

that this money is spent properly and not wasted.

According to the preliminary results of a General Accounting Office investigation of the terrorism budget requested by me, Senators KYL, GRAHAM, and SHELBY, Congressmen SENSENBRENNER and CONYERS, the combating terrorism budget increased 276 percent in just 1 year—and is going to increase even more. Consider the following figures: a \$40 billion supplemental appropriation bill was passed shortly after September 11 last year; the August 2002 emergency supplemental amounts to \$29 billion; and the fiscal year 2003 budget request is \$45 billion.

The GAO also found that counterterrorism missions are spread over multiple agencies and appropriations, but no real cross-agency terrorism budget exists. Neither the President nor Congress has a clear idea of how much we are spending to fight terrorism.

The GAO recommends that extensive interagency coordination and oversight is needed not just to determine how much we are spending to fight terrorism but to figure out where our priorities are.

In addition, the GAO found a number of areas of potential overlap—areas where money seems to be wasted through duplication of efforts.

These areas cut across every agency and include law enforcement, grant programs for State and local government, weapons of mass destruction training, critical infrastructure protection, research and development to combat terrorism, and terrorist-related medical research.

The creation of a new Homeland Security Department alone will do nothing to solve these problems. Simply moving agencies into a new organization is insufficient to minimize duplication and waste.

We need to be sure that the President, his Homeland Security Adviser, and the Secretary of the new department work with Congress to assist agencies in consolidating terrorism programs, eliminating duplicate efforts, and coordinating complimentary agency functions.

The issue of how best to ensure oversight over funds to combat terrorism does not stand in the way of our getting this legislation passed. The same cannot be said for the labor provisions.

As we know, these provisions remain the major barrier between the White House and Congress.

I do not see any inherent clash between collective bargaining rights for Federal employees and homeland security.

And I support civil service protections at the new Department of Homeland Security.

I support management flexibility, and I think that the Lieberman bill provides it. Under the bill, the new Secretary will have broad powers to hire and fire whom he wants.

The bill also includes a number of new flexibilities in recruitment, hiring, training, and retirement.

The Lieberman bill gives the administration flexibility in these areas. While the collective bargaining rights of federal employees in the new department will be grandfathered in, the President will be free to strip them of their collective bargaining rights if the job of those employees changes.

To me, I could not imagine a more ill-timed attack on the Federal employee unions. After all, Department of Defense civilians with top secret clearances have long been union members and their membership has not compromised national security.

And many of the heroes of September 11 were unionized. The New York City firefighters who ran up the stairs to their deaths did not see any conflict between worker rights and emergency response.

At a time of such massive restructuring of the Federal Government, we must maintain as much continuity as possible. By weakening workers' benefits, the government risks losing many highly qualified individuals to the private sector. There is also a large percentage of workers who, if push comes to shove, can opt for early retirement.

This is no time for the Federal Government to suffer a so-called "brain drain," and be forced to train individuals from scratch.

The last thing we want to do in the middle of our war on terrorism is lose experienced employees on the front lines of this war—employees at the Coast Guard, the Department of Defense, the Federal Emergency Management Agency, the Border Patrol, the Federal Aviation Administration, and other agencies that work around the clock to prevent another attack.

In closing, I would like to emphasize my belief that, in this age of uncertainty, in these uneasy times, the United States deserves a unified, streamlined, and accountable Department of Homeland Security.

Equally important, is the need to guarantee that our efforts to combat terrorism, much of which will come under the jurisdiction of this new department, remain consistent to our democratic values and our commitment to an open and free society.

We must protect legal immigrants and innocent children, who have no part in this war. We have always been a nation of immigrants—and to change this fundamental truth would undermine one of the pillars of our society.

If we fail on either of these fronts, the forces of terror would triumph without another attack.

I believe that the Lieberman substitute amendment accomplishes this in a thorough and just way. A Department of Homeland Security under its guidelines will go a long way in making us more secure from terrorist attacks.

I stand in support the Lieberman bill. And I remain confident that the executive and legislative branches will be able to work out any existing differences.

We must be patient and thorough, and we must get this done right. Present and future generations depend on us.

Mr. LIEBERMAN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. Three minutes.

Mr. LIEBERMAN. Senator THOMPSON asked me to yield him up to a minute, and then I ask that Senator AKAKA, a member of our committee, be allowed to close the debate with the remainder of our time.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. THOMPSON. Mr. President, I thank my friend from Connecticut.

The Senator from Oklahoma is exactly right. I go back to what I said when I made my opening statement a few minutes ago. The bottom line is, the important issues of national security authority for the President, management authority for the new Secretary, what kind of intelligence component we are going to have in this bill, what kind of reorganization authority we are going to give the President—all that would be wiped out if this passed. None of that is going to be germane.

