

marginalize militants, providing an essential counterbalance to radicalization on campus.

Let me emphasize that this funding would also be used for programs in Afghanistan. In that country, the institute has been hard at work building programs that promote the rule of law. As I am sure that my colleagues are aware, while much progress has been made in Afghanistan, there is a very real danger that the drug lords and warlords have ruled for decades will gain traction and undo U.S. success in installing a democratic government. One way to combat that is through the traditional mechanisms—councils of male village elders—that handle over 90 percent of legal disputes. The Institute of Peace has partnered with the Afghan Ministry of Justice in developing a strategy that will enable the formal and informal legal systems to work together and ensure that Afghans, in particular women and minorities, enjoy protection of their rights. One tribal leader at an Institute of Peace meeting said that his people want effective central government, but that they have never had a government they can trust. The institute aims to create the kind of legal system all Afghans can look to for justice with confidence.

The bottom line is that all of this good work being carried out by the U.S. Institute of Peace in Iraq and Afghanistan will come to a crashing halt in the months immediately ahead if we do not provide this infusion of \$8.5 million on an emergency basis. The institute's democracy-building efforts would end at exactly the time when they are most urgently needed. That would be unconscionable. Millions of Iraqis are putting their lives on the line because of their commitment to building democracy. We need to keep faith with those courageous Iraqis and their dream of a democratic Iraq.

Further, I would like to inform my colleagues that our U.S. Ambassador, Zalamay Khalilzad, who is currently serving in Iraq, was a member of the USIP board of directors from November 1999 to May 2001, at which time he joined the National Security Council and had to leave the board. Ambassador Negroponte who served in Iraq prior to Ambassador Khalilzad called on USIP to assist him in calling together Iraqi religious leaders, and they would all meet in USIP's Iraq office. I am sure they would both join me in commending the work of the U.S. Institute of Peace.

But before I finish my remarks I would like to take a few moments to speak about the history of the U.S. Institute of Peace.

The U.S. Institute of Peace is a unique organization. Throughout our long history, America has been proud of its strong, well-led military. And this outstanding military leadership is no accident. It is possible because we maintain prestigious, world-class military academies which train some of the

best and brightest minds in America in the art and science of war.

But Americans also have a long history as a peace-loving people. Time and again, we have brokered peace between warring nations, and we have intervened to head off potential conflicts. The Institute of Peace draws on this proud tradition and today makes a vital intellectual investment in the art and science of peacemaking.

Today's Institute of Peace is the fruit of a dream and vision that goes back to our Nation's Founders. Benjamin Banneker, often called "the first black American man of science," and physician Benjamin Rush, a signer of the Declaration of Independence, noted and lamented the Constitution's failure to establish a Department of Peace to balance the Department of War. In their correspondence with Thomas Jefferson in 1792, Banneker and Rush envisioned a "Peace Office" which would be on an equal footing with the Department of War and would be charged with promoting and preserving perpetual peace in the United States.

George Washington also supported the establishment of a Peace Office. And his support was not just casual. He believed that such an office should be an essential pillar of the new Nation. When he died in 1799, Washington's last will and testament bequeathed in perpetuity 50 acres in Potomac County to be used "toward the endowment of a university—under the auspices of the general Government." This bequest was intended to make possible the proper "Peace Establishment" that President Washington had written about as early as 1783.

In a 1980 report, the Matsunaga Commission strongly recommended the establishment of the United States Academy of Peace. In the course of more than 70 meetings and hearings all across the United States, Senator Matsunaga of Hawaii and other Senators surveyed the full range of threats to world peace and explored ways to counter those threats.

After much thoughtful debate, a compromise was reached, and the United States Institute of Peace Act was passed and signed into law by President Ronald Reagan in 1984. A board was installed, and the institute's first meeting was held in February 1986. Since that time, the institute has done remarkable work in such disparate nations as Afghanistan and Korea, Bosnia and the Philippines.

