it a ''sad chapter in American history,'' pledged to close the island prison and criticized the Bush administration for arguing that terrorism suspects aren't covered by standards set by the Geneva Conventions.

But in the months after the Sept. 11, 2001, terror attacks, Holder defended the Bush administration's policies at Guantanamo.

Asked whether terrorism suspects could be held forever, Holder responded: ''It seems to me you can think of these people as combatants and we are in the middle of a war,'' Holder said in a CNN interview in January 2002. ''And it seems to me that you could probably say, looking at precedent, that you are going to detain these people until war is over, if that is ultimately what we wanted to do.''

Just weeks later, Holder told CNN he didn't believe al-Qaida suspects qualified as prisoners of war under the Geneva Conventions.

''One of the things we clearly want to do with these prisoners is to have an ability to interrogate them and find out what their future plans might be, where other cells are located,'' said Holder, the former deputy attorney general during the Clinton administration. ''Under the Geneva Convention, you are really limited in the amount of information that you can elicit from people.''

Holder said it was important to treat detainees humanely. But he said they ''are not, in fact, people entitled to the protection of the Geneva Convention. They are not prisoners of war.'' He also downplayed criticism that prisoners were being mistreated.

''Those in Europe and other places who are concerned about the treatment of al-Qaida members should come to Camp X-ray and see how the people are, in fact, being treated,'' he said.

Those were essentially the arguments of the Bush administration. Since then, those arguments have been criticized by human rights groups, leading Democrats, and Holder himself.

''We must close our detention center in Guantanamo Bay,'' Holder told the American Constitution Society this summer. ''A great nation should not detain people, military or civilian, in dark places beyond the reach of law. Guantanamo Bay is an international embarrassment.''

Holder added that he never thought he'd see the day where the ''Supreme Court would have to order the President of the United States to treat detainees in accordance with the Geneva Convention.''

Those comments are in line with Obama's views. Holder did not return e-mail and telephone messages seeking comment about his earlier interviews. Brooke Anderson, a spokeswoman in Obama's transition office, restated Obama's commitment to opposing torture.

''Eric Holder shares that view,'' she said. ''The president-elect has complete confidence that Eric Holder will be an attorney general who will restore respect for the rule of law and for our international commitments.''

Obama's advisers are crafting plans to close Guantanamo Bay, release some detainees and bring others to the United States to face trial. One unanswered question, however, is what to do with detainees who could not be prosecuted in criminal courts without jeopardizing national security.

The Justice Department under Holder almost certainly would help answer that question.

In introducing Holder and other members of his national security team, Obama said he welcomed differences of opinion.

''I assembled this team because I am a strong believer in strong personalities and strong opinions,'' he said. ''I think that's how the best decisions are made.

''I will be responsible for the vision that this team carries out,'' Obama said, ''and I will expect them to implement that vision once decisions are made.''

Mr. CORNYN. I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALEXANDER. I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ECONOMIC STIMULUS

Mr. ALEXANDER. Mr. President, next week the Senate begins the debate of the so-called stimulus package. I wish to talk about that for a few minutes. It is $1.2 trillion of borrowed taxpayer money to be spent in an effort to help get our economy restarted. Here is my position on it, and I believe the position of most Republicans and of some Democrats. We believe that in order for the stimulus to be effective, it should be reoriented on housing. First, fix the real problem: housing. If housing is restarted, if home values are stabilized, and if people are buying homes, that will do more to help restart the economy than anything else. Second, we should let people keep more of their own money. A true stimulus is permanent tax relief. If people have more of their own money in their pockets, they will have more confidence. They will be able to buy more. After reorienting toward housing, that will also help restart the economy.

Since we are borrowing so much of this money, especially, we believe it ought to be oriented directly toward those items that would specifically create jobs now. It should not go toward good sounding ideas such as Head Start and Pell grants for college students that we may want to take up later, maybe as early as the following week, in a regular appropriations bill. So that is our belief: reorient the stimulus toward housing, let people keep more of their own money, and get the stuff out of the bill that has nothing to do with creating jobs now, in the next few months or in the first year.

We know Americans are hurting. Every single Senator knows that. Our country's economic turmoil is hitting every family where it matters, in the family budgets. More than 860,000 properties were repossessed by lenders in 2008, more than double the 2007 level. Manufacturing is at a 28-year low. Tennessee is a State that relies heavily on manufacturing. The unemployment rate is 7.2 percent, too high. It has been higher. I can remember at a time when I was Governor of Tennessee in 1982, the unemployment rate was 12 percent, but 7.2 percent is too high. There were 1.9 million jobs lost in the last 4 months of 2008. The long-term unemployed, people out of work for 27 weeks or more, rose to 2.6 million in December of 2008. So there are a number of steps we need to take as a government, and we have been taking them.

At a hearing this week, where the Presiding Officer and I are both members of the Budget Committee—and we probably agree those hearings were excellent—Douglas Elmendorf, Director of the Congressional Budget Office, reminded us of the steps the Government is already taking. The Federal Reserve negotiated the sale of Bear Sterns to JPMorgan Chase, $29 billion, to form a new limited liability company. Fannie Mae and Freddie Mac, the agencies that guaranteed half the home loans in the country, were taken over by their regulator and the Treasury put up $100 billion to stabilize that situation. The Federal Reserve extended $60 billion in a line of credit to the American International Group, the insurance company called AIG. We had a debate in October where on both sides of the aisle, two-thirds of Republicans as well as many Democrats voted to give the Secretary of the Treasury $700 billion to invest in troubled assets or to use in a variety of ways to try to keep our economy from going straight down. It has gone down, but it didn't go straight down; we believe this is partly because of the action the Congress and the President took at that time.

What we had was, in effect, a wreck on the highway. There is an old Roy Acuff song by that title. I think that is the best way to explain what was happening. It was like a wreck on the interstate outside Knoxville and suddenly traffic is backed up all the way to Lenoir City or even Kingston. One lane was the money for the bank loan, the next lane was the money for your auto loan, and the next lane was for meeting payroll. As long as that wreck was on the highway, none of the money could get where it needed to go, and nobody could borrow on anything. It is better today than it would have been, but we still have a deeply serious problem.

The law we passed in October temporarily raised the insurance for deposits from $100,000 to $250,000. Steps were taken to guarantee money market funds. The Treasury, Federal Reserve, and Federal Deposit Insurance Corporation announced agreements with Citibank and Bank of America. They created a liquidity program for the banking system.

The Federal Government, in all of its variety of agencies, has been very busy since October using taxpayer dollars, where necessary, or the Federal Reserve balance sheet, or Federal Deposit Insurance Corporation funds collected from banks to try to create a situation in which our economy can restart.

