

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. I thank the distinguished Senator from Louisiana. I appreciate all of her effort in providing leadership to the Senate on this appropriations bill. We will have more to say about it next week.

ADMINISTRATION'S LACK OF COOPERATION WITH 9/11 COMMISSION

Mr. DASCHLE. Mr. President, I wish to use leader time to talk briefly about another matter I call to my colleagues' attention.

Late last year, I had the opportunity—indeed the obligation—to work on and support the most important commission that has been established in all my years in public service.

In the aftermath of the terrible terrorist attacks of September 11, the families of the victims and all Americans turned to their elected leaders in the White House and the Congress to help them obtain some answers to how this tragedy occurred and what steps should be taken to prevent future 9/11s.

Senate Democrats, led by Senators LIEBERMAN and TORRICELLI, proposed that the best way to provide these answers was to establish a blue-ribbon, independent panel to carefully sort through all the facts and evidence and interview key policymakers.

The record will clearly show that this commission was strongly opposed by the White House. In fact, Vice President CHENEY called me twice to indicate, incorrectly in my view, that creating such a commission could jeopardize the administration's efforts in the war on terrorism.

Other Bush officials in other settings made it clear to the families and Democratic and Republican members of Congress that they were less than enthusiastic about having a commission examine the administration's actions prior to 9/11.

After it became clear that their opposition was politically unsustainable, the administration switched gears and decided to support a commission provided that Congress remove several key elements of the Lieberman/Torricelli proposal designed to ensure the commission functioned as effectively and independently as possible.

Congress was effectively asked to take it on faith that the executive branch would work with the commission on a nonpartisan effort to shed light on the tragedy of 9/11.

Regrettably, that promise has not been realized as the administration continues to throw roadblocks in front of the commission's work. In July, the Chairman Kean and Vice Chairman Hamilton stated publicly that the Bush administration has been slow and unresponsive in producing information sought by the commission.

Shortly after receiving this report, the Senate unanimously approved an amendment offered by myself and sev-

eral other Senate Democrats urging the President to immediately and publicly call for all executive branch agencies to provide their fullest and most timely cooperation to the commission.

Unfortunately, no such call was issued, 2 more months have elapsed, and we have another report from the chairman and vice chairman that should provide no comfort to those seeking the truth about what happened on 9/11. While stating that administration cooperation has improved, at the half-way mark of the commission's life, Chairman Kean said, "We have not got everything. We have not gotten everything that we feel we need to do our job."

Chairman Hamilton indicated that the commission's work is at a crunch point and that unless the commissioners receive satisfactory cooperation from the White House the Commission will be unable to meet its May, 2004 reporting deadline.

Other commissioners have been more stark in their assessment. According to a recent article in the Los Angeles Times, two commissioners said, "the investigation is still hampered by heel-dragging by the White House and federal agencies."

Despite the administration's attitude toward the creation of this commission, all of us who supported it hoped that once established the administration would recognize the significance and importance of its work and cooperate fully.

We all owe an immense debt of gratitude to the commissioners for their hard work and dedication to this effort. Each of them has already spent countless hours on this task and the families and the nation appreciate their work. It would be a shame if the administration's lack of cooperation prevented them from completing their important task.

As Vice Chairman Hamilton's remarks indicate, time is running out on the administration to reverse course and do right by this investigation. Time is running out on the commission to get the information it needs to complete their work. And time is running out on the families and all Americans to get the answers they deserve. I urge the administration to immediately and completely cooperate with the commission so this work can be completed successfully to the expectations of those families who have given so much.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

RECONSTRUCTION OF IRAQ

Mr. DORGAN. Mr. President, I have just come from a meeting to discuss the Appropriations Committee work beginning next week on the request from President Bush for \$87 billion in urgent supplemental appropriations for Iraq. Of that \$87 billion, roughly \$66 billion is in support of the military and the mission in Iraq; \$21 billion is for

the reconstruction of Iraq. We will begin writing an appropriations bill in response to all of this next Tuesday morning at 10.

I wish to bring to my colleagues' attention a couple of things with respect to this issue. First, when America sends its sons and daughters to defend our interests, when America puts its soldiers in harm's way, it has an obligation to provide the resources and funding needed to support their mission. I will support that. I will vote for that. I believe the Senate, the entire Congress will do that. But, there is a difference between providing the funding on an urgent basis for support of our troops to carry out their mission in Iraq and Afghanistan and the request for the reconstruction of Iraq. I want to describe that difference.

Iraq is a country with substantial resources. It is not a country desperately impoverished. It is a country with 24 million people. It possesses the second largest oil reserves in the world. Ambassador Bremer told us this week that when pumping at capacity, by next July he expects the Iraq oil fields to be pumping at about 3 million barrels per day. That produces about \$20 billion in revenue per year, \$16 billion of which is available for export; therefore, the development of currency as a result of the export sales of \$16 billion a year of oil, each year, from the country of Iraq. This is not an impoverished country. This a country with substantial wealth under its sands. Pumping that wealth in the form of oil and selling it produces substantial revenue for the 24 million people.

With respect to the question of the reconstruction, I want to go back to April of this year and to a "Night Line" program in which Ted Koppel had on one of the top folks in the Department of State who is in charge of the U.S. Agency for International Development, Andrew Natsios. He was asking Mr. Natsios about what would be required of the American taxpayers for the reconstruction of Iraq. I want to read this exchange because it occurred on the ABC television network 5 months ago.

Ted Koppel says: You are saying that the top cost for the U.S. taxpayer will be \$1.7 billion with respect to the reconstruction of Iraq?