Today, at the direction of Congress, the Institute actively pursues six interrelated activities: expanding society's knowledge about the changing nature and conduct of international relations and the management of international conflict; supporting policymakers in the legislative and executive branches; facilitating the resolution of international disputes; training international affairs professionals from the United States and abroad in conflict prevention, management, and resolution techniques; strengthening the edu-

cation of emerging generations of young people in the United States and in foreign zones of conflict; and increasing public understanding about the nature of international conflicts, as well as approaches to their prevention, management, and resolution.

Mr. President, the USIP deserves our support.

MORNING BUSINESS

Mr. VOINOVICH. Mr. President, I ask unanimous consent there now be a period for morning business with Senators permitted to speak for up to 10 minutes each.

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

Mr. VOINOVICH. I ask unanimous consent that I be allowed to speak for up to 35 minutes.

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

The Senator from Ohio is recognized.

FISCAL HEALTH

Mr. VOINOVICH. Mr. President, I rise today to speak on our Nation's fiscal situation. Today, the Senate is considering about a \$100 billion supplemental funding bill that our Federal Government requires to fulfill its domestic and foreign obligations. While I acknowledge this funding is needed in many areas at home and abroad, most notably with our commitments to fight the war on terror, rebuild after the devastations of Katrina and Rita and protecting our borders, the occasion of passing a \$100 billion supplemental bill is an opportunity that I cannot pass up to remind the Senate of where our Nation's overall fiscal health lies.

In a nutshell, our fiscal health is in dire straits. In the most simple terms, the Federal Government continues to spend more than it takes in. I hope my colleagues agree that the running the charge cards for today's needs and leaving the bill for our children and grandchildren should not be the policy that this body pursues.

When I came to the Senate in 1999, the national debt stood at \$5.6 trillion. Today, as the chart shows, the national debt stands at \$8.4 trillion. Since I came to the Senate in 1999, we have had an increase in the national debt of about 50 percent. The chart shows the last 4 years how we have climbed the ladder, and the Treasury will be back asking us to raise the debt limit.

As a percentage of gross domestic product, our national debt has grown from being 58 percent of gross domestic production at the end of 2000 to an estimated 66.1 percent of gross domestic production by the end of 2006.

Undoubtedly, the United States has undergone unprecedented challenges that have spurred these fiscal issues. The tragedy of September 11 to fighting the war on terror at home and abroad, to hurricanes Katrina and Rita, to the rollout of the new Medicare prescription drug plan, the largest

expansion of Medicare Programs since its creation, our Nation has had to respond to challenges of tremendous magnitude. In responding to those challenges, the Federal Government has had the responsibility to provide the resources so that the country could confront these challenges head on.

The Federal Government rightly appropriated \$20 billion to help New York, hundreds of billions to provide our war fighters with the necessary equipment to provide for our national security and now well over \$100 billion to help rebuild the gulf coast. We are dealing with all of these expenses, but we are ignoring the 800-pound gorilla in the room, the impending tidal wave of entitlements coming due.

I was pleased this President in the State of the Union Address acknowledged that:

The retirement of the baby boom generation will put unprecedented strains on the federal government. By 2030, spending for Social Security, Medicare and Medicaid alone will be almost 60 percent of the entire federal budget. And that will present future Congresses with impossible choices: staggering tax increases, immense deficits, or deep cuts in every category of spending.

I am pleased the President decided to focus on what some call the demographic tsunami coming our way and the necessity to reform entitlement programs before it hits. The 77 million baby boomers coming into the Social Security and Medicare Program will put the Federal budget under unprecedented pressure. Chairman GREGG took the courageous steps to take on entitlement spending through the Deficit Reduction Act of 2005. I supported his efforts.

However, this was just the tip of the iceberg. The truth is, we have not been serious about entitlement reform. The President called for a bipartisan commission to examine the full impact of baby boom retirements on Social Security, Medicare, and Medicaid in his State of the Union Address. It is imperative we move on this quickly. Unfortunately, we are still waiting for the commission to be appointed. Time is of the essence, and I hope that Secretary Snow and the administration will move quickly on creating that commission.

