

These weapons are not for civilian use. These weapons all were designed for military use to kill large numbers of people in close combat. Whether it is Geneva, OH, or Pine and California Streets in San Francisco, these weapons do not belong in civilian hands.

I will show a few pictures of police officers who have been in similar status. Marion County, IN, Deputy Sheriff Jason Baker was shot with an AK-47 during a traffic pursuit. He was following directly behind the fleeing vehicle when the suspects shot him in the head with one of the rounds from the AK-47. He died that day from gunshot wounds.

Lance Corporal Dana Lyle Tate and Corporal Dyke Coursen, Beaufort County deputy sheriffs, were shot and killed with an assault rifle after responding to a domestic disturbance call. Everyone who knows law enforcement knows domestic disturbances are fraught with jeopardy. When someone has an assault weapon against a police officer entering that house, the police officers do not have a chance.

San Francisco police officer Isaac Espinoza, 29, was gunned down April 10 of this year with an AK-47. His partner was wounded as well. There were a number of bullets fired. He was shot in the back.

Los Angeles County Police Captain Michael Sparkes, just on August 10 of this year, was shot and killed while off duty in Rosewood, CA. He was taking an early morning bicycle ride when he was confronted by two alleged gang members. The two men were attempting to rob Sparkes when an exchange of gunfire occurred. Captain Sparkes was shot multiple times with an AK-47 assault rifle containing a 40-round magazine of ammunition.

Downstairs there are representatives from the Fraternal Order of Police, the International Association of Chiefs of Police, Major City Chiefs, the National Association of Police Organizations, the National Association of Black Police Officers.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mrs. FEINSTEIN. I thank you. One last statement. Virtually all of law enforcement has implored us, has requested that we reauthorize this legislation.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

CONGRESSIONAL BUDGET OFFICE SEPTEMBER UPDATE

Mr. NICKLES. Mr. President, yesterday the CBO, the Congressional Budget Office, issued their September update. It just came out. I heard my colleague and counterpart on the Budget Committee allude to it on the floor of the Senate yesterday, and he did that with great talent but maybe with a little different analysis than what I might give. So I thought I might give a little different presentation.

I think there is a lot of good news in this report. It also shows we have some big challenges before us. CBO estimates for this year we are going to have a deficit of \$422 billion. That is a record in nominal terms. But it is an improvement. CBO was just predicting 6 months ago it was going to be \$470-something, so it is down \$56 billion. The deficits are moving down. That is good news. OMB projected earlier this year the deficit was going to be \$521 billion. Now they are down around the \$441 billion, so they project significant improvement. As a matter of fact, the number CBO just came up with is about \$100 billion less than what OMB, the Office of Management and Budget, had predicted at the beginning of this year. So deficits are coming down. They are coming down dramatically.

I think the good news is the budget we passed last year and the tax package we passed, the economic growth package we passed last year, is working. We should be proud of it. I have been in the Senate now for 24 years. We pass a lot of different bills sometimes to stimulate growth or try to help the economy or try to do something that will have significant economic results. The bill we passed last year, the 2003 tax bill that President Bush signed in January, the tax bill that cut the tax rate on capital gains and dividends to 15 percent, the tax bill that accelerated the 2001 tax cuts and actually made them effective—that bill worked. Most of those cuts had not actually gone into effect. Some did for lower rates, but upper incomes had not received a rate reduction. Middle-income people had not received but a 1-point reduction. We accelerated the 28 percent to a 25-percent rate, the maximum rate to 35 percent, cut cap gains to 15 percent, and cut the rate on dividends to 15 percent. And guess what. It has worked. It has worked.

Since the President signed that bill, we have 1.75 million new jobs. That is 1,750,000 new jobs created. We have had 12 months in a row where we have had new jobs created every month. We really did reverse a downward trend, a decline.

We had a real chilling event on 9/11: our economy was hit. The financial structure of the United States was hit. We had a stock market that burst, frankly, in March of the year 2000. The NASDAQ declined by about 50 percent in the year 2000. Revenues to the Federal Government had been declining dramatically. You add 9/11, to that you add the war on terrorism.

Deficits are high. This Senator has spent the majority of my career trying to rein in Federal spending and hold down deficits. These deficits are very high. The good news is the deficit is coming down. Before one can criticize, they have to understand what caused the deficits. The deficits were caused by the market crash. When Alan Greenspan mentioned this a few years ago, he called it irrational exuberance in the stock market. That crashed. As

a result, a lot of money, actually trillions of dollars of market value, was lost in the stock markets. That reduction applied to money coming into the Federal Government.

