make a nuclear weapon within a year and, as the President said last night, from the British Government we know that Baghdad has sought significant quantities of uranium from Africa, despite having no active civil program that could require it.

Iraq has recalled specialists to work on its nuclear programs. All key aspects of Iraq's biological warfare program are still active, and most elements are larger and more advanced than before the gulf war. Iraq has begun renewed production of chemical warfare. Iraq has mobile laboratories for military use, corroborating reports about the mobile production of biological weapons. Dr. Blix has corroborated much of U.S. and British intelligence citing unresolved disarmament issues and complaining Iraq's cooperation is not active and should not be a game of catch-as-catch-can.

Mr. President, clearly, Iraq is in material breach of its international obligations, and that should serve as a sufficient trigger for forced disarmament by the international community led by the U.S. and its willing allies at the appropriate time.

After 12 years of consistent evasion, I cannot foresee any circumstance in which the Iraqi regime would now change its stripes. Deception is a reflex of Saddam Hussein's government, and it will persist until the regime is gone.

Iraq has had 12 years worth of opportunity to avoid war. And at every turn, it has chosen a course of action that is delivering us again toward hostilities.

I believe that at this point, the only way truly to disarm Iraq is by force.

If France does not want to go along, obviously, that is no excuse for inaction. Multilateralism should not stall us. We took oaths as Members of this body to defend this Nation against all enemies, foreign and domestic, not on the condition that the United Nations and France agree.

President Bush is well within his duty and obligation to defend this Nation by the use of force against Iraq at any time now. The Risks before this Nation and the world demand that he be ready and willing to use military force, with or without universal international support.

This is a moment of truth for our longtime allies of France and Germany. By their action or inaction, will they strengthen or weaken the international laws that protect all our nations and citizens?

Obviously, it is better to have international support than to not have it. But as Colin Powell said, multilaterialism should never be an excuse for inaction.

When I took the oath as a U.S. Senator, I did not swear to defend this Nation against all enemies foreign and domestic—only if the United Nations voted its approval.

I note the remarks of the senior Senator from Delaware yesterday who lamented that never in his career had he heard such disapproval from so many of our allies.

I too am saddened by this situation. I genuinely wish it were not so.

But I disagree with my colleague in assuming that the root cause of our disagreement lies in a faulty U.S. position.

Why is it that so many of my colleagues prefer the judgment of our European allies to that of our own best experts and analysts?

I think there is very little in the historical track record of many of our old European allies that inspires confidence in their ability to identify and deal with threats.

In particular, I find little in France's history to envy with regard to identifying and standing up to threats.

Frankly, I would be worried about our course of action if the French were on board in full. They have a great interest in oil. Thirty percent of the oil out of Iraq goes to a French oil company. That is not grounds to trust them.

It reminds me of when one of my hometown newspapers, the St. Louis Post-Dispatch, editorialized in favor of something I had done. I immediately told my staff that I must have taken an incorrect position on the issue.

I have often found during my career that the right thing is often in direct opposition to the professional stonethrowers and nay-sayers.

But in all seriousness, in contrast to many of my colleagues on the other side of the aisle, I believe the root cause of the disagreement between some of our old European allies and the United States lies within more within the realm of political and naked economic interests than with matters of national security.

The irony of the current situation is that American unilateralism may be the last best hope of old Europe, the Middle East and the United Nations—as it has been so many times over the last few decades.

Our President is on the right course. It is not the easy path. But it is the right one. And he deserves the support of this body and the American people.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina is recognized.

THE DEFICIT

Mr. HOLLINGS. Mr. President, last evening, the distinguished President said we were not going to pass on our problems to the next generation. There has to be a time of sobriety. We have to get off of this deficit binge and get to reality. The best way I know to really bring it to the attention of my colleagues is to go right back to President Bush coming into office. Everyone agrees and says, oh, the Clinton era started the recession, and so it did. But in February of 2001, right after the President had taken office, at the end of that month he acted like instead of a recession it was an economic boom. He talked of $5.6 trillion in surplus, and he outlined a budget of some $2.6 trillion for Social Security. He was going to protect Social Security. He had another $2 trillion for tax cuts, domestic and defense spending, and in the year before last, he went on to say we should prepare for the unexpected. His budget set aside $1 trillion over 10 years for additional needs. That is one trillion additional reasons everyone can feel comfortable supporting the budget.

I ask unanimous consent that a pertinent portion of the President's address be printed in the RECORD.

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

My budget has funded a responsible increase in our ongoing operations. It has funded our nation's important priorities. It has protected Social Security and Medicare. And our surpluses are big enough that there is still money left over.

Many of you have talked about the need to pay down our national debt. I listened, and I agree. (Applause.) We owe it to our children and grandchildren to act now, and I hope you will join me to pay down $2 trillion in debt during the next 10 years,. (Applause.) At the end of those 10 years, we will have paid down all the debt that is available to retire. (Applause.) That is more debt, repaid more quickly than has ever been repaid by any nation at any time in history. (Applause.)

We should also prepare for the unexpected, for the uncertainties of the future. We should approach our Nation's budget as any prudent family would, with a contingency fund for emergencies or additional spending needs. For example, after a strategic review, we may need to increase defense spending. We may need to increase spending for our farmers or additional money to reform Medicare. And so, my budget sets aside almost a trillion dollars over 10 years for additional needs. That is one trillion reasons you can feel comfortable supporting this budget. (Applause.)

Mr. HOLLINGS. On September 6, 2001—I will never forget it—Mitch Daniels, the director of the Office of Management and Budget, said we were going to have a surplus at that time because we had passed the tax cut and we had actually passed the stimulus.

This is the Senator who forced the vote to have the stimulus in March of that year, because we were thinking of a $100 billion stimulus, 1 percent of the GDP. What happened instead? They cut it back. They did not give it to the wage earners, to the payroll taxpayers, but they gave it to all the rich and they cut it back some 40-some-billion dollars and it did not work. It was passed in June, along with the tax cut.

By September 6, just before September 11, Mitch Daniels came in and he projected at that particular time a surplus of $158 billion. Three weeks later we ended up with a deficit of $143 billion, a swing of some $300 billion.

They go into the litany now of the recession, which they never wanted to recognize except in debate, and corruption and, of course, the war. They never want to pay for the war. The President says when we have war, we are going to run deficits.

Getting right to the point, I asked the Congressional Budget Office to estimate the cost of September 11th at that particular fiscal year 2001 and they said $34 billion, not the $300 billion swing from a $158 billion surplus to a $143 billion deficit.