Social Security, Medicare, Medicaid, make up a significant portion of mandatory spending and mandatory spending is crowding out other parts of the budget. This chart shows in the year 1965 mandatory spending was 27 percent of our budget. In 1985, now we see mandatory spending makes up 42 percent, 44 percent is discretionary, and 14 percent is the interest on our debt. Now, in the year 2005, from 1985 to 2005, mandatory spending has jumped from 42 percent to 53 percent, and defense is 20 percent, nondefense is 19 percent, interest is 7 percent, and we have been lucky in terms of the interest costs because of the fact that our interest rates are very low today.

If we ever see an uptake in interest costs, we can go back to what percentage went toward interest. When I came

to the Senate in 1999, our interest costs were about 13 percent, so they have gone down, but the fact of the matter is we need to be realistic about the fact that they are not always going to be as low as they are today, and if they go up, they will just gobble up more of the Federal budget.

According to the reports from Medicare and Social Security trustees, the trust funds for these programs will be exhausted even earlier than previously thought. According to the trustees report that came back last week, the cost of Social Security and Medicare will grow from nearly 7.4 percent of the economy today to 12.7 percent by 2030, consuming approximately not just 60 percent as predicted by the administration but 70 percent of all Federal revenues, crowding out all other discretionary spending. No matter which way you look at it, if we leave reform of entitlement programs for future Congresses to solve, as well as a mountain of national debt to pay off, it will have devastating consequences on the economy and on our children and grandchildren.

Some Members believe that the solution is to grow the economy out of the problem, that by cutting taxes permanently the economy will eventually raise enough revenue to offset any current losses to the U.S. Treasury. I respectfully disagree with that assertion. I do not believe that in the current situation our country faces, we can continue to spend more than we take in.

By the General Accounting Office's own estimates, about 35 years from now, that is when my grandchildren have their own children to care for, balancing the budget would require actions as large as cutting total Federal spending by 60 percent or raising taxes 2.5 times what they are at today's level.

Our friends overseas and Europe are experiencing what we will experience if we do not get a hold of our finances.

In November 2005, former Federal Reserve Chairman Alan Greenspan testified before the Joint Economic Committee and told Congress:

We should not be cutting taxes by borrowing. We do not have the capability of having both productive tax cuts and large expenditure increases, and presume that the deficit doesn't matter.

That is exactly what we have been doing the last several years.

I have said many times on this floor that our major problem is we are unwilling to pay for or go without what we want to get done. We have been willing, time and time again, to put the cost of our current spending on the credit cards of our children and grandchildren. To be candid and fair, we had no choice in much of the spending since 9/11. The Federal Government had to rebuild after 9/11. We have made the decision to increase security for the homeland. We have to fund the war in Iraq and Afghanistan. And we have to rebuild after the devastation of dealing with Hurricanes Katrina and Rita. In

other words, our costs are something we have not been able to control because of the war abroad, securing our homeland, and these hurricanes which were unprecedented in our country's history.

While we have had to spend hundreds of billions of dollars on these events, the Senate has made the decision to squeeze the nondefense discretionary budget. In fact, the pendulum has swung from the Senate spending money like drunken sailors during the first years I was here to now cutting these nondefense discretionary accounts to the bone in the name of fiscal responsibility.

Unfortunately, fiscal responsibility cannot be defined solely by restraining and cutting nondefense discretionary spending. These accounts are only one-fifth of the budget and, frankly, with some of the cuts to these accounts, I believe we are eating our seed corn in the name of fiscal responsibility.

I would be the first to cut the excess out of the budgets. I only have to think back to my mayoral days and my Governor days. As mayor of Cleveland, we inherited the first major city in the United States to default on its loans since the Great Depression. By making tough choices, we turned the city around.

As Governor, we faced a no less daunting challenge. We came into office in a \$1.5 billion hole. We scoured through line by line and went through four rounds of cuts in the State budget. After the fourth cut, the math still did not add up. We had to raise revenues to meet the responsibilities of the State—a solution that was not easy. But at the end of the day, it was necessary because—do you know what—we had to balance our State budget.

I had to balance my budgets when I was the mayor of the city of Cleveland. Unfortunately, we do not have to balance our budgets here in Washington. After getting back on even keel, we were able to reduce taxes in each of the last 3 years of my administration. But we had to get back on even keel.