Take the management part, for example. To be germane, it would have to be narrowing. If we struck the management structure from the current bill, that perhaps would be germane, but we don't do that. We suggest a different kind of management structure. I don't see how in the world that could be considered germane.

What it would do would be to take that whole debate of management flexibility—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. THOMPSON. And do away with it. I respectfully suggest that is not a good idea.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. Mr. President, today I rise to discuss the current flexibilities available to agencies in the Federal Government and urge my colleagues to vote for cloture on this bill. The President has called for flexibility to manage the workforce. I agree and have said repeatedly that we must have the right people with the right skills in the right places. I have long been a proponent of providing agencies with tools they need to better manage their workforce. I agree with the President that agencies need flexibilities to carry out agency missions. However, according to David Walker, Comptroller General of the United States, agencies currently have many of the flexibilities they need. Current law allows managers to remove a Federal employee from his post and suspend him immediately without pay if the head of the agency finds that action necessary in the interests of national security, 5 USC 7532;

Swiftly reassign Federal employees to fight terrorism and reassign Federal

employees to similarly graded positions or detail them from other agencies or within the Department and the employees who refuse reassignments or details may be terminated, 5 CFR part 335;

Retrain, reassign and reshape their workforce;

Choose whether to fill a vacant position from the outside or the inside, eliminate positions due to changes in programs, lack of funding, reduction in workload, reorganizations, privatization, "divestiture," or contracting out; establish personnel ceilings, or decide to re-employ a returning worker; determine the job or jobs to be eliminated in the context of a reduction in force, and unilaterally reassign employees to vacant positions in the agency;

Have additional management rights including: promotions; adverse actions, suspensions for 14 days or less; suspension for more than 14 days; removals; demotions, reductions in grade or pay; permit the return of a career appointee from the Senior Executive Service, SES to the GS or another pay system; the power to reassign, transfer, and detail or fire of a career SES employee; determine the substance of a position description, its performance standards of an employee's position, and award, or not award, performance payments;

Decide whether employees have earned pay increases known as "step" increases, based upon performance, and are able to grant employees additional financial "incentive awards" such as performance-based cash awards, special act or service awards, and quality step increases; and

Decide whether to award recruitment, retention, and relocation bonuses worth up to 25% of base salary.

In addition, the Lieberman substitute provides additional flexibilities Governmentwide. The Voinovich-Akaka amendment, which was included in the Lieberman substitute unanimously by the Governmental Affairs Committee, allows agencies to hire candidates directly and bypass the current requirements under Title 5 once OPM has determined that there is a severe shortage of candidates for the position.

This provision allows agencies to streamline its staffing procedures by authorizing use of an alternative method for selecting new employees instead of the traditional rule of three. This will make the Government more competitive with the private sector by improving the Federal hiring process. Under the new system, the agency may divide applicants into two or more quality categories based on merit and select any candidate from the highest category while maintaining veterans hiring preference.

The amendment provides Governmentwide authority for Voluntary Separation Incentive Payments and Voluntary Early Retirement Authority, two provisions currently in place in limited situations. The expansion of

this authority would give agencies the flexibility required to reorganize the workforce should an agency need to undergo substantial delayering, transfer of functions, or other substantial workforce reshaping. The provision would allow agencies to reduce high-grade, managerial, or supervisory positions, correct skill imbalances, and reduce operating costs without the loss of full time positions.

To address the impending human capital crisis, the government will need to retain Federal employees with institutional knowledge. To assist in this effort, the amendment increases the cap on the total annual compensation of senior executive, administrative law judges, officers of the court, and other senior level positions to allow career executives to receive performance awards and other authorized payments.

The Akaka-Voinovich amendments also helps ensure that we have a world-class Federal workforce and can retain talented Federal employees who wish to continue their education. This provision reduces restrictions on providing academic degree training to Federal employees and requires agencies to facilitate online academic degree training.

As a result of the current flexibilities and those provided in the Lieberman substitute, it is curious why the President continues to demand additional flexibilities. As I have previously stated, studies indicate that the flexibilities at the Federal Aviation Administration and the Internal Revenue Service have not provided the intended results and employee morale is very low. With such uncertainty in additional flexibilities and the great importance of this new agency, I question the need for such a broad grant of power. I believe the existing flexibilities and the Voinovich-Akaka provisions provide agencies the tools that they need to manage effectively their workforce. I urge my colleagues to support the Lieberman substitute and vote for cloture.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Lieberman substitute amendment No. 4471 for H.R. 5005, Homeland Security legislation.

Jean Carnahan, Herb Kohl, Jack Reed (RI), Richard J. Durbin, Kent Conrad, Paul Wellstone, Jim Jeffords, Max Baucus, Tom Harkin, Harry Reid (NV), Patrick Leahy, Jeff Bingaman, Barbara Boxer, Byron L. Dorgan, Mark Dayton, Debbie Stabenow, Robert Torricelli, Mary Landrieu, Joseph Lieberman, Robert C. Byrd.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call under the rule is waived.