We know, having visited with President Obama and his team of advisers, that they are thinking of even more things we may need to do. But next week in the Senate we will be talking about whether it is a good idea to borrow $1.2 trillion and spend it as the Appropriations and Finance Committees have recommended we spend it as a way of trying to restart the economy. What I am here today to say is: we believe there ought to be a stimulus, but we believe it ought to be reoriented toward housing, that it ought to be reoriented toward permanent tax cuts, and that we ought to take out of this so-called stimulus anything that doesn't stimulate jobs now.

Let me try to give an idea of how much money $1.2 trillion is. It is more money than we spent on the Vietnam war in today's dollars. This comes from an article in Politico this week. It is more money than we spent on the invasion of Iraq. It is more money than we spent on the entire New Deal in today's dollars, and a lot more money than we spent on the Marshall plan. It is nearly as much money as we've spent on NASA ever since it started. It is a lot more money than we spent going to the Moon. This is a lot of money. We throw dollars around up here. Years ago Senator Dirksen said: A billion here, a billion there, sooner or later it adds up to real money. This is a trillion, a number that is hard for us to imagine. It is borrowed money, which I will get to in a moment.

Let me give one example of how I have been trying to describe how much money $1.2 trillion is. The Presiding Officer was Governor of Virginia. I was Governor of Tennessee. I looked around the Budget Committee the other day and almost every member there had been in State government in one way or another. In other words, we used to deal with real dollars. We couldn't print anything. At the end of the year, we had to balance our budgets. Sometimes we had to veto $25,000 programs for epilepsy. I had to do that in 1981, 1982, and 1983, when we had an economic turndown. That is why this amount of money is hard for me to get my arms around. I think it is hard for most Americans.

Let me give you an idea about how much money it is. The previous Governor of Tennessee, one who came after me, Governor Sundquist, thought we needed a State income tax. He recommended Tennessee should have a State income tax. It was about 4 percent. It would have raised about $400 million a year. There was never a more unpopular act in our State than the Governor Sundquist proposal that we have a State income tax. Many people said he was courageous for recommending it, but it was rejected. People wouldn't even invite him to dinner for a few months. I would, but many other people wouldn't. That was $400 million a year. The State of Tennessee will receive almost $4 billion of this money. I am sure it will make life easier for the current Governor and the current legislature, but think about that. The State only collects close to $12 billion a year in State tax dollars, and it is going to get $4 billion over the next 2 years from this so-called stimulus package. This would be the equivalent of imposing about a 20-percent new income tax on the people of Tennessee for 2 years to raise that same amount of money. There would be a revolution in Tennessee if we did this. That is the amount of money we're talking about.

We are not talking about giving the State of Tennessee $40 million or $4 million or $400 million. Its shortfall this year is $900 million, which is the worst it has ever had. We are talking about shipping $4 billion of borrowed taxpayer money to Tennessee. My point is, that is a lot of money.

There is another aspect to this amount of money. I listed a number of things that the Federal Reserve Board and the Congress have done to try to create a better economic situation, to get housing going, to help stabilize banks, and even to deal with automobile companies. Almost all of those dollars we used either came from the Federal Reserve Board, which is not part of the Federal budget, not part of taxpayer dollars, or it was an investment.

In Tennessee, people don't like the word ''bailout.'' It has come to be right up there with the top number. I voted twice, because I thought our country needed it, first to give President Bush, then to give President Obama the amount of money he needed to actually invest in banks or nonfinance companies so we could get the credit moving again. But in that case, we were investing dollars. We were not spending dollars. We hope and believe that we will get almost all of those dollars back for the taxpayer. When those dollars are put in a bank, for example, they pay 5 percent or 8 percent or even 10 percent interest, in some cases, back to the taxpayer. Maybe we will lose some of that money, but we don't intend to. It is not our goal. That is the purpose of it, investment. In this case, this is money gone.

This is borrowed taxpayer dollars, more than $1.2 trillion. I get to $1.2 trillion because the Senate bill is $900 billion, and the interest over the next 10 years is another $300 billion. That is the real cost of the stimulus package over the next 10 years. It is borrowed money.

Let me go to the borrowed money part.

We print money in Washington. We Governors cannot. That is one of the adjustments you make when you come here. It just takes a little while to do, and I understand the difference. The truth is, there is a reasonable level of debt a strong industrial country such as the United States can tolerate and still continue to grow. As the country grows, the debt reduces as a percentage of our output.

While it might be important for the State of Tennessee, as we always did, to balance our budget and almost never have any debt—and we did not even have an income tax—the Federal Government structure is different. I recognize that. But there is some reasonable limit to the amount of debt we should have, and there are good reasons there is a reasonable limit to that.

I think it is important to understand exactly what the debt we have is. USA Today did a story last year that talked about each family's share of Government debt and Government obligations. By ''obligations,'' I mean what we owe for programs such as Medicare, what we owe for Medicaid, what we owe veterans. It is real money. It is money we are obligated to pay. It comes down to more than $500,000 per family a year.

So I think the way to talk about this stimulus package is: Should we ask every American family to increase their $531,000 debt in order to spend money for a stimulus package to try to restart the economy? I believe we should increase our debt for some purposes, such as restarting housing or permanent tax cuts—that actually allows people to keep their own money. Or possibly increase our debt for programs that would, perhaps, actually do things in the next 6 months or 12 months to stimulate the economy. There are roads, and bridges, and national park maintenance that could happen right now that would create jobs that would be genuinely stimulative. But that is a very severe test we should ask the American people.

Mr. President, I ask unanimous consent that the USA Today article detailing the obligation every American family owes be printed in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ALEXANDER. Now, there is another problem of running up too much debt. At the hearing where the Acting President pro tempore, the Senator from Virginia, and I were at earlier this week, I asked a question of the three witnesses: What can we learn from the rest of the world about how much debt is too much debt for the United States of America? The general answer was, today our debt is measured at about 40 percent of our annual gross domestic product. The estimates they gave suggested if the stimulus packages and if the other things that are going on continue to happen, we will be up to 60 or 70 percent of GDP. If the entitlement growth—the automatic spending we have in the Government from Social Security, Medicare, and Medicaid—keeps growing, and we keep adding at the rate we are doing, we will soon be at 100 percent of GDP. In other words, every year, government debt could equal everything we produced in this great country of ours—which produces 25 percent of all the wealth in the world every single year. We forget how fortunate we are. Twenty-five percent of all the wealth in the world, every single year, is produced in the United States of America and distributed among just 5 percent of the people in the world, which is us, those of us who live here. So we would have to take all that production for a whole year and use it to pay off our national debt.

Those economists who were testifying before us said that is too high. Forty percent is OK. They thought 60 percent is getting into a little bit of a problem. Eighty percent is too much, and 100 percent is a real problem. The practical problem is, as that number goes up—for example, as the entitlement spending goes up and other debt goes up—it squeezes out our ability to do anything else. I worked last year across party lines with Senator BINGAMAN and many others, and Senator WARNER worked in the private sector in this way, to try to do something about American competitiveness. We put into the law that we needed to double our investments in scientific research, and if we wanted to keep this high standard of living, we have a lot of work to do in high technology.