The money we received in the Federal Government, total receipts, was over \$2 trillion in the year 2000. Last year it was about \$1.78 trillion. That was not because of the tax cuts we passed. It was because of the very soft economy, and it was because of 9/11. A lot concurred at that time. President Bush realized that, this Congress realized that, and I compliment my colleagues, especially ZELL MILLER for that because he helped me cosponsor that bill we passed last year that helped make this economic recovery happen.

The other good news in this report is CBO projected real economic growth this year of 4.8 percent. That is great. They project 4.2 percent for next year. That is super. That is real economic growth over and above inflation.

So the budget has worked. The tax bill we passed last year worked. New jobs are being created, almost 2 million jobs in the last 12 months alone. So we have a lot of good news. The good news is the budget we passed last year has worked. We defeated over \$800 billion worth of additional spending, most of which was offered by my colleagues on the other side of the aisle. We defeated that. The budget worked. The good news is when we passed the Department of Defense appropriations bill before we adjourned for the August recess, we put in a budget provision that caps domestic discretionary spending. That was part of the DOD appropriations bill. So we passed that part of our budget this year. That is now the law of the land. Now we can pass our appropriations bills. We are going to take up the Homeland Security bill later this afternoon, and hopefully we will be able to pass it. We have budget rules that will work to enforce limitations on that bill and all other appropriations bills. So maybe now we can go ahead and complete our appropriations process.

I mention these things to point out that there is some good news in this report. The report is also distorted because it says you have to use present base lines. Present base lines assume that all spending will continue to grow basically with inflation. This year alone, in the year 2004, we are spending about \$115 billion in Iraq and Afghanistan in the war on terror. We did that through supplementals. We will not continue doing that year after year, not at those levels. In that period of time we have been fighting a war. We have hundreds of thousands of troops who are engaged in that effort.

I was in Iraq a couple of months ago. We are training 210,000 Iraqis to take our place. I was in Afghanistan. We are training thousands and thousands of Afghanis, and we have 20-some thousand troops in Afghanistan. They will be taking our place so we will not have

to continue. We will not have supplementals near in this range. We had a \$87 billion supplemental last year, and \$28 billion included in the DOD appropriations bill. We will not have that large an amount of additional money to be used primarily to fight wars against terrorism in Iraq and Afghanistan. I am sure we will be spending some money. I am sure there will be some, but it will not be anywhere near that over a 10-year time-frame. CBO assumes we will spend \$114 billion inflated for the next 10 years. That is over \$1.3 trillion. Then, if you add inflation to that, in addition to that, and interest expense that they also assume, that assumes about half of their negative projections.

I might mention, too, my colleague said we have to fix the AMT, and if you add that in and extend every tax cut out there, the deficits will be terrible. I have a couple of comments.

No. 1, the President made a speech at the Republican Convention and said we need to reform the Tax Code. I will not be here, but I hope the next Congress will take the President up on that.

The Tax Code needs to be reformed. AMT is living proof that the Tax Code needs to be reformed. I look at the Tax Code as about a foot tall. I always compare it to the Bible. The Bible is about an inch. Unlike the Bible, the Tax Code contains no good news. I look at the Tax Code and it is complicated. It needs to be reformed. The President challenged Congress to do it. The next Congress should take the President up on that. You can fix AMT. There are an awful lot of anomalies and so many inconsistencies in the Tax Code. You can't fix it a paragraph at a time. You need to rewrite the entire thing. I think that can be done.

You don't have to get in this debate—well, if we continue this or that.

We have to extend the family tax provisions that expire at the end of this year. There are three of them. There is a \$1,000 tax credit per child. That would revert to \$700 per child if it is not extended. We need to extend the marriage penalty relief to allow married couples who have taxable incomes up to \$58,000 so they will pay a 15-percent rate on taxable income up to \$58,000. If you do not do it, it will revert back to some \$40,000. That is about a \$900 tax increase on married couples. Also, the expansion of the 10-percent bracket.

Those need to be done this year. They need to be done this month. Hopefully this Congress will get that done. I expect we will. I am a conferee of that particular bill which is in conference. I am optimistic we will get that extended.