The question is, Is it the sense of the Senate that debate on the Lieberman amendment No. 4471 to H.R. 5005, an act to establish the Department of Homeland Security, and for other purposes, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO) is necessarily absent.

The PRESIDING OFFICER (Mr. EDWARDS). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 50, nays 49, as follows:

[Rollcall Vote No. 218 Leg.]

YEAS—50

Akaka	Dodd	Levin
Baucus	Dorgan	Lieberman
Bayh	Durbin	Lincoln
Biden	Edwards	Mikulski
Bingaman	Feingold	Murray
Boxer	Feinstein	Nelson (FL)
Breaux	Graham	Nelson (NE)
Byrd	Harkin	Reed
Cantwell	Hollings	Reid
Carnahan	Inouye	Rockefeller
Carper	Jeffords	Sarbanes
Cleland	Johnson	Schumer
Clinton	Kennedy	Stabenow
Conrad	Kerry	Torricelli
Corzine	Kohl	Wellstone
Daschle	Landrieu	Wyden
Dayton	Leahy	

NAYS—49

Allard	Frist	Nickles
Allen	Gramm	Roberts
Bennett	Grassley	Santorum
Bond	Gregg	Sessions
Brownback	Hagel	Shelby
Bunning	Hatch	Smith (NH)
Burns	Helms	Smith (OR)
Campbell	Hutchinson	Snowe
Chafee	Hutchison	Specter
Cochran	Inhofe	Stevens
Collins	Kyl	Thomas
Craig	Lott	Thompson
DeWine	Lugar	Thurmond
Domenici	McCain	Voinovich
Ensign	McConnell	Warner
Enzi	Miller	
Fitzgerald	Murkowski	

NOT VOTING—1

Crapo

The PRESIDING OFFICER. On this vote, the yeas are 50, the nays are 49. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that Senator REED of Rhode Island be recognized for up to 10 minutes to speak as in morning business; that when he has completed his remarks, a quorum call be entered, and that when the quorum call is ended, the Senator from Connecticut, as manager of the pending legislation, be recognized.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Rhode Island.

THE ECONOMY

Mr. REED. Mr. President, I thank the Senator from Connecticut for his gracious intervention on my behalf. We

are debating today homeland security. We are also engaged in another significant debate about international security in the context of Iraq and the war on terror. But as Senator DASCHLE reminded us, we also have to be concerned about economic security in the United States.

Frankly, the economic numbers we have been seeing lately do not give much confidence to the American people that their economic security is being protected. As the vice chairman of the Joint Economic Committee, I have the opportunity to review, along with the staff, the reports that are coming in about our economy. It is clear that GDP is growing, but too slowly to make much of a dent in the unemployment rate. People who have lost their jobs face a much more difficult job market, and many are beginning to exhaust their unemployment benefits.

Everyone is facing increased premiums for health care. Employers are cutting back their contributions to health programs. They are being stressed in terms of adequately funding pension programs. These are the real concerns of Americans today all across this country.

When we look at the numbers, when we look at the reports, the conclusion is, obviously, we are still in an economic slump. Indicative of this are the figures I have on this chart. This is the record of job growth, but it is not growth at all, it is job loss during the Bush administration. In January 2001, there were 112 million jobs, today, August 2002, 110 million jobs—a loss of over 2 million jobs that have not yet been replaced in this economy.

The unemployment rate in August was 5.7 percent. That is one and a half percentage points higher than it was when President Bush took office. The number of unemployed Americans was more than 2 million higher in August than it was when President Bush took office, as indicated by this chart.

There is also another telling statistic that is within these unemployment numbers. The number of long-term unemployed Americans—those who have been unemployed more than 26 weeks—has increased significantly. This chart reflects that increase. In January of 2001, 648,000 Americans had been unemployed more than 26 weeks; in August 2002, 1,474,000 Americans were unemployed more than 26 weeks—a significant jump. It is significant not just in terms of numbers but in terms of something else: Americans exhaust their basic unemployment benefits after 26 weeks. Unless we have an extended benefit program in place, after 26 weeks American workers have no support as they look for jobs, as they try to support their families, as they try to make ends meet. This problem is not going away.

Although as part of the stimulus package we have passed extended benefits, they are scheduled to expire at the end of this year, so we have a real obli-

gation in these remaining days to protect a basic tenet of economic security in this country, and that is to provide extended unemployment benefits.

The 1,474,000 will increase, and these individuals will not have the support they need to provide for their families. The little bit of growth we have seen so far is not going to head off a jobless recovery.

It should be noted that when President George Herbert Walker Bush was President and we were in a recessionary period in 1991, the unemployment rate rose another full percentage point in the 15 months after the GDP started to grow again. So we can likely see increased unemployment.

