

May 15, 2009

Senator Mark Udall
Westminster Office
8601 Turnpike Drive
Suite 206
Westminster, CO 80031

Senator Mark Udall:

“Corruption is not only about stealing: it can also relate to the abuse of power in decision-making processes. It is a form of behavior that deviates from ethics, morality, tradition, law and civic virtue.” (Source: Namibia’s Zero Tolerance for Corruption Campaign http://www.anticorruption.info/corr_def.php)

Senator Udall, the Code of Ethics for Government Service requires you to “Expose corruption wherever discovered.”

Senator Udall, on April 7, 2009, I mailed to your Westminster office a letter (copy available on my non-commercial website: <http://www.democraticdeception.com>) detailing Senator Byron Dorgan’s February 7, 2003 intentional deception tactic with a financial projection and the use of the same tactic of projection deception on June 9, 2008 by then Senator Barack Obama. Deception with a financial projection occurs when there is no inclusion of meaningful cautionary statements indicating that actual results could differ materially from those being projected. My letter asked you to respond to three questions concerning the ethics associated with Senators using a tactic of deception that is well understood in the accounting profession and is illegal in a part of the private sector. The projection deception relates to the CBO January 2001 ten-year \$5.6 trillion budget surplus projection. The CBO 2001 projection includes 11 pages of uncertainties and the CBO states in the projection the uncertainties with the projection are so extensive the budget could return to deficits without changing President Clinton’s policies.

The tactic of excluding cautionary statements about the possible outcome of a projection is a tactic of deception well understood in the accounting profession and illegal in a part of the private sector. The tactic must be considered a behavior that deviates from civic virtue and, therefore, must be considered corruption.

As a result of your failure to address what is clearly an ethical issue in the United States Senate associated with budget projections, you have provided an opportunity to Senator Whitehouse to continue the use of the projection deception tactic of not including any cautionary statements indicating that actual results could differ materially from those being projected. Senator Whitehouse (see attached) on April 29, 2009 said “the difference between the budget that President Bush inherited and the budget projections he was given the day he took office and the actual budget outcomes that the Bush administration produced, the difference was nearly \$9 trillion...” Senator Whitehouse is referencing the budget projections at the end of the Clinton

Senator Mark Udall
May 15, 2009
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Administration that included in the uncertainties the possibility of returning to deficits without policy changes.

As stated earlier, the tactic of deception with a projection by omitting meaningful cautionary statements about the attainability of the projected results is well understood in the accounting profession and is illegal in a part of the private sector. Senator Udall, do you condone for use by Senators the aforementioned projection deception tactic or do you consider the tactic being used by Senators to be corruption?

Senator Udall, unless you are condoning for Senators the aforementioned projection deception tactic, you must expose the tactic as corruption. As stated earlier, your Code of Ethics for Government Service requires you to "Expose corruption wherever discovered." I must consider your silence to my April 7, 2009 letter to be you effectively condoning the aforementioned projection deception tactic for Senators. Your refusal to address the tactic of deception is troublesome in light of your understanding of the opportunity to deceive with a projection as exemplified by your March 8, 2001 statement it is "...risky to rely too much on long-range forecasts of future budget surpluses..."

I have included my Democratic Party Deception Log to supplement my April 7, 2009 letter the deception tactic was intentionally conceived and continues to be pervasive.

Please answer my above question concerning the use by Senators of a projection deception tactic that omits meaningful cautionary statements that actual results could differ materially from those being projected. This is a critical ethical question involving corruption because, in the case being cited, the uncertainties included by the CBO in 2001 included the possibility of returning to budget deficits without any changes in President Clinton's policies.

Regards,

Original signed and mailed 03083390000171600689

Gregory R. Brice, CPA
2536 S Columbine St
Denver, CO 80210
303-744-6394

Attachment

Cc: The Denver Post

Democratic Party Deception Log

[PDF](#)

[DemocraticDeception.com Home](#)

[Reportcard2000.com Home](#)

[Comments referencing the January 2001 CBO 10-year projection of \\$5.6 trillion budget surplus, based on assumptions in the 190 page report](#)

"And no one should be surprised, human nature being what it is, people will go as far as they possibly can get away with."