I view the situation our Nation faces today in a very similar light. We are in a heck of a spot. Our Nation has faced extraordinary costs that could not be foreseen. And at the same time, we are talking about reducing revenues. We have cut nondefense discretionary spending, and I am sure there are those who believe we can cut more. I think we have come to the point where we need to face reality. These numbers just do not add up.

Now, I want to say that I am not against tax cuts. In other words, I have been for it. I supported tax cuts in 2001, 2002, 2003, 2004. In 2001, we were facing a starkly different fiscal picture than we have today. I think it is really important to understand that. The fiscal picture today is entirely different than when we started the tax cuts in 2001. The surplus over 10 years was estimated to be \$5.6 trillion—a lot of money. Congress, as I mentioned, spent

more money in 1998, 1999, 2000, and 2001 than they should have. This led most of us to want to get that money off the table so it could not be spent. I supported this because of what I referred to as the three-legged stool: pay down the debt, fiscal responsibility, and tax cuts—the three of them.

On June 7, 2001, the President signed the Economic Growth and Tax Relief Reconciliation Act. I voted for this bill which reduced the individual income tax rates that apply to taxable income, increased the child tax credit to \$1,000, and extended it to smaller families, addressed the marriage penalty, phased out the Federal estate tax over the period 2002 to 2010, provided a temporary reduction in the alternative minimum tax, and provided some savings incentives and childcare credits.

After 9/11, I joined the Centrist Coalition to accelerate these cuts to provide a short-term stimulus to our economy. The House passed this bill, but it stalled in the Senate because of partisan politics.

In 2003, our country was still reeling from September 11, the war against terror, and corporate accounting scandals. We were in recession. We needed additional stimulative medicine. But I fought to ensure that the tax cuts were the right amount. I joined with Senators OLYMPIA SNOWE, JOHN BREAU, and MAX BAUCUS to get the \$350 billion that we passed in 2003.

On May 28, 2003, the President signed the Jobs and Growth Tax Relief Reconciliation Act into law. We accelerated the cuts from the 2001 tax bill, such as the individual income tax cuts, the marginal rates, the child tax credit, the marriage penalty relief, extended the AMT again, and reduced the rate on both dividends and capital gains to 15 percent for higher tax brackets and 5 percent for those in the lower tax brackets for 2003 to 2008.

One of the reasons we said only \$350 billion was that we were concerned about the cost of the war and homeland security. And we were right. Our national defense and homeland security costs have added up to \$2.3 trillion since then.

Since 2003, when we decided to provide accelerated tax cuts, our national defense and homeland security costs have added up to \$2.3 trillion.

Can you imagine where we would have been if the \$1.57 trillion the administration initially proposed or even the \$725 billion tax cut that was being considered at the time by the House of Representatives was actually passed? Just think what our deficit and national debt would be today. The negative consequences of such cuts adding to our national debt would have outweighed any positive stimulus effect.

I said that \$350 billion in tax cuts would be enough to get the economy and the stock market moving then and now, and it worked. In other words, what we did is we front-end loaded that \$350 billion tax cut to really give us some oomph so we would kick this

economy into gear. And it worked. The economy and the stock market have moved.

I can still remember people saying: The market is never going to recover. I heard, several years ago: It is never going to get back to where it was. And the fact is, it has. The Nation's GDP grew by over 4 percent in both 2003 and 2004, and 3.5 percent in 2005, and unemployment has dropped since we enacted tax cuts from 6.6 percent to the current 4.7 percent. And we just announced that in the first quarter of this year, our GDP growth is over 4 percent and more Americans are working. Unfortunately, we are not seeing this in the State of Ohio. We are still under a great deal of duress because of the loss of our manufacturing jobs.

However, the world does not stand still, and we now face different challenges. While this tax cut stimulation worked, making these tax cuts permanent should be subject to pay-go, as Alan Greenspan said, or "serious economic disruptions" will result. We need to cut expenses or pay for them with other tax increases.

Now, let's look at the costs of some of the tax cuts we passed. These are all going to be under consideration, and we will have people saying: We have to extend all of them.