If we keep spending all the money on welfare, Medicare, Medicaid, Social Security, and debt, we are not going to have anything left for the great universities in the country on a yearly basis or for investments in our future. Those are annual investments. We will be squeezing them out. That is another problem with debt. With a lower debt, we have more money for not just the investments in our future but for our national parks, our clean air, and the other things we need to do to have a desirable country.

Let me go back to the stimulus package and ask: What do we need to do? We need to, in the words of Senator GREGG—and I believe it is fair to characterize Senator CONRAD, the chairman of the Budget Committee, in the testimony this week—we need to reorient the stimulus package toward real estate, toward housing, and toward credit having to do with banks. First, fix the problem: housing.

Every big mess has a way into it, and I believe—and many on this side, and I think some on the other side also believe—the way into it is housing. How would one fix that? Well, one suggestion by Glenn Hubbard—former chairman of the Council of Economic Advisors and now at Columbia University is have the Treasury back, for a period of a year or 18 months, a 4-percent, 30-year fixed rate mortgage for creditworthy customers.

In other words, a bank in Nashville would say to you, if you are creditworthy: We will give you a 30-year mortgage at 4 percent. If today's prevailing rate were 5.2 or 5.3 percent—which it is in the marketplace—the Government would make up the difference, and it would probably guarantee the loan. That would create a new demand for housing.

I was talking with someone in the mortgage business yesterday who pointed out that for one of our large lenders in America, when the rates went down naturally after the Federal Reserve action a few weeks ago, the number of mortgages issued by that bank quadrupled.

So if we were to say to the American people: If you are creditworthy, you can buy a house; you can get a 4-percent mortgage for a principal residence, and we are going to keep that option open for a year. That will cost us some money. That could be part of this stimulus. It would create demand in housing. It would create liquidity. It would get banks lending. We believe it would make a real difference. It would be a better way to start the stimulus package.

A second idea, as Senator ISAKSON and others have suggested, is to create a tax credit for home buyers. We would say $15,000. So if you are sitting around thinking today, well, homes in Richmond have actually gotten down to a pretty good level, and I like that house—you could get a $15,000 tax credit when you buy the house, and when you file your income tax return, you get $15,000 back. This is real money, and you do not have to pay it back. If you had a combination of a 4-percent mortgage and a $15,000 tax credit for the next year, maybe we could get housing stabilized, maybe we could get demand stirring, and maybe we could get people confidence that there is liquidity in the market. That might not solve every problem, but it is the place to start. We would say first, fix housing. That is the way to restart the economy.

Senator GREGG has suggested we take some of the Federal Deposit Insurance Corporation's ideas about helping people who are stuck in houses that are about to be foreclosed on and help to relieve those foreclosures. There may be a way for us to encourage servicers for all of these mortgages out across the country to modify the loans as some banks are now doing. By modifying the loan, they simply say to you: What can you afford to pay? As long as you can pay that and pay the interest on a regular basis, we will change the loan to fit you. That way there is no foreclosure. The loan does not go bad. The houses on that same street do not go down in value because your house is foreclosed on. We suggest we should spend the next week talking about reorienting the money that we seek to spend to stimulate the economy on housing first.

Second, we suggest the next component of a stimulus package should be tax relief that would help create jobs now. My own view is that temporary tax relief is nice. I like having the money in my pocket, but it does not stimulate very much. Permanent tax relief, the economists tell us—money you can depend on for the future—builds confidence and stimulates the economy.

For example, the small business expensing provision, which would spur investments by doubling the amount that small business owners can immediately write off on their taxes for capital investments and for purchases of new equipment in 2009. Another example is the bonus depreciation provision, that would be helpful. Middle-class tax relief—this is the permanent tax relief I was talking about—by lowering the 15-percent bracket to 10 percent and the 10-percent bracket to 5 percent. Those are examples of permanent tax relief or business tax relief that could help create jobs now.

Third, we should not spend this kind of money on many of these programs. We should not borrow this money when each family already owes over a half a million dollars. We should not borrow the money to spend on programs we do not have to have. That is not a wise use of our dollars. We ought to take all of that out of this stimulus bill.

For example, there are small examples: buying new cars, money for contraceptives, rehabilitating off-road trails, honey bee insurance. We can find items like that which don't create jobs now. But the fact is, I am more concerned about the $190 billion of entitlement spending, the automatic spending that is in this $1.2 trillion. Every estimate is that $130 billion, $140 billion, $150 billion of that will never get out of the budget. The House put in almost $100 billion of new Medicaid spending for the States.

Well, Governors and legislators are going to like that except we are never going to be able to reform the Medicaid Program. The Federal contribution to it is so rich that States cannot afford to take a fresh look at it. What is Tennessee going to do after it gets $2 billion—$1 billion a year—for the Medicaid Program for the next 2 years and, then, in the third year, gets zero of that money? That sort of money ought not to be in a so-called stimulus package.

We need some truth in packaging. If it stimulates—and all of us can think of things that do—then put it in; if it does not, keep it out. Historic preservation fund grants, I love those, but they are not going to stimulate jobs in the next few months. Head Start, I was the principal sponsor of that. Pell grants, I was a college president. Next week, after the stimulus, we will be talking about how much we can afford in our budget to increase those. Federal spending for Pell grants has doubled in the last 6 years, but those things do not belong in a stimulus budget.

Some things do. There are highways that can be built. There are Corps of Engineers projects that can be completed. There are National Park Service infrastructure projects that can be worked on next month. These are important improvement programs. That would help stimulate as well. We should be able to make an intelligent distinction between those things that can actually stimulate and those things that are just good-sounding things that we might vote for if we had the money and if we did not have to borrow so much of it. That is our third suggestion about what we should do.

One other suggestion—here is an area where we actually have potential, I believe, for bipartisan support. We should do something, when we debate the stimulus package, about automatic spending, entitlement spending, and by that we mean Social Security, Medicare, and Medicaid.

As I mentioned earlier, by the year 2015—not so far away—that will be 70 percent of our budget. In other words, when we come here, we get to vote to appropriate 30 percent of the taxpayer dollars we spend because 70 percent is automatically spent on those entitlement programs. That is forcing our debt up to 100 percent of gross domestic product.

We had a breakfast on Tuesday here, the bipartisan breakfast we have on Tuesday mornings. It is a chance for us to get together across party lines. It was evenly divided, actually. There were 24 Members who came. The whole subject was the Senator Conrad-Senator Gregg proposal to create a commission that would come up with a way to deal with Social Security, Medicare, and Medicaid, and present it to us. We would vote it up or down, and some way we would be forced to deal with this entitlement growth problem.