[Quote by: Senator Hillary Clinton - May 29, 2007](#)

Date	Democrat - unless stated	Function	Remark	Link1	Link2	Web Host Comment
3/2/2001	Mr. Barry Anderson, Deputy Director, Congressional Budget Office Not a Democrat	PBS Special	"I know Congress needs estimates that go out ten years and we supply them. But we make no bones about it that there is an awful lot of uncertainty about what our projections are ten years hence."	PBS Special		The dartboard used by Mr. Anderson in the video to show his confidence in the 10-year projection is most effective.

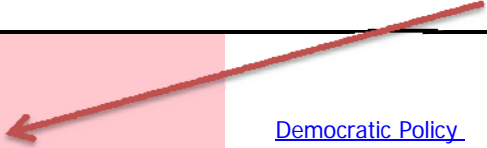


Date Order

Pre-Deception Comments

1/31/2001	Rep. John Spratt Jr., Ranking Member - See Post-Deception comment with same color	House Budget Committee	"Finally, these projections are highly uncertain—particularly for the years farthest in the future. We have been lucky in recent years to see budget estimates unexpectedly turn in our favor. They could just as easily turn against us."	House Budget Committee - Democratic Caucus Report		Rep. Spratt's truthful statement about projections. Therefore, implied intentional deceit exits for 2009 statements.
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Date	Democrat - unless stated	Function	Remark	Link1	Link2	Web Host Comment
3/1/2001	Rep. John Spratt Jr., Ranking Member - See Post-Deception comment with same color	House Budget Committee	"First of all, these surpluses are projections, and we shouldn't be swept away by them. Seventy-two percent of the on-budget surplus that is projected for the next 10 years occurs in the second 5 years of that 10-year period. They may or may not pan out. Let us hope they do."	HEARING HELD IN WASHINGTON, DC, MARCH 1, 2001 See Page 10 of PDF file		Rep. Spratt's truthful statement about projections. Therefore, implied intentional deceit exits for 2009 statements.
3/8/2001	Rep. Matsui	Congressional Record	"In the document that said that we will have \$5.6 trillion, the Congressional Budget Office also said that there is only a 50 percent probability that the 5-year projections will be correct, and they say in the 10-year projections they cannot even assess whether or not they will occur because they have no experience at it."	Congressional Record 3/8/2001		Acknowledgement the CBO has no experience at 10-year projections.
3/8/2001	Rep. Pelosi	Congressional Record	"We do not have the surplus Members are talking about here. First of all, we are talking about a tax cut based on a budget we have not seen, on a surplus we cannot guarantee, at a time when we have unmet needs in our country."	Congressional Record 3/8/2001		Compare this Rep. Pelosi statement to Speaker Pelosi on September 29, 2008.
3/8/2001	Rep. Udall (D-CO)	Congressional Record	"...risky to rely too much on long-range forecasts of future budget surpluses..."	Congressional Record 3/8/2001		

Date	Democrat - unless stated	Function	Remark	Link1	Link2	Web Host Comment
3/20/2001	Sen. Dorgan See Post-Deception Comment with same color	Congressional Record	"The President's plan assumes we will have budget surpluses for the next 10 years. I hope that is the case, but with the current slowdown in our economy, we ought to be cautious. <u>Economic forecasts are no more reliable than weather forecasts.</u> " - <u>Emphasis added.</u>	Congressional Record 3/20/01		Sen. Dorgan's truthful statement about projections. Therefore, implied intentional deceit exits for 2003 statements.
6/27/2001	Sen. Conrad	Opening Statement of Chairman Kent Conrad	<u>"I think one of the most important things that can come out of this hearing is a renewed respect for the uncertainty - and I want to put the frame on that - the uncertainty of long-term economic and budget forecasts.</u> This after all is a 10-year forecast. The famous CBO fan chart that showed estimates of uncertainty based on CBOs past forecasting records, should have warned us that <u>there was nothing certain about a projection of \$5.6 trillion of surpluses over the next 10 years.</u> " - <u>Emphasis added</u>	Opening Statement of Chairman Kent Conrad Hearing on Reassessing the Economic Outlook		Sen. Conrad's truthful statement about projections. Therefore, implied intentional deceit exits for 2007 statements.
Post-Deception Comments						
2/7/2003	Sen. Dorgan 	Democratic Policy Committee Sen. Dorgan - Chairman	"Huge deficits for years to come: Two years ago, the President inherited a healthy budget surplus, a budget circumstance that <u>predicted</u> a \$5.6 Trillion in surpluses over the next 10 years." - <i>emphasis added</i>	OPENING STATEMENT OF DPC CHAIRMAN SENATOR BYRON DORGAN DEMOCRATIC POLICY COMMITTEE HEARING		Deception begins 23 months after Sen. Dorgan says that projections are "not at all certain." <u>Is this putting Party ahead of Country?</u>
2/22/2003	Sen. Byrd		"...this administration has squandered a \$5.6 trillion surplus over the next decade and taken us to deficits as far as the eye can see."	Senator Robert Byrd on Feb 22, 2003		