Mr. Natsios, one of the top officials in the Department of State, who heads the USAID which has the mission for projects for reconstruction: Yes, for the reconstruction. Then there is \$700 million in the supplemental budget.

He was referring to something we had done earlier this year for humanitarian relief.

Koppel says: But as far as reconstruction goes, the American taxpayer will not be hit for more than \$1.7 billion, no matter how long the process takes?

Mr. Natsios: That is our plan. That is our intention.

Koppel says: And these figures, outlandish figures I have seen, there is a bit of hoopla in all of this?

Mr. Natsios says, in response to a question: That is correct. One point seven billion is the limit on reconstruction for Iraq.

Natsios says: The rest of it is going to come from other countries.

He says: We have arrangements with other countries.

Then he names the other countries. He says: In terms of the American taxpayers' contribution for the reconstruction of Iraq, \$1.7 billion. The rest of the rebuilding of Iraq will be done by other countries that have already made pledges—Britain, Germany, Norway, Japan, Canada, Iraq.

He says: Eventually, in several years, when it is up and running, and there is a new government that has been democratically elected, they will finish the job with their own revenues. They are going to get \$20 billion a year in oil revenues. But the American part of the reconstruction for Iraq will be \$1.7 billion. We have no plans for any further funding for this.

That was this administration's spokesman said in April of this year.

Well, 5 months later, we have a new request to the American taxpayers for almost \$21 billion to continue the reconstruction of Iraq.

Mr. Natsios said \$1.7 billion. That is all. We have no plans for any other funding requests. Five months later, they are asking for another \$21 billion.

Let me tell you what my contention is on the \$21 billion to reconstruct Iraq. My feeling is, rather than have the U.S. taxpayers provide \$21 billion in grants to reconstruct Iraq, the revenue from Iraqi oil should be used to reconstruct Iraq. So I asked Ambassador Bremer about that.

he said: Well, that is not possible.

I asked: Why?

He said: Iraq has a substantial amount of debt. They have a lot of debt. They have to repay this debt.

I said: To whom does Iraq owe debt?

He said: Germany and France and Russia.

So after that hearing, I went and took a look at who Iraq owed money to. Well, guess what. The top of the list is not France, Russia, and Germany. At the top of the list is Saudi Arabia and Kuwait and the other Arab States, and then, yes, there is some owed to France and Russia and Germany, as well. But at the top of the list is Saudi Arabia and Kuwait.

What the Ambassador was saying to me is we cannot use Iraq's oil to reconstruct Iraq. That oil is going to have to be pumped so they can sell it for cash and send money to Saudi Arabia and Kuwait. So we will have the American taxpayers pay some of their taxes so they can reconstruct Iraq.

Sound perverse? It sure does to me. I think we should say to Saudi Arabia and Kuwait: You loaned Saddam Hussein money. Well, you loaned money to a government that doesn't exist anymore. You know that \$50 billion Saddam Hussein owes you, owed Saudi Arabia and Kuwait? Go find them and

hand them a bill. It is not this country's obligation to bail out Saudi Arabia for debts that they allowed Saddam Hussein to run up with their countries. That is not our obligation. Iraqi oil ought not to be used to repay Saudi Arabia and Kuwait from money they loaned to Saddam Hussein. Saddam Hussein is gone. No one can find him. The Saddam Hussein government is out of power. It doesn't exist.

So then the question is, How do you reconstruct this country? Well here is some of what American taxpayers are being asked to pay for: Forty garbage trucks, \$50,000 each; \$9 million to create a zip code for Iraq in the postal system; \$54 million for technical and business process studies into a computer network for the Iraqi postal system; building seven new communities, 3,400 homes, including marketplaces, a church, and so on; two 4,000-bed prisons at \$50,000 a bed. Well, that is just a start—fix some roads, fix up some electric grids.

The interesting thing is that our "shock and awe" military campaign explicitly did not target Iraq's infrastructure. We didn't take out their power grid. We didn't do it because we didn't want to. We didn't destroy their dams or their power grid or the infrastructure of Iraq. Now we are told the infrastructure must be reconstructed. Why? Because guerrillas and insurgent movements inside Iraq have destroyed some of the infrastructure in Iraq, and because Saddam Hussein let it deteriorate for over 20 years.

So the question is, What do we do in Iraq, and who pays for it?

That is a long route to get to my central point. I don't believe it is the American taxpayers' responsibility to ante up \$21 billion for the reconstruction of a country that has the capacity to borrow \$30 billion, repay it in 10 years at 6 percent interest, with \$4 billion a year that comes from a \$16 billion-a-year stream of revenue by pumping oil out of the sands of Iraq. Common sense? Sure. Maybe there are some who cannot see that, but I think the American people will.

I have a September 2003 document. I guess it is 55 pages. It is the reconstruction plan for the country of Iraq. Let me say, I believe Iraq needs some reconstruction; there is no question about that. The administration makes the point that the quicker this economy gets up and moving, the quicker you have a vibrant set of opportunities in Iraq for the people, and the safer it will be for our troops. I agree with that. That is fine. But if you look at what they are asking the American people to create in the country of Iraq in these 55 pages, let me go through some of it: Private sector development, \$200 million to establish an American-Iraqi enterprise fund to capitalize the enterprise fund to invest in a wide array of private enterprises. This is sort of a venture capital fund of \$200 million. Expand networks of employment centers, \$8 million; on-the-job

training for private sector employment, \$35 million; develop a program for computer literacy training in Iraq, \$40 million; specialized computer training in Iraq, \$15 million; English as a second language in Iraq, \$30 million; modernize vocational training institutes, \$25 million.

