answer at all. What we want to do is get our country back on steady growth progress. If we can do that on a healthy level so that we are leading the world, as we have and really as we do today in terms of a large economy that is growing, I think we can make progress that will begin to erase these deficits and we will not do it by taxing American people more.

We have heard Senator KENNEDY complain with gloom and doom that everything is going so horribly bad, this war is going to put us in bankruptcy, and the American economy is going to fail. Oddly, on the announcement that hostilities may be nearby, the stock market has been surging today. I do not think we should be so gloomy. I think we ought to see the possibilities for the future.

I say this about funding this war: We voted last October, and we had a full debate by all the Members of this body. Senator KENNEDY, I guess to his credit, from his point of view—and he is consistent—opposed the war. But overwhelmingly, we voted to support it, 77 to 23. We talked about the costs at that time. Everybody knew it was going to cost, and everybody knew it would be paid for by a supplemental because it is not a part of the normal defense budget.

We made a commitment to our troops. We have a quarter of a million troops in the Iraq region, and they are prepared to put their lives at stake for us. I do not think there ought to be the slightest suggestion in any way that we are not going to honor that commitment. When we committed to put our troops there, we committed to pay the cost of it.

I, for one, believe we ought to keep it low. I believe we ought to get our troops out when the war is successfully completed, if it goes to a conflict, as soon as we possibly can. I think we ought to do everything we can to strengthen Iraq. But I do not believe this Nation should permanently attach itself in a military way to Iraq, for a whole lot of reasons, and I do not think it is going to happen. I do not believe the Secretary of Defense believes that. I do not think the President does.

Some of these figures that are being floated around have been exaggerated. So we voted. We are going to back him.

As a member of the Armed Services Committee, I point out that on February 27 of this year, in a letter signed by our chairman, Senator JOHN WARNER, and the ranking Democratic member, CARL LEVIN, they suggested clearly that we would fund the costs of a war by a supplemental. In the letter they wrote on February 27, it says:

The administration is expected to request a supplemental appropriations for these concurrent and future military operations. We urge our colleagues' consideration for any such request. We must show strong support of our troops in the field.

Signed, CARL LEVIN and JOHN WARNER.

Now, that is what we have been doing all along, and everybody knows it. I know the Democratic leader, Senator DASCHLE, has been promoting the idea—was quoted in the paper, and it came up at the Budget Committee; now it has come up on the floor—that they would start carping about the fact that we cannot have a budget until the President sets forth in detail exactly what money is going to be spent on this conflict, a conflict that has not even occurred yet. He should not be expected to do that.

We had the Congressional Research Service to check on budgeting for wars in the past, and they stated this, if it makes any difference to anybody:

Presidents have not requested and Congress has not provided funding for wars in advance of the start of operations. Rather, administrations have requested funding after operations have begun and Congress has subsequently appropriated money to meet specific documented budgetary requirements.

Further:

Congress has provided the executive branch with considerable flexibility in financing military operations in advance of specific congressional action on appropriations.

Of course, that is the way it has been historically because that is the way it is. We cannot predict how these things are going to go with certainty. I believe that is a red herring and an improper thing to be saying now, to suggest that we may not be willing to fund this effort. We are going to keep the cost as low as possible. But this Congress, through its vote last fall, when Democrats were in the majority, authorized the President to act if he needed to and we would pay for it.

I will make a couple of points in general about where we are with the budget and what we can do about it. The economy has been sinking. In fact, as I recall, during the last month of President Clinton's tenure in office, the economy was in negative growth. The President inherited an economy that began to stall. It began to make some progress, and then there was 9/11, and the economy has not moved.

We do not need to get into recriminations or blame. The question is, What do we do now to grow this country, get our economy moving? That is the question we ought to deal with. When there is a robust economy, unemployment falls. This allows American workers

choices on jobs. Certainly some workers will be able to find a job and other workers will have choices and can pick a better job.

Growth helps employment. It provides more overtime to workers and it provides more revenue for the Government. That ought to make our big government friends happy. The more people work, the more they make overtime, the more they pay taxes, and the more we can spend it in Congress.

We clearly are at a point where we need to strengthen economic growth. Americans believe and the characteristics we display as a Nation are to focus on growth in the private sector. Innovation occurs there; investment occurs there; jobs are created there. That is how we make progress as a nation. That is why we remain strong economically. We are not where we want to be.

I saw recently unemployment in Germany was at 13 percent. The French economy is in trouble. The Japanese economy has been in trouble for a long time. Consistently, our economy has been stronger than the other industrialized nations in the world. We have done it because we have believed in the private sector. We learned through the big government years, it does not work. Tax and tax and spend and spend does not create jobs. We remember President Clinton made that dramatic announcement, the era of big government is over. It represented the collection of intellect and economic offense of tax-and-spend government. It was a big deal when he said that. It was an important change in our psychology.

I suggest we ought not go back to tax and spend. We need to watch what we do. We need to contain the growth in spending. We have another growth plan this year. We need not follow that European model that has stilted their economy.

It is the time of less taxes, less regulations, and a greater commitment to the free market has allowed us to be a vibrant and strong economy and allowed us to have money to spend on a military, have money to spend on incredible amounts for our research and health care, to be able to help the fight for AIDS around the world, because we have a strong economy. We need to defend and cherish that aggressively.

There are a number of components of this tax package. I don't know who my colleagues refer to as the rich, but let's talk about some of the people who are going to benefit from eliminating the marriage penalty, reducing tax rates for all groups, accelerating and enhancing the tax credit individuals get for children, enhancing the child tax credit, and eliminating double taxation on dividends.

The President has proposed moving forward the cuts in the marginal tax rates. Those are the rates paid, depending on your income level, with lower rates made retroactive to January 1 of this year, which will give a stimulus to the economy. What does that mean? Tax brackets in excess of the 15 percent

rate, already slated to decrease in 2004 and in 2006 based on the existing law, will be made effective immediately. In other words, we are phasing in tax cuts and the reduction of that 15 percent rate at 10 percent and making that happen by 2006.

The President said let's make that effective immediately. These are working Americans, lower-income working Americans. Currently, the tax brackets in this range are 27 percent, 30 percent, 35 percent, and 38.6 percent at the top. The President's proposal will immediately reduce each of these tax brackets to 25, 28, 33, and 35 percent. At their lowest levels, these benefit married couples with taxable income of \$47,000 and up, and single taxpayers with taxable incomes of \$28,000 and up. Who would benefit from the change? The Treasury Department estimated 28 million taxpayers would receive an average tax reduction of \$1,100. That is almost \$100 per month this Government will not be extracting from hard-working American citizens. They will be allowed to keep that money. There is no tax on this. Remember, there is no withholding on this reduction in tax. It is right off what you would be paying the Federal Government. A taxpayer who gets a \$90 a month benefit receives a benefit of \$90 a month.

Second, the plan calls for acceleration of the reduction of the 10 percent bracket expansion that has been scheduled for 2008 and brings it to 2003, this year. That means effective immediately, for married couples, their first \$14,000 in taxable income is taxed at only the rate of 10 percent. It does not mean their first \$14,000 they earn, but the first \$14,000 taxable income after their deductions. That is a 33 percent reduction. Under current law, only the first \$12,000 in taxable income is allowed to be received at this preferential rate. Single taxpayers would see their first \$7,000 in taxable income immediately fall under the lower rate. Who benefits? The Treasury estimates it would reduce taxes for over 69 million taxpayers.

The President is also proposing an accelerated reduction in the marriage penalty. As we have all learned, there is a penalty on marriage in this country. It is the result of a quirk in the Tax Code which assesses additional tax liabilities on couples who choose to marry and file jointly rather than remaining single where they can file separately. The marriage penalty is an unfair and incredibly unpopular part of the Tax Code. In fact, we are in the bizarre position in this country of penalizing that which we would want to encourage—marriage. I know someone who got divorced in January. They said had they been clever and gotten their divorce in December they would have saved \$1,800 on their taxes. We had the spectacle of the U.S. Government paying bonuses to people who divorced and penalizing people who marry. It is not good social policy. It is not good tax policy. It is something we ought to

eliminate. It is past due to be eliminated. We are working on that. We were going to phase this in by the year 2009, and the President proposes making that effective this year so people get the benefit now. A married couple earning a taxable income of \$47,000 or more will be able to claim twice the standard deduction they are currently allowed.

Who benefits from this? According to the Treasury Department, 35 million married couples would receive an average tax deduction of \$574 from this alone. That is meaningful money for any family. The economic principle is when you tax something, you get less out of it. When you subsidize something, you get more. We have been taxing marriage and subsidizing divorce. That is not good for this country to be doing.

Another of the President's proposals is to accelerate the child tax credit, immediately raising this credit to \$1,000 in 2003 from its current \$600 level. When I got elected to the Senate in 1996, I campaigned on this issue. I talked to young families all over America. They are trying to buy a house. They have to have a car. Maybe both are working. They have to have two cars. They are trying to raise children and meet those expenses. The tax deductions that were significant for children in the 1950s have been totally eroded, and they are getting whacked in taxes. They are trying to raise the next generation of children taking care of us when we are drawing Social Security.

I think this is a huge deal. I remember how excited I was when we passed the \$500-per-child tax credit in 1997. They said this was cutting taxes too much. It was too much of a tax cut and we could not sustain it. But we continued, ending up later having the huge surplus we had just a couple of years ago.

This is a fairness issue. In this country, the people who may be hurting the most when you look at it fairly are young couples, just working, just beginning in their careers. They have not raised up and gotten seniority, been promoted and making higher wages, but they have young children they are trying to take care of, to educate, to buy shoes for, to take to Disney World on occasion if, Lord willing, they have the opportunity.

We ought to pass this tax deduction and accelerate it as good public policy. This will also put money in the pockets of families to spend on behalf of their children. It will help the economy when they buy products. Somebody makes those products. Somebody at the store benefits from that. You pay sales taxes on it. The State and local governments benefit from that also.

According to the numbers I have, 26 million families would receive an average tax benefit of \$623. That is \$40-plus or \$50 per month as a tax benefit as a result—per child under this plan.

We have a plan for small businesses to be able to accelerate their deprecia-

tion, their expensing of new investments from \$25,000 to \$75,000. We want to encourage businesses to expand, to invest. When they do that, they hire people to do the expansion. They buy equipment. They expand their building. They improve their parking lot. They create economic growth. Small businesses, for a lot of reasons, are not being treated fairly in today's business environment.

I strongly believe, in the course of passing legislation that would create a budget for us and that would allow for a growth package and would set the spending levels for America, we need to create an atmosphere, not of dependence on government benefits; what we need to do is create an atmosphere that invigorates employment in the private sector, creating jobs, creating choices of jobs for American workers, where they can get raises and leave one business and go to another one for a higher paying job if they want, where they can get bonuses, and where they can have overtime and bring home more money. That is what we need to do, to strengthen our economy. Our goal should be to do that.

One of the reasons the Council of Economic Advisers has recently estimated that the President's plan will spur the American economy to create over 2.1 million jobs in the next 3 years is this focus on the private sector. The President is focused on assuring America's continued economic growth. This plan is one large indication of his commitment to promoting job creation.

The President's plan also calls for the elimination of double taxation on corporate dividends. Under his plan, dividend income received by individuals would be excluded from their taxable income, if those dividends are paid out of previously taxed corporate earnings. This is a very important provision. Many people in America's investor class understand that when they buy stock and receive dividends, they are paying probably a third or more of that in taxes in addition to the fact that it has been paid previously by the corporation.

According to the numbers that have been put together, the United States of America has the second highest tax in the world on corporate earnings, second only to Japan—over 70 percent when you total it up. So this is an unhealthy situation. What is happening for a lot of reasons is the American businesses realize if they distribute—after they make a profit and they pay their 35 percent corporate tax on that—if they distribute it to their stockholders, they have to pay another 35 or so percent on it—or more.

So what do we think, and what do the experts think, this reduction would do to help the economy? I think one thing it would do, clearly, is it would make stocks more attractive. It would cause people to have an additional reason to invest in the stock market. Whatever the level the stock market would be, whether it was low or high, by passing

this tax it would make it higher than it would be otherwise.

I don't guarantee the stock market will go up because it passes, but I guarantee it will be higher than it would otherwise have been. Why? Because when you make the purchase of a stock that produces a dividend, and that dividend comes to you tax free, it is a more attractive investment. That is why people buy tax-free bonds instead of other bonds. So that would be helpful in raising the stock market. It would make it more attractive.

I think it important for us to recall that revenue to our Government is volatile. One reason revenue income to our Government is volatile is the stock market. When the market is up and people sell stock, they have to show a capital gain, and they will pay a tax on the sale—20 percent normally. When the market is down and they sell a stock, they do not take a gain, so they do not pay 20 percent tax on that profit; they take a capital loss.

If they have some other product they sold—real estate they sold and showed a gain on—they can use the loss in the market to offset that gain. Also, they are allowed, under the Tax Code, to take \$3,000 per year and offset that capital loss against their ordinary income, reducing the ordinary income tax they would pay.

To me, this is a clear indication that if the stock market is high and doing well, the Government will receive more revenue. That is not factored into any of these projections whatsoever, what impact the dividend tax reduction would have. If the market is up, revenue will be up. It will give businesses more value if their stock goes up, and they will be able to invest more and grow more. With a higher value stock, they can do that.

In summary, the dividend tax is an unfair double tax. It is the second highest in the world. The elimination of this tax will help the stock market; it will help the recovery; it will help businesses be able to borrow and invest. It will allow individuals to receive income on which they do not have to pay taxes. They will have more money to spend. Because of the change from taking losses to growth, revenues to the Government will go up. I think it is the right thing to do. Dollar for dollar, it is a good plan.

I tell you, there are many good things in the President's proposal. It is something we have to deal with this week. This budget will set the framework for where we are going. It will set the outline for what our spending and our taxing plans will be.

I hope we will focus on two things: containing spending, making it at a reasonable level, and growing this economy, because it is only through growth we will be able to return to surpluses and eliminate the deficits that are now occurring.

I thank the Presiding Officer and yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, let me just take a few moments to respond to my colleague, Senator SESSIONS, who is a valued member of the Budget Committee, I might add, and whom I serve with on the Ethics Committee. He has served there with real distinction as well. But we fundamentally disagree. That is what debate is all about. That is what democracy is all about. And that is what is healthy for the country.