Date	Democrat - unless stated	Function	Remark	Link1	Link2	Web Host Comment
5/22/2003	Sen. Dorgan	Democratic Policy Committee Press Release	<p>"Worst fiscal reversal in history. ... The \$5.6 trillion 10-year surplus that President Bush inherited is now a deficit of more than \$2 trillion, for a total fiscal reversal of well over \$7 trillion."</p>	22-May-03	Senator Dorgan (D-ND) - Ethics - \$5.6 Trillion Projection	Continuation of Feb. 7, 2003 press release and a reversal from 3/20/01
10/5/2004	Sen. Edwards	Vice-Presidential Debate	<p>"Because we will do what they've not done. You know, if you look at what's happened over the last four years, we have gone from a \$5 trillion projected surplus when George Bush took office to a \$3 trillion projected deficit."</p>	5-Oct-04		
10/14/2004	Sen. Kerry	Presidential Debate	<p>Kerry claimed Bush "has taken a \$5.6 trillion surplus and turned it into deficits as far as the eye can see."</p>	14-Oct-04		<p>"But the country never actually had a \$5.6 trillion surplus. The projected surplus Kerry was referring to was a 10-year figure that was already made dubious by a weakening economy and a pent-up Congressional urge to spend. The largest annual surplus actually realized was \$236 billion in fiscal year 2000, which ended a month before Bush was elected." - Factcheck.org</p>
3/16/2006	Sen. Feinstein		<p>"Under President Clinton, we had four years of budget surplus. And, when he left office, we had a projected 10-year surplus of \$5.6 trillion."</p>	Senator Feinstein on March 16, 2006		
5/17/2006	Rep. Waxman	Congressional Record	<p>"The year before President Bush took office, we enjoyed a record-breaking \$236 billion surplus and projected surpluses that were <i>expected</i> to reach \$5.6 trillion by 2011. In an unprecedented reversal, the policies of President Bush and congressional Republicans have brought us the five largest deficits in our history." - <i>emphasis added</i></p>	Congressional Record 5/16/06		<p>Henry A. Waxman. Chairman, Committee on Oversight and Government Reform. No where will you find where the CBO states the \$5.6 trillion surplus was "expected."</p>