We need to reform the Tax Code. Some people say we need a higher personal rate; we want to sock it to the wealthier people who are paying a 35-percent rate. That is the same rate General Motors pays. I don't think wealthy people should have to pay more than the largest corporations in the world.

I am in favor of reforming the Tax Code. I think the President is right on in that effort. Instead of trying to paint the most negative picture possible with a doomsday scenario of the deficit getting bad, assuming we are going to a war in Iraq every year, which is not going to happen, and assuming a lot of negatives that, frankly, I do not agree with, I think future Congresses can reform the Tax Code and do it without "having higher tax rates" on individuals than you have on General Motors and other corporations.

The good news is CBO says deficits are falling. That is good. The tax cuts we passed last year, frankly, are raising more revenues than people anticipated. That is good. CBO overestimated revenue. They kept telling us we think it is going to be better. Revenue crashed when the stock market crashed. It took a lot of economic viability out of the economy. When we introduced the tax bill last year, the Dow Jones was at 7,700. Because of the tax cut we passed last year, today the Dow Jones is 10,300. The Nasdaq is up over 40 or 50 percent more than it was when we introduced the bill a little over a year ago—almost 2 years ago in January. We passed the bill in June of last year. We have seen very positive results in the stock market. We have seen very positive results in the economy with 4.8 percent growth. Now we have seen very positive results in employment with almost 2 million new jobs created, including in the manufacturing sector which has been on a 1-year decline. We now see an uplift in the manufacturing sector as well. The good news is the economy is growing. The bill we passed last year has had a positive impact.

With the cooperation of Senator STEVENS, we were able to put in a cap on discretionary spending in the DOD appropriations bill. Now Congress can move forward. That is half of our budget.

If somebody wants to know, the budget basically deals with how much money you are going to spend and how much money you are going to tax. This takes care of the spending side of it and puts the cap on spending, replacing the cap we passed in the previous budget. It supersedes that. Now we have a new cap on domestic discretionary spending of \$821 billion. That is what we passed on the floor of the Senate. That is what we agreed to and that is what is now the law of the land. I think that is good news as well. That will constrain spending. We will probably find out later this afternoon.

I think we have some good news on the economy. We have good news because the future deficits are falling. The economy is growing, and we have a little work to do to finish the appropriations bills and to finish action on a couple of tax bills this year.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming is recognized.

SENATE SCHEDULE

Mr. THOMAS. Mr. President, I certainly appreciate the comments of my friend from Oklahoma. There are some positive things that have resulted after a number of very difficult years. I certainly appreciate the leadership which he has given on the budget.

I wanted to talk a moment about Senate business. Of course, I suppose we all have ideas about what we could do. We will be here for another month. Obviously, we can't do everything that is out there before us. Clearly, there were a lot of items we couldn't complete partly as a result of the fact that, frankly, we have not done as much over the last year as we should have and could have done. Some of that, of course, has been because of the Presidential election which is still looming before us. That has caused arguments on a lot of things which are more political than need to be. It is not unusual for the Congress to be political, of course. But I think to the extent it has been, it is more than usual. I hope we can move forward.

I was encouraged about what our leadership said yesterday as we try to move forward and try to actually cooperate on some things. Unfortunately, before the day is over I think we are back into the same old routine of trying to put the blame on everyone, and so on. The fact is we have work to do. We have an opportunity to do it. As I said, we will not all agree on what they ought to be, but it seems to me the real challenge before us is to set some priorities. We have a certain amount of time. We can do a certain number of things. Admittedly, we will have different ideas about what those priorities ought to be. I wanted to share that.

It seems to me it is important to do the things in a timely manner which have an impact on the economy—things Senator NICKLES also talked about. One is appropriations. Appropriations were intended to be done in July and August at the end of the fiscal year—at the end of September. We are a little late on those. The Appropriations Committee has been dealing with them for a long time. It seems to me that we ought to be prepared to move forward within the budget. It is one of the most important things.

I happen to believe energy is one of the most important things we have to deal with, to have an energy policy which gives us some idea as to the direction we are going to take when we deal with the obvious difficulties of energy. The cost of energy, the import percentages we have to expect from overseas, with all of the unrest in the Middle East where some of it comes from—those are the kinds of things we need to deal with. We have talked about it now for about 3 years. We have a policy. A policy has been on the floor. Unfortunately, as it moved to the floor the last time it was filibustered and we lacked the votes to get it passed. We need to pass it. In my view, that would have a great impact on the highway bill.