The Senator described the growth package on our side as puny, I think. Let me just say, here is the difference between our two plans for this year. I would describe the President's plan as puny for this year.

Of the total cost of his plan, which is over \$900 billion, less than 5 percent of it is for this year, at the time the economy clearly is weak and needs a lift.

Our plan is more than twice as large as the President's plan for this year: \$102 billion of economic stimulus.

An analysis has been done by the distinguished economist Mr. Mark Zandi of Economy.com, comparing the lift our plan will give the economy over this year and next over the President's plan. It shows the plan we have provided will give almost twice as much in terms of economic stimulus in 2003 and 2004 as the President's plan.

Interestingly enough, for the long term, he finds the President's economic growth plan actually hurts economic growth. Why? Because it explodes deficits and debt. It does not offset the cost of the tax cuts with spending reductions. It finances the tax cuts with borrowed money.

Our friends on the other side seem to have fallen into this notion that you can borrow your way to wealth and economic strength. That has never been true in history. You cannot borrow your way to economic strength. It is as if you had decided you would go out and run up the credit cards and make believe you are wealthy. No, no, no. No, we are not going to buy into that new theory.

Our friends on the other side of the aisle used to believe deficits matter. Many of us on this side still believe deficits matter. I am happy to say some on the other side still believe deficits matter. But it is not just Mr. Zandi who has found that the plan of the President will hurt economic growth in the long term. Macroeconomic Advisers, who is under contract to the White House, under contract to the Congressional Budget Office, to do macroeconomic analysis, has concluded that after 2004, the President's plan actually hurts economic growth. We would have less economic growth than if we did nothing. Now, that is not my idea of economic growth.

I would say this to my colleague: The one thing that is certain about the plan on the other side, the thing that is going to grow is the deficit. The deficit is going to grow. We are already going to have record deficits under this plan, and they are going to continue as far as the eye can see.

According to the President's own documents, we are never going to get out of deficit. It is just like falling off a cliff. Because the cost of the President's tax cuts explodes at the very time the cost of the Federal Government explodes by the retirement of the baby boom generation.

But it is not just my view. Newspaper after newspaper—here is the *Deseret News*, in Salt Lake City:

War is unpredictable . . . a long, protracted campaign that triggers counterattacks by terrorists and Iraqi sympathizers could be hugely expensive. Coupled with giant tax cuts, it could send the budget deficit back into levels not seen in a decade or more, which would stifle growth and hamper investment.

It isn't a growth plan they have on the other side; it is a grow-the-deficit plan, a grow-the-debt plan, that will hurt economic growth.

Congress ought to put the president's tax plan on the shelf for awhile until it knows better how the men and women in uniform are going to be spending their year.

Newspaper after newspaper. Here is the *Philadelphia Inquirer*:

. . . [B]e careful what's given away in the name of any "growth and jobs" plan. Federal budget deficits are back. States are reeling from their own deficits while shouldering new homeland security chores. The demographic train wreck facing Social Security and Medicare as baby boomers age hasn't gone away just because politicians have stopped talking about it. Money is so tight President Bush can't pay for even his own cherished initiatives such as education reform.

This is from the *News & Observer*, Raleigh, North Carolina:

When the Republicans won the White House there was a projected surplus of about \$200 billion for this fiscal year and talk about fully protecting Social Security and even digging out from beneath the national debt. Now, in large part because of the earlier Bush tax cut and necessarily higher spending for the anti-terrorism fight, the nation has plunged into red ink again. . . .

In the meantime, President Bush goes on pushing hard to make tax-rate reductions permanent and to cease federal taxation of stock dividends. Both the federal and state budgets could face dire consequences from this economic plan. On and on it goes. "Unfair tax proposal rewards wrong group."

This is from the *Kansas City Star*:

There's no real debate over the fact that Bush's proposal on dividends would largely benefit the rich. Some apologists talk about wanting to help the elderly, which doesn't tell the whole story; Bush's dividend proposal would help elderly people with lots of money in the stock market.

Bush's tax package is unfair, short-sighted and fiscally irresponsible. He and members of Congress—particularly Republicans, who now control Capitol Hill—must develop a far better plan in the months ahead.

Let me just finish with this one. I have many more because newspapers all around the country—not Democrats, not Republicans—that have tried to analyze the President's plan have come back and said it is a nonstarter. Here is the *Los Angeles Times*:

. . . Bush's trickle-down package threatens to swamp the economy in a wave of debt. And that's before taking into account the

huge but unknowable cost of preparing for and perhaps fighting a war with Iraq. The White House's tax-cutting yet free-spending ways defy history, and taxpayers will be the ones left responsible for decades to come.

That is just a part of what the Senator from Alabama said that I think requires a response. He said some are saying: Do nothing. That is really not what Senator DASCHLE has proposed nor what I have proposed. But I do believe it would be wise, on the brink of war, when there is no provision in this budget for the costs of that war—and none of us are suggesting—I want to make clear to my colleague, if I could have his attention, none of us are suggesting this administration or your party has any intention but to fund our men and women in uniform. I have no doubt of that. I want to make very clear, we make no suggestion, none, that there is any reluctance to back our men and women in uniform. That is not the point.

The point is this: When we are on the brink of war, and there has been no provision in the budget for the cost of that war, even though we know there are substantial costs associated with it, it seems unwise to some of us to increase spending, to have new spending initiatives—except for defense and homeland security—or to have new tax cuts, unless they are for a stimulus package.

That is the point we are making. And I think it is a wise one and a prudent one.

Mr. SESSIONS. Mr. President, will the Senator yield for a question?

Mr. CONRAD. I am happy to yield for a question.

Mr. SESSIONS. I understand that. I think the suggestion is our budget process has to stop until that occurs. And I think it is impossible for the President to give us a number now. I believe it does cause some confusion in our unity, which I would not favor.

But I want to ask the Senator this.

Mr. CONRAD. Let me just respond to that first.

Look, we are not suggesting the budget process stop. No. We are saying there ought to be a point of order, a 60-vote point of order against new spending initiatives, unless for defense or homeland security, or for new tax initiatives, other than for a stimulus package.

We are not suggesting the budget process stop. We are suggesting it proceed, but that it proceed with some restriction, some disincentive for new spending, other than for defense and homeland security, or for new tax cuts, other than for a stimulus package.

Mr. SESSIONS. I know the Senator is committed to whatever figure we have to do to fund the effort of our fine men and women in uniform. I was looking at the Democratic proposed stimulus plan, and it is pretty anemic. I ask Senator CONRAD if he knew that not only was it basically limited, most of it in just 1, 2, or 3 years, but that in fact in 2004, as a result of eliminating the

depreciation provisions that are in existing law, it would amount to a \$16.7 billion tax increase on small businesses in 2004 and a \$14.8 billion increase in 2005?

Mr. CONRAD. Part of the plan that I have endorsed would include enhanced depreciation for small business.

Mr. SESSIONS. We passed it as part of a stimulus package before. The bill that has been put forward as the Democrat stimulus plan calls for the elimination of those which would amount to a tax increase over the current law of \$16.7 billion in 2004 and \$14.8 billion in 2005.

I ask the Senator if he believes this kind of very large increase in taxes on small businesses would be wise in a time of economic slowdown?

Mr. CONRAD. No. In fact, the plan I have endorsed would expand expensing for small business. I think that is a better course and would be a real stimulus. We should aggressively have a plan of small business expensing, expanding small business expensing in this year.

I see Senator ALLARD is in the Chamber. Is he seeking time?

Mr. ALLARD. I have a statement I would like to make when we get an opportunity during the debate.

Mr. CONRAD. We are under a time limit. There needs to be a granting of time in order for Senators to have an opportunity to speak. Senator NICKLES is not here at the moment. Perhaps he is on his way.

Mr. NICKLES. Mr. President, I yield the Senator from Colorado such time as he desires.

The PRESIDING OFFICER (Mr. ALEXANDER). The Senator from Colorado.

Mr. ALLARD. Mr. President, I need time to get set up.

Mr. NICKLES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

#### MORNING BUSINESS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to a period for morning business.

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

#### THE TEACHER TAX RELIEF ACT OF 2003

Mr. WARNER. Mr. President, I rise today in support, once again, of America's teachers by joining with Senator COLLINS in introducing the Teacher Tax Relief Act of 2003.

Senator COLLINS and I have worked closely for some time now in support of legislation to provide our teachers with

tax relief in recognition of the many out-of-pocket expenses they incur as part of their profession. In the 107th Congress, we were successful in providing much needed tax relief for our Nation's teachers with passage of H.R. 3090, the Job Creation and Worker Assistance Act of 2002.

This legislation, which was signed into law by President Bush, included the Collins/Warner Teacher Tax Relief Act of 2001 provisions that provided a \$250 above-the-line deduction for educators who incur out-of-pocket expenses for supplies they bring into the classroom to better the education of their students. These important provisions will provide almost half a billion dollars worth of tax relief to teachers all across America over the next two years.

While these provisions will provide substantial relief to America's teachers, our work is not yet complete.

It is now estimated that the average teacher spends \$521 out of his or her own pocket each year on classroom materials—materials such as pens, pencils and books. First-year teachers spend even more, averaging \$701 a year on classroom expenses.

Why do they do this? Simply because school budgets are not adequate to meet the costs of education. Our teachers dip into their own pocket to better the education of America's youth.

Moreover, in addition to spending substantial money on classroom supplies, many teachers spend even more money out of their own pocket on professional development. Such expenses include tuition, fees, books, and supplies associated with courses that help our teachers become even better instructors.

The fact is that these out-of-pocket costs place lasting financial burdens on our teachers. This is one reason our teachers are leaving the profession. Little wonder that our country is in the midst of a teacher shortage.

Without a doubt, the Teacher Tax Relief Act of 2001 took a step forward in helping to alleviate the Nation's teaching shortage by providing a \$250 above-the-line deduction for classroom expenses.

However, it is clear that our teachers are spending much more than \$250 a year out of their own pocket to better the education of our children.

Accordingly, Senator COLLINS and I have joined together to take another step forward by introducing the Teacher Tax Relief Act of 2003.

This legislation will build upon current law in three ways. The legislation will:

No. 1, increase the above-the-line deduction for educators from \$250 allowed under current law to \$500;

No. 2, allow educators to include professional development costs within that \$500 deduction. Under current law, up to \$250 is deductible but only for classroom expenses; and

No. 3, make the Teacher Tax relief provisions in the law permanent. Current law sunsets the Collins/Warner provisions after 2 years.

Our teachers have made a personal commitment to educate the next generation and to strengthen America. In my view, the Federal Government should recognize the many sacrifices our teachers make in their career.

The Teacher Tax Relief Act of 2003 is another step forward in providing our educators with the recognition they deserve.

#### ARE WE READY FOR THE CONSEQUENCES OF WAR WITH IRAQ?

Mr. AKAKA. Mr. President, I rise today to express my deep concerns that we are not as prepared as we should be for the consequences of a war with Iraq.

I have complete confidence in the ability of our armed services to defeat Iraq. We have a superb military which is, without a doubt, the most effective and most professional fighting force ever fielded in the history of mankind.

We can all be proud of our dedicated military men and women. It is their dedication and willingness to risk their lives in the service of their country that places a special responsibility on our shoulders. Our responsibility is to ensure that their service is not expended in the vain pursuit of ill-defined objectives and that our national security is truly enhanced.

In my capacity as a member of the Senate Armed Services Committee, I meet with many of our field commanders. Prior to our debate last session on H.J. Res. 114 concerning war with Iraq, I met with one of our senior commanders just returned from the war against terrorism. He told me "keep asking the hard questions" about the consequences of committing American troops to a war on Iraq. I have heeded his advice, and it is the reason I stand today to discuss the consequences of war on Iraq.

I am concerned that we are not sufficiently prepared either materially or psychologically for a protracted occupation of Iraqi territory, nor are we sufficiently well prepared domestically for possible terrorist attacks on American soil.

My constituents ask me why the President has chosen to fight Iraq at this time or what his objective is in so doing. I do not have a good answer for them because the President has yet to provide one.

Certainly it is true that Saddam Hussein has resisted and ignored over the past 12 years United Nations resolutions calling for Iraqi disarmament of its weapons of mass destruction. Certainly it is true that Saddam Hussein has oppressed the Iraqi people and carried out terrible attacks against the Kurds and Shia tribes of Southern Iraq. Certainly it is true that Saddam Hussein has paid only grudging lipservice to recent efforts by the United Nations Monitoring, Verification and Inspection Commission, UNMOVIC, to discover and eliminate Iraq's weapons of mass destruction.

However, none of those issues justifies going to war now if we are unprepared for the consequences of war and if we do not have a clear exit strategy for getting out of Iraq. It would be far better to take the time to ensure that we are prepared for both the consequences at home and abroad before sending our superb military into combat in a distant land.

The reasons for war have increased in number and difficulty as we build up our forces in the gulf. At first, the President asserted that war was to end Saddam Hussein's program for developing weapons of mass destruction. More recently, the President has added that our objective is to "help the Iraqi people rebuild their economy, and create the institutions of liberty in a unified Iraq at peace with its neighbors." The President argues for war because he believes that "success in Iraq could also begin a new stage for Middle Eastern peace, and set in motion progress towards a truly democratic Palestinian state." Mission creep is already occurring, and the mission has not begun.

In February testimony before the Senate Foreign Relations Committee, retired General Anthony C. Zinni asked, "do we want to transform Iraq or just transition it out from under the unacceptable regime [. . .]" and he added, "defining the problem, however, is only half the task. The other half deals with how you solve the problem. I have not seen a lot of specifics in this area."

The mission of an American occupation to establish a democratic Iraq is well-meaning but difficult to implement. Indeed, as I read testimony and speeches by administration officials, I am struck by how many new objectives are being added to our mission: for example, establish the rule of law and an independent judiciary; create a free enterprise system; end weapons of mass destruction programs; make an American ally; create a bulwark against terrorism; forge a secular and democratic state; reform the educational system; and develop a free press. These are extremely ambitious programs for a country that has little, if any, historical experience and no recent experiences in any of these conditions. Perhaps we should be bringing democracy to our allies in the region.

