

was he going to break relations with them and cast his lot with the nations of the world that were trying to get rid of the terrorists—he did just that.

Of course, at the time my colleagues and I were there, we had another reason to be concerned about that part of the world because two armies were amassing on either side of the Kashmir border, two armies of nuclear nations which portend awful things for the peace of this world should they get into a hot war, not even to speak of how it would drain Pakistan's energies and military activities away from helping the coalition of nations try to get the Taliban, the al-Qaida, and the terrorist leaders as they attempt to flee into Pakistan.

We went up to the Khyber Pass and met with the commanding general who was commanding about 33,000 troops all in that sector of the Afghan-Pakistan border where we are concerned that al-Qaida are trying to flee.

The general assured us that with all of their troops on the border, plus all of their friendships and lines of communication they have built with the native Pakistanis in all of those villages, they will know when one of those terrorists comes across.

At the time we were there, which was about 2 weeks ago, they had already captured in excess of 200 al-Qaida. We went on to Muscat, Oman, and met with the Sultan of Oman. Again, it is a different kind of government in that region of the world and yet one that is very necessary in helping us as we knit and keep together this fragile coalition of nations, most of them being Muslim, as we fight terrorism in that part of the world.

I believe the leaders in Central Asia now recognize terrorist activity is one of the greatest threats to the stability of their countries, and I believe they are now much more enthused in supporting the coalition efforts because of the extraordinary success we have had.

I will conclude with this: The commander in chief of the Central Command I have the pleasure of having reside in my State, General Franks. He is stationed at MacDill Air Force Base where not only the Central Command is located but also the Special Operations Command. We have another commander in chief on the same base.

I think the military success of this war effort thus far is illustrated by the photograph we saw on the front pages of so many of our newspapers, which was the Special Operations troop, American, on horseback, riding with other Afghan troops on horseback. The difference was the U.S. Special Operations person was calling in pinpoint airstrikes from his vantage point traversing the terrain on horseback. It is a combination of low tech and high tech. It is a commitment of very specialized troops, few in number, but backed up by the superiority of the skies, the precision of the weapons, and the instant communication between the low-tech troop on horseback, or on

the ground, with the high-tech arsenal represented by the skies and by the pinpoint accuracy of the weapons.

So the terrorist is in a compound, suddenly there is an explosion, and he flees and all of a sudden sighs relief that he escaped, and then whammo, the second precision pinpoint-accurate weapon hits. Talk about demoralizing the enemy.

Why have we had success? Because of the combination of that and, in conclusion, because of the absolute determination of our men and women in uniform. That is what made me so proud for all of us, what made all of us in our nine-senator delegation so appreciative that we could express to those troops whom we saw the appreciation of the American people for their dedication and for their success.

I yield the floor.

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

The PRESIDING OFFICER (Mr. DAYTON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from Florida.

#### BOWL GAME WAGERS SUCCESSFUL FOR FLORIDA

Mr. NELSON of Florida. Mr. President, as long as we have a lull, on a much lighter note I note for my colleagues some of the conversations I had prior to the Christmas recess and prior to all the bowl games. It so happened Florida had three college teams in bowl games, and so in trying to be a good Senator representing my State of Florida, I went to the respective Senators from the States with the other three teams.

Given the fact that the Gator Bowl in Jacksonville was being waged between Florida State University and Virginia Tech, I naturally went to Senator WARNER and Senator ALLEN and suggested we have a friendly wager on the game. What Senator ALLEN and I agreed to was we would wager a crate of Florida oranges and a bushel of Virginia peanuts.

I am one who absolutely loves peanuts, and I am going to thoroughly enjoy those Virginia peanuts that are going to be presented to me by Senator ALLEN next week. We will have an appropriate ceremony and may even have the president of Florida State University present for this solemn occasion.

Then I went to the other NELSON in the Senate, our fellow freshman, BEN NELSON of Nebraska, and suggested that something as monumental as the national championship being played in the Rose Bowl in Pasadena was certainly worth us determining we would put something of specialty of our State on the line, backing up our boast that our team was going to be the national

champion: The University of Miami versus Nebraska, the Hurricanes versus the Cornhuskers. So we determined in a friendly conclusion it would be a crate of Florida oranges versus a box of Omaha steaks. I am already stoking up my grill.

