

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 <sup>1</sup> .....	-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

<sup>1</sup> 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

that has put 100,000 police officers on the street. How wise is it to eliminate the COPS Program when we are subject to terrorist attacks?

These factors have made it virtually impossible for the House and Senate to ever reach agreement on a budget resolution this year.

In June, in the Senate, a group of us, on a bipartisan basis, offered a budget agreement for the next year containing the key elements of what the Budget Committee proposed, including the setting of realistic spending limits and renewing expiring budget enforcement mechanisms so we could maintain fiscal responsibility.

What did the Bush administration do? They engaged in a furious lobbying effort against it—against setting a realistic cap on spending, against extending the budget enforcement procedures to help maintain fiscal discipline. It seems shocking now to hear the President say he is worried about deficits because he and his administration blocked the efforts to protect us against those very events.

The fact is that we got 59 votes for that proposal on a bipartisan basis. We needed a supermajority, which is 60. Even though we had 59, we needed 60. So that spending cap wasn't put in place and we did not get the budget enforcement procedures extended.

The bottom line is that we set a realistic and appropriate spending cap. The administration is opposing it in a desperate attempt to look fiscally conservative given the massive deficits that have returned on their watch. Yesterday, one of my colleagues came to the floor and complained that spending is too high and it is the reason for the return to deficits.

The place where spending has increased is in defense and homeland security, every penny of which the President asked for, every penny of which passed here with huge, bipartisan majorities. Those measures that are still pending will pass with huge bipartisan majorities.

While it is true that defense and homeland security spending has gone up, it is very important to put into context what has happened to overall Federal spending over the last 20 years. What one sees is overall Federal spending—going back to 1980, it was 22 percent of GDP. In the previous Bush administration, it was close to 22 percent of gross domestic product. It has come down to 18.4 percent. Federal spending has been coming down as a share of our national income.

It is true we have now had a blip up. We have had that blip up because of the attack on America. Yes, we have increased defense spending; yes, we have increased homeland security spending—at the request of the President of the United States. He was right to do so. Even with that, we see—looking ahead—a decline in the share of national income coming to the Federal Government.

Federal spending, while certainly a part of this calculation and a contrib-

utor to the increased deficits because of the increases for national defense and homeland security, is not the major reason for the return to deficits and the increasing debt. It is a reason, but it is a relatively small reason.

The same can be said of discretionary spending, which is for all of the things that are not mandatory. Mandatory spending is Social Security, Medicare, farm program—that is mandatory spending. Discretionary spending is for things such as parks, roads, law enforcement, and defense. You can see that discretionary spending has come down quite sharply since 1981.

Again, we see a blip up because of homeland security and national defense. It is also quite remarkable to see members of this administration complaining about the discretionary spending cap we proposed when they are coming out at the same time estimating that a war against Iraq could cost literally hundreds of billions of dollars.

Just this Monday, we saw the President's chief economic aide say the cost of the war with Iraq may top \$100 billion. More than that, Mr. Lindsey dismissed the economic consequences of such spending, saying, "It wouldn't have an appreciable effect on interest rates or add much to the Federal debt, which is already about \$3.6 trillion."

I am from North Dakota. In North Dakota, \$100 billion is still real money. That is big money. The President's Chief Economic Adviser—maybe it is part of the reason we are in such financial straits as we are, because this man doesn't understand the significance of \$100 billion. He said it really makes no difference. On the other hand, they say \$9 billion more so that we don't cut the Federal highway program by 27 percent, so we don't eliminate the COPS program, so we don't cut education—that \$9 billion is a disaster, but \$100 billion doesn't matter. That is a policy that does not add up.

So where has the Bush fiscal policy left us? The fact is that the surplus is gone. The Federal debt has come roaring back. You will remember that last year the President promised us he would have maximum paydown of the Federal debt. Now we see that that is not true either. The debt held by the public in 2008, he told us last year, would be virtually eliminated. Now we see, instead of having virtually no debt, we are going to be stuck with \$3.8 trillion of debt. That has serious consequences for the country.

The President, who said he would have maximum paydown of the national debt, came and asked for a maximum increase in the debt limit. In fact, the only larger request for an increase in the debt limit came from his father when he was President. He asked for a \$915 billion increase in the debt. This President asked for \$750 billion. The consequences of this enormously increased debt—increased from what we were told last year—is that the interest costs to the Federal Government

have tripled, from \$620 billion, over the next 10 years, to \$1.9 trillion. These policies have real consequences, and real effects, and real impacts on our national economy.

Last year, the President said maximum paydown of the debt. Now what we see under his policy, instead of maximum paydown of debt, is that we will have maximum taking of money from the Social Security trust fund to pay for other things. In fact, the remarkable reality of what we confront is that the President, under his plan, will take every penny of the Social Security surplus over the next decade to pay for his tax cuts and other things. This is the time when we are on the brink of the retirement of the baby boom generation.

This is what we face in the longer term. Right now, the trust funds of Social Security and Medicare are throwing off large surpluses. But that money is being taken under the President's plan to pay for other things, including his tax cut. And we know that, starting in the year 2016, these trust funds go from cash positive to cash negative, and they do it in a very big way. We need to get ready for this reality. That is why we proposed less of a tax cut, more money to paying down debt, more money to secure the long-term solvency of Social Security. The President rejected that plan in a reckless way and has put us on a fiscal course that means more deficits, more debt, more economic insecurity, higher interest rates, lower economic growth, lower employment.

It is critically important that there be a balance in what we do in Washington. It is not healthy to have only one side to a debate. That is what we have seen in the last week. It is time for our side to speak up, to stand up, and to fight back because much is at stake for our Nation.

I thank the Chair and yield the floor.  
The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Madam President, I rise to address a forest issue, but since Senator WYDEN and I have worked closely on this, I ask unanimous consent that his remarks directly follow mine.

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

Mrs. FEINSTEIN. I thank the Chair.

#### FOREST MANAGEMENT

Mrs. FEINSTEIN. Madam President, for some time now, Senator WYDEN and I have been working together to try to put forward a compromise amendment on two amendments which are on the Interior appropriations bill. One amendment is by Senator BINGAMAN; the other by Senator CRAIG.

At present, both amendments need 60 votes. Neither amendment has 60 votes. Both amendments deal with a very real emergency in American forests today. It would be a tragedy if we could not use this appropriations bill as an opportunity to move a plan forward to do