There are forecasters who have suggested our economic growth will be about 2.8 percent for the rest of the year—that is the Blue Chip consensus forecast—but the economy has to grow at more than 3 percent to generate the kind of new jobs that will reverse this unemployment situation. No consensus forecaster fully expects that type of growth going forth. As a result, most economists suggest and predict that unemployment rates will rise to 6 percent. Again, this is a real challenge to the safety and security of the American family, just as real as the threats we are debating in terms of homeland security and international security.

The conclusion, as one looks at these numbers and the economic performance from the time the President took over, is that President Bush's economy looks a lot like his father's economy. It is in recession, unemployment is growing, it will continue to grow, and yet there has not been an adequate response to this problem by the White House. He seems to have one proposal with respect to every economic question, and that is cutting the taxes of the wealthiest Americans.

As this chart indicates, this is the effect of the proposed tax cuts of President Bush, tax cuts that were enacted last year. At year 10, when they are fully realized, the average benefits, based on income level, will be as portrayed in this chart. The lowest 20th percentile of Americans will receive about \$66 a year in benefits. It goes up to about \$375 for individuals making around \$20,000, \$600 for those making about \$39,000 a year. The real gain, the real benefit, goes to the very wealthiest Americans—\$55,000 roughly, on average, for the top 1 percent. That is their annual savings for the tax benefits generated by the Bush tax proposal. This is not fair, and it is not smart. Unless we get all Americans participating fully in our economy, having the disposable income to go to the store to keep consumption up, to keep demand up, we are not going to have an economy that works for any American. Indeed, this is a glaring example of what some criticized Democrats for—class warfare. What is more unfair, inequitable, and slanted toward a class than this tax cut which favors the wealthiest Americans?

In addition to these tax numbers, we have to understand that these tax cuts have put enormous pressure on other programs that are decisive for every American, but particularly important for low-income Americans: Medicaid Programs, Medicare Programs, a host of other programs that need Federal support. That support has been strained dramatically because of the pressure of the tax cut.

We are at a point now where we have to act. We have to act in the very short run to restore extended unemployment benefits for the growing number of long-term unemployed Americans. We have to act, also, to resist the temptation to make all of these tax benefits permanent. However unfair this situation is, it will be compounded, and it will be compounded dramatically, if we make the tax cuts of the last year permanent.

We have to go ahead and focus on those issues that are critical to the welfare of the American family today, for their economic security today. We have to be concerned about pensions, their strength. We have to protect, I believe, Social Security, which is the bedrock of America.

I wonder how many employees of Enron and WorldCom and other companies 2 years ago would have considered their Social Security as just a trivial benefit compared to their expanded and ever-growing 401(k) plans. Today, I suspect, they see their Social Security benefit, their defined benefit, as a lifeline, allowing them to make ends meet, or at least giving them a little extra to get through.

We have to be strong in terms of protecting the bedrock program, Social Security. We have to be concerned about rising health care premiums and prescriptions drug costs. None of these problems can be addressed unless we provide the leadership, the resources, and the attention the American people demand.

Let me conclude by saying, again, there is at least one thing we must do in the next several weeks: Extend long-term unemployment benefits. Unemployment, long term, is growing. It will continue to grow for many months. American workers deserve the opportunity for some support as they look for new jobs. They deserve the opportunity to help their families as they get through a very difficult period of time.

I yield the floor.

MORNING BUSINESS

Mr. REID. Mr. President, under the previous order, we go into a quorum call and, following that, Senator LIEBERMAN will be recognized. I ask unanimous consent that the Senate now proceed to a period of morning business until 3 p.m. today, and, following the morning business being terminated, the Senator from Connecticut, Mr. LIEBERMAN, the manager of the bill, be recognized.

There is a lot of work going on regarding homeland security and different ways of moving forward. Senator LIEBERMAN and his staff and Senator THOMPSON and his staff and the two leaders have been working.

I also note that at 2 p.m. there is a gold medal ceremony in the Capitol Rotunda for General Shelton. I think the time would be well spent if we were not working directly on the bill so people would not have to worry about procedure.

I ask unanimous consent we go into morning business until 3 p.m., and at 3 p.m. Senator LIEBERMAN be recognized, and during that period of morning business the majority and minority have equal time of 10-minute limitations.

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

Mr. REID. 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. WARNER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

VIOLENCE IN THE MIDEAST

Mr. WARNER. Mr. President, in the past 24 hours the world awakened again to another tragic incident causing great damage, death, harm, and destruction to the people of Israel. There are now news reports that, understandably, the Israelis are positioning their forces such that they, first and foremost, have to defend their sovereignty and the people of their nation, but that could again result in injury and death to others.