The credit for research and experimentation, that is \$81.2 billion; deduction of State and local sales taxes is \$41.5 billion; increased AMT exemption amount, \$437.5 billion; hurricane relief—I will leave that one alone; subpart F for active financing income, \$45.2 billion; reduced tax rate on repatriated dividends, \$57 billion; section 179 expensing, \$15.9 billion; reduced tax rates on capital gains, \$63.4 billion; empowerment and renewal zones, \$11.7 billion; child tax credit, \$184.8 billion. Let's see. I won't hit them all. Estate and gift tax changes—estate and gift tax changes. Do you hear that? We are talking about killing the death tax? We are talking about \$357 billion—\$357 billion. And the income tax rates of 25, 28, 33, and 35 percent, if we keep those, will cost us \$384.8 billion.

All I am saying is, if you add up all of the things that are going to come to us during the next couple of years, we are talking about—what is that—\$2.353 trillion. Do you hear that? It is \$2.353 trillion. It just does not make sense.

As we see on the chart, according to CBO, the dividend and capital gains tax cuts will result in roughly about \$193.1 billion in revenue loss to the Treasury. If we were to permanently repeal the estate tax—I have already mentioned that. Consider that the alternative minimum tax will cost us \$511 billion. I support recent statements from the White House that AMT should be considered as part of tax reform, but until that happens, we are forced to confront this issue every year.

Everybody is complaining about the AMT. They want the AMT. They want the dividend tax reduction to continue, the capital gains. You name it. They

want it all. And just these tax items on this chart—to repeat—\$2.35 trillion over 10 years. Are we willing to add to our deficit and debt to continue these cuts?

Let's list the numbers again, look at them again: unbalanced budgets since 2001 last year's deficit was \$318 billion; a rising national debt of \$8.4 trillion—and that has increased, as I have said, by 50 percent since 1999—the war on terror has cost us \$450 billion, plus \$160 billion on homeland security since 9/11.

One of the things people do not understand is that Homeland Security has 22 agencies, 180,000 employees. They have doubled the budget of those 22 agencies since 9/11. As a matter of fact, if you look at other money we spent on homeland security, they have actually tripled the budget since that time.

Katrina has cost us over \$100 billion and continues to rise, and the Medicare Part D plan is now projected to cost over \$1 trillion from 2006 to 2015.

With significant unmet domestic needs and the looming cost to the Treasury of the baby boomers' retirement programs—which by conservative estimates from the administration will consume 70 percent of the entire Federal budget by 2030—what kind of economy is lurking around the corner in 2011?

Instead of making the tax cuts permanent, we should be leveling with the American people about the fiscally shaky ground we are on. What we should be doing is spending our time on tax reform. We all know that fundamental tax reform is critical, and as we consider the tax provisions, such as the AMT, as I just mentioned, it becomes clearer and clearer we need to overhaul our Tax Code. So I simply cannot understand why some of my colleagues want to make so many provisions of the current Tax Code permanent or add new tax cuts when we very well may be eliminating precisely the same provisions as part of fundamental tax reform. No homeowner would remodel their kitchen and bathroom right before tearing down the house to build a newer and better one.

As the one who amended and pushed for the creation of the task force on tax reform in 2003 and 2004, I was delighted when the President, in his convention acceptance speech, said he would move forward with tax reform. In fact, 2 days after the convention—Ohio was sitting right in front of the President when he was giving his acceptance speech. He said: When I mentioned tax reform, I watched you, Voinovich. He said: You jumped out of your seat, and I thought you were going to run up and hug me because you were so happy we were going to do the tax reform.

I have to say that I am disappointed. I feel bad that the administration has backed away from tax reform as a priority, since simplifying the Code to make it more fair and honest could, by some estimates, save taxpayers over

\$265 billion in costs associated with preparing their taxes. That would be a real tax reduction. And do you know what. It would not cost the Treasury one darn dime. It would be a tax cut that would guarantee that people are paying their fair share and would bring more money into the Federal Treasury.

According to the Tax Foundation, we lose about 22 cents of every dollar of income tax collected in compliance costs. It adds up to the combined budgets of the Departments of Education, Homeland Security, Justice, Treasury, Labor, Transportation, Veterans Affairs, Health and Human Services, and NASA.