Senator MCCONNELL, the Republican leader, said in a speech a week ago today that he was ready to deal with the entitlement programs, but he was disappointed it was not dealt with in the last 2 years. He pledged to President Obama he would give him more support on dealing with it than the Democrats gave to President Bush during the last few years. You will remember President Bush tried in the beginning of his second term to deal with Social Security. He wanted private accounts. The Democrats said no to private accounts. So they just went down their parallel tracks and never got anywhere. Somehow they never got together and said: Well, let's drop private accounts, or let's try to do this; we can't do that.

President Obama has made clear he is serious about this. Senator MCCONNELL has made clear we are serious about it. We have a Conrad-Gregg proposal. We had 24 Senators meeting last Tuesday. We are meeting again next Tuesday. We believe something ought to be in this stimulus package that at least begins the process of dealing with entitlements in the long term so we can say to the American people: Yes, we are going to borrow some amount of money—maybe hundreds of billions of dollars—to stimulate the economy, and we know it contributes to the debt, but we are at least taking a step toward dealing with the long-term excessive debt we are experiencing in our country.

Finally, after listening to the Budget Committee hearings this week, the conclusion I came to was that I wish we were doing it all now. Here is what I mean by that. I spoke a little earlier about all the things we have tried to do since October at the Washington level—some by Congress, some by the Federal Reserve, and some by the Federal Deposit Insurance Corporation—to restart the economy. Whether it was dealing with the banks or the auto companies or troubled assets, there has been a lot of effort here.

After listening to the testimony in the Budget Committee, it seems perfectly obvious that we are going to have to do more. We are going to have to do more in housing. We would like to suggest we at least start addressing housing in this stimulus package, but if we don't do it here, President Obama and his team are going to have to recommend some steps for us to take in housing because that is how you restart the economy.

Everyone who looks at the Nation's banks and financial institutions knows we are going to have to do something there. We passed a bill in October called the Emergency Economic Stabilization Act, providing money to Treasury to address troubled assets. We thought it was going to be used to go get those bad assets off of the bank balance sheets so they could get back in good shape and lend again. That is what happens when banks fail or get in trouble. In normal times, the FDIC swoops in and takes the troubled assets out, sells them to another bank, and it closes on Friday and opens on Monday. Depositors are protected, and sometimes stockholders lose, but we go on and barely notice it. However, that is not what the money we passed was used for. It was used, basically, to give money to banks to capitalize, and the reason, apparently, was they were in such bad shape, they had to have it. So maybe it wasn't a bad thing to do, but it wasn't what we thought was going to be done, and now we still have the problem of bad assets.

We asked the witnesses: How many troubled assets do we have in all of these banks? They said $1 trillion or $2 trillion. I am not talking about a stimulus package; I am talking about troubled assets in financial institutions in the United States. We said: Well, then, what are we supposed to do about that? They suggested that the ideas we are likely to hear—they did not represent the administration, but the administration is listening to many of the same people—was that they may recommend, for example, some entity that will actually take the troubled assets out of the banks at some price, and then the banks are free to go ahead and with confidence start lending again. And we can start borrowing again, the economy goes again, but then we still have this entity over here. If it is going to buy $1 trillion or $2 trillion worth of bad assets, where does it get the money? Some of it is going to come from the taxpayers. How much of it? One witness said as much as we can afford to put in. So maybe $500 billion, $600 billion, $700 billion, $800 billion more dollars, not to spend as the stimulus package does but to invest in assets that we hope to sell for at least as much as we paid for them. That could happen. We might lose some money, we might make some money, but we are not spending it. But it is a lot of money, and it is taxpayers dollars, and there will be a lot of concern in Virginia and in Tennessee and in every State when we have to do that on top of what we have done before—on top of this stimulus. So why aren't we considering that today? Why aren't we considering that bad bank or what we are going to have to do about troubled assets?

So I think a better way to do it would be to say: Let's bring in the amount of money for troubled assets—is it $500 billion?—let's bring in the money to reorient toward housing, $200 billion or $300 billion, and then let's see what projects really do stimulate. Let's do it all together, and then let's see how much money we are talking about so that we are not surprised and the people we represent are not surprised. I would like to see us do it all at once.

So next week in the Senate is a very important week. There is a good deal of talk about bipartisanship. We appreciate President Obama's efforts on that. In my view, he and his team have been genuine in their outreach to Republicans. Just because we don't agree with their ideas doesn't mean there is not a bipartisan spirit here. And as time goes on, maybe we will get into a situation where even though the Democrats have enough votes to pass most bills and we have enough votes to stop cold some bills and to slow down any bill, that is not the way we work. If we come up with a better idea, maybe the majority will adopt it and create a bill that builds confidence in the country.

President Bush technically didn't need Congress's approval, except on appropriations, to wage the war in Iraq. Some of us thought it would be better if he had it, though, so Senator SALAZAR and I, along with 17 Senators and about 60 House Members across party lines, suggested that we adopt a resolution approving the principles of the Iraq Study Group as a way to conclude the war in Iraq honorably. President Bush didn't like that, and Majority Leader REID wouldn't bring it up for a vote. We might have been the only group that unified Senator REID and President Bush on the Iraq war, but we couldn't get it done.

I think it is a shame we couldn't because Secretary Rice and Secretary Gates told me not long ago they thought where we were going to end up in Iraq under Secretary Gates' administration is about where the Iraq Study Group said we should. If we had adopted that as a Congress, perhaps the war would have been easier, and our enemies would have gotten a clearer message, and our troops would have gotten more support, and President Bush would have had a more successful Presidency.

So we won the election, and we passed the bill. That is the recipe for passing many bills, but it is not the recipe for a successful Presidency. I think President Obama knows that, and that is why he has gone out of his way to visit with us and talk with us. I hope—with the stimulus package, with entitlements coming down the road and health care plans coming down the road—that the ideas we have on this side of the aisle, if they are good, are adopted on the other side of the aisle and we genuinely can work together in a legislative way. I think that can happen, and I would like for it to happen starting next week.

Next week is important for the Senate and important for the American people. We on the Republican side of the aisle believe we need a stimulus package, but we believe it needs to be the right stimulus package.

First, it should fix the problem, and the problem is housing. That would help restart the economy. And we have specific ideas about how to do that which I have suggested.

Second, we should let people keep more of their own money. That means permanent tax cuts. That is a way to build confidence.

Third, because we are borrowing this extraordinary amount of money and because we have other requirements for borrowed dollars, we should be very careful about what we borrow and what we spend it for and only spend it for those items that genuinely stimulate the economy and create jobs in the very near term. That is the truth in packaging.