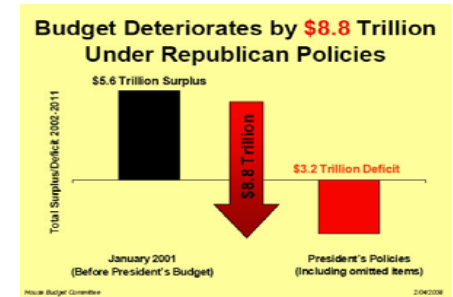
Date	Democrat - unless stated	Function	Remark	Link1	Link2	Web Host Comment
6/14/2006	Sen. H. Reid (D-NV)	Statement	FACT: President Bush Turned Record Budget Surpluses into Record Deficits. President Bush inherited a unified budget surplus of \$236 billion from President Clinton, the largest surplus in American history. Budget surpluses were expected to continue for another ten years when President Bush took office in January 2001.	Statement		"...were expected..."FACT, NOT!!!
6/22/2006	Rep. DeGette	Press Release	"...Congress and President Clinton to turn a \$290 billion deficit into a \$5.6 trillion surplus in just 6 years. Sadly it took President Bush and his Republican Congress just five years to turn that surplus into a \$3.2 trillion deficit."	6/22/06 Press Release		Not even a reference to a projection. Blatant deception with a projection.
1/5/2007	Rep. J. Salazar	Congressional Record	Madam Speaker, the administration has turned a projected 10-year, \$5.6 billion (trillion) surplus into a nearly \$3 trillion deficit.	Congressional Record 1/5/07		
3/21/2007	Rep. Perlmutter	House Floor	After all, it took the prior Congresses and administration 6 years to turn a \$5.6 trillion surplus into a \$2.8 trillion deficit. That's a fiscal collapse over a 6-year period of more than \$8 trillion.	Congressional Record 3/21/07		Not even a reference to a projection. Blatant deception with a projection.
7/11/2007	Sen. Conrad	Senate Budget Committee Sen. Conrad - Chairman	"Nothing in the administration's deficit announcement changes the failed fiscal record of President Bush. He has increased spending by nearly 50 percent since taking office, while at the same time repeatedly cutting taxes primarily on the wealthiest. <u>The result has been that the \$5.6 trillion projected surplus he inherited has been wiped out.</u> " - <u>Emphasis added</u>	STATEMENT BY SENATE BUDGET COMMITTEE CHAIRMAN		Note how effective deception with a projection can be when attached to facts. Based on Sen. Conrad's 2001 statements, is Sen. Conrad putting Party ahead of Country?

Date	Democrat - unless stated	Function	Remark	Link1	Link2	Web Host Comment
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1/23/2008	Congressional Progressive Caucus	73 Congress People	"...they have squandered a record \$5.6 trillion surplus..."	CPC Report 1/23/2008		Might as well discredit them 73 at a time.
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2/4/2008	House Budget Committee - Majority, Rep. John Spratt, Chairman	REPORT: Final Bush Budget Continues Same Failed Fiscal Policies *	"In all, the \$5.6 trillion projected ten-year surplus that the Administration inherited when it took office has been converted, under realistic estimates, into a \$3.2 trillion deficit. This represents a swing of \$8.8 trillion in the wrong direction – the largest fiscal deterioration in American history."	2/4/08 Report		
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**This document has not been reviewed and approved by the House Budget Committee and may not reflect the views of all Members.*



110th Congress (2007-2008) [22D-17R]

1. John M. Spratt, Jr., SC, Chairman
2. Rosa DeLauro, CT
3. Chet Edwards, TX
4. Jim Cooper, TN
5. Thomas H. Allen, ME
6. Allyson Y. Schwartz, PA
7. Marcy Kaptur, OH
8. Xavier Becerra, CA
9. Lloyd Doggett, TX
10. Earl Blumenauer, OR
11. Marion Berry, AR
12. Allen Boyd, FL
13. James P. McGovern, MA
14. Niki Tsongas, MA
15. Robert E. Andrews, NJ
16. Robert C. "Bobby" Scott, VA
17. Bob Etheridge, NC
18. Darlene Hooley, OR
19. Brian Baird, WA
20. Dennis Moore, KS
21. Tim Bishop, NY
22. Gwen Moore, WI

[Link to Majority Party Members](#)

