loses her job to be replaced by someone who is now being sent to school because she doesn't know contracting.

This is happening at a time when we hear these stories of $85,000 trucks left by the side of the road to be burned because of a flat tire—the taxpayer is paying for it; it doesn't matter—25 tons of nails, 50,000 pounds of nails ordered, wrong size, throw them in the sand. Want to find 25 tons of nails? They are in the sand in Iraq, paid for by the American taxpayer.

Where is the accountability? It is unbelievable the amount of waste that has existed. And the one person who had the courage to talk about it publicly lost her job. That is still the subject of a great deal of angst in the Pentagon.

So yesterday the Pentagon announces that they are finally going to end sole-source contracts and require competitive bidding, and finally the taxpayers appear to get a break. But this was several overdue.

There is more that needs to be done. One of the things the Pentagon has apparently also decided to do is to outsource oversight. You can't outsource oversight. It has been tried before. They had companies that were partners in contracts in other countries come into Iraq to provide oversight over each other. You can't do that. You can't delegate oversight, especially not to companies with conflicts of interest. The oversight responsibility for spending the taxpayers' money is with the Government, not someone you hire that will have a patently obvious conflict of interest.

While the Pentagon is taking a step forward today in their announcement about the ending of these sole-source contracts, they are taking another step backward on this issue of deciding they are going to hire other companies to provide oversight to make sure the taxpayers' money is being spent in the way anticipated. That makes no sense.

Here is another whistleblower account. Rory Mayberry worked in Iraq for Halliburton. He worked in food service. He was the manager of a food service that provided food to the troops. He came to us and said: We had food that was date stamped expired. The Halliburton supervisors said: It doesn't matter, just feed to it the troops. And they said: By the way, don't you dare talk to a Government auditor. If a Government auditor comes around and you talk to that person, either you will be fired or you will be sent to an area where there is hostile action. He talked to a Government auditor. He was sent to Fallujah during the height of the action there.

The stories are unbelievable. And finally, the Pentagon is taking a step in the right direction in one area, stepping backward in another. But I hope the Pentagon understands, when they open these contracts called the LOGCAP contract and the RIO contract, when they open these contracts and finally insist that there be competition between companies in order to provide some safety for the American taxpayer and to be sure that we are getting what we are paying for, I hope they will understand that there has to be adequate oversight.

We have introduced legislation, myself and many of my colleagues, called the Honest Leadership and Accountability in Contracting. What the Pentagon is doing today appears to be in line with one piece of it, and it is a step in the right direction. But much more needs to be done.

I ask those in the Pentagon to take a look at what we will send to them as a result of a number of hearings in which whistleblowers who have worked for these contracts, particularly Halliburton that has received very large sole-source contracts worth billions of dollars without bidding, I would hope they would take a look at this and evaluate whether the performance is performance that is worthy of receiving other contracts. The list is endless. I will not go over it again.

This morning's announcement by the Pentagon is finally a recognition that there needs to be competition. It is one step in the piece of legislation I and many of my colleagues offered some months ago. My hope is they will finish the job and do what is necessary to give the taxpayers full value and full measure for the money that is being spent on these contracts.

I yield the floor.

## MIDSESSION BUDGET REVIEW

Mr. REED. Mr. President, when the administration released its midsession review of the fiscal year 2007 budget yesterday, it made a number of claims about how its policies have been successful at promoting economic growth and bringing down the budget deficit. In this case, however, as in so many others, the administration is looking through rose-colored glasses, exaggerating the successes of its policies and ignoring the true costs.

Let's begin by putting the improvement in the fiscal year 2006 budget deficit in perspective. It is true that tax revenues have grown this year—as they always do in a business cycle expansion—and that revenues have been coming in stronger than expected. But the current projected 2006 deficit of $296 billion is just a little lower than the fiscal year 2005 budget deficit of $318 billion. It is still the fourth largest budget deficit on record in nominal terms.

The Bush administration wants us to compare the current estimate of the fiscal year 2006 budget deficit with the exaggerated estimate of $423 billion they made in their February budget projection. As the noted budget expert Stan Collender wrote at the time:

> This President has a well-established history of overstating the deficit early in the year and then taking credit when it turns out to be lower than projected, even if it has done nothing to make that happen.