If we adopt those three principles, then I think there will be genuine bipartisan support next week for a stimulus. If we don't, there won't be. That is why we have the Senate. That is why we have the debate. That is why I think we are here.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks an article by R. Glenn Hubbard and Christopher J. Mayer detailing the proposal for a 4.5-percent mortgage loan over 30 years.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. ALEXANDER. Mr. President, I ask unanimous consent to have printed in the RECORD as well an article from the Wall Street Journal this week called ''A 40-Year Wish List'' as an example of the kinds of items that are in the stimulus bill that ought not to be if we are careful about the money we are borrowing to spend.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 3.)

EXHIBIT 1

[From USA Today, May 19, 2008]

TAXPAYERS' BILL LEAPS BY TRILLIONS

(By Dennis Cauchon)

The federal government's long-term financial obligations grew by $2.5 trillion last year, a reflection of the mushrooming cost of Medicare and Social Security benefits as more baby boomers reach retirement.

That's double the red ink of a year earlier.

Taxpayers are on the hook for a record $57.3 trillion in federal liabilities to cover the lifetime benefits of everyone eligible for Medicare, Social Security and other government programs, a USA TODAY analysis found. That's nearly $500,000 per household.

When obligations of state and local governments are added, the total rises to $61.7 trillion, or $531,472 per household. That is more than four times what Americans owe in personal debt such as mortgages.

The $2.5 trillion in federal liabilities dwarfs the $162 billion the government officially announced as last year's deficit, down from $248 billion a year earlier.

''We're running deficits in the trillions of dollars, not the hundreds of billions of dollars we're being told,'' says Sheila Weinberg, chief executive of the Institute for Truth in Accounting of Chicago.

The reason for the discrepancy: Accounting standards require corporations and state governments to count new financial obligations, even if the payments will be made later. The federal government doesn't follow that rule. Instead of counting lifetime benefits for programs such as Social Security, the government counts the cost of benefits for the current year.

The deteriorating condition of these programs doesn't show up in the government's bottom line, but the information is released elsewhere—in Medicare's annual report, for example. Since 2004, USA TODAY has collected the information to provide taxpayers with a financial report similar to what a corporation would give shareholders. Big new liabilities taken on in 2007:

Medicare: $1.2 trillion.

Social Security: $900 billion.

Civil servant retirement: $106 billion.

Veteran benefits: $34 billion.

The multitrillion-dollar loss is a more meaningful financial number than the official deficit, says Tom Allen, chairman of the Federal Accounting Standards Advisory Board, which helps set federal accounting rules.

Medicare has an unfunded liability of $30.4 trillion.

That means, in addition to paying all future Medicare taxes, the government needs $30.4 trillion set aside in an interest-earning account to pay benefits promised to existing taxpayers and beneficiaries. The amount is sure to rise when the oldest of 79 million baby boomers—62 this year—reach 65 and become eligible.

Economist Dean Baker says the huge liabilities are potentially misleading because future generations will have greater income. ''If we fix health care, then our deficits can be easily dealt with,'' he says.

EXHIBIT 2

[From the Wall Street Journal, Dec. 17, 2008]

LOW-INTEREST MORTGAGES ARE THE ANSWER—STOP THE DECLINE IN HOME PRICES, STOP THE CRISIS

(By R. Glenn Hubbard and Christopher J. Mayer)

Recent news articles suggest that the Treasury Department is considering a plan to offer a 4.5% mortgage for home buyers for a period of time. Let's hope it does. It would help arrest the decline in house prices that is at the base of the ongoing financial crisis and recession.

Raising the demand for housing makes sense now. While fundamental factors clearly played a role in driving down house prices that were at excessive levels two years ago, we have argued in a paper (to be published in the Berkeley Electronic Journal of Economic Analysis and Policy) that in most markets house values are today lower than what is consistent with the average level of affordability in the past 20 years.

Nonetheless, without policy action house prices are likely to continue falling, thanks largely to the meltdown in mortgage markets and the weakening employment outlook. Conversely, we see little risk that increasing the demand for housing will touch off another housing bubble. And indexing the mortgage rate to the Treasury yield could avoid this outcome in the future. While the economy is contracting, low interest rates would spur housing activity. When economic activity improves, the U.S. Treasury yield and mortgage rates would rise.

A 4.5% mortgage rate is not too low. The 10-year U.S. Treasury yield closed at 2.3% on Dec. 12, 2008. Hence a 4.5% mortgage rate is 2.2% above the Treasury yield, above the 1.6% spread that would prevail in a normally functioning mortgage market.

Some have argued that lenders should earn more than the average 1.6% spread, to compensate for the fact that housing is a much riskier investment today. We don't think so. Recall that a mortgage can be thought of as a risk-free bond plus two possibilities that increase risk to lenders: default and/or prepayment. Historically, the risk of default adds about 0.25% to the interest rate. The remaining spread of the mortgage rate over the Treasury yield represents the risk of prepayment and underwriting costs. With falling house prices, the risk of default could indeed add 0.75% or more for a newly underwritten and fully documented loan. But 4.5% would be the lowest mortgage rate in more than 3o years—so the additional risk to lenders of prepayment would be almost nil. And low mortgage rates would substantially reduce the risk of further house price declines.

Moreover, a 4.5% mortgage rate will raise housing demand significantly. A simple forecast can be obtained by applying the 2003–2004 homeownership rates to 2007 households. We use the 2003–2004 home ownership rates because those were the years of the lowest previous mortgage rates (the average mortgage rate was 5.8%).

An increase in the homeownership rate from 67.9 (third quarter, 2008) to 68.6 (the average rate from 2003–2004) would increase homeownership by about 800,000 new homeowners. If we also take into account the changing relative age distribution of the population, there would be a total of 1.6 million new homeowners. A simple statistical analysis examining the impact of lower mortgage rates and higher unemployment rates yields an even higher, and firmer, estimate of 2.4 million additional owner occupied homes in 2009.

The increased demand for housing arising from lower mortgage rates would provide a floor on further house price declines. Estimates in our recent paper suggest that real house prices increase by about 75% of the decline in after-tax mortgage payments. So a decline in mortgage payments of 16% would result in approximately a 12% floor on the decline in house prices.

Current futures markets suggest that house prices will decline by 12%–18% in the next 18 months. So a 4.5% interest rate might well lead to flat or even slightly higher house prices in 2009.

Stabilizing house prices will likely improve consumer confidence substantially. Increases in house prices relative to where they would have gone with higher mortgage rates would also provide a housing wealth effect—that is, higher annual increases in spending as consumers feel richer—on consumption of as much as $76 billion to $113 billion each year.

The 4.5% mortgage rate that the Treasury is considering also should be available for present homeowners who want to refinance, because of the benefits for the economy as a whole. We calculate that up to 34 million households would be able to do so, at an average monthly savings of $428—or a total reduction in mortgage payments of $174 billion. This is a permanent reduction in payments and is thus likely to spur appreciable increases in consumption.

