our standard of living in order to produce the funds to pay back the rest of the world.

Mr. DODD. Mr. President, I was stunned by those numbers. As I recall, I think you said that we have borrowed around $600 billion from Japan, about $150 billion from China, and billions more from other countries. To make the picture clear, that is like a bank holding a mortgage on your home. They hold the paper on America. They can call due those notes at any time, I presume, or within a reasonable time, and could insist upon us paying back those obligations. So, in other words, our economic well-being is in no small measure tied to the desires of nations that may not have the same goals as we do, either in economic or foreign policy. They hold the mortgage, in a sense, on our future; is that correct?

Mr. CONRAD. That is exactly correct. The foreign debt of the United States under this administration has gone from $1 trillion to 1.8 trillion, an 80-percent increase in our foreign indebtedness.

Mr. DODD. In 40 months.

Mr. CONRAD. In 42 months. I was teaching back home in North Dakota at one of the universities, and I asked the students there: Does it make a difference, should you care, does it matter to you that we owe Japan almost $700 billion? Does it matter we owe China over $160 billion? Does it matter that we have borrowed over $60 billion from South Korea? They said it matters.

I said: How do you think it matters?

They said: If there is a military confrontation of some kind, maybe that affects our ability to do things we might think is in the national interest because we owe them so much money.

On trade, can we really call their hand when they are treating us unfairly in trade relationships when we owe them hundreds of billions of dollars? And what are the consequences here if all of a sudden we do return to economic growth and we have borrowed all this money and we have to start paying it back, what is the effect on interest rates here?

That is what frightens the International Monetary Fund. That is what concerns people such as Chairman Greenspan. That as we see rising interest rates because of this enormous indebtedness, and we have to start paying more interest to keep getting people to loan us money, that all of a sudden, the cost of servicing this debt will go up dramatically, it makes it much worse, and, more importantly, for the economy—because we have millions of people who have variable interest rates on their homes, on their cars, on their student loans—these interest rates will start going up dramatically because countries are less willing to continue to loan us money, and all of a sudden the economic strength of America is weakened.

Mr. DODD. Mr. President, if I may further add, that is just the exact point I wanted to raise with my colleague from North Dakota. We talk about rising interest rates, and we are talking about some tax cuts. As I understand it, when we begin to talk about an interest rate hike, which we invariably are going to see, the actual cost of a college loan, a home mortgage, a car payment, or any other obligation which most middle-income families have to borrow to meet these obligations—we have watched higher education costs go up more than 30 percent; we have watched health care premiums go up 45 percent; we have watched the price of gasoline go up 20 percent; all under this President's watch. To make those payments, it will actually exceed whatever tax cut we may be providing to that middle-income family because of our inability or the unwillingness of this administration to actually be more responsible in managing the fiscal picture of this country, and average consumers are going to see interest rate hikes that are going to dwarf any tax cut they may get; isn't that correct?

Mr. CONRAD. None of us can predict with clarity what is going to happen with interest rates, although we know under this fiscal condition, interest rates are going to go up. Clearly, that is going to offset, if not completely eliminate, the advantage of some of the tax reductions we get.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CONRAD. I know we are out of time. I ask for an additional 30 seconds to close.

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

Mr. CONRAD. Mr. President, I am going to go right to the end of my charts. Real median household income has gone down under this President. That is a serious problem for this country, a serious problem for the middle class, and wages are falling behind inflation. This is something which should concern all of us because we see wage increases falling behind inflation. That is why people feel squeezed, and we have not seen anything yet if the fiscal policies of the country are not altered, if we do not begin to get back to fiscal balance to reduce the threat to the long-term economic security of our country.

I thank the Chair.

Mr. DODD. Mr. President, I ask unanimous consent for 1 minute to conclude my comments.

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

Mr. DODD. I thank my colleagues. Mr. President, I thank the Senator from North Dakota for taking a little time to go over this issue. These are our choices. There are those who may think the path we are on is a reasonable and sound one, that these numbers really do not make any difference. We hear that all the time: Deficits don't matter. My colleague from North Dakota has laid out exactly why they do matter and why we are going to have to pay for these things and get our fiscal picture in shape, or we are going to pay an awful price.