I could go on and on for 50 pages. I understand why they want to do this. What I don't understand is why the American people are required to pay for this, when this country is a country that has the second largest oil reserves in the world and has the capability to produce the revenue to pay for it themselves. This makes no sense. It defies common sense.

I am going to offer an amendment in committee next Tuesday, and I will offer it on the floor if it doesn't prevail in committee. I think we ought to do a couple of things. One, I think we ought to separate this issue and move the support for the troops immediately. I don't think anybody here wants to withhold whatever necessary support is requested to support the military. We sent them there; we have a requirement to support them with all they need to complete the mission.

Second, I think we ought to separate the question of the reconstruction in the country of Iraq and go back to April of 2003, 5 months ago, and the promise made to us and the American people by the head of the agency and the State Department that is going to do the reconstruction, Mr. Natsios, when he said our total obligation we are going to ask the American taxpayers to fund is \$1.7 billion. Believe me, he said that is the total amount the American people are going to have to fund.

Five months later, they came back and said: By the way, because Iraq owes money to Saudi Arabia and Kuwait, and Iraqi oil has to be pumped to pay debts to them, we want the American taxpayer to pay for basic infrastructure in the country of Iraq.

I am telling you, there is something fundamentally flawed about that. I hope my colleagues on the Appropriations Committee will see the same thing. We are going to have a chance to vote on my amendment. It is going to be relatively simple. It says this: Let's fund the military request the President sent to us and do so quickly, and in a way that says there is no question about supporting the troops we have sent abroad. Second, here is the way we ought to reconstruct Iraq. The President is right. Iraq needs reconstruction, but he is wrong to ask the American taxpayers to pay for that. The way to reconstruct Iraq is to securitize the oil to be pumped in Iraq at 3 million barrels a day, beginning in July, according to Bremer, and use that securitization for Iraqi oil to repay the securities from that over the next 10 to 20 years to reconstruct Iraq exactly as the administration wants it done. I don't dispute any of these needs. I don't take issue with the administration saying this ought to be done. I

take very strong issue with the suggestion that somehow an administration that promised us 5 months ago the total cost of reconstruction would be \$1.7 billion, now says it is \$21 billion in reconstruction, which ought to come from American taxpayers' funds, when we are dealing with the second largest oil reserves in the world.

So we are going to have votes on this in the Appropriations Committee. We are going to have votes on it on the floor if it doesn't prevail in committee. I have been reading in the paper that some colleagues feel the same way on both sides of the aisle. They think this makes no sense to talk about \$21 billion in grants from the American taxpayers to fund these issues. I hope some of them will join me and that we can do what is right, use a big barrel full of common sense on an issue like this, and help the American taxpayers and the Iraqi people at the same time and, most importantly, do what is necessary to support the American military who is trying to carry out this critical mission in that part of the world.

God bless those men and women. We pray for their safety. We pray for their families. As we work through this next week, I hope there is a healthy dose of common sense in this Senate dealing with this reconstruction issue.

I yield the floor.

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

Mr. DORGAN. I would be happy to yield.

Mr. CONRAD. The Senator has mentioned that the President has come before us and asked for \$21 billion to reconstruct Iraq. In addition to that, the President is saying there is another \$40 billion to \$50 billion of needs next year for the reconstruction of Iraq that is supposed to come from someplace else. The President and his people have said some of these other countries are going to contribute. Is the Senator aware of this additional \$40 billion to \$50 billion of money for reconstruction of Iraq that the President has identified?

Mr. DORGAN. Mr. President, responding to the question, I am, and Ambassador Bremer made the same point as did Secretary Rumsfeld.

There is a donor conference that is being held in Spain in just a matter of a couple of weeks. We have asked what is the proclivity of these countries to begin helping and donating. Here is what we were told: I believe it is 69 countries have donated \$1.5 billion total.

In this request, they are asking the American taxpayers for \$21 billion but say there will be a dramatic amount more that is needed but that is going to come from somebody else. It appears very unlikely it is going to come from anybody else. That is my point.

The first step is I think this administration ought to work to have debt forgiveness with Saudi Arabia and Kuwait and others so they do not have that debt overhanging that country and

then have that country's oil produce the revenue to reconstruct the country.

This is not a desperately impoverished country. This is a country that sits on top of massive quantities of money in the form of oil, and yet we are being told the American taxpayers—who are already facing very large, staggering deficits, I might say—that somehow the issues of building dams, building prisons, building communities, doing job training, building hospitals, building health care facilities, building roads, all of that should be borne by the American taxpayer at a time when they have the capability to produce the revenue in Iraq to pay for all of that. This is inexplicable to me.

As I said to my colleague, I hope we have a healthy dose of common sense that prevails on this question. Not on the military issue. I want some common sense there, too, but I do not want anybody to question whether we are going to support the military. We do.

On reconstruction, we really need to go at this on behalf of the American people, in their interest. It is not in their interest to have to add this to the Federal debt and say to America's children, you pay for the reconstruction of a country that has oil to pay for its own reconstruction.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank my colleague for giving an excellent presentation and an excellent suggestion. This country has the second largest oil reserves in the world, and we are getting ready to have the American people rebuild that nation.

There is something really wrong with the administration's thinking on this matter, to come before us and ask for \$21 billion, to say there is another \$40 billion to \$50 billion of need in the next year and that they are going to get it from somewhere else, when the somewhere else has promised \$1.5 billion. So there is a shortage of another \$40 billion. Where is that going to come from, and what is it being used for?