Regrettably, this has gone on for a very long time. Speaking for this one Senator, I feel it as an obligation on me, and I share that obligation with my colleagues, to address this subject and to put forth our own ideas as best we can fashion them. I am about to do that again. For the fourth time I have taken this floor and spoken about a concept I have had. I once again share it with my colleagues in hopes, if they have a better idea, if this administration has a better idea, then put it forward.

My thoughts were expressed on the floor on May 2 of this year in the CONGRESSIONAL RECORD, page 3812; June 21, CONGRESSIONAL RECORD, page 5891; July 24, CONGRESSIONAL RECORD, page 7299.

On August 2, roughly 6 weeks ago, I wrote the President of the United States. Copies were sent to his principal Cabinet officials having responsibilities in these areas. I am going to read that letter because it embraces my thoughts. Even though it was 6 weeks ago, I still steadfastly believe this is one approach to this tragic situation that deserves consideration.

I fully understand our President and his Cabinet are heavily engaged with

regard to critical considerations on Iraq and the United Nations. But I believe there is a connection between the ongoing crisis and the unsettled situation and the death and destruction in this tragic conflict between Israel and the Palestinian people.

Six weeks ago I wrote to the President. This is the first time, of course, I have made public this letter. I respect the President of the United States of whichever party. In these 24 years I have been privileged to be in the U.S. Senate, I have written on occasion, as each of us do, to our Presidents. But I try not to write the letter and within the same day or days release it. So this is the first time I have released this letter. It was 6 weeks ago, August 2 of this year:

DEAR MR. PRESIDENT, the Nation recently celebrated our traditional 4th of July holiday—normally a time of joyful reflection about our history and patriotism. Thankfully, it was a peaceful day for America, but we entered that holiday period confronted with yet more warnings of possible terrorist attack. It is, indeed, prudent that our citizens be warned of such threats, even when specifics are lacking. However, if these warnings continue indefinitely, our people will begin to wonder what is the root cause of this hatred toward America and what is our government doing about it.

For the first time in the over 200 year history of our Republic we, under your leadership, are establishing a Department of Homeland Security and designating a new military command, U.S. Northern Command, to protect the fifty states. We've taken bold steps at home; others must join us in taking bold steps abroad.

As we all know, the scourge of terrorism in our 21st Century world is a complex, multifaceted problem. There is not a single cause, but many, including: disparate economic development around the world; lack of political and economic opportunity in many regions; the alarming spread of radical, fundamentalist religious dogmas—especially Islam—amongst those feeling disenfranchised from the mainstream; and, the parallel rise in ethnic conflict after decades of oppression by Communist and other tyrannical regimes.

In this environment of perceived hopelessness and despair for many of the world's youth, certain seemingly unsolvable events continue to fan the flames of anger and hatred that lead to irrational acts. This is manifested in the individual acts of terror we witness almost daily on the streets of Israel and in the recruitment of angry young men and women into radical terror organizations that encourage them to vent their anger in the most destructive, often suicidal, of ways.

Finding solutions for the conditions that have bred this hate and total disregard for peaceful solutions will be complex, but it must be systematically addressed. Clearly, you and key members of your Administration have shown, and continue to show leadership in this area.

But, we must ask the question, can more be done by others?

The prolonged Israeli-Palestinian conflict contributes, in part, to the unrest and anger in the Arab world. How much it contributes cannot be quantified, but it is a significant and growing factor. This conflict, often presented in a distorted and biased manner to citizens of Arab nations, must be confronted, if we are ever to meaningfully address the disaffection and dissatisfaction felt by the people of this region.

Each act of violence by either side in this unending conflict further erodes hope for a peaceful future for the people of Israel, the people of Palestine and others throughout the Middle East. In fact, each act of senseless violence in the Middle East further erodes hope that someday we can feel secure from terrorism here at home. All reasonable options to bring about an end to this violence and indiscriminate loss of life must be considered. We can never abandon hope. We must act in a way to renew hope in this land of faith, and we must continue to consider all options.

May I respectfully submit the following concept for your consideration concerning the use of NATO peacekeepers. My recommendation would be for you to request that the North Atlantic Council (NAC) formally consider a proposal to use NATO forces as peacekeepers. If the concept is acceptable to the NAC they could commence to draw up a plan for peacekeeping. Once consensus had been achieved within the NAC, the NAC would so advise the Government of Israel and the Palestinian Authority, making it clear NATO would assist, only if the two sides establish a genuine cease fire, and both sides accept NATO's plan. Further, both sides must commit to cooperate in preventing further hostilities until negotiations have been successful to the point that NATO forces could be withdrawn and a substitute security plan has been put in place. Obviously, these steps are and will be very challenging, but they are achievable, especially in light of the bold, balanced vision you have articulated for a resolution of this conflict.