When we think of the IMF warning countries about their economic policies or fiscal policies, we are normally talking about third and fourth world nations. Here is the head of the IMF now telling the greatest economy in the history of the world: You better get your act together; not only are you going to hurt yourself, but you are going to hurt the world economy.

In a few days, Americans have a choice to make, and the choice the Senator from North Dakota laid out is a clear one. Politics is about the future. What the Senator is talking about is the future. I am tired hearing about debates 40 years ago. Americans want to know what is going to happen to their kids and grandchildren, and the Senator from North Dakota laid out the scenario that if we do not make the right choices, it will cost us dearly.

I thank the Senator.

THE TAX BILL

Mr. REID. Mr. President, we are shortly going to have before us a tax bill that will increase the debt of this country by, in some estimates, more than $1 trillion. This year's deficit that the President acknowledges is $430 billion. Of course, as we have learned here today in the presentation of Senator CONRAD, the ranking member of the Budget Committee, that doesn't take into consideration the cost of the war, nor does it take into consideration the fact that he is borrowing money from the Social Security trust fund. So the debt, of course, is closer to $600 billion, this year.

Today we learn from any newspaper we pick up that one way the President is going to try to save a few bucks is by going after the poorest of the poor. He is doing this by changing housing subsidies. I quote: ''The Bush administration is changing the fair market rent to section 8 tenants. The Government pays tenants about 7 percent of this amount. Here's a sampling in metropolitan areas.''

This sampling will cause the hair on the back of your head to come up. What has happened is, to help the President pay for all the things to help the rich of this country, corporate America, he is going after the poorest of the poor. The poor in Boston, section 8 tenants, in a one-bedroom apartment will lose 5 percent; in a four-bedroom apartment, 27 percent. In Detroit, they will lose, in a one-bedroom apartment, 6 percent; a four-bedroom apartment, 21 percent. In New Haven, they will lose 4 percent on a one-bedroom, 21 percent on a four-bedroom; in Trenton, 18 percent on a four-bedroom; in Atlanta, 16 percent; in New York City, 14 percent; in Philadelphia, 13 percent. On and on with these slashes that affect the poorest of the poor.

I hope the people around this country are seeing what has happened to the fiber of our country. We used to talk

about a safety net. There is no safety net anymore. It has been eradicated in the last 4 years. Section 8 tenants in the major cities of America are going to really suffer. It is too bad. It is too bad that the poor are getting poorer, the rich are getting richer, the middle class is becoming smaller and smaller. That is what this administration has done to America.

I yield the floor, and any time I have left in morning business, I yield back.

LOBBYING ABOUT MEDICARE

Ms. STABENOW. Mr. President, I felt compelled to come to the Senate floor today to respond to something I read today that was in the newspaper, the Hill, that relates to another effort to confuse people about what happened with the Medicare prescription drug bill, the Medicare cards that I hate to even call discount cards because they are not discounts. In fact, we are now seeing an effort to pay people to reach out and say something nice about the Medicare prescription drug bill and to get seniors to do it. Let me read to you some of this article.

A Republican lobbying firm is offering healthcare consultants almost $4,000 each to find senior citizens who are willing to speak out in favor of the Medicare drug discount card and write letters to Congress thanking members for saving them money on pharmaceuticals.

Obviously, it is difficult to find people to do that, so now they are paying people to go out in the form of headhunters, if you will, to find people who are willing to say something nice about the new Medicare prescription drug bill.

The DCI Group, a Washington, DC-based lobbying shop that advertises to potential clients that it can treat ''corporate issues like campaigns,'' is offering healthcare consultants $3,750 plus expenses over six weeks [between now and the election] to generate positive news stories about the drug card and offer support to Congress for voting for the Medicare drug law . . .

A recent e-mail sent from the DCI Group's Starlee Rhoades to healthcare consultants says that the campaign will run from September 15 to October 31 and that the client is RetireSafe, which has sponsored the hiring of healthcare consultants . . .

to go out and say good things about the Medicare prescription drug bill.

The DCI Group represents the Pharmaceutical Research and Manufacturers of America—PhRMA.

That is not surprising.

Tony Feather, who helped found the DCI Group, has close ties to President Bush's top political adviser, Karl Rove.