The President had set up his contingency of $1 trillion and talked about his tax cuts in the same breath. So we had voodoo II. I will never forget under President Reagan, Vice President Bush, the President's father, had called that voodoo.

I went to a budget meeting last evening with the new Budget Committee, and I heard our distinguished chairman, the Senator from Oklahoma, mention growth, growth. So they got into the buzz word "growth." Let me say what it grows. It grows deficits. It grows debt. In 200 years of history, the cost of all the wars from the Revolution right on up to World War I, World War II, Korea, and Vietnam, we never reached a trillion dollar debt. With only the cost of the gulf war, with the Saudis paying for most of it, we hardly paid the cost of the war. Yet with this growth that we are going to hear about, we are talking about $6.3 trillion in deficits. We grew into horrendous debt and horrendous interest costs as a result of voodoo, and now we have voodoo II.

Mr. President, I ask unanimous consent to have this chart printed in the RECORD.

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

TAXES TO PAY FOR WAR

War	Individual increases	Corporate increases
Civil War	0–10%	Dividends.
World War I	13–77%	1–12%.
World War II	79–94%	20–40%.
Korean War	82–91%	38–52%.
Vietnam	70–77%	48–52.5%.
Afghan, Iraq and Terrorism Wars	Tax cut	Tax cut.

Mr. HOLLINGS. Early last year, the President said the deficit was going to be small and short-lived. Those were his exact words. I ask unanimous consent to have those remarks printed in the RECORD.

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

Once we have funded our national security and our homeland security, the final great priority of my budget is economic security for the American people. (Applause.) To achieve these great national objectives—to win the war, protect the homeland, and revitalize our economy—our budget will run a deficit that will be small and short-term, so long as Congress restrains spending and acts in a fiscally responsible manner. (Applause.) We have clear priorities and we must act at home with the same purpose and resolve we have shown overseas: We'll prevail in the war, and we will defeat this recession. (Applause.)

Americans who have lost their jobs need our help and I support extending unemployment benefits and direct assistance for health care coverage. (Applause.) Yet, American workers want more than unemployment checks—they want a steady paycheck. (Applause.) When America works, America prospers, so my economic security plan can be summed up in one work: jobs. (Applause.)

Mr. HOLLINGS. We have been going up, up and away. These are small and short-lived. They can understand the chart better upside down, but here is the actual fact. I ask unanimous consent that a copy of this particular chart be printed in the RECORD.

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

HOLLINGS' BUDGET REALITIES

Pres. and year	U.S. Budget (outlays) (in billions)	Borrowed trust funds (billions)	Unified deficit with trust funds (in billions)	Actual deficit without trust funds (in billions)	National debt (billions)	Annual increases in spending for interest (billions)
Truman:						
1947	34.5	−9.9	4.0	+13.9	257.1	....
1948	29.8	6.7	11.8	+5.1	252.0	....
1949	38.8	1.2	0.6	−0.6	252.6	....
1950	42.6	1.2	−3.1	−4.3	256.9	....
1951	45.5	4.5	6.1	+1.6	255.3	....
1952	67.7	2.3	−1.5	−3.8	259.1	....
Eisenhower:						
1953	76.1	0.4	−6.5	−6.9	266.0	....
1954	70.9	3.6	−1.2	−4.8	270.8	....
1955	68.4	0.6	−3.0	−3.6	274.4	....
1956	70.6	2.2	3.9	+1.7	272.7	....
1957	76.6	3.0	3.4	+0.4	272.3	....
1958	82.4	4.6	−2.8	−7.4	279.7	....
1959	92.1	−5.0	−12.8	−7.8	287.5	....
1960	92.2	3.3	0.3	−3.0	290.5	....
Kennedy:						
1961	97.7	−1.2	−3.3	−2.1	292.6	....
1962	106.8	3.2	−7.1	−10.3	302.9	9.1
Johnson:						
1963	111.3	2.6	−4.8	−7.4	310.3	9.9
1964	118.5	−0.1	−5.9	−5.8	316.1	10.7
1965	118.2	4.8	−1.4	−6.2	322.3	11.3
1966	134.5	2.5	−3.7	−6.2	328.5	12.0
1967	157.5	3.3	−8.6	−11.9	340.4	13.4
1968	178.1	3.1	−25.2	−28.3	368.7	14.6
Nixon:						
1969	183.6	0.3	3.2	+2.9	365.8	16.6
1970	195.6	12.3	−2.8	−15.1	380.9	19.3
1971	210.2	4.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	15.5	−14.9	−30.4	466.3	24.2
1974	269.4	11.5	−6.1	−17.6	483.9	29.3
Ford:						
1975	332.3	4.8	−53.2	−58.0	541.9	32.7
1976	371.8	13.4	−73.7	−87.1	629.0	37.1
Carter:						
1977	409.2	23.7	−53.7	−77.4	706.4	41.9
1978	458.7	11.0	−59.2	−70.2	776.6	48.7
1979	504.0	12.2	−40.7	−52.9	829.5	59.9
1980	590.9	5.8	−73.8	−79.6	909.1	74.8
Reagan:						
1981	678.2	6.7	−79.0	−85.7	994.8	95.5
1982	745.8	14.5	−128.0	−142.5	1,137.3	117.2
1983	808.4	26.6	−207.8	−234.4	1,371.7	128.7
1984	851.9	7.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	40.5	−212.3	−252.8	1,817.5	178.9
1986	990.5	81.9	−221.2	−303.1	2,120.6	190.3
1987	1,004.1	75.7	−149.8	−225.5	2,346.1	195.3
1988	1,064.5	100.0	−155.2	−255.2	2,601.3	214.1
Bush:						
1989	1,143.7	114.2	−152.5	−266.7	2,868.3	240.9
1990	1,253.2	117.4	−221.2	−338.6	3,206.6	264.7
1991	1,324.4	122.5	−269.4	−391.9	3,598.5	285.5
1992	1,381.7	113.2	−290.4	−403.6	4,002.1	292.3
Clinton:						
1993	1,409.5	94.2	−255.1	−349.3	4,351.4	292.5
1994	1,461.9	89.0	−203.3	−292.3	4,643.7	296.3
1995	1,515.8	113.3	−164.0	−277.3	4,921.0	332.4
1996	1,560.6	153.4	−107.5	−260.9	5,181.9	344.0
1997	1,601.3	165.8	−22.0	−187.8	5,369.7	355.8
1998	1,652.6	178.2	69.2	−109.0	5,478.7	363.8
1999	1,703.0	251.8	124.4	−127.4	5,606.1	353.5

HOLLINGS' BUDGET REALITIES—Continued

Pres. and year	U.S. Budget (outlays) (in billions)	Borrowed trust funds (billions)	Unified deficit with trust funds (in billions)	Actual deficit without trust funds (in billions)	National debt (billions)	Annual increases in spending for interest (billions)
2000	1,789.0	258.9	236.2	−22.7	5,628.8	362.0
Bush:						
2001	1,863.9	270.5	127.1	−143.4	5,772.2	359.5
2002	2,011.8	270.1	−158.5	−428.6	6,200.8	332.5

Note.—Historical Tables, Budget of the US Government FY 1998; Beginning in 1962, CBO's The Budget and Economic Outlook: Fiscal Years 2003–2012, January 23, 2002.