The basic thoughts in this letter have been stated by me previously in speeches on the floor of the Senate, and in my remarks to a recent gathering of NATO ambassadors on Capitol Hill, and in open hearings of the Senate Armed Services Committee with the Secretary of Defense present. Time is of the essence. I am concerned that recent events in the region, including the unfortunate Israeli attack that killed women and children as Israeli forces pursued Palestinian terrorists and the subsequent terrorist attack on Hebrew University, will further delay meaningful progress toward peace.

I strongly encourage you to explore this option with our NATO allies, and determine if they are willing to consider such a proposal. The time for discussion and consensus building is now. When the conditions for a cease fire and negotiations are right, we must be able to act quickly and decisively with a credible peacekeeping force.

I believe a NATO force would be credible for the reason that Europe is perceived as being more sympathetic to Palestinian views and the U.S. as more sympathetic to Israeli views. NATO can bond these viewpoints to act as one with peace as its unifying goal, and dispel these perceived biases. NATO troops are trained and "ready to roll" on short notice. NATO is an established coalition of nations with a proven record of successful peacekeeping in the Balkans. Clearly, there are risks, but NATO peacekeepers can—with the cooperation of Israel and the Palestinian people—bring stability to this troubled region; stability that will allow for meaningful negotiations that have a chance to end the violence.

This is not a conclusion that I have reached lightly. Some of my colleagues in the Senate, as well as noted journalists and others, have discussed with me the broad issues associated with this proposal. Mine has been one of the many voices calling for well-defined principles and restraint in the employment of U.S. forces around the world. I fully recognize the risks to U.S. forces and our alliance partners. I strongly feel this is one of those unique circumstances that demand every resource and idea we can bring

to bear. If the opportunity arises, we must be prepared to give peace and hope a chance.

I respectfully submit these thoughts as you forge ahead and lead the world's efforts to find a path to peace for this important region of our global community, and in so doing, enhance the security of our people here at home. It is my fervent hope that by the time we pause to celebrate our nation's next birthday, the fledgling ideas we are collectively considering today will have blossomed into substantial progress toward freedom from the senseless violence we are witnessing today.

With kind regards, I am respectfully.—John Warner.

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

[From the Washington Post, Sept. 14, 2002]

NEVER MIND, MR. SHARON

Most of three months has passed since President Bush laid out his vision for resolving the Israeli-Palestinian conflict, and still there has been next to no follow-up by his administration. No. Cabinet-level officials have visited the region since the president's speech; despite pleas from the Arab leaders Mr. Bush asked for support, no details have been offered on how to move from the present situation to Mr. Bush's vision of side-by-side Israeli and Palestinian states. On the contrary: Despite Mr. Bush's announcement of an international effort to reconstruct Palestinian security forces, the CIA has taken only token steps to train new officers; despite the president's clarion call for Palestinian democracy, the administration has quietly joined Israeli Prime Minister Ariel Sharon in opposing the holding of Palestinian national elections anytime in the near future. In effect, what the president cast on June 24 as a major initiative for Middle East peace has all but vanished; in its place is a suddenly all-consuming campaign against Iraq that could soon lead to a new Middle East war. Vice President Cheney, among others, is arguing that overturning the regime of Saddam Hussein will make an Israeli-Palestinian settlement easier, but even if that is true, what is not clear is how a conflict that has cost more than 2,000 lives in the past two years, and is a primary source of Muslim grievance against the United States, can be contained between now and then.

In the now familiar absence of Bush administration engagement, halting progress has been made by the parties on the ground. There have been no major Palestinian suicide attacks against Israelis in six weeks, despite several attempts; both the Israeli army and the Palestinian administration claim credit, and both probably had something to do with it. Attempts by Palestinian political and military leaders to change the direction of their self-destructive uprising against Israel, and to force Palestinian leader Yasser Arafat to yield most of his power, continue in spite of Mr. Arafat's strong resistance; this week the legislative body of the Palestinian Authority delivered an unprecedented rebuff, forcing the resignation of Mr. Arafat's cabinet. The more moderate Labor Party ministers in Mr. Sharon's cabinet have been trying to negotiate incremental security agreements with the Palestinians, and there are signs of revival in the long-moribund Israeli peace camp.

But Israeli troops occupy six major West Bank towns and significant parts of the Gaza Strip, imposing curfews and other restric-

tions on movement that aid agencies say are breeding a mounting humanitarian crisis. Israeli forces killed more than a dozen innocent Palestinian civilians in the past two weeks, including several children; a hasty official investigation cleared the soldiers of any wrongdoing. Israeli settlement-building in the territories continues; Mr. Sharon refuses to rein it in, just as he rejects any discussion of Palestinian statehood or any negotiations—even with a post-Arafat leadership—about a permanent peace. For his part, Mr. Bush clearly remains unwilling to do or say anything that would cross Mr. Sharon. That reluctance largely explains his administration's failure to act on his broad promises of last June; in the coming months, it could also prove a serious impediment to building a coalition against Iraq.