My colleague from North Dakota pointed out what was in the Washington Post this morning, a detailed analysis of some of these expenditures. One that I found most unusual was \$1 million per family in Iraq for a witness protection program for 100 families. That is \$100 million—\$1 million a family. That is a pretty good deal. It is going to be used to build prisons in Iraq for \$50,000 a bed. Somebody is not thinking straight.

They are going to create a ZIP Code, millions of dollars to create a ZIP Code; area codes for phone systems, millions of dollars paid for by American taxpayers. I do not think so. This in a country that has the second largest oil reserves in the world. As my colleague has pointed out, the reason we cannot use their oil money to rebuild their country is that they owe tens of

billions of dollars to Saudi Arabia and Kuwait?

Somebody has to have some common sense. We have to slow this thing down and think about what we are doing. I think the administration is kind of discombobulated. They are running around throwing out numbers they have not even thought through. That just cannot be what the response of the Congress is.

In light of this request for \$87 billion—and that is the tip of the iceberg, unfortunately. The fact is, it is very clear they are not going to get the \$40 billion or \$50 billion from anybody else and they will be right back asking for tens of billions of dollars more. That cannot be the response.

Now, why not? First, it is not right. It is not fair. The American taxpayer should not be saddled with debts that are not ours. We already have our own debts. We have a runaway freight train of debt in this country.

In light of the President's request for another \$87 billion, I think it is time for us to go back to his State of the Union Address on January 28, 2003, when he said to us:

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

That is what he said to us. But look at what has really happened. We are doing precisely what he said we will not do. The debt of the United States, which will be passed on to future generations, which will be passed on to future Congresses and to future Presidents, is absolutely mushrooming out of control.

The President told us just 2 years ago that in 2008 the debt would be virtually paid off. He said there would only be \$36 billion left. Now, we know if we enact the President's policies, instead of virtually paying off the publicly held debt by 2008, which is the smaller part of the debt, it will be \$6.2 trillion. How much is that? That is 6,200 billion dollars. That is how much the debt is going to be by 2008, the point at which the President had told us we were going to have virtually paid off the debt. So the President was wrong, and wrong by a mile, on that assertion.

The President told us:

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 told that to us 2 years ago. But let's look at what we now know. What we now know is that instead of the assertion by the President that there were not going to be budget deficits, we have record budget deficits, the biggest in the history of the country, and by a country mile. The President's last proposal was reviewed by the Office of Management and Budget, and they tell us now that the deficit will be \$535 billion next year.

The previous record deficit was in 1992, when the first President Bush was in office, and the deficit was \$290 billion. Now for next year, it is \$535 billion. That is a record deficit. The

President told us just 2 years ago it would not occur.

Then the President told us the next year:

... our budget will run a deficit that will be small and short-term. . . .

He told us the budget deficit would be small and short term. That was just a year ago. This is according to the President's own budget documents. This is what happens if his spending and his tax proposals are adopted. What we see is an ocean of red ink, and one that grows year after year. These are not small deficits, they are not short-term deficits, they are the biggest deficits we have ever had. And the next 10 years is the budget sweet spot. They are the good times, according to the President's own analysis of his proposals. His own budget shows us that his plan is taking this country right over the fiscal cliff. This is what he says will happen to budget deficits. Not only are they not small, they are record. And they are not short term, they are endless.

This is the President's analysis out to the year 2050, and there is no break in deficits anywhere here. It is deficits each and every year. We are in this part of the chart now, which shows the smallest deficits, and we know they are record deficits, the biggest deficits we have ever had in the history of the country.

Next year alone, there is a deficit of \$535 billion. The truth is, it is much worse than that because they are going to take \$160 billion of Social Security money on top of that \$535 billion of deficit. They are going to take every penny of Social Security surplus and throw that into the pot. So, on an operating basis, the deficit next year is really going to be \$700 billion.

The debt of the United States at the time Jimmy Carter was President, after 200 years of history in this country, was around \$750 billion, and we are going to add that much or virtually that much in 1 year under this President's plan. That is not the most serious part. That is not the part that really worries this Senator. What really worries me is, that is the tip of the iceberg, according to the President's own analysis of his plans.

He says, if you adopt his budget plan, his spending, his tax plan, that the deficits grow geometrically when the baby boomers start to retire. At the very time the baby boomers retire, the cost of the tax cuts explode, pushing us deep into deficit and debt, to levels never seen in the history of the United States. That is the plan the President is pursuing. It is a reckless plan and it is a dangerous plan.

The President presented his budget for fiscal year 2004, and it said:

Compared to the overall Federal budget and the \$10.5 trillion national economy, our budget gap is small by historical standards.

First of all, there weren't going to be any deficits. That proved to be wrong. Then the deficits were going to be small and short term. That proved to

be wrong. Now the President is saying, as a share of the whole national economy they are relatively small.

The problem with that statement is it is wrong, too. It is wrong, too. The next chart shows how big these deficits are as a share of our national income. This chart goes all the way back to the end of World War II—just after the end of World War II. You can see the previous record deficit as a percentage of GDP was back in 1983—6 percent of gross domestic product.

Next year, the deficit as percentage of gross domestic product is going to be 6.2 percent, if one excludes the Social Security trust funds from the calculation. So if you are looking at the budget on an operating basis, if you are looking at it as any private sector firm would have to look at its budget, what you see is the biggest deficit, as a percentage of gross domestic product, since World War II. And the President says it is relatively small. It is not relatively small, it is huge. It is the biggest it has been since World War II.