Mr. HOLLINGS. Mr. President, we have run down all of these so-called deficits and interest costs from President Truman on through President Bush. You can find that the deficits now of Presidents Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, for 6 presidents and almost—in almost 30 years, the cost of World War II, the cost of Korea, and the cost of Vietnam, cumulative, add them all up, those deficits are $358 billion. Guess what we added up—we ended up with this past September? The end of the fiscal year, September 30, little less than 4 months ago, we ended up with a deficit of $426 billion. They had estimated at that particular time it was going to be $173 billion. That was a swing of some $283 billion.

So when they say they are not going to pass on the costs, and let's not get bogged down in all of these figures around here, we are telling the American GI we are going to war and we hope you do not get killed. But if you are lucky enough not to get killed, come on home because we are going to give you the bill for the war. Have my colleagues ever heard of such a thing?

I want to remind everybody of last year, we tried our best to be fiscally responsible, and I commend our leader for withholding the budget. They said we could not pass one. Why didn't we pass one? Because we passed out the budget resolution, but if we had called up that budget, they would have put on tax cuts. The distinguished Chair knows it because he was a member of the Budget Committee over on the House side—we would have put on reconciliation and they, with the majority vote, could have passed those tax cuts. That is what we were holding up for. We did not want tax cuts on last year and that is why we held up the budget. Listen to what the former Director of the budget, Mr. David Stockman, said when he saw the disaster, the so-called growth, how are we going to grow out of it; all you do is just cut all your revenues.

Call up one of the Governors now with deficits—and they are trying to make it up—and say: Cut the taxes. They would be run out of the State capital. I cannot understand it. I cannot run at home unless I promise to pay the bill; I cannot run for the Senate unless I promise not to pay the bill. It is the darndest nonsense I have ever engaged in. We were trying to cancel the tax cuts. But what did David Stockman say about the Reagan tax cuts?

On page 342 in ''The Triumph of Politics'':

The President had no choice but to repeal or substantially dilute the tax cut. That would have gone far toward restoring the stability of the strongest capitalist economy in the world. Ronald Reagan chose to be not a leader but a politician. His obstinacy was destined to keep America's economy hostage to the errors of his advisers for a long, long time.

Voodoo 1, long, long time. We had to get President Clinton in to raise taxes, get the best 8 years of an economy, and now we are going to have not only Voodoo 2 in 2001, but now for 2003 we are going to pass, for next year, another tax cut. It is a foregone conclusion, now that the Republicans have a majority of the Senate as well as a majority of the House.

I commend everyone to read ''The Triumph of Politics'' and see what the Director of the Budget thought about that particular tax cut.

I ask unanimous consent to have printed in the RECORD the article in this morning's Washington Post: 2004 Budget Likely to Show Record Deficits; OMB Chief Projects Annual Shortfalls of More Than $300 Billion for 2003–2004.

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

2004 BUDGET LIKELY TO SHOW RECORD DEFICITS

OMB CHIEF PROJECTS ANNUAL SHORTFALLS OF MORE THAN $300 BILLION FOR 2003, 2004

(By Jonathan Weisman and Mike Allen)

The White House is likely to project record budget deficits next week when President Bush releases a 2004 budget that will include large tax cuts as well as big boosts in spending on homeland defense, Medicare and the military.

In a series of telephone interviews yesterday, White House Office of Management and Budget Director Mitchell E. Daniels, Jr. said the deficits for 2003 and 2004 would approach 3 percent of the economy, or more than $300 billion a year. That would surpass the 1992 record deficit of $290 billion, even before the cost of a possible war with Iraq is factored in. It would also be nearly triple the $109 billion deficit for 2003 that was forecast by the White House six months ago.

''We're about to disappear into the deepest of red ink,'' said Sen. John D. Rockefeller IV (D–W.VA.).

Still, expressed as a percentage of the gross domestic product, Daniels said, a $300 billion deficit is manageable and could be reversed easily if Congress and the president make it a priority. ''If what the nation should care about most is getting back to balance, it's no great trick to do it,'' Daniels said. ''We can do it in a year or two. All we'd have to do is limit spending growth to inflation and undertake no new initiatives.''

That contention was echoed by Treasury secretary nominee John W. Snow at his confirmation hearing yesterday, when he said: ''There is some level of deficits that is troublesome, that begins to tilt the financial markets. We're not there yet. We're a long way from there.''

Nevertheless, the numbers appeared to put to rest any prospect of a return to surpluses this decade. Two years ago, the White House and the Congressional Budget Office forecast a surplus of $5.6 trillion this decade. In July, the OMB projected a deficit of $109 billion in 2003, declining to $48 billion in 2004 before surpluses return. Now, Daniels said he expects the 2004 deficit to be close to his 2003 estimate.

Daniels said the White House will no longer issue 10-year budget projections. ''Those numbers would be, in my view, worse than a wasted effort,'' he said.

The CBO in August projected deficits of $145 billion in 2003 and $111 billion in 2004. The CBO will update those projections today with a relatively optimistic 2003 deficit of between $165 billion and $175 billion, according to Senate Republican aides. The CBO will likely project a 2004 deficit of about $130 billion.

But unlike the White House projections, those figures do not include a new round of tax cuts or the increases in spending for defense, homeland security and Medicare that Bush will be seeking in his new budget.

Daniels said the 2004 budget would propose more than $40 billion more for homeland security, between a 7 percent and 8 percent increase over last year. Military spending would jump between 4 percent and 5 percent under the plan. Spending on the rest of the government would rise between 3 percent and 4 percent, Daniels said.

A senior administration official said Bush will also seek about $400 billion over 10 years to overhaul Medicare and add a prescription drug benefit for some seniors.

(Mrs. DOLE assumed the Chair.)

Mr. HOLLINGS. What we are headed for is deficits of $500 billion—if you have got just $426 billion and you are already $167 billion. Let me include the debt to the penny. I want everyone to understand. Do not give me all of this off budget, on budget, unified budget. Just find out how much you spend and how much you pay, and we can find out the shortfall or the deficit.

