vehicle for putting to death critics of Saddam Hussein. This is the man, this is the apparatus of terror we are dealing with.

The removal of Saddam Hussein will lift this immense burden of terror from the Iraqi people.

Our argument is with Saddam Hussein's regime. It is certainly not with Islam.

Australians of an Arab background or of the Islamic faith are a treasured part of our community. Over the weeks ahead and beyond we should all extend to them the hand of Australian mateship.

To those in the community who may not agree with me, please vent your anger against me and towards the government. Remember that our forces are on duty in the Gulf in our name and doing their job in the best traditions of Australia's defence forces.

Can I say something that I know will find an echo from all of you whether or not you agree with the Government. And that is to say to the men and women of the Australian Defence Force in the Gulf—we admire you, we are thinking of you, we want all of you to come back home safe and sound. We care for and we anguish with your loved ones back here in Australia. Our prayers and our hopes are with all of you.

We now live in a world made very different by the scourge of international terrorism.

This has been a very difficult decision for the Government but a decision which is good for Australia's long term security and the cause of a safer world. Good night.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, March 14, 2003.

PRESIDENT GEORGE W. BUSH,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I would like to commend you on the step you took today to give new impetus to the Middle East peace process by announcing that it was time to share with Israel and the Palestinians the road map to peace that the United States has developed with its ''Quartet'' partners. This is a welcome and timely initiative, given the complex way in which the Middle East conflict, Iraq and the global war against terrorism are intertwined.

The festering hostilities in the Middle East are an enormous human tragedy. Along with you, and many others, I refuse to accept that this is a conflict without end. You have articulated a vision of an Israeli and a Palestinian state living side by side in peace and security. That is a bold initiative that deserves strong international support. With the Israeli elections concluded, and the imminent confirmation of a Palestinian Prime Minister, you are right to refocus international attention on the Middle East peace process.

Mr. President, in August 2002, I wrote to you to propose an idea concerning the possibility of offering NATO peacekeepers to help implement a cease-fire in the Middle East. I have spoken of this idea numerous times on the Senate Floor. I am now even more convinced that the United States and its NATO partners should consider an additional element for the ''road map'' concept: NATO should offer, and I stress the word ''offer,'' to provide a peacekeeping force, once a cease-fire has been established by the Israeli Government and the Palestinian authority. This NATO force would serve in support of the cease-fire mechanisms agreed to by Israel and the Palestinian Authority. The NATO offer would have to be willingly accepted by both governments, and it in no way should be viewed as a challenge to either side's sovereignty. The acceptance of this offer would have to be coupled with a commitment by Israel and the Palestinian Authority to cooperate in every way possible to permit the peacekeeping mission to succeed.

I fully recognize that this would not be a risk-free operation for the participating NATO forces. But I nonetheless believe that the offer of peacekeepers from NATO would have many benefits. First, it would demonstrate a strong international commitment to peace in the Middle East. Second, it would offer the prospect of a peacekeeping force that is ready today. It is highly capable, rapidly deployable, and has a proven record of success in the Balkans. A NATO peacekeeping force is likely to be acceptable to both parties, given the traditional European sympathy for the Palestinian cause and the traditional United States support of Israel.

Third, this would be a worthy post-Cold War mission for NATO in a region where NATO member countries have legitimate national security interests. It could even be an area of possible collaboration with Russia through the NATO-Russia Council. A NATO peacekeeping mission in the Middle East would be wholly consistent with the Alliance's new Strategic Concept. Approved at the NATO Summit in Washington in April 1999, the new Strategic Concept envisioned so called ''out-of-area'' operations for NATO.

Given the fractious debate in NATO over Iraq and the defense of Turkey, it would be important to show that NATO can work together to make a positive contribution to solving one of the most challenging security issues of our day.

There will be many detractors to the idea of sending NATO peacekeepers to the Middle East to help implement a cease-fire. But I think there is a broad agreement on the imperative of giving new hope to the peace process and redoubling diplomatic efforts to keep Israel and the Palestinians moving on the road to peace. Peacekeepers coming from many NATO nations could give new hope and confidence to the peoples of Israel and Palestine that there could soon be an end to the violence that overhangs their daily lives.

Mr. President, I hope that you will receive this idea in the constructive spirit in which it is offered,

With kind regards, I am
Respectfully,

JOHN WARNER,
Chairman.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

TAX CUTS

Mr. SARBANES. Mr. President, I rise in opposition to the budget resolution on which we will be voting later this afternoon. Let me note at the outset that this budget resolution is one of the most important documents we will consider in the Senate. It contains within it thousands of decisions with respect to our national life.