Moreover, trillions of dollars of refinancings would retire a large number of the existing mortgage-backed securities. This would reduce uncertainty about the value of existing mortgage-backed securities. It would flood the market with additional liquidity that the private sector could deploy to other uses such as auto loans, credit cards, commercial mortgages and general business lending.

A reduction of mortgage interest rates to 4.5% (or, given yesterday's Fed action, to a lower level) is superior to other proposals that focus only on stopping foreclosures, or on reforming the bankruptcy code to keep people in their homes. Stopping foreclosures, however meritorious, may not limit the dangerous decline in house prices as much as proponents claim. It could work the other way. Stripping down mortgage balances in bankruptcy would likely raise future mortgage interest rates and lower the availability of mortgages, reducing house prices.

Finally, a decrease in the mortgage rate, even though it is intended be a temporary intervention in the present exigency, plants a seed for future thought. Given the chaos of the recent past, wouldn't a return to simple, 30-year fixed-rate mortgages with a low rate be the right foundation for the long-term future?

EXHIBIT 3

[From the Wall Street Journal, Jan. 28, 2009]

A 40-YEAR WISH LIST

''Never let a serious crisis go to waste. What I mean by that is it's an opportunity to do things you couldn't do before.''

So said White House Chief of Staff Rahm Emanuel in November, and Democrats in Congress are certainly taking his advice to heart. The 647-page, $825 billion House legislation is being sold as an economic ''stimulus,'' but now that Democrats have finally released the details we understand Rahm's point much better. This is a political wonder that manages to spend money on just about every pent-up Democratic proposal of the last 40 years.

We've looked it over, and even we can't quite believe it. There's $1 billion for Amtrak, the federal railroad that hasn't turned a profit in 40 years; $2 billion for child-care subsidies; $50 million for that great engine of job creation, the National Endowment for the Arts; $400 million for global-warming research and another $2.4 billion for carbon-capture demonstration projects. There's even $650 million on top of the billions already doled out to pay for digital TV conversion coupons.

In selling the plan, President Obama has said this bill will make ''dramatic investments to revive our flagging economy.'' Well, you be the judge. Some $30 billion, or less than 5% of the spending in the bill, is for fixing bridges or other highway projects. There's another $40 billion for broadband and electric grid development, airports and clean water projects that are arguably worthwhile priorities.

Add the roughly $20 billion for business tax cuts, and by our estimate only $90 billion out of $825 billion, or about 12 cents of every $1, is for something that can plausibly be considered a growth stimulus. And even many of these projects aren't likely to help the economy immediately. As Peter Orszag, the President's new budget director, told Congress a year ago, ''even those [public works] that are 'on the shelf' generally cannot be undertaken quickly enough to provide timely stimulus to the economy.''

Most of the rest of this project spending will go to such things as renewable energy funding ($8 billion) or mass transit ($6 billion) that have a low or negative return on investment. Most urban transit systems are so badly managed that their fares cover less than half of their costs. However, the people who operate these systems belong to public-employee unions that are campaign contributors to . . . guess which party?

Here's another lu-lu: Congress wants to spend $600 million more for the federal government to buy new cars. Uncle Sam already spends $3 billion a year on its fleet of 600,000 vehicles. Congress also wants to spend $7 billion for modernizing federal buildings and facilities. The Smithsonian is targeted to receive $150 million; we love the Smithsonian, too, but this is a job creator?

Another ''stimulus'' secret is that some $252 billion is for income-transfer payments—that is, not investments that arguably help everyone, but cash or benefits to individuals for doing nothing at all. There's $81 billion for Medicaid, $36 billion for expanded unemployment benefits, $20 billion for food stamps, and $83 billion for the earned income credit for people who don't pay income tax. While some of that may be justified to help poorer Americans ride out the recession, they aren't job creators.

As for the promise of accountability, some $54 billion will go to federal programs that the Office of Management and Budget or the Government Accountability Office have already criticized as ''ineffective'' or unable to pass basic financial audits. These include the Economic Development Administration, the Small Business Administration, the 10 federal job training programs, and many more.

Oh, and don't forget education, which would get $66 billion more. That's more than the entire Education Department spent a mere 10 years ago and is on top of the doubling under President Bush. Some $6 billion of this will subsidize university building projects. If you think the intention here is to help kids learn, the House declares on page 257 that ''No recipient . . . shall use such funds to provide financial assistance to students to attend private elementary or secondary schools.'' Horrors: Some money might go to nonunion teachers.

The larger fiscal issue here is whether this spending bonanza will become part of the annual ''budget baseline'' that Congress uses as the new floor when calculating how much to increase spending the following year, and into the future. Democrats insist that it will not. But it's hard—no, impossible—to believe that Congress will cut spending next year on any of these programs from their new, higher levels. The likelihood is that this allegedly emergency spending will become a permanent addition to federal outlays—increasing pressure for tax increases in the bargain. Any Blue Dog Democrat who votes for this ought to turn in his ''deficit hawk'' credentials.

This is supposed to be a new era of bipartisanship, but this bill was written based on the wish list of every living—or dead—Democratic interest group. As Speaker Nancy Pelosi put it, ''We won the election. We wrote the bill.'' So they did. Republicans should let them take all of the credit.

Mr. ALEXANDER. Mr. President, I yield the floor, and I note the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SESSIONS. Mr. President, there is a growing recognition in the Congress that the so-called spending stimulus bill is colossal in nature, and it is going to be moved through the Congress with little or no significant changes. Those of us who have been around a while can see what is happening. The bill moved through committee. A lot of good amendments and suggestions for change were made in the Appropriations Committee, but none passed. A lot of ideas and suggestions were made in the Finance Committee, and none were agreed to, at least none of any significance. There are provisions in the bill I would strongly support and believe should be part of a stimulus package because I think a targeted, smart bill can help improve our economy, but it is not going to change the difficulties we are in, I am convinced of that.

Christina Romer, President Obama's top economist, has predicted that if we pass a stimulus bill, the unemployment rate will not reach quite so high. Her numbers were referred to in the Budget Committee, of which the Presiding Officer, Senator WARNER, is a member. Those numbers were brought out, but even without any stimulus, she projected the unemployment rate would not reach 10 percent.

During the tough recession when President Reagan broke the inflationary spiral we were in, we hit almost 11 percent unemployment. The Congressional Budget Office also projected that with no stimulus, the unemployment rate would not reach 10 percent. When asked if the stimulus package would make it any better, Mr. Sunshine, the Acting Director of the Budget Office at that time, said it might.

I think a stimulus package can help but I do not think a stimulus package is going to change the fundamentals of this tremendous economy, which is going through a period of rebalancing and adjustment that is painful. It is not going to be bought away by throwing a few billion dollars or maybe even a trillion dollars at it.