4/16/2008	Sen. Hillary Clinton	Presidential Debate	CLINTON: "You know, I'm going to have to look and see what the revenue situation is. We now have the largest budget deficit we've ever had, \$311 billion. <u>We went from a \$5.6 trillion projected surplus to what we have today, which is a \$9 trillion debt.</u> " - <u>Emphasis added</u>	Source: 2008 Philadelphia primary debate, on eve of PA primary Apr 16, 2008.		Note how effective deception with a projection can be when attached to facts.
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6/9/2008	Senator Obama	Campaign	"George Bush's policies have taken us from a projected \$5.6 trillion dollar surplus at the end of the Clinton Administration to massive deficits and nearly four trillion dollars in new debt today."	Senator Obama on June 9, 2008		
9/29/2008	Speaker Pelosi	House Floor	"... on a trajectory of \$5.6 trillion dollars in surplus."	Congressional Record 9/29/2009	Watch House Floor	Based on the timing, possibly the worst case of projection deception that exists. Compare this Speaker Peolosi statement to Rep. Pelosi on March 8, 2001
10/15/2008	Senator Biden	Website	"Since 2000, a projected ten year surplus of \$5.6 trillion has been squandered, turned into new debt of over \$3 trillion."	Senator Biden on October 15, 2008		
2/9/2009	Chairman Spratt	House Floor	"This is a simple bar graph. It shows that the Bush administration, when he came to office, had a phenomenal inheritance. A budgeting surplus over the next 10 years by \$5.6 trillion. That was January, 2001."	House Floor		No reference to a projection.
2/9/2009	Majority Leader Hoyer	House Floor	"Tragically, that was dissipated. That \$10 trillion of debt now has replaced that \$5.6 trillion of anticipated surplus."	House Floor		
2/25/2009	Mr. Andy Stone, Western Regional Press Secretary for the Democratic Congressional Campaign Committee	Press Release: Earth to Representative Mike Coffman: Republicans Responsible for Sky-High Deficits	"Congressman Coffman needs a history lesson. It was former President Bush and Congressional Republicans that left Americans with deficits as far as the eye could see, taking a \$5.6 trillion surplus and transformed it into a \$3.2 trillion deficit."	Press Release		The deception tactic with a projection is used throughout the Democratic Party.
2/26/2009	Speaker Pelosi	Press Conference on February 26, 2009 CSPAN	Bush inherited \$5.6 trillion projected surplus	February 26, 2009 the deception continues	Watch Spr. Pelosi in 2008 contradict herself from 2001	Deception Continues

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2/26/2009	President Obama	2010 Budget	"that (surplus) was projected to grow still larger over time."	Word Search Obama's Budget - page 14	14th page	Blatant Deception Continues
2/27/2009	Rep. John Spratt Jr., Chairman	House Budget Committee *	<p>"When President Bush took office in 2001, he inherited a ten-year budget surplus projected to be \$5.6 trillion. That surplus represented an historic opportunity to address some of the major issues facing our country, including preparing for the needs of the retiring baby-boom generation."</p> <p><i>*This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.</i></p>	House Budget Committee - Democratic Caucus Report		Textbook deception by at least one Democrat on the Budget Committee.
3/3/2009	Sen. Whitehouse	Sen. Finance Hearing	Based on a projection Bush deficits grew \$7 trillion. Watch Chairman Bernanke explain the flaw in the Senator's premise because of the revenue assumption.	Fast forward to 1 hour 35 minutes and listen to Bernanke 2 minutes later.		
3/4/2009	Sec'y Geithner	Sen. Budget Committee	"Forecasts are never what they are."	Fast forward to 1 hour 52 minutes		There is no deception here
04/01/09	Rep. Clyburn	House Majority Whip	<p>Turning the Budget Around — In 2001, the previous Administration inherited record budget surpluses – \$5.6 trillion projected over ten years – but squandered it all and more, leaving a record deficit of over \$1 trillion for 2009 alone.</p>	Website and search for "\$5.6 trillion"		Clyburn's Quote of the day - 4/1/09: "You can fool all the people some of the time, and some of the people all the time, but you cannot fool all the people all the time." - Abraham Lincoln
04/27/09	Rep. John Spratt Jr., Chairman	Chairman Spratt's Opening Statement at Conference Committee for FY2010 Budget Resolution	"Over the last eight years, we have witnessed an enormous reversal in our budget. We have seen a ten-year surplus of \$5.6 trillion dissipate, disappear, and devolve into massive deficits. In the meanwhile, our economy has been overtaken by the worst set-backs since the 1930s."	FOR IMMEDIATE RELEASE April 27, 2009		The most blatant attempt at deception with a projection that is possible to exist is on display with this comment from Chairman Spratt. See my comments.