A well-defined objective is crucial for a mission's success. Will the objective be a discrete military mission: seek and destroy Iraq's weapons of mass destruction, or an open-ended goal to bring democracy to a country that has no experience in democracy? The administration now indicates that both goals are intertwined: to rid Iraq of its weapons of mass destruction we must create a democracy in Iraq. Perhaps that is the case. But the opposite is also possible: a democratic Iraq responsive to the will of the Iraqi people, continuing to share borders with countries traditionally hostile to Iraq—including Iran which we have learned this week is well on its way to developing nuclear

weapons—may feel compelled to restart its weapons of mass destruction program out of self-preservation.

Let us be clear: we can take weapons away from Iraqi leaders but we cannot erase the knowledge of how to make those weapons from the minds of Iraqi scientists. That capability will always remain. Weapons scientists and engineers will not unlearn what they have learned. To make another Iraqi WMD program impossible, we need to develop solid support for an international regime with enforcement mechanisms to prevent the proliferation of weapons of mass destruction and the means to deploy them.

Unfortunately, the President's rush to war is undermining the very international consensus we need to forge to prevent proliferation.

International cooperation is essential both in the short term and in the long term. In the short term, it is essential for our goal of ending the threat from Iraq. A stable international coalition is the basis for managing any future crisis. In the long term, it is essential to prevent the spread and use of weapons of mass destruction.

The administration insists that all it needs is a "coalition of the willing" to go to war. That may be true for war, but will there be a coalition to pay the costs of an indefinite occupation of Iraq? Without international support, the United States will pay the direct cost for our military presence and reconstruction. Our struggling economy will also pay an indirect cost adding to our sky-high deficit. Already it looks more like a coalition for war of the compensated than a coalition of the willing.

I believe we are not ready for the cost of such an occupation both in terms of money and our military.

When the British conquered Iraq in 1917, the British military commander, Lieutenant General Sir Stanley Maude, said "our armies do not come into your cities and lands as conquerors or enemies but as liberators." When the British departed Baghdad in the 1930s, Sir Kinahan Cornwallis observed, "my own prediction is that they will all fly at each other's throats and that there will be a bad slump in the administration which will continue until someone strong enough to dominate the country emerges, or alternatively, until we have to step in and intervene."

We should heed history before we attempt to make a future. The danger is that the war will end in a few weeks while crisis endures for a long time.

Just recently, the administration announced a \$900 million contract for postwar Iraqi reconstruction. This is just a small down payment on what people in and outside the Government estimate may amount to over \$100 billion, not including the cost of maintaining a long-term American troop presence in Iraq. A military presence will cost additional billions and tie down American forces, affecting training, rotation cycles, and recruitment of

our entire military. The cost will be borne largely by the American taxpayer unlike the first gulf war which saw Saudi Arabia and Germany contribute 44 percent of the operation.

Some suggest that Iraqi oil exports will pay for the occupation force and reconstruction efforts. But a recent study by the Council of Foreign Relations warns not to expect such a "bonanza." The Iraqi oil industry is estimated to need \$5 billion in investment and 3 years just to return to pre-1990 production levels, and Iraq is already carrying an external debt burden of \$300 billion.

If, as some experts predict, our forces confront ethnic, tribal, and religious in-fighting and are besieged by terrorist attacks emboldened by pan-Islamic hostility to the American occupation, we may need a much larger force than the current 45,000 to 75,000 under review by the Pentagon. No doubt, as in the first gulf war, there will be score settling among Iraqis with vigilante justice and possibly open warfare. Many are predicting that Kurdish refugees expelled in 1968 from their homes in Kirkuk will pour back into this center of Iraqi oil wealth, bringing with them the possibility of war with Turkey seeking to protect Turkmen minority interests.

The Pentagon is reported to be planning on a 2-year military occupation of Iraq under a military governor that may be expanded to 5 years. Ironically, one of the first things this governor general will have to do is to rebuild the Iraqi military with professional training and new weapons. Time magazine reports that the Pentagon has "only a rudimentary plan for rehabilitating the bulk of the [Iraqi] Army." But it is clear that we cannot demobilize over 400,000 Iraqi troops without adding to the problems in the civilian sector.

We are just beginning to plan for all these postwar problems. On February 11, 2003, Undersecretary of Defense for Policy Douglas Feith announced that the President "has directed his administration to begin planning now" for reconstruction and testified that the administration was still "conceptualizing" peace. Now is too late for a war that may start this month. The Defense Department's Office of Reconstruction was opened only on January 20, 2003. Time magazine reported on March 2 that "at this late hour, the Administration is not very ready for the peace."

As Middle East expert Anthony Cordesman warned in testimony before the Foreign Relations Committee on February 7, 2003, "we are rushing planning efforts without making adequate efforts to make up for our lack of knowledge. As a result, planners both outside and inside the U.S. government may end in doing more harm than good. . . ."

President Bush has stated that "we will remain in Iraq as long as necessary and not a day more." I appreciate his candor, but I am deeply disturbed by

such an open-ended commitment to deploying American troops. We may wear out our welcome long before we have accomplished the democratic transformation of the Middle East envisioned by the President.

I am also concerned over the lack of preparation at home for the possibility of terrorist attacks. Even the President is dissatisfied with the counterterrorism budget passed for this fiscal year. I am dissatisfied that we have not done more during the past 2 years. As chairman of the Governmental Affairs International Security Subcommittee, I began holding hearings on our preparedness against terrorist attacks in July 2001. I have continued to press for reform of our national and local preparedness. I agree with the President that the budget for this fiscal year was too small. We have done too little to defend ourselves against attack.

I am disturbed by the letter from FBI Special Agent Colleen Rowley to FBI Director Robert Mueller indicating that the FBI would not be able to "stem the flood of terrorism that will likely head our way in the wake of an attack on Iraq." Last month the FBI issued a warning that "lone extremists represent an ongoing terrorist threat in the United States." Certainly, steps have been taken to improve our law enforcement capability, but I believe much more needs to be done before we are as prepared as we should be. The President acknowledged as much when he announced in his State of the Union Address his intent to create by May 1 a new Terrorist Threat Integration Center. This Center is at least 3 years away from being fully staffed according to administration plans.

In other areas we are also behind. The Transportation Security Administration has just begun to assess the vulnerabilities of American airports to terrorist attack, especially from shoulder-launched missiles—that task force was set up after the deadly November 28 attack against an Israeli airline in Kenya. The President's plan to immunize 500,000 health care workers against smallpox in 30 days has only inoculated 4,200 and is draining money and personnel from other programs in State and local public health departments.

Many State and local law enforcement officials have yet to receive federal security clearances so that they can receive information about potential terrorist attacks. Our emergency health care system is already stressed to the breaking point as hundreds of emergency departments have been closed due to budgetary constraints even as the number of patient visits has increased. Few of the respirators operated by local firefighters and other first responder rescue teams were found to be effective against poison gas. Many reservists in our first responder units have been called to active military duty, depleting critical services at home.

The list of problems is endless. The ability to solve these problems is lim-

ited by time and by money. The bottom line is that we have a lot to do and a long way to go before we are as ready at home for war as we are for waging war far away.

If war does come, both in Iraq and here at home, we will all support our troops and do the best we can to confront the problems here. I believe that the security of all Americans would be better served by taking the time to be better prepared. Allowing United Nations inspectors to do their work in Iraq will deplete the number of weapons Saddam Hussein might aim at our troops—already 46 Al Samoud missiles have been destroyed—and build international support for resolving the Iraq crisis. We will have not only a coalition of the willing but a coalition of the strong.

If we pursue our current path, we will have a war lacking in many things essential to achieving complete success. It will be a war without broad international support, without sufficient planning for postconflict reconstruction and stability, without a definite exit time and strategy, and without a firm pricetag. Moreover, it will be a war with serious ramifications for our long-term readiness capabilities for homeland security and for managing other crises.

#### NOMINATION OF THOMAS A. VARLAN

Mr. ALEXANDER. Mr. President, last week the Senate confirmed the Presidential nomination of Thomas A. Varlan to be a United States District Judge for the Eastern District of Tennessee. While I did not have an opportunity that day to make a floor statement in support of Mr. Varlan, I did want to come to the floor to express my support for him and to express my gratitude to my colleagues for the expeditious confirmation of this superb nominee.

Mr. Varlan was recommended last year by the current Senate majority leader, my colleague, Senator FRIST, and former Senator Thompson. As someone who, as Governor of Tennessee appointed some 50 judges, I am confident that Mr. Varlan will be an able Federal judge.

Mr. Varlan was born and raised in Oak Ridge, TN. He received a Bachelor of Arts degree from the University of Tennessee in 1978, graduating with the highest honors. He received his Juris Doctorate from Vanderbilt University School of Law in 1981, where he served as an editor of the law review and was selected for membership in the Order of the Coif, the national law school honor society.

After receiving his law degree, Mr. Varlan worked for 6 years as an associate with the law firm of Sutherland, Asbill & Brennan in Atlanta, Georgia. In 1988, he returned home to Tennessee and from 1988 through 1998 he served as Law Director for the city of Knoxville, managing all the legal affairs for Tennessee's third largest city. Mr. Varlan



has been a partner at the Knoxville law firm of Bass, Berry & Sims, PLC since 1998.

Mr. Varlan has practiced law in the areas of employment, school, commercial, patent and trade secrets, antitrust, contracts, product liability, civil rights, tort, annexation, tax, zoning, condemnation, workers' compensation, constitutional, telecommunications, real property, governmental relations, and labor law. Mr. Varlan has practiced in federal, state, and administrative law courts throughout his career and has conducted a number of jury and bench trials.

Mr. Varlan has also been active in his community, providing legal services to disadvantaged persons and for organizations such as Volunteer Legal Arts Services in Atlanta, GA, and the Knoxville Bar Association's Mentor for the Moment Program.

I am confident that Mr. Varlan will be a fine addition to the Federal bench in Knoxville, and I thank all of my colleagues for their overwhelming support for him.

#### NOMINATION OF JOSEPH KELLIHER TO THE FEDERAL ENERGY REGULATORY COMMISSION

Mr. WYDEN. Mr. President, I cannot allow the Senate to proceed with Mr. Kelliher's nomination to the Federal Energy Regulatory Commission today or anytime soon.

This is a position of enormous importance to my constituents in Oregon who have had their energy prices soar through the roof during the past few years while the Commission has failed to serve as an effective watchdog over energy markets.

In the limited time I was able to question Mr. Kelliher at his confirmation hearing, he demonstrated little understanding of the impact on the Northwest of the manipulation of west coast spot markets by Enron using the various strategies described in the Enron memos. These strategies have had a devastating impact on Northwest energy consumers and on long-term contracts that the Bonneville Power Administration (BPA) and many other Northwest utilities subsequently were induced to sign in order to protect themselves from the volatility of the manipulated spot markets. In response to my question about whether the Enron memos provided grounds to get out from overpriced contracts, Mr. Kelliher states: "As a legal matter, I do not know sir. I thought those memos were designed to manipulate spot markets."

To date, there has been a total failure on the part of the Commission to make any kind of connection between the manipulation of spot markets and the impact on long-term contracts that have raised rates for Northwest ratepayers. In fact, the Commission currently appears to be pursuing two completely different standards for when ratepayers may be entitled to refunds

for manipulation of spot markets as compared to when overpriced, long-term contracts that were a direct result of that manipulation can be voided or reformed. The net effect could be that Northwest ratepayers could be struck in long-term, overpriced contracts even if the rates in those contracts are not considered just and reasonable according to FERC's own standards.

What is also of concern to me is that there are a number of critical issues to Northwest energy consumers that will be coming before the Commission in the next several weeks. These include Commission decisions on filings by the Bonneville Power Administration and other Northwest utilities for relief from contracts with Enron and other energy traders, enforcement cases against the marketers accused of manipulating west coast energy markets and the Commission's proposal to create a one-size-fits-all standard market design for transmission systems that would be ill-suited to our region's transmission system and could create new opportunities for manipulation of Northwest energy markets. With these critical issues coming before the Commission, the Northwest needs to be assured our region's interests will be fully and carefully considered.

Mr. Kelliher has not convinced me he fully understands the impact of manipulation of west coast energy markets on Northwest ratepayers or the problems the Commission's standard market design proposal could create for the Northwest electric power grid. For these reasons, I would object to a unanimous consent request for the Senate to take up Mr. Kelliher's nomination until my concerns can be addressed.

#### LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. In the last Congress Senator KENNEDY and I introduced the Local Law Enforcement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred April 15, 2001. Two men taunted and attacked four lesbian students outside a cafe near Louisiana State University. The attackers approached the women and asked them if they were "boys or girls." The victims said that one of the attackers threw a drink at them and another attacker punched the victims repeatedly.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

#### SIERRA LEONE SPECIAL COURT INDICTMENTS

Mr. FEINGOLD. Mr. President, I rise to call my colleagues' attention to the historic developments that have unfolded in Sierra Leone in recent days.

On Monday, the Special Court for Sierra Leone, a body charged with bringing to justice those most responsible for the horrific war crimes that occurred in that country, issued its first indictments. Seven people were indicted for war crimes, crimes against humanity, and violations of international humanitarian law: Foday Sankoh, Johnny Paul Koroma, Sam Bockarie, Issa Hassan Sesay, Alex Tamba Brima, Morris Kallon, and Sam Hinga Norman. The subjects of these initial indictments—ranging from infamous RUF leader Sankoh to former junta leader Koroma to Cabinet Minister Norman—clearly illustrate the commitment of the Court and of Sierra Leone to genuinely break with the past, and to firmly assert the illegitimacy of all of the abuse and atrocities of the past, not just that portion committed by one faction or another. Five of the indicted individuals are under arrest today; two remain at large. I urge the international community to ensure that they are found, arrested, and turned over to the court.

This development is an important step toward breaking the cycle of violence and impunity in West Africa—a cycle that plunged the people of Sierra Leone into a long national nightmare from which they have only begun to recover. That same cycle is responsible for the ongoing suffering of the people of Liberia, and now threatens the once-stable country of Cote d'Ivoire. It is true that fear of accountability may provoke some actors to try to disrupt the progress made in Sierra Leone thus far, but the history of that beautiful country has shown that turning a blind eye to the abuses of the past only ensures more in the future. The people of Sierra Leone are bravely pursuing justice. They deserve international support.