In a recent conversation with Rob Portman, a longtime friend of mine, who is our new OMB Director, I communicated my call for Tax Code reform. I said if the President wanted to leave a real lasting legacy, a real lasting legacy to the American people, something he could point back to and be very proud of, he would keep his promise to the American people to undertake tax reform.

If we keep going the way we are, his legacy may be a big tax increase in 2009 or 2010 or 2011, one like his father was forced to make in 1991. I believe—and I have the greatest respect for the President and his father—his father was a profile in courage. He bit the bullet and did what was right for the country and, in the process, probably lost an election.

If we are going to provide the American people a clear picture of the shape of our fiscal house, we should be honest about the long-term problems underneath the facade of our fiscal house. Currently, we are distorting our Federal financial statements by borrowing from hundreds of Federal trust funds. In addition to the \$1.6 trillion we have borrowed from the Social Security trust fund, we have borrowed over \$660 billion from the Civil Service Retirement and Disability Fund, \$177 billion from the military retirement fund, and smaller amounts from almost 130 Federal trust funds. In all, we have borrowed almost \$3.3 trillion of funds intended for other purposes. All of this has added to our \$8.4 trillion national debt.

I believe we should keep the shrinking Social Security surplus separate. It is important to set these funds so that the Federal Government will have real assets that can be used to redeem existing special issue Treasury bills when Social Security stops generating surpluses in 2017. When we were looking at Social Security reform, it occurred to some of us that it would be useless to reform the program if the surplus money still went to general revenues. If we shore up the system without keeping the funding for it separate, the benefit of Social Security reform could simply be spent on other related programs. In other words, if we bite the bullet, reform Social Security, take in more money and don't put it aside so we can't touch it, we will just use it.

We will be back where we were before. So we have to figure out, if we are going to do this, how we put the money aside.

One of the things I have worked on—and I have introduced a bill with Senator CONRAD—is that we would stop the raid on Government trust funds. It not only holds revenues designated for Social Security programs separate from general revenues, it also would make Federal financing more transparent. People would know what the public debt is. In other words, we would fundamentally borrow from the public the money that we have been taking from the trust funds, and we would know that the money in the trust funds would be there because it would not be in Federal investments.

At this time we need reliable financial and performance information to make sound policy decisions. If we were in business, we would be in subchapter 11, absolutely. We need to bring transparency to our budget so that all the American people have a better understanding of the hard choices we have to make.

Typically the American people have not tolerated a tax level of any more than 20 percent of GDP. We reached that level of almost 21 percent when the tax cuts we enacted made revenues decrease quickly. The real danger is the divide between our revenue and spending once the baby boomers start to retire. This dotted line is going to rise to levels not given on this chart. In other words, this dotted line is going to go way up in terms of dealing with our outlays. The revenues, as you can see, they were up pretty high. This is 1980. They went up. Then we got over here when we were flush, and they went up to here. Now the revenues are down here and then coming here. This line of spending is going to go right off the chart, as I mentioned before, because of Medicare, Medicaid, and Social Security.

The American people should understand what this is about. We are really in trouble. The question is, if we don't have enough revenue to pay our current bills, how in the world are we going to prepare to cover much larger future promises? How are we going to take care of this? In the big picture of where the United States stands, it is clear to me that the economic framework of our Nation needs to be refurbished. There are certain investments and responsibilities that this Senator believes we can no longer ignore and must address.

We should be rebuilding an infrastructure of competitiveness so that future generations at least have the same opportunity that we had for the standard of living and quality of life we have. We need to build what I referred to earlier. We are in a competitive global marketplace. What we have to understand is, if we don't build the infrastructure of competitiveness to compete in that marketplace, our children's standard of living is going to be less than what ours is today.

One of the things I also think we need to understand is the fact that our infrastructure has been ignored for too long. It is a critical piece to making America more competitive. I have introduced the National Infrastructure Improvement Act with Senators CLINTON and COCHRAN. The bill establishes the National Commission on the Infrastructure of the United States which would study infrastructure throughout the Nation, including surface transportation facilities such as roads, bridges, mass transit facilities, freight and passenger rail, airports, wastewater collection, and treatment facilities, waterways and levees. I was a cosponsor of the highway bill, but I thought the legislation was modest given the need.