We really set our national priorities by our budget, making fundamental decisions within the budget—how much shall we allot for this spending program, what shall we do on the tax side. In addition, the aggregate budget and the projected deficit can have a profound effect upon our overall economy, not only this year but extending well into future years.

We are considering this budget in the context, first and foremost, of the military conflict in Iraq and, secondly, in the context of a domestic economy which is clearly sputtering.

Last month, we lost over 300,000 private sector jobs. The number of long-term unemployed continues to go up. Now almost 2 million people have been out of work for more than 26 weeks. Consumer confidence is at a nine-year low.

Moreover, our fiscal situation has deteriorated significantly over the course of this administration. In January of 2001, when President Bush took office, the Congressional Budget Office was projecting a budget surplus over 10 years of $5.6 trillion. In fact, the President pointed to that projected surplus as a rationale for doing the 2001 tax cuts. Now the Congressional Budget Office is projecting a $2.1 trillion deficit over the same period, assuming the President's tax proposals are adopted. That is a swing of more than $7.5 trillion in our fiscal position, from a projected surplus of $5.6 trillion to a projected deficit of $2.1 trillion. Despite this severe economic deficit outlook, the fight over this budget resolution has focused primarily on whether to encompass within it sufficient room for another very large tax cut which the President is seeking.

It is asserted by the Administration that this is going to be a growth stimulus package. It is not going to be a growth stimulus package. It is only a flagrant example of discredited trickle-down economics.

Instead, this budget is going to drive us deeper into the deficit and debt hole. It is going to leave us with deficits projected out into the indefinite future. We are really mortgaging away our future. This is bad macroeconomic policy.

In addition, within the budget, our urgent national priorities are not being adequately addressed. There is not enough for homeland defense. We have a pressing health care problem in this country, with regard to both the uninsured and prescription drug benefits for our senior citizens. We have an affordable housing crisis, in which millions of working families cannot afford even a modest apartment in many high-cost cities. We have the question of supporting our first responders. The mayors across the country are saying they are not getting sufficient support from the Federal level in order to meet their responsibilities. Instead of providing fully for education so we leave no child behind, the proposed tax cuts are designed to leave no millionaire behind.

But I want to address a somewhat broader issue dealing with fairness and equity. I first want to note that in every previous instance when we went to war, we didn't cut taxes; we raised taxes to help pay for the war and to meet its costs. The President has now submitted a $75 billion supplemental, and it is very clear that that is a down-payment only. No one asserts that is going to cover the full cost of the war and the reconstruction. So clearly the $75 billion represents the initial down-payment, and there is more to follow.

That further raises the question whether this is the appropriate time to commit away significant resources to a tax cut to benefit the wealthy. Analysis of the tax cut, which the President

is seeking and which his supporters in the Senate are trying to carve out room in the budget resolution to accommodate, shows that almost half of the benefits of the proposed tax cut will go to the top 1 percent of the population. Almost three-quarters of it goes to the top 5 percent of the population. The proposed tax cut is very heavily skewed toward those at the very top of the income and wealth scale in this country; this at the very time when the Nation is being rallied, as it should be, to support our men and women in the Armed Forces. This at the very time when we are talking about sacrifice. And it is appropriate that we should talk about sacrifice at a time like this because one cannot follow the events taking place now in Iraq without some deep appreciation of the sacrifice our fighting men and women are making and the risks they are taking every minute.

What sacrifice are those who are most favored in our society in terms of their economic position making at this critical juncture in our history? Not only are they not making a sacrifice, they are getting a very large tax cut skewed to their benefit which, in turn, will put our economy in a more difficult position into the future. It will build up deficits and debt which the fighting men and women, when they return home, will have to pay off well into the future. They are being called upon to make a double sacrifice, now and in the future.

What is the sacrifice here at home that the beneficiaries of this tax cut will be making? Winston Churchill, at the beginning of World War II, when he became Prime Minister, told his nation, ''I have nothing to offer but blood, toil, tears, and sweat.''

Our young men and women positioned in the Middle East are called upon to sacrifice even as we debate this budget resolution. There will be sweat. There will be tears. There will be toil. And there will be blood. What sacrifice will be made by those who are the most well off in our society? At a time when we face these critical challenges, should they not be making a contribution instead of reaping a large economic benefit?

Mr. President, I urge the defeat of this budget resolution.

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

DIPLOMACY

Mr. BENNETT. Mr. President, we have heard on this floor and in the popular media that the main reason we are at war is because ''diplomacy has failed,'' and there are those who have attacked the President for his ''failure'' in diplomacy. We also hear that polls are running heavily against the war.