Mr. WARNER. I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Ms. STABENOW). Without objection, it is so ordered.

THE BUDGET AND THE ECONOMY

Mr. CONRAD. Madam President, appropriately, there has been a great deal of discussion over the past week about the fiscal status of the country, the condition of our budget, and our national economy. I would like to take a few minutes to respond to some of the false claims that have been made by the Bush administration and by some Members of the Senate over the last 10 days.

First, I would like to respond to some of the remarks made by the President when he was at a fundraiser in Iowa on Monday. The President said the following there. He said:

[W]e have a budget that focuses on setting priorities and focuses on getting us back to a balanced budget. But there has been no budget out of the United States Senate. They haven't passed a budget. They have no plan to balance the budget. . . . It's of concern, because if you have no budget, it means there's no discipline. And if there's no discipline, it's likely that the Senate will overspend.

If there was ever a case of someone accusing another of their own shortcomings, this is it. My grandmother once told me: Sometimes what people say about others reveals more about themselves than it does of those who they seek to characterize.

This is that circumstance. These comments by the President, I find deeply disturbing. It is unfortunate that the President continues to deny any responsibility for the Nation's dive back into deficits and for increasing debt.

Instead, he desperately tries to blame others for the deficits that his own policies have created.

Let's look at the President's first claim, that he and the House Republicans have a plan that "focuses on getting us back to a balanced budget." No, they do not. That is not true. The President must know it is not true. They have no plan that gets us back into balance. In fact, the plan they have drives us deep into the deficit swamp. That is the truth.

You will recall 1 year ago, the President told us, with great confidence, that we could expect \$5.6 trillion of surpluses over the next decade. We warned, at the time, that that was a risky gamble, that one could not count on a 10-year forecast, that there was enormous risk associated with it.

The President insisted not only that there was going to be \$5.6 trillion of surpluses over the next decade, but he and his administration told us privately that there is probably going to be much more money than that.

We said: No, we think it is highly unlikely that we will see that level of surplus.

And just 1 year later, what we find is, if the President's spending and tax policies over the next decade are adopted, instead of \$5.6 trillion of surpluses, we will see \$400 billion of deficits. The President says it is the fault of the Democrats, that they are spending the money.

Madam President, this will happen without a dime of spending by Democrats. These numbers only include the President's own proposals for spending and additional tax cuts. They lead us from a circumstance of last year being told we had nearly \$6 trillion of surpluses to one in which we now see \$400 billion of deficits, if his policies are adopted.

In many ways, this is the best case scenario because it does not take into account that the President will be using trillions of dollars of Social Security money on top of this.

This chart shows—I will put it in the RECORD; I know it is too small to read from afar—but one can see the red. The red are the deficits. If you don't count Social Security money, if you don't take Social Security money, as the President proposes, and use it for other things, we see red ink throughout the entire rest of the decade. In fact, over \$2.7 trillion of money is being taken from Social Security to pay for other things under the President's budget plan. That is a recipe for fiscal disaster. And it is the President's plan, make no mistake about it.

I ask unanimous consent the chart I just referred to be printed in the RECORD.

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

CHANGES IN BASELINE SURPLUS AND DEFICIT TOTALS, JANUARY 2001–AUGUST 2002

[In billions of dollars]

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002–11
Total CBO surplus—January 2001	313	359	397	433	505	573	635	710	796	889	5,610
Total CBO surplus/deficit—March 2002	5	6	61	111	135	175	213	263	309	454	1,733
Total CBO surplus/deficit—August 2002 ¹	-157	-145	-111	-39	15	52	88	133	177	323	336
Total CBO surplus/deficit with President's proposed budget policies	-157	-159	-138	-76	-44	-23	-2	36	70	108	-386
Without Social Security	-315	-329	-326	-282	-268	-265	-264	-245	-230	-211	-2,734

¹ The CBO baseline projection assumes no change in current policies governing taxes or entitlement spending and that discretionary appropriations in FY 2003 through FY 2011 will equal the level enacted for FY 2002 (including FY 2002 supplemental appropriations), adjusted for inflation.

Source: CBO estimates of January 2001, March 2002, and August 2002 baselines. SBC estimates of President's budget based on CBO baseline estimates and the President's proposed policies.

Mr. CONRAD. The President, again, says the problem is spending. Let's look at what the nonpartisan Congressional Budget Office tells us is the reason for this disappearance of the surplus. Nearly \$6 trillion of projected surplus from last year, gone. There is nothing left. If we adopt the President's budget and spending plan, there are no surpluses, only deficits, some \$400 billion. And that is the good news because that assumes that the President takes every penny of Social Security surplus over the next decade. So the real deficits are much worse than the \$400 billion that I have shown under the President's plan. The true deficits, not counting Social Security, not taking Social Security money to use it for other purposes, is not \$400 billion; it is \$2.7 trillion.