#### LLOYD J. OGILVIE

Mr. ENZI. Mr. President, ever since I first arrived in the Senate, I have always looked forward to starting each new day with a prayer. Whether that prayer came from one of his excellent books, like *One Quiet Moment*, or on the Senate Floor, we have all received a great deal of inspiration and encouragement from our Chaplain, Dr. Ogilvie. Each day, as we prayed together on the floor or in our offices, Dr. Ogilvie has helped us to focus on the tasks of the day and the importance of working together as one family to solve the problems we face as a nation. His words have also reminded us of the beliefs of our Founding Fathers and their inherent trust in God for all things.

Looking back over the years he has served in the Senate, Dr. Ogilvie has

helped us through a long list of trials, tribulations and difficulties. In particular, he prayed with us each morning as we began to recover from the pain of the attacks of September 11. As the Chaplain of all the Senate, he took the pain and isolation that some of us felt from those days, and through prayer and understanding, he brought us together as one, the Senate family, and taught us how to console each other and how to help each family member through the pain of that day.

Now, after all he has done for us, Dr. Ogilvie will be leaving to help his own special family and his wife, Mary Jane. Their's is a remarkable story, and someday it may be written, about teamwork, love and happiness. Now she needs his time, his caring and his attention and so he will be working with her, just as she has worked with him as part of his team for all of the years of their marriage, to bring her back to health.

As he prepares to return to California to be with his wife, a lot of us have taken a few moments to think about the difference he has made in our lives, in our staff's lives, and in the every day routines of the Senate.

I have always believed that there was no better gauge of how well you did your job than to measure your results against what you said you wanted to do on your first day in the office. For Dr. Ogilvie, that meant pursuing a role as "intercessor, trusted prayer partner and faithful counselor to members of the Senate family as they seek to know God and discover His will in the monumental responsibilities entrusted to them."

I don't think there is any doubt that he has fulfilled his own charge to the letter. He has been a counselor, comforter and a source of strength for us all, no matter our status or rank in the Senate or in each office because those things don't matter to the other members of a family when someone is in need.

One of my favorite moments from the New Testament has to do with the story of the apostles who were in a boat with Jesus Christ when a terrible storm came up all around them. As Christ slept peacefully, the apostles were in the throes of a terrible panic about their situation and what was to become of them. As Christ was awakened and sensed their fear, He stretched out His arms and quelled the seas and the winds and everything around them became peaceful and calm once again.

Our lives are often like that. We see the storm clouds and the very real rough winds and seas that seem like they will batter and demolish the little boat of our life. The thought can often leave us feeling very afraid of what is to become of us. In those moments, Dr. Ogilvie was a constant reminder that the strength of God was never far off, and we were never far from Him. All we needed to do was to imitate Christ, stretch out our arms to God and listen

for the peace and calm that is always within us. That is God's gift to the troubled and confused and it always lies within us, in the depths of our hearts and souls. Another of God's gifts was surely Dr. Ogilvie, who has a wonderful talent of helping us to find that small, still place in ourselves where we can find the peace, strength and comfort of God for those times when life seems unfair and our boat feels adrift and lost in the turbulent seas of the world.

After coming to know Dr. Ogilvie over the years, and seeing him in prayer with my staff, and so many others, I have no doubt that a book about our Chaplain and the many ways he has made a difference in our lives would be a very thick one. Every office, and every staff has at least a handful of stories about Dr. Ogilvie and the difference he made in their day or their lives just by being available and joining in prayer—or by being there to listen. To those who are fortunate enough to know him, he has been more than a Chaplain to us—he has been a trusted friend who could always be relied on for a good word of advice or to help with an idea or suggest a different approach to a problem.

We all know that all prayers are answered, it is just a difficult thing when the answer we pray for isn't the one we receive. Through the years, Dr. Ogilvie helped so many of our staff members through the storms of their own lives and he did so with great humility, kindness and a gentleness of spirit.

As I thought about the problems faced by my staff, I remembered the mother of one of my staff members who has a problem with pain. When he found out about it, Dr. Ogilvie called her and personally expressed his support for her and his intention to keep her in his prayers. It meant a lot to his mother and to my staff member to know just how much he could count on and rely on the Chaplain for help.

Another member of my staff had just received the devastating news that both of her parents were ill and facing a crisis in their health. Again, Dr. Ogilvie offered his prayers, his support and his spiritual strength for the battle. When a miracle came to pass and both parents recovered, he was there to express the joy and happiness that he found in another's victory. As the old adage says so well, each person's joy was his own.

Another staff member's wife was battling cancer. Dr. Ogilvie was there again to support and encourage as he prayed with them and helped them to face and battle the illness together.

Those are just a few examples of a long list that I could put together of the times when Dr. Ogilvie joined us in prayer, silently and in the background, helping to strengthen the ties between us and the Lord—because, as he said in his mission statement—it was more than his job, it was his charge from God.

For my own office, we will never forget all that Dr. Ogilvie shared with us

when one of our staffers, a young man named Ben, faced the ultimate crisis of his life.

Ben was a remarkable young man, someone you took a liking to as soon as you met him. He had a remarkable spirit that comes from being young and being convinced you can do pretty much anything you want to. I don't think I've ever seen anyone at so young an age that was so full of promise and potential—mixed in with a lot of personality and spirit. We all knew when we met Ben that he was one colt that would be impossible to break—but sometimes the spirited ones make the whole herd run better. Such was the case with Ben.

He had come to us in the middle of a battle with cancer and every day we could sense his joy at the gift he was given of another day, another moment of life. Every day he seemed to be getting better and stronger until one terrible day when he seemed to lose a lot of ground and strength—all of a sudden. That was the day it started to seem clear that he might lose his battle with cancer.

Each day, as Ben battled for his life, we battled to be heard as we prayed in earnest for his recovery. Although each passing day seemed to put that elusive goal further from us, we joined together with Dr. Ogilvie in our prayers for a miracle. Sadly, we didn't get what we prayed for. I still remember the day we got the news we had come to dread but expect. Ben had passed away.

Once again, Dr. Ogilvie was with us, to comfort those of us who had lost a good friend, a hard working colleague, and an all around nice guy who had made a difference in all our lives. As we remembered our past years together many of us wondered why God had taken his future from him and from us at such a young and tender age.

Together with Dr. Ogilvie we prayed for answers to these and to all the questions that haunt those who have lost a loved one.

Those answers will come from God at His own speed and at His own time. For then, and for now, it was enough to have our good friend, Dr. Ogilvie, lead us in prayer and provide the words that resonated in our hearts as he helped us find the strength and courage to support each other as we continued to reach out to his family as they mourned the loss of a special son.

Dr. Ogilvie never said this in his prayers or lectures, but it was so clear from the way he lives his life that he knows it's not about him—it's about his service and it's about our God. He is God's servant and he continues to serve Him with great strength and an abundance of good cheer and good will. In many ways he's like a beacon of light that helps to light the way we must walk to draw closer to God and His holy heaven.

One of the greatest preachers of our time was Billy Graham. When asked what made for a good preacher he said, "The test of a preacher is that his congregation goes away saying, not,

"What a lovely sermon!" but "I will do something."

If that is the test, Dr. Ogilvie is one of the best. In fact, I don't think there is a single one of us who met with Dr. Ogilvie to discuss a problem who didn't leave feeling absolutely certain that he or she knew what to do and when to do it.

That was one of Dr. Ogilvie's great gifts. He could listen and provide strength and support while he helped us all to find the answer that was right for us—from the silence and peace that lies within our hearts.

God bless you, Dr. Ogilvie, for you certainly were a blessing to each of us while you were here.

I have always believed that God puts us where He needs us, where He wants us to be found. I have no doubt that He is doing that with you right now. Wherever you go from now on, and whatever path He chooses to have you follow, I have no doubt you will continue to do a good job and represent well He who has sent you. As it teaches us in the Bible, "you have been faithful over a few things, I will make you ruler over many things. Enter into the joy of your Lord." God bless you, Dr. Ogilvie, and may you continue to find the joy of your Lord wherever you go and in everyone you meet.

#### ADDITIONAL STATEMENTS

##### TRIBUTE TO TAYLOR AGATHEN

• Mr. BUNNING. Mr. President, I rise today to honor and pay tribute to Taylor Agathen, winner of the Conservation Art Contest. Over 100,000 students ranging from first to fifth grade throughout the Commonwealth of Kentucky participated in the Conservation Art Contest. As part of the Conservation Art Program, the contest's purpose is to teach students about the importance of soil conservation in their communities. This year's theme was "Kentucky Soil . . . It touches all of us."

Taylor's poster, titled, "Kentucky Soil . . . it touches my life," detailed erosion problems throughout Taylor County and ways to prevent it. Along with the help of her family, Taylor discovered that such ways to prevent erosion included the use of rocks, logs, and cement walls, and had pictures in her poster to prove it. It was a creative design that underscored the need to address the erosion problems throughout our Commonwealth.

Taylor Agathen's first grade teacher, Ms. Laura Dickens, informed her of the Conservation Art Contest. As the first place recipient, Taylor will receive a \$500 savings bond and will be an honored guest at The Courier-Journal Awards Luncheon on May 22. She worked hard for this achievement and has earned these rewards. One day Taylor hopes to be a marine biologist and I am sure she will make a good one.●

##### TRIBUTE TO THE UNIVERSITY OF VERMONT CATAMOUNTS

• Mr. JEFFORDS. Mr. President, I rise today to congratulate coach Tom Brennan and the University of Vermont Catamounts for their 56-55 victory over home team Boston University in the America East Men's Basketball Championship game this past Saturday. Matt Sheftic, a native of Essex Junction, VT, scored a career-high 23 points in the conference final and was named Tournament Most Outstanding Player. In a dramatic finish to a hard-fought contest, David Hehn hit the winning shot with just 5.6 seconds remaining. As time expired you could hear cheers from Boston to Brattleboro to Burlington.

The Vermont Catamounts will now play the top-seeded Arizona Wildcats on Thursday. The game marks Vermont's first-ever appearance in the NCAA tournament. Although the Catamounts will be a heavy underdog, they bring a 21-7 record, conference player of the year Taylor Coppenrath, of West Barnet, VT, and the heart and determination of every player and coach on the UVM team. In addition, the support and enthusiasm of all Vermonters will travel with the team to the Huntsman Center in Salt Lake City.

I congratulate each member of the team: Coach Tom Brennan, Associate Head Coach Jesse Agel, Assistant Coach Pat Filien, Assistant Coach Jeff Rush, David Hehn, Germain Njila, Matt Sheftic, Grant Anderson, Taylor Coppenrath, Jack Phelan, Andre Anderson, Mike Goia, Corey Sullivan, Scotty Jones, T.J. Sorrentine, and Martin Klimes.

As the team prepares for the Arizona game, I want to extend my congratulations and best wishes to the Catamounts. GO, CATS, GO.●

##### HONORING MICHAEL NELSON FOR HIS SERVICE TO NEBRASKA

• Mr. NELSON of Nebraska. Mr. President, today it is my honor to recognize Michael Neil Nelson for his many years of dedicated and selfless service to the State of Nebraska.

Since 1992, Michael Nelson has worked for the Lincoln, NE Department of Housing and Urban Development. As a housing rehabilitation specialist, he has aided hundreds of Lincoln families by rehabilitating their homes and improving their quality of life. Mr. Nelson has also assisted first-time home buyers in finding suitable housing for their families, and has taught many homeowners how to maintain their investment and enhance the neighborhood.

Mr. Nelson was instrumental in establishing a Rebuilding Together affiliate organization in Lincoln. Rebuilding Together preserves and revitalizes houses and communities, assuring that low-income homeowners, particularly those who are elderly and disabled, and

families with children, live in warmth, safety, and independence. Through this worthwhile initiative, Mr. Nelson spent countless hours recruiting and organizing volunteers in our community. He worked tirelessly to secure donations from community members and often spent his weekends arranging project publicity and outreach efforts.

Mr. Nelson has always viewed his job with housing initiatives as his way of improving our community. His construction management expertise, coupled with his ability to connect with citizens, makes him a valuable asset to our community. His hard work was often noticed, and he received many accolades from his clients and awards from the city for going above and beyond his responsibilities.

I am proud to represent Nebraskans like Michael Nelson who are committed public servants. Volunteer services are an essential part of communities. The selfless efforts of committed citizens like Mr. Nelson make our communities a better place to live and improve the quality of life for our neighbors. The city of Lincoln and State of Nebraska are fortunate to have Michael Nelson as a member of their community.●

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. WYDEN:

S. 629. A bill to amend the Internal Revenue Code of 1986 to assist individuals who have lost their 401(k) savings to make additional retirement savings through individual retirement account contributions, and for other purposes; to the Committee on Finance.

By Mrs. BOXER:

S. 630. A bill to authorize the Secretary of the Interior to conduct a study of the San Gabriel River Watershed, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SANTORUM (for himself and Mr. CARPER):

S. 631. A bill to amend title 39, United States Code, with respect to cooperative mailings; to the Committee on Governmental Affairs.

By Mr. CRAIG (for himself, Mr. BINGAMAN, Mr. WARNER, Ms. COLLINS, Mr. SARBANES, and Mr. ROCKEFELLER):

S. 632. A bill to amend title XVIII of the Social Security Act to expand coverage of medical nutrition therapy services under the medicare program for beneficiaries with cardiovascular disease; to the Committee on Finance.

By Mr. KERRY (for himself, Ms. LANDRIEU, Ms. STABENOW, Ms. CANTWELL, and Mr. PRYOR):

S. 633. A bill to modify the contract consolidation requirements in the Small Business Act, and for other purposes; to the Committee on Small Business and Entrepreneurship.

By Mr. HATCH (for himself, Mr. DOMENICI, and Mr. BINGAMAN):

S. 634. A bill to amend the National Trails System Act to direct the Secretary of the Interior to carry out a study on the feasibility

of designating the Trail of the Ancients as a national historic trail; to the Committee on Energy and Natural Resources.

By Mr. HATCH:

S. 635. A bill to amend the National Trails System Act to require the Secretary of the Interior to update the feasibility and suitability studies of four national historic trails, and for other purposes; to the Committee on Energy and Natural Resources.

By Ms. COLLINS (for herself and Mr. BOND):

S. 636. A bill to amend title XVIII of the Social Security Act to provide for a permanent increase in medicare payments for home health services that are furnished in rural areas; to the Committee on Finance.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD (for himself and Mr. LUGAR):

S. Res. 90. A resolution expressing the sense of the Senate that the Senate strongly supports the nonproliferation programs of the United States; to the Committee on Foreign Relations.