For the third bowl game of a Florida college team, the Orange Bowl in Miami pitting the University of Florida Gators against the Maryland Terrapins, I searched and searched for Senator MIKULSKI, and I could not find her in the remaining hours of the session. I finally found Senator SARBANES. I explained what I had done in the other bowl game and what was on the line in Miami in the Orange Bowl. Senator SARBANES chose not to engage in a friendly wager, of which I have just had the occasion today to remind him. He suggested he was wise beyond his years in not taking up my challenge.

Early in our tenure one day I overheard the other NELSON in the Senate speaking to a group, in a voice sufficiently loud that he knew I could overhear his statement. I will sum up the conversation in this spirit of levity. Senator BEN NELSON said to them, within my hearing: Oh, you must understand, I am the NELSON in the Senate who comes from the State with "the" football team.

I sauntered over and I said: That's right, BEN, you come from Nebraska, with the great Nebraska Cornhuskers, which I have great respect for, one of the finest football programs in the Nation. But, BEN, you must explain to your folks that I am the NELSON in the Senate who comes from the State with six professional football teams: the Dolphins, the Bucks, the Jaguars, the Gators, the Hurricanes, and the Seminoles.

I think that has now been amply demonstrated by the bowl games we just witnessed.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. 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. GRASSLEY. I inquire of the Presiding Officer, are we in morning business?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRASSLEY. I will speak for a few minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

#### BUDGET COMMITTEE HEARING

Mr. GRASSLEY. Mr. President, today, with the announcement that the Federal Government is facing near-term budget deficits, as opposed to long-term budget deficits, for the next

2 or 3 years, but not for the next 10 years, we will hear a lot of talk from the critics about the need to postpone or repeal last year's bipartisan tax cut. The critics say we should revisit the tax cut for two reasons. First, they claim the tax cut is responsible for a return of budget deficits; second, the critics claim the tax cut will jeopardize our long-term economic growth. I will consider each of these claims.

According to the CBO projections, the tax cut is responsible for less than 15 percent of the reduction in this year's surplus and less than 40 percent of the reduction in the surpluses for the 10 years we project ahead. The slowdown in our economy and the additional spending enacted last year are responsible for most of the deterioration in our budget outlay. The second criticism is that the tax cut will reduce the surplus, thereby exerting upward pressure on interest rates and reduce future economic growth.

A recent study by the congressional Joint Economic Committee concludes there is no evidence to support the criticism that interest rates rise because there is budget surplus or that there is a relationship.

According to the Joint Economic Committee:

Empirical studies on interest rates have uniformly failed to find any statistical significant relationship between interest rates and the budget balance of the U.S. government.

This result is likely due to the fact that the deficits we have seen in the past were not large enough to affect the interest rates given the overall size of our financial markets which would also include the global financial markets.

If the tax cut is not responsible for the rising deficits and higher interest rates, then why do the critics still complain? Maybe they have not read the studies to which I have referred.

Based on the studies, I asked critics the legitimate question, What is there to complain about? One reason I believe they want to delay repeal of the tax cuts is because they have a desire to spend the money, which, in the end, actually, then, if you spend it, because you increase taxes, you still do not have any less deficit.

Some critics have already announced they have plans to spend the money by raising taxes, or delaying the tax cuts, as they call it. As other spending plans become public, it will become obvious their cries for fiscal discipline are nothing more than crocodile tears.

In addition to the critics who want to spend the tax cut, there are also critics who insist we cannot afford the tax cut because our long-term budget projections show Federal spending will exceed revenue by 25 percent within the next 50 years. To argue, as they do, that we cannot afford a modest tax cut today because we will need a huge tax increase in future years ignores the obvious: Congress cannot provide more government than the taxpayers are

willing to pay for. Through our country's history, the Federal Government has never taken more than one-fifth of our Nation's income in taxes. That includes even in wartime. If we are not willing to pay 25 percent more for government, if we are not willing to do that now, why should we be willing to put ourselves into a spending policy where we expect our children and grandchildren to have higher taxes so they can pay for programs we instituted at a time when we were not willing to put taxes higher than they have ever been in the history of our country? Our challenge today is to get beyond the rhetoric and make affordable government once again.