We are already in a shortfall this year, a little less than 4 months, the public debt to the penny as of the 27th, the most recent. I looked for one this morning, $167 billion. I ask unanimous consent to have this printed in the RECORD.

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

THE DEBT TO THE PENNY

	Amount
Current: 1/27/2003	$6,395,237,394,489.82
Current Month:	
1–24–2003	6,392,119,196,353.47
1–23–2003	6,389,561,622,961.91
1–22–2003	6,389,894,461,722.18

THE DEBT TO THE PENNY—Continued

	Amount
1–21–2003	6,387,841,175,651.97
1–17–2003	6,388,587,973,011.41
1–16–2003	6,384,824,540,523.90
1–15–2003	6,386,957,326,682.31
1–14–2003	6,383,462,572,294.58
1–13–2003	6,380,582,269,971.85
1–10–2003	6,382,620,048,983.48
1–9–2003	6,381,926,712,367.35
1–8–2003	6,383,281,068,493.19
1–7–2003	6,387,381,983,103.35
1–6–2003	6,383,514,236,076.15
1–3–2003	6,382,650,489,675.40
1–2–2003	6,389,356,141,156.55
Prior Months:	
12–31–2002	6,405,707,456,847.53
11–29–2002	6,343,460,146,781.79
10–31–2002	6,282,527,974,378.50
Prior Fiscal Years:	
9–30–2002	6,228,235,965,597.16
9–28–2001	5,807,463,412,200.06
9–29–2000	5,674,178,209,886.86
9–30–1999	5,656,270,901,615.43
9–30–1998	5,526,193,008,897.62
9–30–1997	5,413,146,011,397.34
9–30–1996	5,224,810,939,135.73
9–29–1995	4,973,982,900,709.39
9–30–1994	4,692,749,910,013.32
9–30–1993	4,411,488,883,139.38
9–30–1992	4,064,620,655,521.66
9–30–1991	3,665,303,351,697.03
9–28–1990	3,233,313,451,777.25
9–29–1989	2,857,430,960,187.32
9–30–1988	2,602,337,712,041.16
9–30–1987	2,350,276,890,953.00

Source: Bureau of the Public Debt.

Mr. HOLLINGS. There you are. We are in a heck of a fix and somewhat similar, if you please, to the situation we had with President Clinton.

I will never forget because I was active member and a former chairman of the Budget Committee. We had a $403.6 billion deficit in 1992. That is the big reason our distinguished President lost reelection and lost to that little Governor down there in Arkansas. The President was running $403.6 billion deficits. And they said: Yes, you did wonderfully well in the gulf war. But heavens above, you have to get someone to get ahold of it.

We brought the Governor up who balanced budgets. And what did the Governor do? Right after his nomination, in Little Rock, he invited a group of the best financial minds down to Little Rock, sat them all down, including Alan Greenspan, the head of the Federal Reserve, and said: I have won now, but what is for the good of the country, what are we going to do?

Greenspan told him: Mr. President, you not only are going to have to cut spending, you are going to have to increase taxes.

President Clinton went around the room and asked: Do you all agree with that, we have to increase taxes? They said, to a man: That is what we need to do. We need to cut down these deficits, cut down this debt, and keep up the long-term interest rates because we are not investing in the stock market with these horrendous interest costs, almost $1 billion a day—and it is still almost $1 billion a day.

The first thing the Government does at 8 o'clock in the morning is go down to the bank and borrow $1 billion and add it to the debt—every Saturday morning, every Sunday morning, and every Christmas morning. We have got the debt going up, up, and away. But the President says: Don't worry about debt. It is a time of war.

I cannot agree with him on that. What happens, in time of war, is we believe in sacrifice, not just for those who are facing battle. I went back to the Civil War. I remember they chastised my friend Senator LOTT, and they all hail the party of Lincoln. I have heard that now, that chat on the weekend shows—the party of Lincoln. Where is Abraham when we need him now? President Lincoln taxed dividends to pay for the war. Go back and look at the record. He taxed dividends.

President Bush, instead of inviting Alan Greenspan, invited Charles Schwab. He said: Eliminate the tax on dividends. And we call it a stimulus. Come on, who is kidding whom around here? When are we going to sober up and understand the American people? If you are in the war, we want to sacrifice and we want to at least pay for the war.

In World War I, we went up to 77 percent of personal income tax for the highest tax bracket; World War II, up to 94 percent; the Korean war, 91 percent; Vietnam, 77 percent. We are at 38.6 percent right now.

Instead, in the Afghan, Iraq, and terrorism wars we say: Let's cut taxes. We are not going to pay for it.

When we are running a $6.3 trillion debt and, according to the morning paper—you can interpret what Mitch Daniels says—we will be running a $500 billion deficit this year, who wants to bet? Tell them HOLLINGS is here. September 30 will come around, and we will add it up, and I will bet your boots if we get all these things for homeland security, for AIDS, for health care, prescription drugs, and everything else of that kind, and put in this tax cut, we will have a $500 billion deficit. And they say: Don't worry about it.

Worse, they try to sell the dividend tax cut. It is wrong. You tax the income of the corporation, and you tax the individual when he gets his dividends.

I remember my distinguished friend from Texas, Phil Gramm. He stood over there when we were increasing taxes under President Clinton in 1993 and could not get a single Republican vote. And Senator Gramm looked at me and said: You are increasing taxes on Social Security; they will be hunting you Democrats down like dogs in the street.

You ought to look at the record. Now we pay taxes in order to get the Social Security trust fund, and then when I receive the Social Security benefit, I pay taxes—double tax on Social Security. Nobody mentions the Social Security tax. They all mention dividends and all the other things for the rich. And they are trying to say the economy is recovering when the economy is declining. You can't go along with this kind of tax cut here. We tried our best to stop it, and we will do our best here when we show that you have taxed like this before.

I have introduced a value-added tax of 1 percent. I would like to have 2 percent, but I didn't want to argue about the amount. I want to start a value-added tax to pay for the war. It takes the IRS one year to really administer and set it into collection. During that year's time, it could have no effect whatsoever on the economy. They say by the next year we will have recovered. That is what they are telling us. So they can't give me that argument that the value added tax will weaken economy this year if it is passed.

But I have a 1-percent VAT for the payment for the war—not for increased spending, not for tax cuts or anything else, but a tax to pay for the war.