By Mr. SANTORUM (for himself and Mr. BROWNBACK):

S. Res. 91. A resolution affirming the importance of a national day of prayer and fasting, and expressing the sense of the Senate that March, 17, 2003, should be designated as a national day of prayer and fasting; considered and agreed to.

#### ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MILLER, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 2, a bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives to encourage economic growth.

S. 68

At the request of Mr. INOUE, the names of the Senator from Virginia (Mr. ALLEN) and the Senator from California (Mrs. BOXER) were added as cosponsors of S. 68, a bill to amend title 38, United States Code, to improve benefits for Filipino veterans of World War II, and for other purposes.

S. 140

At the request of Mrs. FEINSTEIN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 140, a bill to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers.

S. 201

At the request of Mr. SCHUMER, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 201, a bill to amend title 31, United States Code, to provide Federal aid and economic stimulus through a one-time revenue grant to the States and their local governments.

S. 206

At the request of Mrs. CLINTON, the names of the Senator from Indiana

(Mr. BAYH), the Senator from Georgia (Mr. MILLER) and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of S. 206, a bill to amend the Internal Revenue Code of 1986 to clarify the treatment of incentive stock options and employee stock purchase plans.

S. 287

At the request of Mr. LEAHY, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 287, a bill to amend the Internal Revenue Code of 1986 to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor.

S. 344

At the request of Mr. AKAKA, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 344, a bill expressing the policy of the United States regarding the United States relationship with Native Hawaiians and to provide a process for the recognition by the United States of the Native Hawaiian governing entity, and for other purposes.

S. 403

At the request of Mr. BAUCUS, the names of the Senator from Washington (Ms. CANTWELL) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 403, a bill to lift the trade embargo on Cuba, and for other purposes.

S. 457

At the request of Mr. LEAHY, the names of the Senator from Ohio (Mr. DEWINE) and the Senator from Nevada (Mr. ENSIGN) were added as cosponsors of S. 457, a bill to remove the limitation on the use of funds to require a farm to feed livestock with organically produced feed to be certified as an organic farm.

S. 470

At the request of Mr. SARBANES, the names of the Senator from Hawaii (Mr. INOUE) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 470, a bill to extend the authority for the construction of a memorial to Martin Luther King, Jr.

S. 480

At the request of Mr. HARKIN, the names of the Senator from Washington (Mrs. MURRAY) and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. 480, a bill to provide competitive grants for training court reporters and closed captioners to meet requirements for realtime writers under the Telecommunications Act of 1996, and for other purposes.

S. 511

At the request of Mr. BINGAMAN, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 511, a bill to provide permanent funding for the Payment In Lieu of Taxes program, and for other purposes.

S. 518

At the request of Ms. COLLINS, the names of the Senator from Minnesota

(Mr. DAYTON), the Senator from Virginia (Mr. ALLEN) and the Senator from Oklahoma (Mr. INHOFE) were added as cosponsors of S. 518, a bill to increase the supply of pancreatic islet cells for research, to provide better coordination of Federal efforts and information on islet cell transplantation, and to collect the data necessary to move islet cell transplantation from an experimental procedure to a standard therapy.

S. 575

At the request of Mr. INOUE, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 575, a bill to amend the Native American Languages Act to provide for the support of Native American language survival schools, and for other purposes.

S. 582

At the request of Mr. BUNNING, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 582, a bill to authorize the Department of Energy to develop and implement an accelerated research and development program for advanced clean coal technologies for use in coal-based electricity generating facilities and to amend the Internal Revenue Code of 1986 to provide financial incentives to encourage the retrofitting, repowering, or replacement of coal-based electricity generating facilities to protect the environment and improve efficiency and encourage the early commercial application of advanced clean coal technologies, so as to allow coal to help meet the growing need of the United States for the generation of reliable and affordable electricity.

S. 595

At the request of Mr. HATCH, the names of the Senator from New Mexico (Mr. BINGAMAN), the Senator from South Dakota (Mr. JOHNSON), the Senator from Wyoming (Mr. THOMAS), the Senator from Delaware (Mr. CARPER) and the Senator from Colorado (Mr. CAMPBELL) were added as cosponsors of S. 595, a bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financings to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes.

S. 598

At the request of Ms. COLLINS, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 598, a bill to amend title XVIII of the Social Security Act to provide for a clarification of the definition of homebound for purposes of determining eligibility for home health services under the medicare program.

S. 605

At the request of Mr. SMITH, the name of the Senator from Hawaii (Mr. INOUE) was added as a cosponsor of S. 605, a bill to extend waivers under the temporary assistance to needy families

program through the end of fiscal year 2008.

S. 623

At the request of Mr. WARNER, the names of the Senator from Virginia (Mr. ALLEN), the Senator from Idaho (Mr. CRAIG), the Senator from New Jersey (Mr. CORZINE), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Maryland (Mr. SARBANES), the Senator from Oregon (Mr. SMITH), the Senator from Florida (Mr. GRAHAM), the Senator from Illinois (Mr. FITZGERALD), the Senator from South Dakota (Mr. JOHNSON), the Senator from New Hampshire (Mr. GREGG), the Senator from Georgia (Mr. MILLER), the Senator from Vermont (Mr. JEFFORDS), the Senator from Maine (Ms. SNOWE) and the Senator from Delaware (Mr. BIDEN) were added as cosponsors of S. 623, a bill to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums.

S.J. RES. 3

At the request of Mr. LIEBERMAN, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S.J. Res. 3, a joint resolution expressing the sense of Congress with respect to human rights in Central Asia.

S.J. RES. 8

At the request of Mr. BROWNBACK, the name of the Senator from Louisiana (Mr. BREAU) was added as a cosponsor of S.J. Res. 8, a joint resolution expressing the sense of Congress with respect to raising awareness and encouraging prevention of sexual assault in the United States and supporting the goals and ideals of National Sexual Assault Awareness and Prevention Month.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WYDEN:

S. 629. A bill to amend the Internal Revenue Code of 1986 to assist individuals who have lost their 401(k) savings to make additional retirement savings through individual retirement account contributions, and for other purposes; to the Committee on Finance.

Mr. WYDEN. Mr. President, over a year ago the greed of some senior executives at the Enron corporation finally caught up with them. Enron's financial house of cards began to tumble, and along with it went the pensions and retirement dreams of thousands of employees and investors. Among the employees whose pensions were crushed in Enron's accounting avalanche were nearly all of Portland General Electric, or PGE's 2,700 employees in Oregon.

Enron took over PGE in June of 1997, and two years later merged the PGE employee 401(k) retirement plan into a single plan. That plan allowed employees to contribute up to 15 percent of their income, with the company

matching in Enron stock. When Enron took over PGE in 1997, PGE's stock was trading at \$27 a share; three years after the merger, Enron stock was trading at \$85 a share, enticing employees to invest 100 percent of their 401(k) money in Enron stock.

Enron's stock had begun to slide in August 2001, and it was not until October that real panic set in. At that time the captains of the Enron ship knew it was sinking. In an effort to prevent a massive stock sell-off, senior executives on the deck locked workers in the boiler room, preventing them from selling off 401(k) shares while they dumped their own. By the time the pension lockdown ended, an Enron share was worth less than ten dollars. In early December, Enron filed for bankruptcy.

Earlier this year Congress enacted significant corporate accountability legislation so that executives and accountants can no longer use certified financial statements to play a game of financial hide-and-seek. But little was done for the workers who were locked in the boiler room. The purpose of the legislation I am introducing today, the "Catch-Up Retirement Savings Act," is to give those PGE employees who were harmed by the greed of Enron executives the opportunity to catch-up on some of their lost retirement. My bill does two things to help workers. First, it allows employees to triple the deductible amount they may otherwise contribute to an IRA, and second, it gives employees a 50 percent tax credit on the amount they contribute to their IRA. The tax incentives would be available for five years to employees whose employer filed for bankruptcy and who was the subject of an indictment or conviction resulting from business transactions related to such case, and whose employer matched at least 50 percent of the employee's contributions to the pension plan.

No act of Congress can ever respond fully to the egregious harm that has been caused to thousands of Oregonians by the collapse of Enron. But I believe that something must be done to help recoup some of the lost pension savings. The "Catch-Up Lost Retirement Savings Act" is a small but important step that Congress should take to help employees to begin to catch-up on their retirement savings.

I ask unanimous consent that the text of the bill and a chart be printed in the RECORD.

There being no objection, the bill and chart were ordered to be printed in the RECORD, as follows:

S. 629

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Catch-Up Lost Retirement Savings Act".

#### SEC. 2. ALLOWANCE OF CATCH-UP PAYMENTS.

(a) IN GENERAL.—Section 219(b)(5) of the Internal Revenue Code of 1986 (relating to deductible amount) is amended by redesignating subparagraph (C) as subparagraph (D)

and by inserting after subparagraph (A) the following new subparagraph:

"(C) CATCH-UP CONTRIBUTIONS FOR CERTAIN INDIVIDUALS.—

"(i) IN GENERAL.—In the case of an eligible individual who elects to make a qualified retirement contribution in addition to the deductible amount determined under subparagraph (A)—

"(I) the deductible amount for any taxable year shall be increased by an amount equal to 3 times the applicable amount determined under subparagraph (B) for such taxable year, and

"(II) subparagraph (B) shall not apply.

"(ii) ELIGIBLE INDIVIDUAL.—For purposes of this subparagraph, the term 'eligible individual' means, with respect to any taxable year, any individual who was a qualified participant in a qualified cash or deferred arrangement (as defined in section 401(k)) of an employer described in clause (ii) under which the employer matched at least 50 percent of the employee's contributions to such arrangement with stock of such employer.

"(iii) EMPLOYER DESCRIBED.—An employer is described in this clause if, in any taxable year preceding the taxable year described in clause (ii)—

"(I) such employer (or any controlling corporation of such employer) was a debtor in a case under title 11 of the United States Code, or similar Federal or State law, and

"(II) such employer (or any other person) was subject to an indictment or conviction resulting from business transactions related to such case.

"(iv) QUALIFIED PARTICIPANT.—For purposes of clause (ii), the term 'qualified participant' means any eligible individual who was a participant in the cash or deferred arrangement described in clause (i) at least 6 months before the filing of the case described in clause (iii).

"(v) TERMINATION.—This subparagraph shall not apply to taxable years beginning after December 31, 2007."

(b) CREDIT ALLOWED FOR CATCH-UP CONTRIBUTIONS.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25B the following new section:

#### "SEC. 25C. CERTAIN CATCH-UP IRA CONTRIBUTIONS.

"(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual who makes an election under section 219(b)(5)(C) for the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to 50 percent of so much of the qualified retirement savings contributions of the eligible individual for the taxable year as do not exceed the increase in the deductible amount determined under section 219(b)(5)(C).

"(b) DENIAL OF DOUBLE BENEFIT.—No deduction or other credit shall be allowed with respect to any contribution to which a credit is allowed under subsection (a).

"(c) INVESTMENT IN THE CONTRACT.—Notwithstanding any other provision of law, a qualified retirement savings contribution shall not fail to be included in determining the investment in the contract for purposes of section 72 by reason of the credit under this section.

"(d) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2007."

(c) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25B the following new item:

"Sec. 25C. Certain catch-up IRA contributions."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

#### "CATCH-UP" SAVINGS AMOUNTS ALLOWED

For Years 2003–2004: IRA Contribution, \$3,000; Catch-up amount, \$1,500; and Credit, 50% = \$750/year.

For Years 2005: IRA Contribution, \$4,000; Catch-up amount, \$1,500; and Credit, 50% = \$750/year.

For Years 2006 and 07: IRA Contribution, \$4,000; Catch-up amount, \$3,000; and Credit, 50% = \$1,500/year.

Total amount from credit for years 2003 through 2007, assuming maximum amount saved, equals \$5,250.

By Mr. CRAIG (for himself, Mr. BINGAMAN, Mr. WARNER, Ms. COLLINS, Mr. SARBANES, and Mr. ROCKEFELLER).

S. 632. A bill to amend title XVIII of the Social Security Act to expand coverage of medical nutrition therapy services under the medicare program for beneficiaries with cardiovascular disease; to the Committee on Finance.

Mr. CRAIG. Mr. President, I ask unanimous consent that the text of the bill I am introducing today, on medical nutrition therapy, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

#### S. 632

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Medical Nutrition Therapy Amendment Act of 2003".

#### SEC. 2. COVERAGE OF MEDICAL NUTRITION THERAPY SERVICES FOR BENEFICIARIES WITH CARDIOVASCULAR DISEASES.

(a) IN GENERAL.—Section 1861(s)(2)(V) of the Social Security Act (42 U.S.C. 1395x(s)(2)(V)) is amended to read as follows:

"(V) medical nutrition therapy services (as defined in subsection (vv)(I)) in the case of a beneficiary—

"(i) with a cardiovascular disease (including congestive heart failure, arteriosclerosis, hyperlipidemia, hypertension, and hypercholesterolemia), diabetes, or a renal disease (or a combination of such conditions) who—

"(I) has not received diabetes outpatient self-management training services within a time period determined by the Secretary;

"(II) is not receiving maintenance dialysis for which payment is made under section 1881; and

"(III) meets such other criteria determined by the Secretary after consideration of protocols established by dietitian or nutrition professional organizations; or

"(ii) with a combination of such conditions who—

"(I) is not described in clause (i) because of the application of subclause (I) or (II) of such clause;

"(II) receives such medical nutrition therapy services in a coordinated manner (as determined appropriate by the Secretary) with any services described in such subclauses that the beneficiary is receiving; and

"(III) meets such other criteria determined by the Secretary after consideration of protocols established by dietitian or nutrition professional organizations.

for such member of hours as the Secretary may specify, except that, in the case of a beneficiary with a cardiovascular disease, such number may not exceed 3 hours in a year without a determination of a physician that additional hours are medically necessary in that year due to a change in medical condition, diagnosis, or treatment regime of the patient;"

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to services furnished on or after the date of the enactment of this Act.

By Mrs. BOXER:

S. 630. A bill to authorize the Secretary of the Interior to conduct a study of the San Gabriel River Watershed, and for other purposes; to the Committee on Energy and Natural Resources.