My mind goes back to a somewhat similar situation in Great Britain when Neville Chamberlain returned from Munich and said, ''We have established peace in our time.'' He referred to the Czechs, whose country he gave to Adolf Hitler in this fashion:

> Why should we consider people who live in a land far away and with whom we have little or nothing to do?

Winston Churchill opposed the treaty that Neville Chamberlain brought home from Munich. He offered stirring rhetoric, saying, ''We have suffered a defeat of the first magnitude.'' That stirred my soul as a young schoolchild reading about it. What I didn't realize until I became an adult is that Winston Churchill got only three votes, as Parliament overwhelmingly endorsed Chamberlain. And the popular polls, as I say, made Chamberlain the most popular politician in Great Britain, and maybe in all of Europe. Of course, within 2 years, we found that Winston Churchill was right and Chamberlain went off to historical disgrace.

The Munich example is not exactly analogous to this situation. No historical situation is exactly analogous to a current circumstance, but it is one we should keep in mind as we hear rhetoric saying that diplomacy has failed. Diplomacy in Munich is what failed and the war followed.

The Senator from North Carolina has a resolution she wishes to offer with respect to the current British Prime Minister. I yield to her the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina.

Mrs. DOLE. I thank the Chair.

(The remarks of Mrs. DOLE pertaining to the introduction of S. 709 are located in today's RECORD under ''Statements on Bills and Joint Resolutions.'')

Mrs. DOLE. I thank the Chair. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. The Senator from North Dakota.

THE BUDGET

Mr. CONRAD. Mr. President, I thank the Chair for this opportunity this morning to bring to my colleagues' attention where we stand with respect to the budget resolution that we will be completing today.

A very important report came out late yesterday from the Congressional Budget Office, which is nonpartisan, which is in charge of estimating the effects of what we do here. I might add, while the CBO is nonpartisan, because the Republicans control the House and the Senate, they were able to choose the new CBO Director. One of the tests they had was the use of so-called dynamic scoring. The gentleman who now heads CBO is committed to dynamic scoring, and he has now released an analysis of the budget before us based on dynamic scoring. His conclusion is exactly what I have been reporting to my colleagues day after day on the floor: Tax cuts will make the deficit soar.

I hope we can put this old canard to rest once and for all that somehow you can tax cut your way to prosperity when at the same time you are increasing spending. When you start from a base of record budget deficits, there can only be one result. When you start with record budget deficits and then cut your revenue stream, as the President has proposed, by nearly $2 trillion and increase spending, the deficits and the debt are going to get bigger. The Congressional Budget Office is telling us that is exactly what we face.

There was another article in the Washington Post on this same story. They point out:

> The CBO report also said the president's tax and spending proposals ''imply a deficit in every year over the next decade,'' thus adding to the national debt and to the annual interest payments on that debt beyond 2013.
>
> ''For some time, that added need could be met by running higher deficits. However, the federal government could not follow such an approach indefinitely. At some point in the future under the president's proposals, either taxes would have to be higher than they otherwise would have been, or spending would have to be lower,'' the report said.

It is time we sober up around here. I do not know what happened to our friends on the other side who used to be fiscal conservatives, who used to believe in balanced budgets and now endorse tax cuts that are going to plunge us into deep deficit and debt.

This is the analysis again from the Congressional Budget Office of what the plan before us will do. This is the President's budget plan: a deficit next year of $512 billion. That does not count the war costs. Add in the $75 billion the President wants for the war, and the deficit next year will be $587 billion. Does anybody have sticker shock around here yet? That is getting close to being twice as big as the previous record deficit.

The analysis shows we will not be out of deficit any year for the next 10 years. But that is not the most sobering effect. None of the deficits will be less than $400 billion.

Mr. SARBANES. Mr. President, will the Senator yield for one quick question?

Mr. CONRAD. I will.

Mr. SARBANES. I want to be very clear. The Senator is saying the budget deficit for the next year will be close to $600 billion, more than double the highest deficit we have ever run previously; is that correct?

Mr. CONRAD. That is exactly what we are being told by the Congressional Budget Office. We now face, if we adopt the President's plans for massive tax cuts on top of the spending increases for defense and homeland security, which we all endorse—we endorse the increased funds for defense and homeland security—that we are going to have budget deficits as far as the eye can see, and they are not going to be small deficits. They are going to be massive deficits.

This chart shows that, in fact, we are in the sweet spot now. This is not my