They say their economic initiative is going to be stimulative. Let me get right to the point. You are not going to stimulate anything with the Democratic or the Republican initiative. President Bush wants a $674 billion tax cut, plus the interest costs of $300 billion, plus extending and making permanent the tax cut they passed in 2001. All of this adds up to $4 trillion. I am looking at it the way my market friends look at it. They say: Heavens above, this fellow is going to take $5 trillion out of the economy in the next several years; I am not going to invest. And we are going to war, and we are not paying for the war. We are looking at $500 billion deficits, or more.

I don't know any better way to stultify this economy and make sure it doesn't recover. I never heard of such things. This is the worst I have ever seen.

Why do I say it is not going to be a stimulus? If you just run $426 billion, that is $35 billion a month. That is the deficit for just last year. And then October, November, December, January—you are already up to $167 billion in deficits. That is $40 billion a month. We are spending $40 billion a month, and the President's stimulus plan of $110 billion is, let's say, $10 billion a month. The Democrats', Senator DASCHLE's stimulus plan, is $143 billion, or $12 billion a month. I don't think $10 billion or $12 billion a month more is going to stimulate this economy. You know that, and I know that. But it is buying the vote and making the mistakes—the Democrats are—even calling either one a stimulus.

There is not going to be any stimulus. It is just throwing away fiscal responsibility, running up the debt, and running up the interest costs. I have many quotes right here with respect to where we are as a result of it.

Let me show just exactly where we are now. For a stimulus, we are going to have one, whether we like it or not. If you listen to the President and you listen to us Democrats, we will agree with him on homeland security, we will agree with him on defense, we will agree with him on health care. It is just a matter of whatever it is. If you pay for defense, $20 billion; if you pay for health care, another $40 billion; if you pay for the first responders, if you pay for port security, if you pay for rail security, if you pay for homeland security, you add another $20 billion or $30 billion. If we pay the States money—and we should—that is another $20 billion or $30 billion.

That is another $120 or $130 billion stimulus we are going to be putting into the pipeline. We are going to be putting that out this year as a stimulus without a tax cut. With the Democrats or the Republicans, we are still going to be paying out $40 billion or $50 billion a month that we cannot account for—we cannot pay for.

That is stimulus enough. That would send a message, we are not going to run $500 billion deficits, because for that amount we could pay for the blooming homeland security and the war and prescription drugs and AIDS in Africa and all of those things we heard about last night. Fine business. Let's go to it. But let's not fool the American people and say this is going to stimulate or kick-start things. Everybody has the buzz words that pollsters and consultants give them: Kick-start, and growth, and stimulate. They just throw out the words, and we have thrown the economy into a decline.

Let me show just how bad off we are. It came to my attention that the Maastricht Treaty says: In order to be a member of the European Union, the budget deficits have to be held to 3 percent of the GDP, and the gross federal debt to GDP ratio has to be held to 60 percent, in order to assure avoidance of excessive borrowing of members. That is exactly the point. They can see what fiscal responsibility is. They are not going to invest.

You have that fellow who runs around saying deficits don't matter because the Europeans will come over here and supplant the market and they will buy. No, no, they are not going to buy. When the Europeans see this, that you have 3 percent of the GDP and you have to reduce the gross federal debt to the GDP ratio to 60 percent—we have computed it here. Turn to page 17. We can't put the entire record in here. This is the Budget and Economic Outlook for Fiscal Year 2004 to 2013, just issued this morning by the Congressional Budget Office. You will find on page 17 that the debt, the gross Federal debt, is $6,620 trillion for 2003. And the gross domestic product is $10,756 trillion. So the debt as a percent of the GDP is 61.5 percent, and that exceeds the 60 percent requirement.

We can't even join. These smart rascals around here are criticizing the Europeans. We can't even get into the European Union, fiscally, as this article says.

I ask unanimous consent to have this article printed in the RECORD.

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

TABLE 1–4.—CBO'S PROJECTIONS OF FEDERAL DEBT UNDER ITS ADJUSTED BASELINE

[In billions of dollars]

	Actual 2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt held by the public at the beginning of the year	3,320	3,540	3,766	3,927	4,013	4,045	4,034	3,983	3,894	3,766	3,501	3,062
Changes to debt held by the public:												
Surplus (−) or deficit	158	199	145	73	16	−26	−65	−103	−140	−277	−451	−508
Other means of financing	63	27	16	13	16	15	14	14	13	12	12	11
Total	220	226	161	86	32	−11	−51	−90	−127	−265	−440	−497
Debt held by the public at the end of the year	3,540	3,766	3,927	4,013	4,045	4,034	3,983	3,894	3,766	3,501	3,062	2,565
Debt held by government accounts:												
Social Security	1,329	1,489	1,664	1,858	2,070	2,302	2,552	2,820	3,106	3,409	3,727	4,057
Other government accounts [1]	1,329	1,364	1,447	1,546	1,660	1,780	1,907	2,038	2,174	2,315	2,463	2,615
Total	2,658	2,854	3,112	3,404	3,730	4,082	4,459	4,858	5,280	5,724	6,190	6,671
Gross federal debt	6,198	6,620	7,039	7,417	7,776	8,116	8,442	8,752	9,046	9,225	9,251	9,236
Debt subject to limit [2]	6,161	6,598	7,017	7,395	7,753	8,094	8,419	8,729	9,023	9,201	9,227	9,212
Memorandum: Debt held by the public at the end of the year as a percentage of GDP	34.3	35.0	34.7	33.6	32.2	30.4	28.5	26.5	24.3	21.5	18.0	14.4

[1] Mainly the Civil Service Retirement, Military Retirement, Medicare, Unemployment Insurance, and Airport and Airway Trust Funds.
[2] Differs from gross federal debt primarily because it excludes most debt issued by agencies other than the Treasury. The current debt limit is $6,400 billion.
Note.—These projections incorporate the assumption that discretionary budget authority totals $751 billion for 2003 and grows with inflation thereafter.

Source: Congressional Budget Office.

Mr. HOLLINGS. We would be subject to a $20 billion to $50 billion fine right quickly.

We need to rebuild the economy. They will invest. We will get jobs.

I ask unanimous consent to have printed in the RECORD an article in this week's Business Week, on page 50.

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

[From Business Week, Feb. 3, 2003]

(By Pete Engardio, Aaron Bernstein, and Manjeet Kripalani)

THE NEW GLOBAL JOB SHIFT

The sense of resignation inside Bank of America (BAC) is clear from the e-mail dispatch. ''The handwriting is on the wall,'' writes a veteran information-technology specialist who says he has been warned not to talk to the press. Three years ago, the Charlotte (N.C.)-based bank needed IT talent so badly it had to outbid rivals. But last fall, his entire 15-engineer team was told their jobs ''wouldn't last through September.'' In the past year, BofA has slashed 3,700 of its 25,000 tech and back-office jobs. An additional 1,000 will go by March.