Of course, what the President has left out is that the Social Security surpluses back in 1983 were virtually nonexistent. So when the President—the then-President—took those moneys, he wasn't taking much. But look at what has happened to the Social Security surpluses. They have been mounting dramatically, and now this President is taking every dime of Social Security surplus to pay the operating expenses of the country. No private sector firm would be able to do that. If you were in the private sector, you couldn't take the retirement funds of your employees and throw those into the pot to pay your operating expenses. If you did, you would be on your way to a Federal institution, but it would not be the White House. It would not be the Congress of the United States. You would be on your way to the Federal penitentiary, because that is a violation of Federal law.

Yet that is what this President is doing this year and next year, taking every dime of Social Security trust fund surplus. And not just this year and next year. Under the President's budget plan, he is going to take every penny of Social Security surplus this year and next year and the year after that and the year after that and the year after that and for the next 10 years. Every penny is being taken to pay the operating expenses of the Federal Government.

This President is taking us down the road that is a fiscal disaster of the first order, and we had better start facing up to it. We are going to have an opportunity next week because the President has come before us and asked for another \$87 billion—put it on the charge card. No, this \$87 billion has to be paid for. We have to start getting back on track.

The President, in his latest estimates, tells us that revenue as a percentage of gross domestic product is going to be at its lowest level since

1950. You will recall one of his major justifications for the tax cuts 2 years ago was that revenue was at a record percentage of gross domestic product. Now we are headed for a record low, in terms of revenue, and his answer is the same: Cut revenue more. It doesn't matter what the question is, the answer from this President, from this administration, is the same: Cut the revenue. If revenue is high, cut it. If revenue is low, cut it some more.

It is not just a question of revenue being low, it is also a question of spending being increased. This chart shows, for this year, 92 percent of the increased discretionary spending is in just three categories: Defense, which accounts for the vast majority of it; homeland security, which is the second biggest chunk; and the third biggest chunk is rebuilding New York and providing relief for the airlines, so badly affected by what has occurred. So we have not only the lowest revenue since 1950, we also have increased expenses for defense, homeland security, rebuilding New York.

Of course, all of us support those increased expenditures in order to meet the obligations the country has taken on under this President.

The President is fond of saying, "It's the people's money."

This is a place where I agree with the President absolutely. It is the people's money, he is absolutely right about that. This is the people's money. But what the President has left out is that it is also the people's debt. What he is running up here is a debt that is truly massive in scope.

This looks at the gross debt of the United States. Earlier we were talking about the publicly held debt. But if you look at the gross debt, not only what we owe those who have loaned money to the United States—which, by the way, includes a lot of money from Japan and Europe—we also see that we owe money to ourselves. We owe money to the Social Security trust fund that the President has been taking money from in order to float this boat. That is truly stunning.

We have a gross debt of \$6.8 trillion at the end of this year. But look at what is going to happen in the next 10 years. We are going to have a gross debt approaching \$15 trillion. That is 15,000 billion dollars. That is real money. And all of this is happening at the worst possible time.

Why the worst possible time? Because, as this chart shows right now, the green bar, which is the Social Security trust fund, the blue bar which is the Medicare trust fund, are running surpluses in anticipation of the retirement of the baby boom generation. Unfortunately, the money is not being used to prepare us for the retirement of the baby boom generation. The money is all being taken and spent on the operating expenses and to pay for the President's tax cuts. That is where the money is going. Not to prepare for the retirement of the baby boom generation.

The red part of these bars is the cost of the President's tax cuts. What one sees is, when the trust funds go cash negative, which happens in the next decade—in fact, it begins to happen pretty soon because in 2008 the leading edge of the baby boom generation starts to retire.

Look at what happens when those trust funds go cash-negative at the very time the cost of the President's tax cuts explode, dragging us deeper and deeper into deficits and debt. This is utterly unsustainable. It is leading us to a crash landing.

You don't have to take my word for it. Here is a report from the New York Times of September 14 reporting on the Congressional Budget Office's warning to all of us here in Congress. Let me quote from the New York Times:

This course—the fiscal course that the President has embarked upon—

prompted the Congressional Budget Office to issue an unusual warning in its forecast last month: If congressional Republicans and the administration get their wish and extend all of their tax cuts now scheduled to expire, and if they pass a limited prescription drug benefit for Medicare and keep spending at its current level, the deficit by 2013 will have built up to \$6.2 trillion.

That is not the gross debt. That is the publicly held debt—\$6.2 trillion. That is 6,200 billion.

They go on to say:

Once the baby boomers begin retiring at the end of this decade, that course will lead either to drastically higher taxes, severe spending cuts, or "unsustainable levels of debt."

That is the course we are on. That is the course the President has put us on. It is a disastrous course by any judgment.

Again, we have heard from the Congressional Budget Office.

By the way, the head of the Congressional Budget Office used to be on the President's budget team, his Council of Economic Advisers. He came from the White House.

You don't have to just listen to me or to him. Here is the Comptroller General of the United States, David Walker, in a speech on September 17 to the National Press Club. He said in that speech:

The ultimate alternatives to definitive and timely action are not only unattractive, they are arguably infeasible. Specifically, raising taxes to levels far in excess of what the American people have ever supported before, cutting total federal spending by unthinkable amounts, or further mortgaging the future of our children and grandchildren to an extent that our economy, our competitive posture and the quality of life for Americans would be seriously threatened.

This is the Comptroller General of the United States put in place by the bipartisan leadership of Congress warning us that the course the President has us on is a disastrous course.