Mrs. BOXER. Mr. President, I am pleased to be re-introducing today a bill that will take an important first step in restoring the San Gabriel River, which runs through Los Angeles, CA. During the 107th Congress, this bill received unanimous support from the House of Representatives and from the Senate as part of an omnibus California Parks bill. However, due to a technical error, unrelated to this legislation, the bill was never sent to the President. I am hopeful that this legislation will quickly receive the consideration it deserves so it can be enacted into law.

The San Gabriel River has suffered from years of abuse and neglect and needs our help. For far too long, we have channeled, redirected, constricted, polluted, and simply ignored it. The result is that substantial portions of the river look nothing like its natural form. Instead of soft bottoms covered with aquatic grasses, stream banks lined with trees and bushes, and waters teeming with fish, these rivers have cement bottoms, cement banks, and little remaining wildlife.

Today, we begin what will be a long, slow process in turning the tide for this urban watershed. This bill directs the Secretary of the Interior to conduct a study of the San Gabriel River watershed to consider various mechanisms for providing federal protection and assistance to this river and its watershed.

It is particularly important to restore the San Gabriel River so it can serve as a source of outdoor recreation for one of our Nation's most congested urban areas. Most communities in Los Angeles are desperate for open space. They seek outdoor areas where children can play, adults can meet, and people of all ages can find respite from the daily hustle and bustle of some of our most economically and socially stressed neighborhoods. The San Gabriel River system can and should provide that to them.

This vision is shared by Congresswoman HILDA SOLIS, who first introduced this bill in the House of Representatives in the last Congress. I look forward to working with her on passing this bill quickly and then tak-

ing the additional steps needed to restore the San Gabriel River.

By Mr. KERRY (for himself, Ms. LANDRIEU, Ms. STABENOW, Ms. CANTWELL, and Mr. PRYOR):

S. 633. A bill to modify the contract consolidation requirements in the Small Business Act, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Mr. KERRY. Mr. President, I am pleased today to be re-introducing legislation, the "Small Business Federal Contractor Safeguard Act," designed to protect the interests of small businesses in the Federal marketplace.

Currently as the Ranking Member, and last Congress as Chairman, of the Senate Committee on Small Business and Entrepreneurship, I have focused a considerable amount of energy on increasing the role of small businesses in the Federal marketplace. Not only is it an issue of fairness, but it is in the best interest of our economy and our national security. In fact, the Small Business Administration was created after World War II to ensure that small businesses would be viable for defense-related production, to build a diverse pool of suppliers so that the country would not be dependent on only a handful of companies. As this country prepares for war in Iraq and continues the on-going war on terrorism, we should be improving that viability and expanding that diverse pool. We should be increasing our business with small business, not reducing it.

It is no secret that the Committee on Small Business and Entrepreneurship places a great deal of importance on moving legislation forward in a bipartisan manner—the members of my Committee understand we represent the interests of all of our nation's small businesses, the most important and dynamic segment of our economy. And nowhere is the bipartisan consensus stronger than in the area of Federal procurement and ensuring that our nation's small businesses receive their fair share of procurement opportunities.

The legislation we are introducing today has one ultimate purpose, to prevent Federal agencies from circumventing small business protections with regard to the practice known as contract bundling. Few issues have so strongly galvanized the small businesses contacting community as the practice of contract bundling, which occurs when procurement contracts are combined to form large contracts, often spread over large geographic areas, and results in minimal or no small business participation.

Many supporters of the practice of contract bundling point to its cost savings—they claim it saves the taxpayer money to lump contracts together. Unfortunately, there is little evidence supporting this claim, and too many contracts are bundled without the required economic research designed to determine if a bundled contract will actually result in a cost savings.

The SBA's Office of Advocacy, an independent body within the SBA, estimated that for every increase of 100 bundled contracts, there was a decrease of over 106 individual contracts issued to small firms. For every \$100 awarded on a bundled contract, there was a decrease of \$33 to small business. This cost small businesses an estimated \$13 billion in 2001. The Office of Advocacy arrived at these conclusions using a conservative definition of what constitutes a bundled contract. Therefore, the negative impact on small businesses from contract bundling is likely more severe.

While seemingly an efficient and cost-effective means for Federal agencies to conduct business, bundled contracts are anti-competitive. And they are anti-small business. When a Federal agency bundles contracts, it limits small businesses' ability to bid for the new bundled contract, thus limiting competition. Small businesses are consistently touted as more innovative, providing better and cheaper services than their larger counterparts. But when forced to bid for mega-contracts, at times across large geographic areas, few, if any, small businesses can be expected to compete. By driving small business from the Federal marketplace, contract bundling will actually drive up the costs of goods and services purchased by the Federal government because competition will be limited and our economy will be deprived of possible innovations brought about by small businesses.

While there are current laws in place intended to require Federal agencies to conduct market research before bundling a contract, loopholes in the current definition of a bundled contract allow them to often skirt these safeguards.

Our legislation changes the name "bundled contract" to "consolidated contract," strengthens the definition of a consolidated contract, and closes the loopholes in the existing definition to prevent Federal agencies from circumventing statutory safeguards intended to ensure that separate contracts are consolidated for economic reasons, not administrative expediency.

The new definition relies on a simple premise: if you combine contracts, be it new contracts, existing contracts or a combination thereof, you are consolidating them and would need to take the necessary steps to ensure it is justified economically before proceeding.

Our legislation also alters the current Small Business Act requirements regarding procurement strategies when a contract is consolidated to include a threshold level for triggering the economic research requirements.

Previously, any consolidated contract would trigger the economic research requirements, something considered onerous by many Federal agencies and often cited as the reason for circumventing the law. The new procurement strategies section of the

Small Business Act would require a statement of benefits and a justification for any consolidated contract over \$2 million and a more extensive analysis, corresponding to current requirements for any consolidated contract, for consolidations over \$5 million.

In order to move forward with a consolidated contract over \$2 million, the agency must put forth the benefits expected from the contract, identify alternatives that would involve a lesser degree of consolidation and include a specific determination that the consolidation is necessary and justified. The determination that a consolidation is necessary and justified may be determined simply through administrative and personnel savings, but there must be actual savings.

In order to move forward with a consolidated contract over \$5 million, an agency must, in addition to the above: conduct current market research to demonstrate that the consolidation will result in costs savings, quality improvements, reduction in acquisition times, or better terms and conditions; include an assessment as to the specific impediments to small business participation resulting from the consolidation; and specify actions designed to maximize small business participation as subcontractors and suppliers for the consolidated contract. The determination that a consolidation is necessary and justified may not be determined through administrative and personnel savings alone unless those savings will be substantial for these larger contracts.

By establishing this dual-threshold system, we have placed the emphasis for the economic research on contracts more likely to preclude small business participation, while not ceding smaller contracts to the whims of a Federal agency. This change, coupled with a clear definition of a consolidated contract, should be enough to garner compliance. However, if Federal agencies continue to consolidate contracts when there is no justification, fail to conduct the required economic research, or fail to provide procurement opportunities to small businesses, the Committee would have little choice but to consider legislative changes requiring punitive measures for these Federal agencies. This is a step I have been reluctant to take in the past. However, I am optimistic that such a step will not be necessary and that the fair and reasonable system established under this legislation will be effective.

I would once again like to thank my fellow sponsors, Senators LANDRIEU, STABENOW, CANTWELL, and PRYOR for their continued support on this issue. I hope all of my colleagues will join us in supporting this bill. I ask that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 633

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Federal Contractor Safeguard Act".

#### SEC. 2. CONTRACT CONSOLIDATION.

(a) DEFINITIONS.—Section 3(o) of the Small Business Act (15 U.S.C. 632(o)) is amended to read as follows:

"(o) DEFINITIONS.—In this Act the following definitions shall apply:

"(1) CONSOLIDATED CONTRACT; CONSOLIDATION.—The term 'consolidated contract' or 'consolidation' means a multiple award contract or a contract for goods or services with a Federal agency that—

"(A) combines discrete procurement requirements from not less than 2 existing contracts;

"(B) adds new, discrete procurement requirements to an existing contract; or

"(C) includes 2 or more discrete procurement requirements.

"(2) MULTIPLE AWARD CONTRACT.—The term 'multiple award contract' means—

"(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of title 10, United States Code;

"(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of title 10, United States Code, or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

"(C) any other indefinite delivery or indefinite quantity contract that is entered into by the head of a Federal agency with 2 or more sources pursuant to the same solicitation."

(b) PROCUREMENT STRATEGIES.—Section 15(e) of the Small Business Act (15 U.S.C. 644(e)) is amended to read as follows:

"(e) PROCUREMENT STRATEGIES; CONTRACT CONSOLIDATION.—

"(1) IN GENERAL.—To the maximum extent practicable, procurement strategies used by the various agencies having contracting authority shall facilitate the maximum participation of small business concerns as—

"(A) prime contractors;

"(B) subcontractors; and

"(C) suppliers.

"(2) PROCUREMENT STRATEGY REQUIREMENTS WHEN THE VALUE OF A CONSOLIDATED CONTRACT IS GREATER THAN \$2,000,000.—

"(A) IN GENERAL.—An agency official may not execute a procurement strategy that includes a consolidated contract valued at more than \$2,000,000 unless the proposed procurement strategy—

"(i) specifically identifies the benefits anticipated from consolidation;

"(ii) identifies any alternative contracting approaches that would involve a lesser degree of contract consolidation; and

"(iii) includes a specific determination that the proposed consolidation is necessary and the anticipated benefits of such consolidation justify its use.

"(B) NECESSARY AND JUSTIFIED.—The head of an agency may determine that a procurement strategy under subparagraph (A)(iii) is necessary and justified if the monetary benefits of the procurement strategy, including administrative and personnel costs, substantially exceed the monetary benefits of each of the possible alternative contracting approaches identified under subparagraph (A)(ii).

"(C) ADDITIONAL REQUIREMENTS WHEN THE VALUE OF A CONSOLIDATED CONTRACT IS GREATER THAN \$5,000,000.—In addition to meeting the requirements under paragraph (A), a



procurement strategy that includes a consolidated contract valued at more than \$5,000,000—

“(i) shall be supported by current market research that demonstrates that the consolidated contract will result in—

“(I) cost savings;

“(II) quality improvements;

“(III) reduction in acquisition cycle times;

or  
“(IV) better terms and conditions;

“(ii) shall include an assessment of the specific impediments to participation by small business concerns as prime contractors that result from contract consolidation;

“(iii) shall specify actions designed to maximize small business participation as subcontractors, including suppliers, at various tiers under the consolidated contract; and

“(iv) shall not be justified under paragraph (A)(iii) by savings in administrative or personnel costs, unless the total amount of the cost savings is expected to be substantial in relation to the total cost of the procurement.

“(3) CONTRACT TEAMING.—

“(A) IN GENERAL.—If the head of an agency solicits offers for a consolidated contract, a small business concern may submit an offer that provides for the use of a particular team of subcontractors for the performance of the contract (referred to in this paragraph as ‘teaming’).

“(B) EVALUATION OF OFFER.—The head of the agency shall evaluate an offer submitted by a small business concern under subparagraph (A) in the same manner as other offers, with due consideration to the capabilities of all of the proposed subcontractors.

“(C) NO EFFECT ON STATUS AS A SMALL BUSINESS CONCERN.—If a small business concern engages in teaming under subparagraph (A), its status as a small business concern shall not be affected for any other purpose.”

(c) CONFORMING AMENDMENTS.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) in section 2(j)—

(A) by striking the subsection heading and inserting the following:

“(j) CONTRACT CONSOLIDATION.—”; and

(B) in paragraph (3), by striking “bundling of contract requirements” and inserting “contract consolidation”;

(2) in section 8(d)(4)(G), by striking “a bundled contract” and inserting “a consolidated contract”;

(3) in section 15(a)—

(A) by striking “bundling of contract requirements” and inserting “contract consolidation”; and

(B) by striking “the bundled contract” and inserting “the consolidated contract”; and

(4) in section 15(k)(5)—

(A) by striking “significant bundling of contract requirements” and inserting “consolidated contracts valued at more than \$2,000,000”; and

(B) by striking “bundled contract” and inserting “consolidated contract”.

By Mr. HATCH (for himself, Mr. DOMENICI, and Mr. BINGAMAN):

S. 634. A bill to amend the National Trails System Act to direct the Secretary of the Interior to carry out a study on the feasibility of designating the Trail of the Ancients as a national historic trail; to the Committee on Energy and Natural Resources.

Mr. HATCH. Mr. President, I rise today to introduce a bill to help highlight and protect sites in one of our Nation's most archaeologically rich regions, the Four Corners. The Trail of

the Ancients National Historic Trail Act of 2003 would amend the National Trails System Act to direct a study of the suitability of designating the Trail of the Ancients as a national historic trail.

The Trail of the Ancients National Historic Trail would become a multistate, auto route featuring world-renowned examples of Ancestral Puebloan cultures in the Four Corners area. The Ancestral Pueblos, also known as Anasazi, preceded today's Navajo and Ute tribes. The Trail of the Ancients connects many of the most significant Ancestral Puebloan sites in the Four Corners area of Utah, Colorado, Arizona, and New Mexico.

The Four Corners region in the Southwestern United States is one of the areas of greatest archaeological interest in the Nation. The Trail of the Ancients National Historic Trail would provide improved access to and understanding of this region's numerous examples of the Ancestral Puebloan culture. The history of the Four Corners region is not only unique and important to the Nation, it is unparalleled in how well it is preserved in the remaining archaeological sites. The semi-arid climate of the Four Corners area has helped preserve some the archaeological sites beyond what is typically seen in most other areas of the United States. International recognition of a number of the sites in the area has contributed to the wealth of information about the peoples who lived in them.

The Trail would highlight areas and sites where our Nation's earliest inhabitants, the Paleo Americans, traveled and lived as early as 10,000 B.C. Within the same region lived the Ancestral Puebloan Indians from about A.D. 1 to 1300. The Trail would also feature sites that chronicle the existence of today's Ute Indian culture from the early 13th century, as well as today's Navajo people.

I point out that the Trail of the Ancients National Historic Trail would include only existing routes and roads, and would not require the acquisition of additional property. Currently, much of the existing route is officially designated a Scenic Byway in Utah, Colorado, and Arizona. The trail also intersects and shares stops with other national- and State-designated byways and highways including the San Juan Skyway in Colorado and the Utah Bicentennial Highway.