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4/27/2009	Speaker Pelosi	Speaker Pelosi's website	"a record surplus of \$5.6 trillion over 10 years under President Clinton ... turned into record deficits of \$5.8 trillion under President Bush"	Press Release		At what point does intentional deception with a projection become a violation of the code of Ethics for Government Service?
4/29/2009	Sen. Conrad	Senate Budget Committee Sen. Conrad - Chairman	<p>"As a result, we saw a very dramatic deterioration in the budget picture under the Bush administration. They went from inheriting surpluses to putting us into record deficits."</p> <p style="text-align: center;">↓</p> <p>"Some have asked why we didn't do a 10-year budget. Very simply, because Congress almost always has done 5-year budgets because we know that the projections for the second 5 years are highly unreliable--highly unreliable. Frankly, a forecast for 5 years is a bit of a crap-shoot."</p>	April 29, 2009 Hearing		<p>In the same hearing Chairman Conrad displays his knowledge of the unreliability of projections and then says the Bush administration inherited budget surpluses.</p> <p>This one hearing demonstrates Senator Conrad's partisanship associated with budget projection deception. And to see he started the hearing with this: "I try to suppress partisanship in my discussions on the Senate floor..."</p>
04/29/09	Sen. Whitehouse	CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2010-- CONFERENCE REPORT -- (Senate - April 29, 2009)	"From their speeches, you would never know that during the Bush administration the difference between the budget that President Bush inherited and the budget projections he was given the day he took office and the actual budget outcomes that the Bush administration produced, the difference was nearly \$9 trillion--\$9 trillion of debt."	See excerpt		Compare Sen. Whitehouse's statement President Bush produced \$9 trillion of debt versus his March 3, 2009 statement that President Bush's deficits grew \$7 trillion. This is an excellent example of deception with a projection because the "projection" President Bush inherited said the budget could return to deficits without changing President Clinton's policies.

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04/29/09	Rep. Clyburn	House Majority Whip	"Unlike the last Administration, which inherited a \$5.6 trillion surplus projected over ten years, this Administration inherited an economy in steep decline,..."	04/29/2009 Daily Whipline	CBO 2001	"The primary negative risk is that the current slowdown might turn into a recession. Although forecasters widely anticipated that economic activity would slow, the deceleration has been surprisingly rapid." - CBO January 2001 in the 10-year \$5.6 trillion budget surplus projection, based on the considerable uncertainties in the report.
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[Other References](#)

Senator Whitehouse Statements - April 29, 2009

in my State. The Governor doesn't propose the grant and aid budget in my State. That comes from the legislature. We found in the 1990s that the grant and aid budget was growing like Topsy, kind of crowding out spending in the operating budget and the capital budget. What we decided to do was put a constraint on the growth of the grant and aid budget, no more than 2 percent; no more than 2 percent of revenues. That put a halt to the growth and kind of put things back on the right keel.

With respect to earmarks, among the things we have done here--there is nothing inherently wrong with earmarks, directed spending, but when they are growing like Topsy, as they were for a while, that is not a good thing. We have now decided to limit earmarks to 1 percent of revenue which I think is appropriate.

The second thing we didn't know for the longest time is where the earmarks were coming from and who was asking for them. We didn't know necessarily who was going to benefit from the earmark. We have addressed that so we know both.

The other thing I believe we have addressed is called air drops, where you have a conference committee with the House and Senate on appropriations bills, you don't have an earmark in either one, yet out of the conference committee emerges an earmark from somebody and we don't know where it came from and it wasn't in either bill. That shouldn't be allowed.

The last thing I would mention is at the end of the day, you have the ability for the President to look through a bill, whether with earmarks or other forms of spending, and say maybe this is a bad idea. This is an egregious form of spending. It should be addressed,

and basically say to us in the Senate or the House: I have signed this bill into law, but I wanted to come back and vote on a couple specific items. If I cannot get 50 colleagues to vote for an earmark that I have made on behalf of Delaware, I should probably not be asking for that earmark in the first place. That is the long and short of it.