Also not a surprise.

The DCI Group e-mail to healthcare consultants, obtained by The Hill, stipulates a number of ''minimum deliverables'' that come with the job of touting the drug card.

Or duties, if you will.

The e-mail says that RetireSafe wants seniors, families of seniors and healthcare community leaders ''to send letters to their congressmen and senators thanking them for supporting the Medicare benefit, or asking for that support in the future.'' [And by the way] ''We have help available to write letters if the signer is not comfortable drafting the letter entirely on their own.''

For $3,750 plus expenses, health care officials must be available as an expert source of information to the media and that community and personally stop by the offices of their Congressman and Senators and thank them.

This is also very important as part of the deliverability. They must bring at least one senior or health care community leader to stand up at a townhall meeting and thank the lawmaker. I look forward to that.

The DCI group also asked the health care consultant to speak out on their own in support of the drug card.

Finally, every Wednesday from now until the 31st they are expected to send a report to the DCI that answers many questions, including how many events they attended. Did you speak in favor of the card and benefit? How many health care leaders did you ask to stop by the office of their Congressman or Senators? And how many actually did.

Then it says you will be responsible for acting as a local spokesperson at community events and media to get health care professionals' opinions, which goes a long way in making the story seem credible to the general public.

Reached yesterday, the lady involved initially denied she was involved in this campaign. But when told that her e-mail had been distributed widely, she said, ''I can't talk about it.''

I feel compelled to talk about this and to take a moment and say that $3,750 will buy a lot of Medicare for seniors. In fact, I am tempted to actually encourage seniors in my State and around the country to offer to say something nice between now and the election because they can buy a lot of medicine with this. That would be a better way to put it if, in fact, we were giving it directly to seniors.

The truth is, this was a good bill. If the discount cards were really a discount, if the Medicare prescription drug bill was really good for seniors, you would not have to pay consultants $3,750 plus expenses for 6 weeks. And the truth is, it doesn't matter how much you pay. Seniors know. They are the ones who have to write the checks. They are the ones who have to go to the counter every day and every month to look at what the bill is and decide if they walk away with their medicine or leave it there at the counter. They are the ones who decide whether they take them every other day, cut them in half, share them with their spouse, maybe don't get the medicine, pick it up today or get their medicine another day.

This is real for people. No matter how many consultants are paid $3,750 plus expenses, people know. It is unfortunate that there are those who underestimate the intelligence of older people in our country, their families, or the disabled. They know.

I hear stories every day of people who have gone to the Web site for Medicare and tried to wade through all of the cards—up to 70-some different cards—to figure out how to get some kind of discount. Then they look at prices continuing to go up.

I had a lady the other day tell me she bought the card, paid $25, and a couple of weeks later the medicine she was taking no longer had the discount, and she didn't get her money back.

People know. That is the great thing about our country. It doesn't matter what you have or how much you spend. People know whether they are better off. People know what is really happening.

We need to get about the business of getting this Medicare prescription drug bill right. We need to go back and do it over again, and do it right. Pharmacists need to have the ability of doing business with pharmacists in Canada who can really cut prices in half. Then we don't have to pay consultants $3,750 plus expenses to go find the senior citizen who would say something nice about a Medicare bill. People would say it because it would be true and it would be real.

But in the meantime, I say to folks who are today trying to figure out who to pay for their medicine, you might want to try offering, during the next 6 weeks, to say something nice about the Medicare bill for $3,750 plus expenses. I know it would buy my mom a lot of medicine. It would buy a lot of folks a lot of medicine, and it would be a better way to spend it than have more lobbyists trying to tell folks something that is not true.

The PRESIDING OFFICER. All time has expired.

The Senator from Kansas.

Mr. ROBERTS. Mr. President, I ask unanimous consent that the remainder of the morning business time be reserved.

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF PORTER J. GOSS TO BE DIRECTOR OF CENTRAL INTELLIGENCE

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to executive session to begin consideration of Calendar No. 815, which the clerk will report.

The legislative clerk read the nomination of PORTER J. GOSS, of Florida, to be Director of Central Intelligence.

The PRESIDING OFFICER. Under the previous order, there are 6 hours of debate on the nomination equally divided between the chairman and vice