We don't have to just listen to the head of the Congressional Budget Office, or have to listen to the Comptroller General of the United States.

We just have to look at what has happened. We all can look and we can read reality tests. Does it make sense?

Two years ago, the President told us we could have it all. The President said we could have massive tax cuts. He told us we could save Social Security and Medicare without touching the trust funds. He said we could have maximum paydown of the debt. He said we could have a big defense buildup. He said we could do it all. He was wrong. He was wrong by a country mile. He was wrong on each and every count—not protecting Medicare and Social Security. He is taking every dime of the Social Security trust fund surpluses for the entire rest of the decade.

He said we wouldn't have deficits. We have record deficits. He said he would virtually pay off the debt. The debt is exploding. The President is taking us down a course that does not work.

Most recently, he told us:

It is important for you all to understand, for our fellow Americans to understand, the tax relief I have proposed—and will push for until enacted—will create 1.4 million new jobs by the end of 2004.

We are not at the end of 2004. So we can't make a judgment on that. But we can look back at 2001.

In 2001, he made the same kind of claim. He said if you pass his plan, which we did, it was going to generate millions of new jobs.

Wrong again. He hasn't generated millions of new jobs. He has lost millions of jobs—3.3 million jobs lost by August 2003 since this President took office. That is the worst record on jobs since Herbert Hoover. No other President of either party has lost private-sector jobs during their entire term since the Great Depression. This President has lost 3.3 million jobs with his economic plan.

Once again, he is wrong—just wrong. He is just wrong in assertion after assertion after assertion. He is just wrong. That is the hard reality we have to cope with.

If we look at this recovery that is underway—and there are signs of economic recovery, which one would expect—if you go and write \$700 billion of hot checks in a year on the Federal accounts, you expect to give some lift to the economy. By spending all of this additional money, all of these tax cuts, you would expect the economy to improve, and it is improving. But we are not seeing much pickup in jobs.

We charted the last nine recessions which have occurred since World War II—the job recovery that occurred during the recovery from those recessions. Here is the trend line that we see: In each of those nine recessions, there has been a good pickup in jobs when the economy started to recover. Here is the pattern in this recovery. This is like a dead cat bouncing. Nothing is happening. Jobs are not being recovered. Jobs are still being lost, and the President told us he had a plan, he had a strategy that was going to bring back jobs—millions of jobs, he said. He was wrong.

Now some are saying deficits don't really matter. It is really quite stunning to hear some of our Republican colleagues, who for years believed deficits did matter, all of sudden completely change course and say deficits don't matter. The Chairman of the Federal Reserve Board believes deficits matter. Here is what he said 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 to.

Again, we didn't need to just listen to the head of the Federal Reserve Board. Hear what the head of the Congressional Budget Office said in testimony before the Budget Committee earlier this month. He said:

To the extent that going forward we run large sustained deficits in the face of full employment, it will in fact crowd out capital accumulation and otherwise slow economic growth.

This is the testimony of Mr. Holtz-Eakin who was, again, put in office by the Republicans who control both Chambers, and came from the President's own economic advisors saying that deficits do matter. They do hurt economic growth in the long term.

Again, I go back to the Comptroller General and his outstanding speech to the National Press Club on September 17.

The "bottom line" is, there is little question that deficits do matter, especially if they are large, structural and recurring in nature. In addition, our projected budget deficits are not "manageable" without significant changes in "status quo" programs, policies, processes and operations.

I don't know exactly when this Congress is going to awaken to the threat that is barreling down on us, but we face a circumstance just as clear as it can be: The largest deficits in our history in dollar terms, by far. Deficits as a percentage of GDP fairly measured that are the largest since World War II and no relief in sight. Instead, deficits as far as the eye can see, massive deficits that are coming at the worst possible time, right before the baby boomers retire, right when we should be paying down debt or prepaying the liability.

Instead, we are taking the money, hundreds of billions of dollars; in fact, over \$2 trillion of Social Security surpluses alone over the next decade the President proposes taking to spend on other operations in government. That is \$2.4 trillion of Social Security money, taking every dime. Not just this year, not just next year, but every year for the next decade.

Two years ago the President told us we could expect nearly \$6 trillion in surpluses over the next 10 years. In just 2 years that has turned into \$4 trillion, \$4,000 billion of deficits.

Where did the money go? Here is where it went: 39 percent went to the tax cuts the President proposed and pushed through Congress; 28 percent went to increased spending, largely, as

I indicated earlier, defense and Homeland Security; 7 percent went to the economic downturn; 27 percent in revenue shortfalls not associated with the tax cuts. So two thirds of the disappearance of the surplus in the move to deficits is on the revenue side of the equation. That is where the money has gone.

Some are saying, we do not have to worry about this; we will grow our way out of it. Here is what the Comptroller General of the United States said, again in a speech to the National Press Club:

[T]he consensus opinion at a recent meeting of prominent economists representing a wide variety of ideological viewpoints was that . . . "we cannot simply agree our way out of this problem."

It is time to face up to reality. It is time to face up to the fact we have again down a course that is not working. I am not casting aspersions on anyone's intentions or motivations. That does no good. But we can now look back at the President's record objectively and clearly. We can see that statement after statement he has made to this Congress was simply wrong.

He said there would be no deficits. We have record deficits. He said they would be small and short-term. They are massive and unending. He said they are small as a percentage of our gross domestic product. They are the biggest they have been since World War II as a percentage of gross domestic product, fairly measured. The President said this would all create jobs. He said it would create millions of jobs. Millions of jobs have been lost.