Frankly, it falls far short of the level that would improve or even maintain our Nation's highway system. According to the Federal Highway Administration, \$107 billion is needed annually to maintain and improve our highways and bridges. The enacted highway bill provides \$70.4 billion below what is needed to improve and \$38.8 billion below what is needed to maintain our highway system. We also desperately need to provide increased funding for the Army Corps of Engineers, including funding for levees and funding for additional civil engineers. This Nation has an aging national water resources infrastructure. We saw it with Katrina. If we continue to ignore the upkeep, the deterioration of our locks and dams, flood control projects and navigation channels, we risk destruction of waterborne commerce, decreased protection against floods, as we saw in Katrina, and other environmental damage.

I have been concerned about the backlog of unfunded Corps projects since I was chairman of the Subcommittee on Transportation and Infrastructure in 1999. When I arrived in the Senate in 1999, I was chairman of that committee. The backlog of unfunded Corps projects for operation and maintenance was \$250 million. Today the backlog is \$1.2 billion. In 2001, there was \$38 billion in active water resource projects waiting for Federal funding. Today it is \$41 billion in active construction and general projects that need Federal funding. This budget is only going to increase this backlog. Our budget proposes a 33-percent cut in the Corps construction budget. Can you imagine? After Katrina and what we saw in New Orleans in terms of not spending the money to maintain the levees and build them the right way, we are cutting the construction budget 33 percent, and a 42-percent cut in the Corps investigations budget.

Currently, the Corps is able to function only at 50 percent capacity at the rate of funding proposed by the budget. Can you believe this? It is incredible. We also cannot remain competitive without a workforce full of educated and motivated young Americans.

As a Nation, we have to invest in our children and enable them to fully develop their God-given talents in order

to compete in a knowledge-based global economy. We have to have knowledge-based jobs if our people are going to work. This means we have to place more emphasis on careers in science, engineering, and math. Right now we are not getting the job done.

Globally, the United States ranks 17th in the proportion of the college-age population earning science and engineering degrees, down from third place several decades ago. In fact, the percentage of 24-year-olds with science or engineering degrees is now higher in many industrialized nations. Countries such as England, South Korea, Germany, Australia, Singapore, Japan, and Canada all produce a higher percentage of science and engineering graduates than we.

The National Academy of Sciences released a report this fall, entitled "Rising Above the Gathering Storm," that recommends action the Federal Government should take to enhance our ability to compete in a global marketplace. The recommendations range from those that will improve our Nation's math and science course work and establish a workforce of qualified teachers who will prepare our students for futures in highly innovative careers to the critical need for energy independence and investment in research. It is hard for me to believe the statistics that came out of the report. Half the teachers who teach math and science today are not qualified to teach the subjects.

I did a survey of our State universities to find out how many people graduated to teach physics. Thirteen was the number. How in the world can we keep going with that kind of record?

I am encouraged that the President recognized that America needs to wake up and build a new infrastructure for competitiveness, and I applaud his American competitiveness agenda. Also, I joined a number of my colleagues as an original cosponsor of the Protecting America's Competitive Edge Act, or PACE. This legislation is aimed at improving our Nation's competitiveness through advancement and emphasis on math and science education. Like the President's initiative, this legislation is comprehensive and it is aimed to increase our Nation's research capacities and emphasize strong science and math education. However, it will require a larger national commitment to reengage our Nation's youth in science and math, similar to our response in the late 1950s to Russia's launch of Sputnik and the ensuing space race.

Here the President's budget falls far short of what is necessary to fulfill the recommendations of the report. In other words, if we are going to really do something about this crisis that we have in terms of math and science, we are going to have to fund the recommendations from the National Academy of Sciences. The only thing that is being funded right now in the Presi-

dent's competitiveness agenda is retraining of teachers in high school, making the research and development credit permanent, and doing some work in research that will help us deal with our energy crisis. The portion of the report that talks about scholarships from the Department of Energy is not funded. The report calls for 25,000 scholarships out of the Department of Energy at \$20,000 a year to encourage people to study engineering.