Corporate downsizings, of course, are part of the ebb and flow of business. These layoffs, though, aren't just happening because demand has dried up. Ex-BofA managers and contractors say one-third of those jobs are headed to India, where work that costs $100 an hour in the U.S. gets done for $20. Many former BofA workers are returning to college to learn new software skills. Some are getting real estate licenses. BofA acknowledges it will outsource up to 1,100 jobs to Indian companies this year, but it insists not all India-bound jobs are leading to layoffs.

Cut to India. In dazzling new technology parks rising on the dusty outskirts of the major cities, no one's talking about job losses. Inside Infosys Technologies Ltd.'s (INFY) impeccably landscaped 22-hectare campus in Bangalore, 250 engineers develop IT applications for BofA. Elsewhere, Infosys staffers process home loans for Greenpoint Mortgage of Novato, Calif. Near Bangalore's airport, at the offices of Wipro Ltd. (WIT), five radiologists interpret 30 CT scans a day for Massachusetts General Hospital. Not far away, 26-year-old engineer Dharin Shah talks excitedly about his $10,000-a-year job designing third-generation mobile-phone chips, as sun pours through a skylight at the Texas Instrument Inc., (TXN) research center. Five years ago, an engineer like Shah would have made a beeline for Silicon Valley. Now, he says, ''the sky is the limit here.''

About 1,600 km north, on an old flour mill site outside New Delhi, all four floors of Wipro Spectramind Ltd.'s sandstone-and-glass building are buzzing at midnight with 2,500 young college-educated men and women. They are processing claims for a major U.S. insurance company and providing help-desk support for a big U.S. Internet service provider—all at a cost up to 60 percent lower than in the U.S. Seven Wipro Spectramind staff with PhDs in molecular biology sift through scientific research for Western pharmaceutical companies. Behind glass-framed doors, Wipro voice coaches drill staff on how to speak American English. U.S. customers like a familiar accent on the other end of the line.

Cut again to Manila, Shanghai, Budapest, or San José, Costa Rica. These cities—and dozens more across the developing world—have become the new back offices for Corporate America, Japan Inc., and Europe GmbH. Never heard of Balazs Zimay? He's a Budapest architect—and just might help design your future dream house. The name SGV & Co., probably means nothing to you. But this Manila firm's accountants may crunch the numbers the next time Ernst & Young International audits your company. Even Bulgaria, Romania, and South Africa, which have a lot of educated people but remain economic backwaters, are tapping the global market for services.

It's globalization's next wave—and one of the biggest trends reshaping the global economy. The first wave started two decades ago with the exodus of jobs making shoes, cheap electronics, and toys to developing countries. After that, simple service work, like processing credit-card receipts, and mind-numbing digital toil, like writing software code, began fleeing high-cost countries.

Now, all kinds of knowledge work can be done almost anywhere. ''You will see an explosion of work going overseas,'' says Forrester Research Inc., analyst John C. McCarthy. He goes so far as to predict at least 3.3 million white-collars jobs and $136 billion in wages will shift from the U.S. to low-cost countries by 2015. Europe is joining the trend, too. British banks like HSBC Securities Inc. (HBC) have huge back offices in China and India; French companies are using call centers in Mauritius; and German multinationals from Siemens (SI) to roller-bearings maker INA-Schaeffler are hiring in Russia, the Baltics, and Eastern Europe.

The driving forces are digitization, the internet, and high-sped data networks that girdle the globe. These days, tasks such as drawing up detailed architectural blueprints, slicing and dicing a company's financial disclosures, or designing a revolutionary microprocessor can easily be performed overseas. That's why Intel Inc. (INTC) and Texas Instruments Inc. are furiously hiring Indian and Chinese engineers, many with graduate degrees, to design chip circuits. Dutch consumer-electronics giant Philips (PHG) has shifted research and development on most televisions, cell phones, and audio products to Shanghai. In a recent PowerPoint presentation, Microsoft Corp. (MSFT) Senior vice-President Brian Valentine—the No. 2 exec in the company's Windows unit—urged managers to ''pick something to move offshore today.'' In India, said the briefing, you can get ''quality work at 50% to 60% of the cost. That's two heads for the price of one.''

Even Wall Street jobs paying $80,000 and up are getting easier to transfer. Brokerages like Lehman Brothers Inc. (LEH) and Bear, Sterns & Co. (BSC), for example, are starting to sue Indian financial analysis for number-crunching work. ''A basic business tenet is that things go to the areas where there is the best cost of production,'' says Ann Livermore, head of services at Hewlett-Packard Co. (HPQ), which has 3,300 software engineers in India. ''Now you're going to see the same trends in services that happened in manufacturing.

The rise of globally integrated knowledge economy is a blessing for developing nations. What is means for the U.S. skilled labor force is less clear. At the least, many whitcollar workers may be headed for a tough readjustment. The unprecedented hiring binge in Asia, Eastern Europe, and Latin America comes at a time when companies from Wall Street to Silicon Valley are downsizing at home. In Silicon Valley, employment in the IT sector is down by 30% since early 2001, according to the nonprofit group Joint Venture Silicon Valley.

Should the West panic? It's too early to tell. Obviously, the bursting of the tech bubble and Wall Street's woes are chiefly behind the layoffs. Also, any impact of offshore hiring is hard to measure, since so far a tiny portion of U.S. white-collar work has jumped overseas. For security and practical reasons, corporations are likely to keep crucial R&D and the bulk of back-office operations close to home. Many jobs can't go anywhere because they require fact-to-face contact with customers. Americans will continue to deliver medical care, negotiate deals, audit local companies, and wage legal battles. Talented, innovative people will adjust as they always have.

Indeed, a case can be made that the U.S. will see a net gain from this shift—as with previous globalization waves. In the 1990s, Corporate America had to import hundreds of thousands of immigrants to ease engineering shortages. Now, by sending routine service and engineering tasks to nations with a surplus of educated workers, the U.S. labor force and capital can be redeployed to higher-value industries and cutting-edge R&D. ''Silicon Valley doesn't need to have all the tech development in the world,'' says Doug Henton, president of Collaborative Economics in Mountview, Calif. ''We need very good-paying jobs. Any R&D that is routine can probably go.'' Silicon Valley types already talk about the next wave of U.S. innovation coming from the fusion of software, nanotech, and life sciences.