Most of the existing cultural and historical interpretation of the numerous sites along the trail was developed independently. Designation of the Trail of the Ancients National Historic Trail would link many of the cultural and recreation areas for the benefit of the traveling public and involved communities. Just as importantly, designation as a national historic trail would provide a unified framework for protecting and interpreting for the public the trail's most important sites.

That is why I am introducing this legislation today. This bill would au-

thorize the study of the Trail of the Ancients for possible inclusion in the National Trails System and allow for its precious and irreplaceable sites to be best protected, as well as enjoyed by the public.

I thank the Senate for the opportunity to address this issue today, and I urge my colleagues to support this legislation.

Ms. COLLINS (for herself and Mr. BOND):

S. 636. A bill to amend title XVIII of the Social Security Act to provide for a permanent increase in medicare payments for home health services that are furnished in rural areas; to the Committee on Finance.

Ms. COLLINS. Mr. President, I rise today to introduce the Rural Home Health Payment Fairness Act, which would extend the 10 percent add-on payment under Medicare for home health care services in rural areas that is currently scheduled to sunset on April 1. This legislation would help to ensure seniors and disabled citizens living in rural America continue to receive the home health care benefits and services they depend on and deserve.

Health care in this country has gone full circle. Patients are spending less time in the hospital. More and more procedures are being done on an outpatient basis and recovery and care for patients with chronic diseases and conditions have increasingly been taking place in the home. As a consequence, home health care has become an increasingly important part of our health care. The kinds of highly skilled and often technically complex services our Nation's home health nurses provide have enabled millions of our most frail and vulnerable senior citizens to avoid hospitals and nursing homes and stay where they want to be, in the security, privacy, and comfort of their very own homes.

I have visited home health patients throughout my State in northern, central, and southern Maine. Regardless of where they live, the impact of home health care on their lives has been the same. It has made the difference between couples staying together in their own home for their golden years, despite the ill health of one of the spouses, or being forced prematurely into a nursing home or into repeated hospitalizations.

One elderly gentleman told me all he wanted was to live out the remaining days of his life with his wife, whom he had been married to for decades, and that home health care allowed them to be together in the home where they had always lived, as he completes his final years.

Home health care is also a bargain. It makes a great deal of sense to care for people in their own homes and avoid the extra costs of nursing homes and hospitalization. Our home health care system is fragile. Extension of the 10 percent add-on payment for rural home

health care agencies will help to ensure that patients living in rural communities continue to have access to vital home health services. Surveys have shown the delivery of home health services in rural areas can be as much as 12 to 15 percent more costly because of the extra travel time required to cover long distances between patients, higher transportation expenses, and other cost factors.

Rural agencies also experience higher costs relative to productivity. Because of the longer travel distances, rural caregivers are unable to perform as many visits in a single day as their urban counterparts. Sandra Scott-Adams, the Executive Director of Visiting Nurses of Aroostook in northern Maine, tells me her agency covers 6,600 square miles to serve a population of only 73,000. Her costs are understandably much higher and her hard-working nurses are not able to see as many patients in a day as their urban counterparts. The long distances they must drive mean they are able to see fewer patients each day.

Moreover, agencies in rural areas are frequently smaller than their big city counterparts, which means their relative costs are higher due to smaller scale operations and an ability to take advantage of economies of scale. Smaller agencies with fewer patients and fewer visits mean that fixed costs, particularly those associated with meeting regulatory requirements, are spread over a smaller number of patients and visits, increasing overall per-patient and per-visit costs. If the rural add-on payment is eliminated on April 1, it will only put more pressure on our rural home health agencies that are already operating on a very narrow margin, and it could, in fact, force some of these agencies to close.

Some agencies operating in rural areas are the only home health providers for a vast geographic area. If any of these agencies are forced to close, the Medicare patients in that region will completely lose their access to home health care.

Earlier this year, the Medicare Payment Advisory Commission voted unanimously to extend the rural add-on payment for home health services for one year. I urge all of my colleagues to join me in cosponsoring this important legislation to ensure that all of our seniors, no matter where they live, whether they live in big cities, in suburbs, or the smallest communities, continue to have access to quality home health services.

#### SUBMITTED RESOLUTIONS

**SENATE RESOLUTION 90—EXPRESSING THE SENSE OF THE SENATE THAT THE SENATE STRONGLY SUPPORTS THE NON-PROLIFERATION PROGRAMS OF THE UNITED STATES**

Mr. BYRD (for himself, and Mr. LUGAR) submitted the following resolu-

tion; which was referred to the Committee on Foreign Relations:

S. RES. 90

Whereas on March 6, 2003, the Senate gave its advice and consent to the Treaty Between the United States of America and the Russian Federation on Strategic Offensive Reductions, done at Moscow on May 24, 2002 (the Moscow Treaty), which treaty will result in the draw down of thousands of strategic nuclear weapons by December 31, 2012;

Whereas the lack of strict and effective control over and security of all weapons of mass destruction by the governments having jurisdiction over such weapons continues to be of grave concern to all nations that are threatened by terrorism, especially after the catastrophic terrorist attacks of September 11, 2001; and

Whereas despite some recent improvements in cooperation at the highest levels of the Russian Federation, various officials and agencies of the Russian Federation have been counter-productive in barring access and information to the United States with respect to nonproliferation programs and activities, thereby needlessly hindering the progress of such programs and activities: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that—

(1) the Senate strongly supports the non-proliferation programs of the Department of Defense, the Department of Energy, and the Department of State, which programs are intended to reduce the worldwide threat posed by nuclear, chemical, and biological weapons that remain unsecured in the Russian Federation and elsewhere;

(2) the Russian Federation should continue to improve the access of the United States to key facilities, and the sharing of information with the United States, so as to bring a successful and timely conclusion to various non-proliferation programs and activities; and

(3) the United States should redouble its efforts to achieve full implementation of the nonproliferation programs of the Department of Defense, the Department of Energy, and the Department of State under effective management, and make full use of all funds that Congress appropriates or otherwise makes available for such programs.

**SENATE RESOLUTION 91—AFFIRMING THE IMPORTANCE OF A NATIONAL DAY OF PRAYER AND FASTING, AND EXPRESSING THE SENSE OF THE SENATE THAT MARCH, 17, 2003, SHOULD BE DESIGNATED AS A NATIONAL DAY OF PRAYER AND FASTING.**

Mr. SANTORUM (for himself and Mr. BROWNBACK) submitted the following resolution; which was considered and agreed to:

S. RES. 91

Whereas the President has sought the support of the international community in responding to the threat of terrorism, violent extremist organizations, and states that permit or host organizations that are opposed to democratic ideals;

Whereas a united stance against terrorism and terrorist regimes will likely lead to an increased threat to the armed forces and law enforcement personnel of those states that oppose these regimes of terror, and that take an active role in rooting out these enemy forces;

Whereas Congress has aided and supported a united response to acts of terrorism and violence inflicted upon the United States, our

allies, and peaceful individuals all over the world;

Whereas President Abraham Lincoln, at the outbreak of the Civil War, proclaimed that the last Thursday in September 1861 should be designated as a day of humility, prayer, and fasting for all people of the Nation;

Whereas it is appropriate and fitting to seek guidance, direction, and focus from God in times of conflict and in periods of turmoil;

Whereas it is through prayer, self-reflection, and fasting that we can better examine those elements of our lives that can benefit from God's wisdom and love;

Whereas prayer to God and the admission of human limitations and frailties begins the process of becoming both stronger and closer to God;

Whereas becoming closer to God helps provide direction, purpose, and conviction in those daily actions and decisions we must take;

Whereas our Nation, tested by civil war, military conflicts, and world wars, has always benefited from the grace and benevolence bestowed by God; and

Whereas dangers and threats to our Nation persist, and in this time of peril it is appropriate that the people of the United States, leaders and citizens alike, seek guidance, strength, and resolve through prayer and fasting: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that—

(1) March 17, 2003, should be designated as a day for humility, prayer, and fasting for all people of the United States; and

(2) all people of the United States should—

(A) observe this day as a day of prayer and fasting;

(B) seek guidance from God to achieve greater understanding of our own failings;

(C) learn how we can do better in our everyday activities; and

(D) gain resolve in how to confront those challenges which we must confront.

#### AMENDMENTS SUBMITTED AND PROPOSED

SA 262. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Governments for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table.

SA 263. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, supra; which was ordered to lie on the table.

#### TEXT OF AMENDMENTS

**SA 262.** Mr. HOLLINGS submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Government for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. . SENSE OF THE SENATE REGARDING A VALUE-ADDED TAX TO PAY THE COSTS OF WAR ON IRAQ.**

It is the sense of the Senate that the recommended levels and amounts in section 101 assume a 2 percent value added tax to pay

the costs of the war against Iraq and against terrorism.

**SA 263.** Mr. HOLLINGS submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 23, setting forth the congressional budget for the United States Government for fiscal year 2004 and including the appropriate budgetary levels for fiscal year 2003 and for fiscal years 2005 through 2013; which was ordered to lie on the table; as follows:

At the end of title III, insert the following:

**SEC. . SENSE OF THE SENATE ON SUSPENDING INCOME TAX CUTS FUNDED BY SOCIAL SECURITY SURPLUSES.**

It is the sense of the Senate that the budgetary totals in this resolution assume that the Internal Revenue Code of 1986 should be amended to suspend future reductions of income tax rates enacted in 2001 if the Social Security surpluses are used to fund such tax rate cuts.

## NOTICES OF HEARINGS/MEETINGS

### COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Wednesday, March 19, 2003, at 2:30 p.m. in Room 485 of the Russell Senate Office Building to conduct a hearing on Indian energy legislation, S. 424, the Tribal Energy Self-Sufficiency Act, and S. 522, the Native American Energy Development and Self-Determination Act of 2003.

Those wishing additional information may contact the Indian Affairs Committee at 224-2251.

### COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Wednesday, March 26, 2003, at 10:00 a.m. in Room 216 of the Hart Senate Office Building to conduct an OVERSIGHT HEARING on the Role and Funding of the Federal National Indian Gaming Commission (NIGC).

Those wishing additional information may contact the Indian Affairs Committee at 224-2251.

### SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS

Mr. CRAIG. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Public Lands and Forests of the Committee on Energy and Natural Resources.

The hearing will be held on Wednesday, March 26, at 10 a.m. in Room SD-366 of the Dirksen Senate Office Building.

The purpose of the hearing is to receive testimony regarding the issues uncovered as a result of the Blue Ribbon Panel's findings on Aerial Fire Fighting Safety and to learn what the agencies are doing to respond to the recommendation of that report. (Contact: Frank Gladics 202-224-2878 or Jared Stubbs at 202-224-7556).

Because of the limited time available for the hearings, witnesses may testify

by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, Washington, D.C. 20510-6150.

## AFFIRMING IMPORTANCE OF NATIONAL DAY OF PRAYER AND FASTING

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 91, which was submitted earlier today by Senators SANTORUM and BROWNBACK.

The PRESIDING OFFICER. The clerk will report the title of the resolution.

The assistant legislative clerk read as follows:

A resolution (S. Res. 91) affirming the importance of a national day of prayer and fasting, and expressing the sense of the Senate that March 17, 2003, should be designated as a national day of prayer and fasting.

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

Mr. NICKLES. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this matter be printed in the RECORD.

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

The resolution (S. Res. 91) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

### S. RES. 91

Whereas the President has sought the support of the international community in responding to the threat of terrorism, violent extremist organizations, and states that permit or host organizations that are opposed to democratic ideals;

Whereas a united stance against terrorism and terrorist regimes will likely lead to an increased threat to the armed forces and law enforcement personnel of those states that oppose these regimes of terror, and that take an active role in rooting out these enemy forces;

Whereas Congress has aided and supported a united response to acts of terrorism and violence inflicted upon the United States, our allies, and peaceful individuals all over the world;

Whereas President Abraham Lincoln, at the outbreak of the Civil War, proclaimed that the last Thursday in September 1861 should be designated as a day of humility, prayer, and fasting for all people of the Nation;

Whereas it is appropriate and fitting to seek guidance, direction, and focus from God in times of conflict and in periods of turmoil;

Whereas it is through prayer, self-reflection, and fasting that we can better examine those elements of our lives that can benefit from God's wisdom and love;

Whereas prayer to God and the admission of human limitations and frailties begins the process of becoming both stronger and closer to God;

Whereas becoming closer to God helps provide direction, purpose, and conviction in

those daily actions and decisions we must take;

Whereas our Nation, tested by civil war, military conflicts, and world wars, has always benefited from the grace and benevolence bestowed by God; and

Whereas dangers and threats to our Nation persist, and in this time of peril it is appropriate that the people of the United States, leaders and citizens alike, seek guidance, strength, and resolve through prayer and fasting; Now, therefore, be it

*Resolved*, That it is the sense of the Senate that—

(1) March 17, 2003, should be designated as a day for humility, prayer, and fasting for all people of the United States; and

(2) all people of the United States should—

(A) observe this day as a day of prayer and fasting;

(B) seek guidance from God to achieve greater understanding of our own failings;

(C) learn how we can do better in our everyday activities; and

(D) gain resolve in how to confront those challenges which we must confront.

## ORDERS FOR TUESDAY, MARCH 18, 2003

Mr. NICKLES. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 9:30 a.m., Tuesday, March 18; I further ask that following the prayer and the pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of S. Con. Res. 23, the concurrent budget resolution; provided further that there be 20½ hours remaining under the control of the chairman of the Budget Committee and 21½ hours remaining under the control of the ranking member.

I further ask unanimous consent that at 12 noon, the Senate return to executive session and immediately proceed to the cloture vote on the Estrada nomination, provided that, regardless of the outcome, following the vote the Senate return to legislative session and resume consideration of S. Con. Res. 23.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I say, through the Chair to my friend, the distinguished chairman of the Budget Committee, I appreciate very much the cooperation shown to this point on this very difficult matter. This is going to be an extremely busy week, with the President making his speech tonight in less than an hour and this country engaged in so many different things. This budget is extremely important. It is going to take the cooperation of both sides to come up with something that is not—I do not want to say an embarrassment. I do not mean that. The rules allow the Senate not to look at its best when we have 50, 60 votes at the end of all of this. I have spoken to our leader. I have spoken to the chairman of the Budget Committee. I have spoken to Senator

CONRAD. We are going to do our very best to work out a program where we will make it so that we have the opportunity to offer our amendments and hopefully not have the marathon that we normally have at the end of a bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I thank my friend and colleague. This week will be a challenging week, to say the least. I look forward to working with him, and I would very much like to have an orderly consideration of the budget, the resolution, and the amendments in the process and avoid the so-called vote-arama that in years past we have found ourselves in with a lot of very important votes, with very little time for consideration. I do not think it makes the Senate look very good.