It also provides out of the Department of Education \$20,000 a year for students to take math, science, information technology, and education courses. And they commit that after 5 years they will teach for 5 years. In other words, they will get their undergraduate degree and teach for 5 years. During those 5 years, the National Science Foundation will pay them \$10,000 more than what the local school district pays them. So it is a real comprehensive effort to deal with the crisis that we have today in terms of providing the scientists we need to get the job done.

The bottom line is, we don't need less revenue; we need more revenue. As a Wall Street Journal article states:

Federal taxes amounted to 17.5 percent of gross domestic product, up from a modern low of 16.3 percent in 2004.

That is one of the reasons the debt has gone up so much, like a rocket. It is because in 2004, we were only taking in 16.3 percent of our GDP in revenue. But it was well below the high of 21 percent that we had in 2000. That was too much.

Continuing from the Wall Street Journal:

Keeping the tax burden low is going to be difficult. Last year, the federal government's spending exceeded its tax take by about \$318 billion. And the retirement of the baby-boom generation starting in 2011 could cause spending on big-ticket federal retirement programs to jump.

That is the quote from the Wall Street Journal. The only thing that bothers me about the quote is that they reported the debt last year of \$318 billion. That is what they reported. The fact is, from an accrual basis—it comes out of the Department of the Treasury—we increased the debt by \$740 billion. But we only report to the American people \$318 billion. Several weeks ago, we were talking about the fact that the Treasury announced that on an accrual basis we increased our debt by that amount of money. Someone said, why don't we keep our books on the accrual basis? Somebody said, for goodness sakes, we cannot do that because they will find out how much in debt we are and how much our budgets are not balanced.

So I think that with the baby boom generation starting to retire in 2011, we will have some real problems. The simple fact is we cannot have it all. We need to set priorities and make hard choices; otherwise, our children will end up paying for it. Our forefathers recognized the inequity of passing on

debt to future generations. George Washington in his Farewell Address stated:

[Avoid] the accumulation of debt, not only by shutting occasions of expense, but by vigorous exertion in time of peace to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear.

Again, he said "not ungenerously throwing upon posterity the burden which we ourselves ought to bear."

I have to say this, and I know it is controversial, but if you look at the extraordinary costs that we had with the war and homeland security and Katrina, the logical thing that one would think about is to ask for a temporary tax increase to pay for them. Did you hear that? Ask for a temporary tax to pay for it, instead of saying we will let our kids take care of it; we will let our grandchildren take care of it. No, we are not doing it. The people who are sacrificing today in this country are the ones who have lost men and women in our wars. The people who have sacrificed today are the ones who have come back without their arms and legs—thousands of them. They are making the sacrifice.

The question I ask is, what sacrifice are we making?

Anyone in the know who is watching us has to wonder about our character, our intellectual honesty, our concern about our national security, our Nation's competitiveness in the global marketplace now and in the future and, last but not least, our don't-give-a-darn attitude about the standard of living and quality of life of our children and grandchildren.

The question is, are we willing to be honest with ourselves and the American people and make these tough decisions? My two models when I was mayor and Governor were "together we can do it," and our State motto, "With God All Things Are Possible."

I am prayerful that the Holy Spirit will inspire us to make those tough decisions and do what is right for our country.

I yield the floor.

GUN TRAFFICKING: A NATIONAL ISSUE REQUIRING NATIONAL ATTENTION

Mr. LEVIN. Mr. President, last Tuesday, 15 mayors from a diverse group of cities around the country gathered in New York City for a mayors' summit on illegal guns. This summit provided an excellent opportunity to share gun violence prevention strategies, engage experts, and coordinate future national outreach and lobbying efforts for the safety of their cities. I commend those who participated for their willingness to work together to address the gun violence issues that plague communities across our country.

One of the major issues discussed by the mayors last week was the buying and selling of guns by "straw purchasers." Straw purchasers play a critical role in the illegal trafficking of