There are a lot of things we can do to continue to make progress. We are getting down to 3 percent of GDP in the next 4 years, and I applaud that. There

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are other things we want to do. I look forward to working with the chairman. Those are just a few of the ways we can make additional progress.

I applaud the chairman, and I thank him for all his work. I cannot imagine what it is like to bear the burden of this or any budget, but he has done it well and in good humor for a long time.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I thank the Senator from Delaware, who has been so constructive on many critical issues since he joined the Senate. He is somebody whose career I followed closely when he was in the House of Representatives and as Governor of his State. He is one of the real clear thinkers on fiscal issues before this body. I thank him for all of the contributions he has made.

Next, we have Senator *Whitehouse*, a very valued member of the Budget Committee. He is one of the people who put a great deal of effort and energy into producing the budget resolution that came from the Senate which really served as the model of what we have before us in terms of the conference report. This is a conference report, as I have said repeatedly, that captures the President's key priorities of reducing our dependence on foreign energy, focusing on excellence in education, and providing for health care reform, which is a special passion of the Senator from Rhode Island. It also contains substantial middle-class tax cuts--in fact, over \$750 billion in middle-class tax cuts--all the while reducing the deficit by two-thirds over the next 4 years.

As measured against a share of GDP, it is even better. We reduce the economy on that metric--and the economists say that is the best metric--by three quarters. No member of the committee has made a greater contribution on health care issues than the Senator from Rhode Island, Mr. *Whitehouse*.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

Mr. WHITEHOUSE. Mr. President, I thank the distinguished chairman of the committee for his kind words. I congratulate him on having brought this budget successfully to the floor for a vote at this point. The procedures the budget must go through are very complex. The consequences for this body, if the budget should fail, are dire, and the economic catastrophe the country and our new President have been presented with have made this a particularly challenging budget substantively to work with. Through all that, the distinguished chairman has persevered and succeeded with his customary diligence, grace, and good will; and it is customary on our part to rely on his expertise. He made a remarkable contribution. It would not be right to not acknowledge what a spectacular achievement, under the circumstances, this has been.

What is particularly useful about this budget is the emphasis on the pressing priorities that our country faces--particularly clean energy technology and energy efficiencies, the education of our young people, and I think most important, as the distinguished chairman has suggested, it lays the groundwork for a vitally necessary, far-reaching reform of our health care system in the coming months and years.

This reform cannot come soon enough. Our health care system is a mess. The number of uninsured Americans continues to climb and will soon hit 50 million. The annual cost of the system is over \$2 trillion a year, and that will shortly double. We spend 16 percent of our Nation's gross domestic product on health care--more than any other industrialized country in the world, and double the average of our European Union economic competitors. There is more health care than steel in the cost of Ford cars. There is more health care than coffee beans in the cost of Starbucks coffee. Unless we act quickly, the recession we are living through now will seem like nothing compared to what will happen when \$35 trillion in unfunded Medicare liability--against which we have set not one nickel--comes due.

Even more important, however, is the extraordinary price that hardworking Americans pay every day for this dysfunctional system. In America, we have the best doctors, the best nurses, the best procedures, the best hospitals, and the best equipment in the world. Yet our broken health care system grinds that up and produces mediocre results.

More than 100,000 Americans are killed every year by unnecessary and avoidable medical errors. Many more are faced with longer health care stays and higher costs. Life expectancy, obesity rates, and child mortality are much worse than they should be in a country

such as ours. More families in America experience bankruptcy because of medical expenses for that family than any other cause.

Fundamentally, the system itself doesn't work. Hospitals are going broke, doctors are furious, and paperwork chokes the system. Quarrels between providers and payers drive up the cost, while potential savings in billions of dollars for improved quality and prevention lie there on the table. It is a system in crisis, and it threatens our Nation's fiscal security. It must be repaired, and we have to see this as an urgent task.

Mr. President, a few months ago, I added a new feature to my Web site, which is a Health Care Storyboard, to give Rhode Islanders a chance to share personal experiences in the health care system and their ideas for how to fix it. Since we launched the Storyboard, more than 300 people, from 45 different communities, have sent me their stories. While I was in Rhode Island over the recess, I had the chance to meet with some of the people who sent in stories, so I could talk to them firsthand.