Globalization should also keep services prices in check, just as it did with clothes, appliances, and home tools when manufacturing went offshore. Companies will be able to keep shaving overhead costs and improving efficiency. ''Our comparative advantage may shift to other fields,'' says City University of New York economist Robert E. Lipsey, a trade specialist. ''And if productivity is high, then the U.S. will maintain a high standard of living.'' By spurring economic development in nations such as India, meanwhile, U.S. companies will have bigger foreign markets for their goods and services.

For companies adept at managing a global workforce, the benefits can be huge. Sure, entrusting administration and R&D to far-flung foreigners sounds risky. but Corporate America already has become comfortable hiring outside companies to handle everything from product design and tech support to employee benefits. Letting such work cross national boundaries isn't a radical leap. Now, American Express (AXP), Dell Computer (DELL), Eastman Kodak (EK), and other companies can offer round-the-clock customer care while keeping costs in check. What's more, immigrant Asian engineers in the U.S. labs of TI, IBM (IBM), and Intel for decades have played a big, hidden role in American tech breakthroughs. The difference now is that Indian and Chinese engineers are managing R&D teams in their home countries, General Electric Co. (GE), for example, employs some 6,000 scientists and engineers in 10 foreign countries. GE Medical Services integrates magnet, flat-panel, and diagnostic imaging technologies from labs in China, Israel, Hungary, France, and India in everything from its new X-ray devices to $1 million CT scanners. ''The real advantage is that we can tap the world's best talent,'' says GE medical Global Supply Chain Vice-President Dee Miller.

That's the good side of the coming realignment. There are hazards as well. During previous go-global drives, many companies ended up repatriating manufacturing and design work because they felt they were losing control of core businesses or found them too hard to coordinate. In a recent Gartner Inc. survey of 900 big U.S. companies that outsource IT work offshore, a majority complained of difficulty communicating and meeting deadlines. As a result, predicts Gartner Inc. Research Director Frances Karamouzis, many newcomers will stumble in the first few years as they begin using offshore service workers.

A thornier question: What happens if all those displaced white-collar workers can't find greener pastures? Sure, tech specialists, payroll administrators, and Wall Street analysts will land new jobs. But will they be able to make the same money as before? It's possible that lower salaries for skilled work will outweight the gains in corporate efficiency. ''If foreign countries specialize in high-skilled areas where we have an advantage, we could be worse off,'' says Harvard University economist Robert Z. Lawrence, a prominent free-trade advocate. ''I still have faith that globalization will make us better off, but it's no more than faith.''

If the worries prove valid, that could reshape the globalization debate. Until now, the adverse impact of free trade has been confined largely to blue-collar workers. But if more politically powerful middle-class Americans take a hit as white-collar jobs move offshore, opposition to free trade could broaden.

When it comes to developing nations, however, it's hard to see a downside. Especially for those countries loaded with college grads who speak Western languages, outsourced white-collar work will likely contribute to economic development even more than new factories making sneakers or mobile phones. By 2008 in India, IT work and other service exports will generate $57 billion in revenues, employ 4 million people, and account for 7 percent of gross domestic product, predicts a joint study by McKinsey & Co. and Nasscom, an Indian software association.

What makes this trend so viable is the explosion of college graduates in low-wage nations. In the Philippines, a country of 75 million that churns out 380,000 college grads each year, there's an oversupply of accountants trained in U.S. accounting standards. India already has a staggering 520,000 IT engineers, with starting salaries of around $5,000. U.S. schools produce only 35,000 mechanical engineers a year; China graduates twice as many. ''There is a tremendous pool of well-trained people in China,'' says Johan A. van Splunter, Philips' Asia chief executive.

William H. Gates III, for one, is dipping into that pool. Although Microsoft started later than many rivals, it is moving quickly to catch up. In November, Chairman Gates announced his company will invest $400 million in India over the next three years. That's on top of the $750 million it's spending over three years on R&D and outsourcing in China. At the company's Beijing research lab, one-third of the 180 programmers have PhDs from U.S. universities. The group helped develop the ''digital ink'' that makes handwriting show up on Microsoft's new tablet PCs and submitted four scientific papers on computer graphics at last year's prestigious Siggraph conference in San Antonio. Hyderabad, India, meanwhile, is key to Microsoft's push into business software.

This is no sweatshop work. Just two years out of college, Gaurav Daga, 22, is India project manager for software that lets programs running on Unix-based computers interact smoothly with Windows applications. Daga's $11,000 salary is a princely sum in a nation with a per capita annual income of $500, where a two-bedroom flat goes for $125 a month. Microsoft is adding 10 Indians a month to its 150-engineer center and indirectly employs hundreds more at IT contractors. ''It's definitely a cultural change to use foreign workers,'' says Sivaramakichenane Somasegar, Microsoft's vice-president for Windows engineering. ''But if I can save a dollar, hallelujah.''

Corporations are letting foreign operations handle internal finances as well. Procter & Gamble Co.'s (PG) 650 Manila employees, most of whom have business and finance degrees, help prepare P&G's tax returns around the world. ''All the processing can be done here, with just final submission done to local tax authorities'' in the U.S. and other countries, says Arun Khanna, P&G's Manila-based Asia accounting director.

Virtually every sector of the financial industry is undergoing a similar revolution. Processing insurance claims, selling stocks, and analyzing companies can all be done in Asia for one-third to half of the cost in the U.S. or Europe. Wall Street investment banks and brokerages, under mounting pressure to offer independent research to investors, are buying equity analysis, industry reports, and summaries of financial disclosures from outfits such as Smart Analyst Inc. and

OfficeTiger that employ financial analysts in India. By mining databases over the Web, offshore staff can scrutinize an individual's credit history, access corporate public financial disclosures, and troll oceans of economic statistics. ''Everybody these days is drawing on the same electronic reservoir of data,'' says Ravi Aron, who teaches management at the Wharton School at the University of Pennsylvania.

Architectural work is going global, too. Fluor Corp. (FLR) of Aliso Viejo, Calif., employs 1,200 engineers and draftsmen in the Philippines, Poland, and India to turn layouts of giant industrial facilities into detailed specs and blueprints. For a multibillion-dollar petrochemical plant Fluor is designing in Saudi Arabia, a job requiring 50,000 separate construction plans, 200 young Filipino engineers earning less than $3,000 a year collaborate in real time with elite U.S. and British engineers making up to $90,000 via Web portals. The principal Filipino engineer on plumbing design, 35-year-old Art Aycardo, pulls down $1,100 a month—enough to buy a Mitsubishi Lancer, send his three children to private school, and take his wife on a recent U.S. trip. Fluor CEO Alan Boeckmann makes no apologies. At a recent meeting in Houston, employees asked point-blank why he is sending high-paying jobs to Manila. His response: The Manila operation knocks up to 15 percent off Fluor's project prices. ''We have developed this into a core competitive advantage,'' Boeckmann says.