Where did all the money go? Here is what the Congressional Budget Office told us.

Thirty-four percent of the disappearance of the surplus went to the tax cuts the President pushed through Congress that were passed last year, and that he signed into law.

Twenty-nine percent is from overestimations of revenue by his administration; that is, outside of the tax cuts. So revenue is down 63 percent, not counting lost revenue from the economic downturn; it accounts for 63 percent of the disappearance of the projected surpluses. Twenty-two percent of the disappearance is because of spending, spending on national defense and homeland security. That is where the increases have been. The President supported every penny of those increases in spending. That is where the money has gone. In addition, 15 percent of the disappearance of the surplus is the result of the economic downturn. That is where the money has gone.

For the President to assert it is Democrats who have been overspending is not supported by the facts. The facts are, the overwhelming reason for the disappearance of the surplus is the tax cuts the President proposed and pushed through Congress. The second biggest reason for the disappearance of the surplus is his administration's overestimates of revenue apart from the tax cuts. The third biggest reason is spending on defense and homeland security, every penny of which the President supported. And the smallest reason for the disappearance of the surplus is the economic downturn.

The President, regrettably, is pointing fingers at everyone else but refusing to acknowledge his own responsibility

for this dramatic turn in the fiscal condition of the country. The President says: It is the attack on the country and the economic slowdown.

Those are two reasons, but, in fact, they are the smallest reasons for the disappearance of the surplus. The biggest reasons are the tax cut he pushed and his overestimations of revenue. Those are his responsibilities and his failures.

Remarkably, the President's answer to all of this is to advocate more tax cuts. Let's dig the hole deeper. We already see an ocean of red ink over the next decade. We see under the President's plan the taking of over \$2 trillion from Social Security to pay for his tax cuts and other things. And the President's answer is: Let's have more tax cuts, \$400 billion more in this decade for making the tax cuts passed last year permanent, and a cost in the next decade of \$4 trillion.

I hope people are listening. I hope people are thinking about the implications of this. We already face an ocean of red ink. And what the President is proposing is, let's get it bigger; let's have more red ink.

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mr. CONRAD. I ask unanimous consent for an additional 10 minutes.

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

Mr. CONRAD. Madam President, if we adopt the President's proposal, this country will be digging a hole so deep that we will face enormously difficult choices in the future: massive cuts in benefits, massive tax increases, huge debt, unsustainable, all of them. But that is the direction the President has us headed in fiscal policy.

I know people are distracted and thinking about war with Iraq and thinking about a war against terrorism. And those command our attention. But we must also pay attention to the fundamental financial strength of America. The President has us on a disastrous fiscal course, with deficits all the rest of this decade, the President is proposing making them much deeper in the next decade, right at the time the baby boomers retire.

We must understand, we are in the sweet spot of the fiscal future of America. Right now the trust funds of Social Security and Medicare are throwing off huge surpluses. Yet under the President's plan, all that money, every dime of it over the next decade, is being taken and used for other purposes, used to fund the tax cuts, to pay for other priorities.

What is going to happen when these baby boomers retire and they are eligible for Social Security and Medicare? This is not a matter of projections. The baby boomers have been born. They are alive today. They will retire, and they will be eligible for Social Security and Medicare. But they are going to find the cupboard is bare because the President has advocated and pushed through Congress a policy that uses all of the money.

Let's now consider the President's second claim that the Senate has no budget plan. We reported out of the Senate Budget Committee back in March a 10-year plan that would have made available to the President all of the resources requested by him for defense and homeland security, but still we paid down as much as \$500 billion more in debt than the President's budget. To say we have no plan is simply wrong. We have a plan, a very clear plan, a very detailed plan that also contained a circuitbreaker to put the Nation back on a path to balance without raiding the Social Security trust funds and to do it within 5 years.

I would like to do it this year but that is no longer possible. But it is critical we adopt a plan that does return fiscal responsibility. We have presented that plan. It has passed the Budget Committee. Sadly, our counterparts in the House, instead of adopting a 10-year budget plan, as is traditional, as the President proposed, that could have been sent to a conference with the Senate, the House of Representatives passed only a 5-year plan. Why? Because they wanted to hide the enormous cost in the second 5 years of the President's plan to make the tax cuts permanent and to add even more tax cuts.

Further, the House used overly optimistic OMB numbers instead of the Congressional Budget Office projections of costs and revenues; again, misleading the American public as to our true financial condition.

The House set spending for such priorities as education and law enforcement and highway construction at levels so low that the House Republican leadership can't even get their own Members to vote for the appropriations bills on the floor of the House of Representatives. They want to wait until after the election because they know they dare not go to the American people with proposals to do such things as the President proposed as cutting the highway program 27 percent or virtually eliminating the COPS Program