I wish to make that point in general. We are in a tough time. We are going to go through a tough time. It is not going to be easy, but this country has gone through tough times before. We can hope and pray it will not be as tough as the tough recession we had in the early to mid-1980s. We survived that. We developed some economic principles that ended inflation, and we had 25 years of steady progress based on a sound dollar and sound economy. I guess I would say let's be a bit humble in what we think we can accomplish.

I will add one more point. Politically, Presidents and Congress like to do something. When there is difficulty out there and the TV every night is coming with some bad news stories and our constituents are worried, elected officials feel like they must do something; if we don't do something, our constituents will get mad at us and vote us out of office. But what if the right thing to do is to not overreact?

What if the right thing for America is to ask ourselves what it is that can actually be of benefit, and let's do that. But let's not go hog-wild, let's not do some things that are going to do long-term damage to the country. That is where we are. Good people can disagree on where that line is drawn. A lot of people are talking about politics—Republicans did not get this amendment or that amendment. I am beyond discussing those issues at this point. My view is: Is the stimulus bill that is going to be moved in this Senate, which is even bigger than the one in the House—it was $818 billion, I believe, in the House legislation, and this one is already now at $888 billion. They added $70 billion for the AMT tax fix. So it is now almost $900 billion.

I am not sure how much thought we have given to it. We certainly have not had extensive hearings on this legislation. That is where we are strategically.

Let me say to my colleagues on both sides of the aisle, the more people look at this so-called stimulus bill, really a spending bill, the more disastrous and the more flawed they are finding it to be. Most Members of Congress, most Members of the Senate, I think, want to support a stimulus bill. They probably have made public statements that they want to support a stimulus bill. But all of a sudden, people are saying: Whoa, really? Is that much in it? This is in it? Only 3 percent of the money goes to roads? Really? I thought it was a roads bill. We are hearing that kind of talk. People are beginning to ask questions about what is in the legislation that can spend $900 billion.

It doesn't just cost $900 billion. The Congressional Budget Office has looked at it, as they are supposed to do. They are a nonpartisan office. They give us good information on how much legislation costs, among other things.

Remember, every dime of spending, all of this $900 billion increases the debt. We are already in debt. Any other dollar that is spent increases the debt. So the $900 billion spending bill will increase the debt in 10 years by $900 billion, and you have to ask yourself: Where do we get that money? We have to borrow the money. And to borrow the money, we have to pay interest on it. The Congressional Budget Office has calculated it. They didn't at first, but now they have. They calculate $347 billion over the next 10 years, the budget period we are looking at, will be expended by the American taxpayers to pay interest on this debt. By the way, the deficit this year is the largest one in the history of the Republic.

I will talk about the debt a little bit more because it is important. There is no free lunch. Julie Andrews in ''The Sound of Music'' said nothing comes from nothing, nothing ever could. Debts will be repaid. You think: Well, we may not repay these debts. We will have to, and we will pay interest on it. We may succumb to the very pernicious temptation to inflate the currency and pay back our debt with dollars less valuable than the ones we borrow today. That is what we call debasing the currency. That is inflation. That is a corrosive situation the country must not get into and has not been in for the last 25 years. Those are the temptations we can fall into when the debt gets too great.

The argument is we want to have shovel-ready projects, and those shovel-ready projects will increase employment and will help us work our way through this recession. It is going to be longer than most recessions. It is going to end, but it will be longer than most recessions.

The message that has gone out is infrastructure is behind. Roads and bridges are not up-to-date. We need to spend money on them. Now would be a good time to go into debt and borrow money and fix roads and bridges and that we would, therefore, be able to create jobs and have something concrete after it is all over.

I like building bridges because it is a concrete thing, and when it is over, people can benefit from it for generations to come. Unlike a lot of the Government programs that are in this bill, we spend billions and billions of dollars, and when it is over, we ask ourselves: Did it do any good at all?

As I indicated, we now know the request for roads and bridges in the $900 billion stimulus bill amounts to around $30 billion—$15 billion the first year, $15 billion the second. There is other infrastructure spending—on hospitals, school money, those kinds of things.

The idea that this is a roads and bridge bill is false. It is false. It is not so.

In addition to that point, I note the Congressional Budget Office examined the legislation to ask whether this spending we would be participating in would actually come forward quickly, as everybody says it must, to create jobs now and, therefore, help us ease the rising unemployment we are seeing.

CBO has found that only around 50 percent of the spending that is in the legislation will occur in the first 2 years.

What about this year, the first year? But even over 2 years, only 50 percent of it is spent. The other 50 percent is going to be spent after 2 years, in years 3, 4, 5. According to Ms. Romer, the President's top adviser on the economy, we will be coming out of the recession by then anyway without a stimulus package.

The programs, in addition to the construction projects and spending plans that are put together, have been poorly cobbled together in haste. They have not been well thought out. There is no way they could have been well thought out.

Three hundred economists, including three Nobel laureates, have signed a petition condemning the stimulus plan as it is now written. Many of them would favor a stimulus plan, but when they look at this one, they are aghast, and they are warning us that infrastructure spending has never successfully lifted a country out of an economic slowdown. There are many examples of that around the world. These economists are saying that.

Marty Feldstein, an economist President Reagan admired and conservatives have admired and most Americans have admired, said at one point he favored a stimulus bill. I think about $350 billion. He has now written an op-ed in the Wall Street Journal saying this is bad; do not pass this stimulus bill. He opposes it.

The Chamber of Commerce—I like the Chamber of Commerce. They are great folks. But if anybody thinks they are not self-interested does not know what they do. They have a lot of Members who are going to benefit from this program. They are going to get bucks out of it. They favored a stimulus package sometime ago, and they said we need a stimulus package. Now they are saying they are not for this bill. They are opposing it, even though their members, a lot of them, are going to get bucks out of it. Because we are throwing a lot of bucks out there, and they are going to get some. Even they, in the interest of their country and the long-term vision for the economy, have concluded it is not good for this country to pass the bill we are dealing with now.

The bottom line is that I am convinced now that the extreme long-term cost of this legislation outweighs any short-term benefits. And remember, the $1.2 trillion, the $900 billion plus the interest on it that CBO has calculated—and it is only right that they do so—comes on top of a $700 billion bank/Wall Street bailout that proved ineffectual, has not been successful. We are being told now—and President Obama met with the Republicans in a very nice discussion, and the President acknowledged that they are going to have to be coming back and asking for more Wall Street money not that many weeks from now. So we are not through yet with throwing taxpayers' money into this vortex.

The surge in debt and reckless spending that we have seen in the last year, from both parties, is unlike anything this Nation has ever seen in its history, yet there has been such little serious discussion about where the money is going, how we are going to account for it, and whether we will receive a legitimate benefit from it. It is amazing to me. So I think we have to reconsider the size and the nature of this legislation. We cannot do this. It is bad for America. It is not a question of Republicans and Democrats and that kind of thing. I know the conventional wisdom is we have to do something; if we don't do something, people will be mad at us; if we don't do something and the economy gets worse, they will say: You didn't do anything, you stupid goof. You sat on the sideline and didn't do anything. But I have to say, at some point you can do too much and you can do things that are unwise, and that is what we are paid to decide here.