And, of course, that is exactly what we are seeing right now.

The real story is the sharp deterioration of the budget in this administration. When President Bush took office, the Congressional Budget Office projected large and growing Federal budget surpluses under existing laws and policies—the so-called baseline projection—including a budget surplus of over $500 billion in fiscal year 2006. However, the President has presided over an incredible reversal of fortune. A $128 billion Federal budget surplus in fiscal year 2001 turned into a $318 billion deficit by fiscal year 2005 and a projected deficit almost as large in fiscal year 2006. This is not news to crow about. Frankly, it reveals, as I suggested, a tremendous reversal in the budget fortunes of this country.

A $5.6 trillion, 10-year projected surplus from 2002 to 2011 has turned into a deficit of $2.7 trillion. So from the time the President took office until today, what we thought was going to be a $5.6 trillion surplus is now a $2.7 trillion deficit, an extraordinary change in the fiscal year health of the United States.

Realistically, this 10-year deficit is probably much higher because it does not include big-ticket items such as the war costs which are being funded on supplemental appropriations and not properly projected into the budget base; and the need to make tax adjustments like fixing the alternative minimum tax.

Instead of sound budget policies aimed at preparing for the imminent retirement of the baby boom generation, the Bush administration and the majority in Congress have refused to adopt the kinds of budget enforcement rules that helped achieve fiscal discipline in the 1990s. They have pursued an open-ended commitment to stabilizing Iraq that relies on supplemental appropriations rather than the normal budget process, and they have remained committed to extending irresponsible tax cuts that will add further to the budget deficit. All of this comes at the cost of inhibiting greater economic opportunities for most American families.

That, of course, is not what we are hearing from the administration and its supporters who keep telling us that the economy is doing well, and that their tax cuts are an important reason why, and that everyone is benefiting. It should not be surprising that this is not a message which is resonating with the American people because, in fact, the current economic recovery has been weaker than the typical business cycle recovery since the end of World War II, and large numbers of Americans are still waiting to benefit from the economic growth that we are purportedly seeing.

Job growth has been very slow by the standards of past recoveries, real wages are stagnating, and disparities in income and earnings are growing wider. Last Friday we learned that employers added only 121,000 jobs to their payrolls in June, and that employment growth over the past 3 months has averaged just 108,000 jobs per month. Those are not the kinds of figures you expect to see in a healthy job market. They are not even enough to keep up with normal growth in the labor force.

You also don't expect to see the earnings of the typical worker fallin behind inflation year after year in a growing economy, but that is what has happened since 2003. Average hourly earnings have fallen in each of the past 2 years, and real median household income has declined by about $1,700 under President Bush.

The benefits of economic growth over the last several years are simply not being shared fairly. Those at the upper income levels are seeing gains but, frankly, not the same robust gains of the 1990s, when we saw the proverbial picket fence, where there were positive gains at every level of income in the United States from the poorest to the richest. Now, we are seeing a distribution of income that is skewed to the very richest. At the bottom income and middle income level, there is a loss in real earnings since the President took office. They are not even keeping up.

While wages have stagnated and incomes are falling for most workers, profits have grown to record levels. Corporate profits have grown at an annual rate of over 16 percent, more than twice the average growth rate in past recoveries. Strong productivity growth has shown up on the bottom lines of shareholders, but not in the paychecks of workers.

It seems clear that investors are benefiting greatly from Bush administration policies, but hard work goes unrewarded. Most Americans depend on their salary, not their investments, to pay their bills. Too many Americans are being squeezed by stagnant incomes and rising costs for gasoline, health care, and education. Somehow, the Bush tax cuts are supposed to make up for this.

However, the nonpartisan Tax Policy Center estimates that the tax cuts passed this year will only save the typical American family about $47—about what it now costs to fill up the gas tank of their minivan. But taxpayers making over $1 million will receive a tax cut of more than $42,000—enough to buy a new Mercedes.

Ironically, the sources of the revenue surprises that have led to the improvement in the fiscal year 2006 budget prospectus mirror the growing disparity between incomes at the top of the distribution and incomes for typical American families. Corporate tax receipts are substantially higher than originally projected, and much of the unexpected increase in individual income taxes appears to come from income gains by high-income taxpayers.