In addition to this point, as we prepare for the next budget season, I participated today in the Budget Committee review of the CBO report. Once again we are having this issue brought up about the tax cut being responsible for the budget deficits, as opposed to the war on terrorism, as opposed to the recession that is a result of the war on terrorism, and some technical budget adjustments that are made annually.

In regard to the accusation that the tax cuts proposed by President Bush in the last election, and then in turn enacted by Congress—and in turn when it was enacted, it was enacted as a bipartisan tax relief package because several members of the Democratic Party voted for it—in regard to that being the cause of the deficit, as is the insinuation on the part of those people who make that argument, I made the point this morning, and I would like to repeat the point I made in the Budget Committee to the Members of the entire Senate, that if you look at the \$1.3 billion tax cut the bipartisan Members of this body voted for and the President signed on June 7, and you say that is the cause of the deficit, you have to also look at the fact that there was an alternative called the Daschle-Carnahan amendment that was offered that was \$1.265 trillion, just 6-percent less than what the President signed.

That amendment got 48 votes. It lost, but almost every member of the Democratic Party voted for that amendment.

So whether you look at \$1.3 billion that passed by a bipartisan majority, and a pretty overwhelming majority, or whether you look at the Daschle-Carnahan amendment, we have all but two or three Members of this Senate who voted for tax cuts of at least \$1.265 trillion or the 6-percent higher figure that was finally adopted of \$1.3 trillion. Either way, just considering that 6-percent differential, you are going to end up with about the same budget deficit situation, short term or long term, under a policy either way that was backed by all but about two or three Members of this body last spring.

So my point is this: It is wrong for Democratic leaders to blame the bipartisan tax cut that the President signed on June 7 for the deficit situation without taking credit themselves for back-

ing such a tax policy that was only 6-percent less than what the President had already proposed.

So I don't think we have a bad situation because of the reduction of taxes. We have a bad situation because of the war on terrorism, the economic recession caused by the war on terrorism, because of technical adjustments in the budget, and because of the additional appropriations we had to have for the military and for the domestic war on terrorism.

That is where it is. But if you want to blame taxes, there are 97 or 98 of us in this body who have to share that blame, not just the 48 Republicans and 12 Democrats who voted for the bill the President signed.

I yield the floor and 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. BROWNBACK. 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. BROWNBACK. Mr. President, I ask unanimous consent to speak as in morning business for up to 5 minutes.

The PRESIDING OFFICER. The Senate is in morning business. The Senator from Kansas is recognized.

#### NOMINATION OF UNITED STATES AMBASSADOR TO THE PHILIPPINES

Mr. BROWNBACK. Mr. President, I rise to bring to the attention of the Senate a situation on which we need to take some action. Presently in the Philippines there are two Kansans being held hostage by a group of terrorists called the Abu Sayf group. It has links to al-Qaida and bin Laden. They got their start through al-Qaida and bin Laden and now are operating in the Philippines.

They have taken a number of people hostage over a period of 8 months. A number of these individuals have been released. One has been beheaded, a Californian. The two who are Kansans and a Filipino remain hostage. This matter was discussed on the TV show, "48 Hours," Monday night of this week.

They are in a desperate situation; Martin and Gracia Burnham are the two Kansans. They are missionaries. Their parents are missionaries in the Philippines. They have taken up that calling as well. They were there and taken hostage and have been held by this group now for 8 months.

The Senate has before us, nominated to be the United States Ambassador to the Philippines, Ambassador-designate Ricciardone. He is qualified and knowledgeable. He was cleared through the Senate Foreign Relations Committee. He is the appropriate and right person for this job. He remains stalled in this body, unfortunately, at this point in time.