Now he says he needs another \$87 million that he does not want to pay for. Where is the money going? We have heard a number of presentations this morning: 500 experts, at \$200,000 each, to investigate crimes against humanity in Iraq. Let me repeat that. Here we are in the deepest deficit, in debt at the worst possible time, and the President says one of the things we should do is get us 500 experts at \$200,000 each to investigate crimes against humanity. I am all for investigating crimes against humanity, but I am all against spending \$200,000 each for 500 people in one year to investigate crimes against humanity in Iraq. Have we completely taken leave of our senses around here?

He wants to build prisons over there at \$50,000 a bed. He wants to have a witness protection program that will provide \$1 million per family. Yes, it is there. Read the Washington Post: A witness protection program for families of five, 100 families of five, at \$200,000 each in the family, five people, \$200,000 each, and that is \$1 million for 100 families, for a total of \$100 million. We do not have a witness protection program like that in this country.

Let's get serious around here. We are in disastrous deficit and debt and we are talking about these kind of expenditures in a country that has the second largest oil reserves in the world, and

we say, "Just put it on the debt of the American people"? I don't think so. There has to be a better way.

I yield the floor and 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. KENNEDY. 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. KENNEDY. Mr. President, we are in morning business?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. I thank the Chair.

Mr. President, early next week we will take up what has now become the defining issue of this session of Congress—the Bush administration's proposal for \$87 billion for Iraq.

I support our troops in Iraq. We all support our troops in Iraq. If that is the issue, the vote will be 100 to nothing in the Senate.

The administration had an effective plan to win the war. The tragedy is that our troops are paying with their lives because the administration failed to prepare a plan to win the peace.

Our troops performed superbly in the war. They are doing their very best under enormously difficult circumstances now. They deserve the full support of Congress, and they will get it.

But they also deserve a realistic plan from the administration. They deserve to know how the administration will bring in the international community, deliver on the promise of democracy, and bring our troops home with honor.

The administration has refused to provide a realistic plan to the Congress and our troops. It has provided only a 2-month-old, 28-page plan called "Achieving The Vision To Restore Full Sovereignty To The Iraqi People."

I would like to know why it is called a working document. I would like to know why the administration is asking the Congress to write an \$87 billion blank check based on the draft plan.

This is the draft plan. I will include it by reference rather than including all of it in the RECORD. It is 28 pages, including the cover page, "Coalition Provisional Authority, Baghdad, Iraq, Achieving the Vision to Restore Full Sovereignty to the Iraqi People," dated July 21. It is a working document that is the basis of the administration plan that was provided to the Armed Services Committee.

I will read from the provisions in the plan on security from August 1 to October 3, point 4: Locate and secure and eliminate WMD capability. Then November 3 to January 4: Continue to locate and secure and eliminate WMD capability. And then from February 4: Continue to locate and secure and eliminate WMD. Point No. 1: Defeat internal armed threats. That is August to October. November to January 4:

Continue to defeat all threats. February 4: Continue transfer responsibility to the Iraqis.

It is an insult to the American people. It is an insult to our troops who are paying with their lives. For most of us, when it comes to Iraq, there is a widening credibility gap between rosy descriptions of progress by the administration and the hard reality on the ground for our troops and for the Iraqi people.

On September 14, Vice President CHENEY said "90 percent of the cities and towns and villages are governed by democratically elected or appointed local councils." He said that "all the schools are open, and that all the hospitals are up and functioning."

In yesterday's Washington Post, Secretary Rumsfeld wrote glowingly of our "solid progress" in restoring Iraq. Yet we all know that the reality on the ground is quite different. And we are learning that there are even those within the administration who are reporting that things are not going well. Yet, those concerns are kept carefully from public view.

In fact, the New York Times reported just last week on September 17 that new intelligence reports conclude that ordinary Iraqis are turning against us. And Defense Department officials believe that "indications of that hostility extend well beyond the Sunni heartland or Iraq, which has been the main setting for attacks on American forces."

We are still losing an American a day. After going it alone on the war, we have few allies to relieve our troops and join us in winning the all-important peace.

Secretary Rumsfeld admitted this week that our failure to recruit sufficient foreign troops likely means additional callups for our reservists and guard units. General Abizaid told the Senate Armed Services Committee yesterday that "it doesn't look like we'll have a coalition brigade. We have no choice but to plan for American forces." He is not counting on foreign troops. Clearly, the situation in Iraq is out of control. Our policies are not working. Our plan in Iraq is an \$87 billion failure, and our troops are paying the price.

The administration must admit that our plan is not working, that we cannot stay this course. We know it. The American people know it. Our allies know it. We cannot afford just to stay the same failing course. We owe our troops a change in plan.

Before the Congress writes a blank check for \$87 billion, we need to know that the administration has a realistic plan. Our troops who are paying with their lives deserve no less.

I suggest the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. In my capacity as a Senator from South Carolina, I ask unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF
THE CHAIR

The PRESIDING OFFICER. In my capacity as a Senator from South Carolina, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

Without objection, it is so ordered.

There being no objection, the Senate, at 1:17 p.m., recessed subject to the call of the Chair and reassembled at 1:26 p.m. when called to order by the Presiding Officer (Mr. CRAIG).

The PRESIDING OFFICER. The majority leader is recognized.

RECAPPING THIS WEEK'S
LEGISLATION

Mr. FRIST. Mr. President, there are several issues I wish to take this opportunity to comment on at the end of this week. First is the issue that has been discussed for the last 3 days and which we will be coming back to on Monday—the issue of education of young children in the District of Columbia.