In particular, tax receipts for income not automatically subject to withholding, known as nonwithheld receipts, were 20 percent greater during the first 9 months of 2006 compared to 2005. Nonwithheld income is not ordinary wages; it is income such as capital gains, executive bonuses, noncorporate business income, and interest on dividends.

Unfortunately, middle- and lower-income families are paying the price for the President's tax cuts for the wealthiest, as investments in programs that promote greater economic prosperity for ordinary Americans have become candidates for budget cutting.

The President's budget includes cuts to elementary and secondary education, student financial aid for higher education, job training for displaced workers, child care assistance so that parents can go to work, and community development grants aimed at expanding small businesses.

Getting our fiscal house in order is the first step toward keeping our economy strong. But we also can't shortchange investments in research and technologies that will create the high-wage jobs of the future. Our policies should be refocused toward promoting lifelong education and training for our citizens in order to allow Americans to increase their earnings, their personal savings, and their ability to own a home.

Today, we are at war and yet there is no sense of the shared sacrifice that has united this country in past conflicts. Our military families are making tremendous sacrifices, and too many of them have made the ultimate sacrifice in service to our country.

With $320 billion appropriated or pending for Iraq operations to date and more than 2,500 service men and women killed, the human and financial tolls are both more staggering than imagined.

With mounting war costs, the impending retirement of the baby boom generation, and deficits as far as the eye can see, it is unconscionable to think that we are being asked to make the President's irresponsible tax cuts permanent. Those tax cuts were poorly designed to stimulate job creation and broadly shared prosperity when they were first passed, and they have produced a legacy of large budget deficits that leave us increasingly hampered in our ability to deal with a host of challenges that we face as a Nation.

Large and persistent budget deficits have contributed to an ever-widening trade deficit that forces us to borrow vast amounts from abroad and puts us at risk of a major financial collapse if foreign lenders suddenly stop accepting our IOUs. We had a current account deficit of nearly $800 billion last year and our international financial debt continues to mount.

Raising our future standard of living and preparing adequately for the retirement of the baby boom generation require that we have a high level of national investment and that a high fraction of that investment be financed by our own national saving—not by foreign borrowers. We followed such prosperity-enhancing policies under President Clinton, but that legacy of fiscal discipline has been squandered under President Bush.

No matter how rosy a picture the administration tries to paint, neither the present nor the future fiscal outlook seems terribly bright. Instead of more tax cuts for the wealthiest among us, we need to invest more in hard-working families and create greater opportunities for every American. We cannot afford the costs of failing to meet that challenge

## CHILD MARRIAGE PREVENTION AND PROTECTION ACT OF 2006

Mr. DURBIN. Mr. President, I rise today to announce that tomorrow I will introduce the Child Marriage Protection Act of 2006 which is cosponsored by Senator CHUCK HAGEL of Nebraska. I have believed for a long period of time that one of the best predictors of how a nation will develop economically can be found in the answer to one question: How does that nation treat its women? If women are treated as property or slaves without rights or opportunities, the country's prospect for economic advancement will be low. But if women have the opportunity to advance and prosper, so will their nation.

The untapped economic and educational potential of girls and women in many developing nations represents an enormous loss to those societies. If women play such a key role in economic development, then we have to start with an even more basic question: How does a country treat its daughters? Girls' educational opportunities and access to health care are key variables in this equation.

The issue of child marriage is another important, but often unrecognized, element that significantly affects access to education and dramatically shapes the lives of girls and women in many developing countries. That is why Senator HAGEL and I will be introducing this bill.

Child marriage is dangerous to the health of girls and young women and their children, detrimental to economic progress, illegal in most countries, and yet common in many parts of the world. In some countries, girls as young as 7 or 8 years old are often married.

This last week's New York Times Sunday magazine had a pictorial display of some of these child marriages around the world. It was heartbreaking to see girls who would be in the second and third grade in the United States of America being claimed as wives by these older men.

Early marriage also carries with it serious health risks. In developing countries, girls aged 10 to 14 who become pregnant are five times more likely to die in pregnancy or childbirth than women who are 20 years to 24 years of age. Their children suffer from high mortality rates as well.

In countries with high rates of HIV/AIDS, child marriage is itself a risk