It's not just a game for big players: San Francisco architect David N. Marlatt farms our work on Southern California homes selling for $300,000 to $1 million. He fires off two-dimensional layouts to architect Zimay's PC in Budapest. Two days later, Marlatt gets back blueprints and 3–D computer models that he delivers to the contractor. Zimay charges $18 an hour, vs. the up to $65 Marlatt would pay in America. ''In the U.S., it is hard to find people to do this modeling,'' Zimay says. ''But in Hungary, there are too many architects.''

So far, white-collar globalization probably hasn't made a measurable dent in U.S. salaries. Still, it would be a mistake to dismiss the trend. Consider America's 10 million-strong IT workforce. In 2000, senior software engineers were offered up to $130,000 a year, says Matt Milano, New York sales manager for placement firm Atlantic Partners. The same job now pays up to $100,000. Entry-level computer help-desk staffers would fetch about $55,000 then. Now they get as little as $35,000. ''Several times a day, clients tell me they are sending this work off shore,'' says Milano. Companies that used to pay such IT service providers as IBM, Accenture (ACN), and Electronic Data Service (EDS) $200 a hour now pay as little as $70, says Vinnie Mirchandani, CEO of IT outsourcing consultant Jetstream Group. One reason, besides the tech crash itself, is that Indian providers like Wipro, Inforsys, and Tata charge as little as $20. That's why Accenture and EDS, which had few staff in India three years ago, will have a few thousand each by next year.

Outsourcing experts say the big job migration has just begun. ''This trend is just starting to crystallize now because every chief information officer's top agenda item is to cut budget,'' says Gartners Karamouzis. Globalization trailblazers, such as GE, AmEx, and Citibank (C), has spent a decade going through the learning curve and now are ramping up fast. More cautious companies—insurers, utilities, and the like—are entering the fray. Karamouzis expects 40 percent of America's top 1,000 companies will at least have no overseas pilot project under way within two years. The really big offshore push won't be until 2010 or so, she predicts, when global white-collar sourcing practices are standardized.

If big layoffs result at home, corporations and Washington may have to brace for a backlash. Already, New Jersey legislators are pushing a bill that would block the state from outsourcing public jobs overseas. At Boeing Co. (BA), an anxious union is trying to ward off more job shifts to the aircraft maker's new 350-person R&D center in Moscow (page 42).

The truth is, the rise of the global knowledge industry is so recent that most economists haven't begun to fathom the implications. For developing nations, the big beneficiaries will be those offering the speediest and cheapest telecom links, investor-friendly policies, and ample college grads. In the West, it's far less clear who will be the big winners and losers. But we'll soon find out.

Mr. HOLLINGS. ''Is your job next?'' I have been at this 36 going on 37 years now. We said we were going to create so many jobs when we had NAFTA. We have lost exactly 57,100 jobs in textiles alone in the State of South Carolina since NAFTA—57,100.

We have lost 2 million jobs since President Bush took office. He said: My economic plan last year is encapsulated in one word—jobs. So he got fast track. Everybody, as this article shows, headed to China. Not just the smokestack jobs, but the service jobs. Not just the service jobs, but the high-tech jobs.

What we need to do, like President Nixon, is take those States where we have a deficit in the balance of trade and put in a 10-percent import surcharge. I was here when we did it. We went around with Senator Mansfield to explain it to all the heads of state—nine countries in Europe—that is what we ought to do: We ought to hold up on this Eximbank financing the building of your plants. Because if you did get the economy going, it is not going in America, instead it is creating jobs in downtown Shanghai.

Right to the point, we ought to enforce 301. We ought to do away with that Bermuda thing. I am talking fast because my time has reached the endpoint here. But right to the point here, we have to start rebuilding a competitive trade policy, on the one hand, and get ahold of ourselves like the Governors and the mayors, and start paying the bill and cut out this nonsense about tax cuts stimulating.

I yield the floor.

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

The PRESIDING OFFICER (Mr. SMITH). Without objection, it is so ordered.

NATIONAL SECURITY AND OUR ECONOMY

Mr. MCCONNELL. Mr. President, the President of the United States stated that America faces decisive days for our economic and national security needs. He has called for strong steps and unity to make America stronger and prosperous.

From this call, will America get the leadership from its elected officials or will it, instead, get just partisan rancor? We all hope for the former but begin to suspect the latter.

No one can imagine the awesome responsibility and burden of protecting the lives of millions of Americans and defending the free world. With such a daunting challenge as protecting American lives, I have deferred to the judgment of the President, whether a Democrat or a Republican.

On September 11, 2001, that challenge became immeasurably greater. An unimaginable act of evil changed the world of today, tomorrow, and for decades ahead. Yet only the President seems to have taken to heart that the matrix of terror has multiplied.

The options and choices and avenues for a terrorist to strike at America are almost beyond human comprehension. The President must not only comprehend these new terrorist risks to America, but he also must defend against them. Of all terrorist threats to America and the world, is any greater than the terrorists of al-Qaida employing the modern, destructive weapons of Saddam Hussein?

If outlaw regimes and suicide terrorists conspire, entire cities—entire cities—not just buildings are at risk and millions, rather than thousands, of lives could be lost.

The time when America could sleep and let outlaw regimes fester is over. But before the President can prevent this murderous alliance, many in this Chamber say they need proof. They do not demand proof that a ruthless terrorist-supporting despot has disarmed, as required by the U.N. over a decade ago. Instead, they demand proof from our President that Iraq is still armed.

The proof is in, and the President has provided more. U.N. and U.S. intelligence report that for a dozen years Iraq has had materials to produce 26,000 liters of anthrax, 38,000 liters of botulism, 500 tons of sarin, mustard and VX nerve gas, and 30,000 munitions capable of delivering chemical agents.

He has used these weapons of mass destruction against his own people. And the U.N. says there is no proof that Iraq has rid itself of these chemical and biological weapons. Yet we are told the President must show proof.

Iraqi defectors tell of mobile biological labs, but we need more proof, they say. U–2 surveillance planes over Iraq are blocked, but the critics say more proof is needed.

Iraqi security officers intimidate and threaten the lives and families of cooperative scientists, but the critics say more proof is needed.

In the past, such demands for more proof, in the face of overwhelming evidence, have been fully answered with such notable events as the invasion of Poland in 1939 and the attack on Pearl Harbor in 1941. The price of that proof was measured in millions of lives.