With the leadership of the Mayor and working closely with the person who day in and day out observes firsthand what happens in the District, the head of the school board, and local officials, a proposal has been put together, generated at the local level, that we are currently talking about and debating before the Senate. That is the issue of allowing young children in school who are trapped—for the most part, impoverished children—in failing schools and giving them the opportunity to expand, grow, learn, and become educated, and thus giving them a shot at what we all know as the American dream.

Yesterday was a unique day in that on the floor of the Senate was Mayor Anthony Williams, who made a historic visit to the Senate floor at the invitation of Senator FEINSTEIN. From his presence here and in our many conversations with him, what is emphasized is how important this issue is to the District, to the future of this District, because it has to do with children and education. That is how important this issue of choice is, empowering the parents to have some sort of say in their children's education.

As Senator FEINSTEIN has so eloquently argued, the District of Columbia choice program is the Mayor's program. It is not our program—the Senate program or the House program, or the Federal Government program. It is the program of the District and for the District's children and families. It is what the leaders in the District of Columbia want.

We have spent almost 3 whole days on the bill, and we will spend, as I mentioned, Monday on it. Today, only one amendment has been offered. It is frustrating to me when we recognize the real problems that are in the District today in terms of education and we see

there is a response generated that makes sense and is locally supported, which has new Federal dollars, new additional dollars coming in to support the initiatives, it is frustrating that if there are 4, 5, 6—I don't know the number of people who oppose choice in education and parental involvement, but if they have amendments, we can debate them. Then we can vote on these amendments, and hopefully defeat them, because I am a great believer in DC choice but at least allow us to debate.

Avoiding offering amendments when time is being made available on the floor, in response to the great needs that we know exist, is frustrating and in some ways disappointing.

The only amendment that has passed, in fact, was by Senator FEINSTEIN, who is an advocate for this bill. So really there have been no amendments proposed from the other side. Yet, as we heard in the opening comments a few hours ago, the opposition insists that we cannot move this bill anytime soon.

I say that despite the positive impact that we know this bill can make on the District's schoolchildren. I am not exactly sure why there is this refusal to offer amendments and live with the outcome, when the time is made available and the issue is before us. I hope it is not national politics because we are talking about the District's schoolchildren. We are not talking about a partisan national debate.

Our goal is to give children today the very best education possible. So we need to debate it, we need to amend it, if necessary, and, if not, we need to move on, have a vote on it, and express the will of this Senate for the benefit of the kids.

The Senate Appropriations Committee has passed legislation that does offer this city's schoolchildren a genuine opportunity to achieve an education. It has been pointed out on the Senate floor, but it is important for me to again state it, that this is \$40 million of new money, that is additional money which, if this legislation passes, will come. If the legislation does not pass, that additional \$40 million is not going to go into education today. The money is to be divided between the supporting of public schools, of charter schools which are in the District, and then a new nonpublic opportunity scholarship program whereby over 2,000 students who are impoverished, who are trapped in failing schools by definition in the legislation, are given the opportunity to walk, with a check of \$7,500, to any nonpublic school in the District. If we pass the legislation, they have that opportunity. If we do not pass the legislation, they are not going to have that opportunity. It is as simple as that.

That is, again, why this is frustrating to me as majority leader and as one who is trying to schedule the Nation's business accordingly.

It is new money. It is not going to take resources from other education.

That used to be the argument: There is public education moneys and the money will be taken from public education and diverted to nonpublic education. That argument is bogus. It does not exist. This is new money that is coming into the system.

The record today in the District, in terms of educating children, has been painted pretty well, but in too many ways it ends up being almost statistics and coldhearted facts. But the coldhearted facts, I have to say, do tell the story. We spend about \$1,200 per student right now, per capita, per kid, in the District. In spite of that, the outcomes, the scores, are lower than any State in the country today. So the answer is not just money. We know that.

Only 10 percent, or 1 out of 10, of the District's fourth graders are proficient in math. Less than 12 percent of the District's fourth graders can write at grade level. Actually, it is fewer than 10 percent of the District's fourth graders are proficient at math, and right at 10 percent are proficient in reading. That means 90 percent are not proficient at reading. Only 6 percent, about 1 out of 20 or 1 out of 18, of District fourth graders can do math at a proficient level.

Words were used like "disgrace," which I think it is, and "scandal," not in the sense that there is misappropriation but a scandal in the fact that the outcome is so poor for these students and the disgrace is really in some ways ours for not responding and responding aggressively and appropriately. That is what we can do by passing this bill.

I should also add that I believe the dropout rate in the District is around 42 percent, and nationwide it is about 29 percent. So 42 percent do not go on to school. As I mentioned before, the ACTs and the SATs, which would allow one to go to college, are the lowest in the country as well. So kids who are graduating from public school are graduating with an inability to read, write, do math, and to add and subtract, really basic measures.

None of us in this Chamber would tolerate that sort of outcome for our own children, unable to complete simple fourth grade mathematics, or in the fourth grade an inability to write at grade level. Would we tolerate it? The answer is clearly, no.

It has been pointed out that many of the people who oppose school choice for children and parents in the District, in this body and in the House of Representatives as well, send their kids to private schools, and yet at the same time, when the opportunity is there, they do not give that same opportunity to other parents.

I mentioned Mayor Tony Williams, DC Board of Education president Peggy Cooper Cafritz, City Council member Kevin Chavous are all courageously advancing the cause of universal education for DC's kids. In addition to them are the parents of kids in the District. All across the city, parents line up in order to obtain better options for