So I am committed, and I will do what I can, to defeat the bill as written. I will support a more targeted, cost-effective, temporary plan that can help our economy, but it must be done at a price we can afford.

I am going to talk in a minute about the size of the deficit we are facing. As a member of the Budget Committee, I know it is a grim discussion. I have concluded that this is a fight for the very financial soul of our country. I mean, what is it we are doing here? Are we fulfilling our responsibilities to watch over the taxpayers' money? Presidents can't spend money if we don't appropriate it. Every dime President Bush spent on the Wall Street bailout, we gave to him. Every dime President Bush spent on sending out those checks last spring that were supposed to stop the recession went to the debt. It increased our debt, causing us last year to have the biggest deficit in the history of the Republic. It didn't work, but we gave the money. It is not President Bush who did it; we funded it. And no stimulus spending bill is going to get passed and no money is going to be available to be spent unless Congress spends it. It is our responsibility. We can't pass it off on President Obama.

Let me show this chart. As a member of the Budget Committee who has dealt with these issues for a number of years, this chart is where my mind is, if you want to know the truth. In 2004, after that recession, when President Bush cut taxes and did some other things—I think he even sent out some stimulus checks in that period of time—the deficit that year amounted to $413 billion. That is how much we spent that year more than we took in, in 2004. It was the largest number we had ever seen. And he was pummeled by the loyal opposition, my Democratic colleagues, for wasteful spending and for putting us in deficit and that kind of thing, and some of that was justified, in my view.

In 2005, the deficit dropped about $100 billion. It dropped to $318 billion. In 2006, it dropped to $248 billion. In 2007, a year and a half ago, it was $161 billion. We were heading in the right direction. I began to feel better about the country. Last spring, we sent out $160 billion in checks to try to stop this economic slowdown, and that virtually doubled the deficit. We came in, September 30 of last year, when the fiscal year ended, the deficit was $455 billion—the largest, I think, ever, but certainly the largest since World War II—and we didn't hear much talk about that. The Congressional Budget Office is our expert office on this, and we now see that they have estimated that without the stimulus package, without the stimulus bill, the deficit this year will be $1.2 trillion, more than twice the highest deficit in the history of the Republic. To give you some idea of how much money we are talking about, imagine all the income tax payments that come to our country from individuals. That amounts to $1.1 trillion. Right here, without the stimulus, we are at $1.2 trillion, equal to the entire revenue from the income tax in America. With the stimulus package, CBO estimates it will be just over $2 trillion, and that does not include the interest that will be accumulated on it.

That $1.2 trillion deficit that they are projecting now includes $200-plus billion for the Wall Street bailout, and they are also including about $240 billion for the Freddie and Fannie financial bailout, those huge institutions that bought up these bad mortgages and then we bailed them out. That is what helps drive the number. Next year, they are projecting $703 billion and then $498 billion—all of those bigger than any in previous history, and we will be seeing some additional expenditures there.

For example, this $703 billion does not include the alternative minimum tax fix, which costs $70 billion a year. I think most of my colleagues probably know this, but I see some new Members of the Senate here, so to tell you all how we gimmick the system, the alternative minimum tax is $70 billion a year to fix it. Everybody knows we are not going to allow it to kick in and hit the American economy at the full amount. So why don't we go on and fix it permanently and set a rate? Because CBO will score it. And if we score it for $70 billion a year, for a 10-year budget, that is $700 billion. So we pass a law that fixes it for 1 year, and the next year, when they calculate the debt, they assume we are going to have $70 billion more in revenue from the alternative revenue tax. But we are not going to have that money because we are going to fix it again. There are a lot of gimmicks in here, so those numbers are going to be a lot higher. I know this. I have been here, and I know how the system works.

Finally, I will add one more thing to the discussion, and that is the interest on the debt. We are now a little under $200 billion a year in paying interest on the debt. The debt has been growing. I think it is about $10 trillion. In the next 10 years, the estimates are it could be $21 trillion in debt—the total debt of America. This bill, by the way, raises the debt limit. It has to, because we are adding another trillion dollars in debt. The Congressional Budget Office scores that in 2014—5 years from now—the interest on the debt will not be $200 billion, but counting the stimulus package it will be around $430 billion.

Now, how much money is that—$430 billion? Today, it is $200 billion, and 5 years from now it will be $430 billion. Big deal. But that is every year, No. 1. It is every year. And to give some perspective on how large that is, it is more than a third of the income tax revenue of the entire U.S. Government from individuals, and it is a number that is almost equal to the 5-year cost of the Iraq war. We have spent about $500 billion on the Iraq war in the 5 years that has occurred. That has been a major expense of the U.S. Government, and it has been very painful to us. People have been not happy about it. But by surging this debt, we will in the future be incurring an interest payment almost equal every year to the 5-year cost of the Iraq war.

So I say to my colleagues, I know the momentum has been going forward. I know the House moved forward with the bill and people have expected that we are going to pass it, but I am not sure. I think the American people are getting concerned about this, and they are saying, let's pare this down. Why can't we do a $200 billion or a $300 billion dollar stimulus package that will actually create jobs and won't add so much money to our deficit and will create things that are of permanent value to the public, not providing relief to soldiers who fought with us in world wars and other programs that are in the legislation.

This is the beginning of a discussion, or it ought to be the beginning of a national discussion about what this country is about. We need to ask ourselves: Isn't it important that we have a sound currency? Shouldn't a sound dollar be one of the highest possible goals of the Congress? And to have that, aren't we, as a Congress, going to have to be responsible enough to, in times of uncertainty and fear, be able to rationally think through this and do this right?

My 90-year-old aunt, who I was with last week in Alabama, said to me: You all don't know what you are doing up there, do you? And I don't think we do. I think that was as good a synopsis of what the American people are thinking about us as anything I have heard. We don't know, and we have to get serious here. It is our responsibility. When we are talking about trillions, we are talking about real money.

I thank the Chair, and I yield the floor.

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

OUR COUNTRY'S CHALLENGES

Mr. UDALL of Colorado. Mr. President, I rise today with full and humble appreciation for the critical scrutiny a Senator's maiden speech usually attracts. I am also aware of the somewhat forgotten tradition here in which freshmen Senators took some considerable time before throwing caution to the wind, opening their mouths, and hoping to enlighten their wiser and more experienced colleagues. That tradition like many others has eroded over time, such that in recent years freshmen Senators have taken to the floor early and often. I hope my words today will not encourage a revival of the older tradition.

I am also aware that many new Senators use the occasion of their first speech to introduce a specific bill or to