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#### PROGRAM

Mr. NICKLES. Mr. President, for the information of Senators, tomorrow the Senate will resume consideration of S. Con. Res. 23, the budget resolution. At 12, the Senate will proceed to a cloture vote on the Estrada nomination. Following that vote, the Senate will return to consideration of the budget resolution. Members should expect amendments to be offered during tomorrow's session, which will require votes throughout the day. The majority leader encourages all Members who intend to offer amendments to work with the resolution managers in order to ensure an orderly process for debate. It is the intention of the majority leader to finish the budget resolution this week. Therefore, Members should expect late nights and rollcall votes throughout the week.

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#### ORDER FOR ADJOURNMENT

Mr. NICKLES. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of Senator ALLARD.

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

The Senator from Colorado.

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#### THE BUDGET

Mr. ALLARD. Mr. President, before I begin my remarks, I thank the budget chairman for his consideration. He is doing a great job. This is the first year he has assumed responsibility as chairman of the Budget Committee. In that position, he has expressed a willingness to work with all members of the Budget Committee and work with Members of the Senate to get a budget out of the Senate. I commend him for that effort.

I think it was extremely disappointing not only to me but to the American people that last year we did not get a budget passed. That is the first thing that has to happen. If we

want to see this process move forward in an orderly manner, we need to pass a budget.

I rise today to make a few comments relating to the budget resolution that is before us. This resolution, in my view, is one of the most important, only next to the legislation committing and supporting our Armed Forces, which is perhaps the most important the Congress will consider.

As my colleagues know, the budget resolution establishes the framework by which Congress will appropriate funds over the next year and it sets a model for the future. Further, this resolution will establish a series of important mechanisms for the enforcement of budget policy and outline important policy priorities to be ultimately determined by other Senate committees.

I serve on the Senate Budget Committee, and I will take this opportunity to comment on the pending resolution, as well as a number of important choices facing this body as we proceed with this debate.

I will make a few comments on the current climate. I have stated numerous times in recent years that continual increases in discretionary spending threaten the long-term fiscal stability of the Government and doom the taxpayer to greater long-term obligations. The slim window of historic surpluses we experienced in Washington from 1998 through 2001 sparked a rapid spending spree, unlike virtually any this Nation has ever experienced.

From the year 2000 to 2003, the Federal Government will have spent more than in any other 4-year period in the last 60 years, excluding the war years of World War II. When compared to the previous 4 years, 1996 to 1999, the Government has increased spending by a startling \$782 billion. The 4-year cost per household of the Federal Government reaching \$73,000. This reckless spending represents irresponsibility in the short term and far worse in the long term.

Today our Nation stands in the midst of a war on terror and on the brink of a costly engagement with the savage totalitarian Government of Iraq. These are conflicts that this country did not ask for but obligations we must meet. Today's international landscape demands nothing less than total commitment to our Armed Forces. I am pleased this budget resolution meets that commitment. I would go one step further and state clearly the defense of the homeland and the protection of American interests is the paramount responsibility of the Federal Government in this Republic.

By abandoning fiscal restraint and discretionary spending over the last 4 years, we have not only continued to bleed current and future taxpayers but created enormous fiscal obstacles to the prosecution of this Nation's defense.

I will speak briefly on defense and the war on terror. The budget resolution reported by the committee pro-

vides for \$400 billion for defense in fiscal year 2004. That is meeting the President's request for the continued aggressive prosecution of our war against terror around the world. The full amount of the President's request for Homeland Security is also included, the new Department of Homeland Security, growing from \$21.3 billion in 2003 to \$27.1 billion in 2004. These dollars will go to the securing of our borders, the training and supply of first responders, bioterrorism preparedness, and increased interagency coordination. I can think of no greater priority in these troubled times.

In talking about the growth package and the tax cuts, perhaps the area of the budget which will face the greatest scrutiny this week will be the reconciliation instruction for the President's proposed growth package. This resolution provided for \$698 billion from 2003 through 2013 for growth, job creation, and tax relief. I support the President's approach to this growth proposal: Mixing tax relief targeted to working families, encouraging investment by the small business sector—which, I might add, is the backbone of this economy in this country—and eliminating the double taxation of dividends.

A number of colleagues made clear they do not believe this package will stimulate the economy and insist the most stimulative effect would be through increased spending. This is not only an argument I fail to embrace, it is one I find dangerous in light of the incredible recent increases in spending that have proven ineffective in changing the economy.

Today, Federal revenues are down for the second consecutive year. That is an unprecedented decrease. The Nasdaq stands at one-quarter of its value just 3 years ago. To those who claim that the Federal Government can spend its way out of such conditions, stimulating growth by absorbing more of America's paycheck, I ask where the evidence is that this, indeed, works.

As I stated earlier, Congress has added \$782 billion in spending over the last 4 years. In light of the sum of this regrettable spending spree, the President proposes a rather humble growth package over the course of the next 10 years. The amount provided in this resolution accommodates the acceleration of several key tax cuts already implemented into law such as the marriage penalty tax and the cut in marginal income tax rates. Further, there is room in this package to increase the child tax credit and increase small business expensing limits. These are very real ways to allow working Americans to keep more of their money, and to do so starting today. I trust they will know best what to do with these savings and can see only beneficial stimulus.

With regard to the dividend proposal, the resolution also accommodates the President's desire to cut one of the Tax Code's most egregious examples of double taxation, that tax placed on corporate dividends. It is unfortunate that

dividend taxation is an area where the United States is a world leader, taxing dividends at a rate higher than any nation in the world other than Japan. I would like to be clear on the nature of this tax. It is a tax on capital. It makes capital more expensive. It makes doing business more expensive. Capital can be used far better by those innovating and investing in the private sector rather than through expanding government largess.

The Wall Street Journal outlined the benefits of this proposal in a February 26 article. The Wall Street Journal reports that the dividend proposal would increase job creation by as many as 500,000 jobs per year over the next 5 years. That is an immediate and wonderful economic stimulus. Federal Reserve Chairman Alan Greenspan recently testified before Congress in support of the elimination of the double taxation of dividends as "a benefit to virtually everyone in the economy over the long run."

Some in this body disagree with Mr. Greenspan and will attempt to wheel out their tired old incredible rhetoric by labeling this a tax cut for the rich. A half million more jobs is not a tax cut for the rich. I hope our dialog will be sophisticated enough to recognize this.

Let me talk a little bit about our domestic priorities. I am pleased to share President Bush's commitment to a number of domestic priorities reflected in this budget. As a long-time advocate of a Medicare prescription drug benefit, I am glad to see an investment of \$400 billion over 10 years to strengthen Medicare. This unprecedented investment includes a prescription drug benefit for our Nation's seniors, allowing equity and access to the latest and most beneficial drugs on the market. The \$400 billion will also be available for the improvement and modernization of Medicare, catastrophic coverage, and assistance to low-income beneficiaries. The President has made clear this is not simply another step in the expansion of the Medicare Program but a call for reform and enhanced efficiency.

With the pending retirement of the baby boom generation, it is more important than ever that Medicare be built on a strong foundation and offer the most effective treatments possible. This budget follows in the bold footsteps of the No Child Left Behind Act, continuing the commitment made with that landmark legislation. This budget resolution offers the single largest ever financial support for education in America, going above and beyond the President's request. Title I grants to local education agencies will increase by \$1 billion. The Individuals with Disabilities Education Act will see a \$1 billion increase in part (B) grants to States, with additional funds available if a reauthorization bill is enacted that authorizes those additional funds.

Now to enforcing our budget discipline. Last September, the historic

Budget Enforcement Act expired. This lapse, along with the inability of the Senate to pass a budget resolution and 11 of 13 appropriations bills, meant the loss of significant controls on Federal spending. The resolution before the Senate today seeks to correct this failure and restores some budget discipline to the process. The resolution contains enforceable, discretionary budget caps for fiscal years 2003, 2004, and 2005 consistent with the funding levels outlined by President Bush. This resolution also reinstates the 60-vote point of order against advanced appropriations as well as targeting nondefense emergency appropriations with a similar point of order. Perhaps the most important of all, the budget contains an extension of the pay-go point of order to limit unbudgeted mandatory spending increases over revenue decreases.

Budget discipline has long been an area of keen interest to me, and I have to say I appreciate Chairman NICKLES' commitment to enforcement, although I hope we will continue to work toward establishing greater controls in spending.

Then a word about dynamic scoring: From a process standpoint, I am also very interested in expanding this discussion to include dynamic scoring. As my colleagues are aware, the Congressional Budget Office, various committees, and the administration generally rely on what is referred to as static scoring. That is, that legislation and revenue decreases are scored in terms of costs to the Federal Government, without factoring in the yield to the Government of the economic stimulus generated by that policy change.

There are a number of States that have implemented dynamic scoring, including the State of California; and 40 States incorporate the principles of dynamic scoring in their budget calculation because they understand that it truly reflects what happens in the real world. That is why I am such an advocate of dynamic scoring, a process which I think reflects what will happen in the real world as a consequence of our budget.

Earlier, I spoke of the dynamic benefit of the elimination of double taxation of dividends by quoting the Wall Street Journal and Chairman Greenspan. Mr. Greenspan, the Journal, the Heritage Foundation, and others have vociferously asserted that this proposal will lead to more jobs and, thus, the generation of more wage hours and taxes paid. Even the Clinton administration Director of OMB agrees there is some stimulus effect. Despite this highly credible choir of proponents, I cannot as yet, to date, propose a dynamic scoring for this proposal produced by this Congress because it doesn't reflect what happens in the real world. The proposed growth package is a perfect example of the need for dynamic scoring to be incorporated into this process.

Is it so ridiculous to think that we could calculate the impact this pack-

age would have on job creation, increases in disposable income and savings, and even a return on Federal revenues due to economic activity?

Let me go to the chart to reemphasize my point. I have here a chart which reflects what will happen to additional job creation with the President's stimulus package.

The blue part of the bars on this chart reflects what would happen to our economy if we did not change the law at all, if we stayed just the way we are. On top of that, you will see the orange part of the bar, which reflects additional jobs that would be created with the President's economic growth package. An important part of that package is eliminating the double taxation on dividends.

So, after 2004, 2005, as we move on out to 2008, we see that there is a substantial increase in the number of additional jobs.

It is nice to talk about additional jobs. What does it do as far as money in Americans' pockets, in order to help the economy grow? The next chart shows the additional disposable income. This is the total amount of disposable income that would be available to Americans as we create these jobs through the President's job stimulus package, his economic stimulus package.

The blue line again reflects what would happen if we did not change any of the current law. The orange part of those bars reflects the additional growth that would happen as a result of us passing the President's stimulus package. I think this is significant additional disposable income. That means Americans will have more money in their pockets to spend, businesses would have more money in their checkbooks in order to buy new equipment and create jobs. It is a job stimulus package that we need today. We don't need it 3 years from now; we need it today, and I do hope we can move ahead.

Using the dynamic scoring model generated by the Heritage Foundation Center for Data Analysis, we can see the President's proposal generates a significant amount of growth in the economy and, in fact, gets far more bang for the buck than any increase in spending or Government handout. Current baseline projections for total employment forecast an unemployment rate of 5.4 percent in 2004. Incorporating the dynamic scoring method of measurement, we can see that would lower the rate to 4.9 percent, or an addition of 997,000 jobs to the economy.

In my home State of Colorado, more than 16,000 more jobs would be created in 2004 alone. I have a piece of paper here with me that reflects the amount of job growth we can expect in each State individually. For example, we can go to Alabama, the State of Senator SESSIONS. We heard his comments. There is a growth in 2004 of 15,100 jobs. Over the 5-year period, it is going to be an average growth of 13,840 jobs per

year, based on the President's economic growth plan. If we look at the President's stimulus package, what effect will it have?

We can look to Kentucky, for example. The Presiding Officer understands Kentucky. With the President's growth package we can expect, in 2004, 13,900 new jobs with an average over the years up to 2008 of 12,720 new jobs each year.

I have how this will impact each individual State as we move through the years. It is important that we pass the President's job stimulus plan.

I have been in Washington long enough to know better than to take job forecasts and predictions as gospel, but I also know that any policy that can potentially increase employment by almost a million jobs in 1 year simply must be considered.

I believe it is expected we at least try. There are individuals who say we should not do anything on economic growth and stimulus. I think that is the wrong approach. I think the American people expect some action to happen out of the Senate.

There are those who say maybe we ought to just do increased spending.

Many of my friends on the other side of the aisle are promoting an economic growth stimulus package that puts emphasis on more spending. My response to that is, if spending is the answer, with all the spending that has happened in the last 4 years, why isn't our economy growing?

I think we have one thing we could do, that we should try at least, in order to stimulate that economy. I think we need to cut taxes. We need to cut taxes to stimulate the part of the economy that is most adversely affected, and that is the business sector of our economy, the small business sector—the double taxation of dividends. I have had one accountant tell me if we eliminate the double taxation on dividends, they are going to be recommending changes in the way that small business is organized and how they can do it in a way that will save money and bring money into the small business sector.

I believe we must do more than just complain and criticize but come up with a plan of action. I see no plan of action from my colleagues opposing this proposal. Americans deserve to hear alternative plans and not just suggestions of negativity without action.

I will bring my comments to a conclusion by simply stating I think this is a good budget proposal that is before us. I think it accounts for the President's economic stimulus package. Considering the condition of the Nation today, we need to pass an economic stimulus package. It addresses the immediate needs of defending this country as we are on the brink of moving into conflict. I think it is a reasonable budget. So standing here on the floor of the Senate, I express my support and hope the Members of the Senate will pass this budget because we need to have a budget this year.

Having concluded my remarks, I yield back my time.

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ADJOURNMENT UNTIL 9:30 A.M.  
TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:30 a.m. tomorrow.

Thereupon, the Senate, at 7:30 p.m., adjourned until Tuesday, March 18, 2003, at 9:30 a.m.