Joyce from Warwick told me she is supposed to take two medications every day, but her insurance will pay for only one. There is no generic for the one she must pay for out of pocket. She would love to retire, but she simply cannot because her medical coverage would cost too much. She is trapped at work by health care.

Judith and Scott from Cranston have been struggling ever since he needed a liver transplant in 2006. Their family incurred \$60,000 in medical bills that weren't covered by insurance as a result. Scott has been unable to work since 2004 due to his illness, which meant the family was relying on Judith's insurance. But 18 months ago, Judith lost her job, which meant her family had to go on COBRA. To make matters worse, their COBRA is about to run out, and Judith still cannot find a job.

Like hundreds of thousands of American families, Judith and Scott had to file chapter 7 bankruptcy on February 12, 2008, because of the medical costs of Scott's illness.

Claudia from Providence is self-employed and pays for her own health insurance. She recently did a few precautionary tests at her annual doctor visit when the doctor suggested they were a good idea. However, she found out her health coverage only covers 80 percent of her visit, and she had to pay an extra \$176. At the time, she didn't realize how much these tests would cost her. She told me she might have skipped them had she known it was not included in her premium.

She, like so many Americans, would have bypassed necessary health care in order to save money. Claudia told me calling what we have a "health care system" is too kind. It is more like a trap that people fall into.

Marie from Wakefield told me she had been healthy her entire life until extreme pelvic pain sent her to the emergency room twice in 2006. She was eventually diagnosed with endometrial cancer, which was treated with a hysterectomy and six sessions of chemotherapy. Fortunately, Marie had excellent coverage and paid very little for the countless doctor visits, blood work, hospitalizations, scans, and specialists. But now her employer will be changing her coverage dramatically. She may not have post-retirement health care options, and her copay may rise considerably. She has no idea what her future health care needs will be. All she knows is she was once promised one thing, when her career began, and now as she looks toward retirement, she is faced with very different options.

Finally Barbara from Exeter, a registered nurse since 1983 and works in hospice care. She told me about her experience "watching our health care system fall apart at the seams, while insurance giants have gotten out of control." Barbara said she had witnessed providers who no longer determine what the best care is for patients based on clinical excellence, but rather

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on what the insurance company demands and will pay for. She has seen patients forgoing needed medical care because of costs, and ultimately spending more because when they finally seek treatment, their illnesses have become more severe. "The whole concept of insurance is not what people expect it to be," she said.

These are just stories of six Rhode Islanders. In them we see a loss of dignity, a loss of security, a loss of confidence and comfort, a loss that is shared by millions of Americans. Their stories remind us that health care reform isn't just an abstract Washington problem--that underneath the awful numbers we see coming out of our health care system are even more awful human tragedies.

As we work to reform our health care system, two goals loom large: One, ensuring that health care is available for all, and that it is affordable. But the stories I have heard from these and hundreds of Rhode Islanders remind us it is not just enough to solve the problem of coverage. When the boat is sinking, it is not enough to get everybody out of the water and into the boat. Instead, we must also reform the health care system itself, making it more intelligent, more sensible, more helpful, more efficient, better supported by information technology, and better grounded in quality and prevention. We need an information technology infrastructure so every American can count on his or her own secure electronic health record. We need improvements in the quality of health care so care is both cheaper and more effective. We need to reform our misaligned payment and reimbursement system so the health care we want is the health care we are paying for.

This budget begins the process of making that possible, and I am proud to support it. These delivery system reforms in health care cannot be just flipped on like a light switch. They will require complex workforce, regulatory, and infrastructure changes, and then those changes will have to be implemented and administered. It will take time. It could take years. It is all the more reason we need to start now. This budget launches us on that journey.

We made good progress yesterday by confirming Secretary Kathleen Sebelius, an experienced and determined leader who will be an enormous asset in this fight. I am encouraged by her confirmation, and I look forward to her leadership at the helm of this effort. Reforming our health care system will be more than a financial problem, more than a policy puzzle, and more than a political fight. This is a landscape of human tragedy, and families all across this country are struggling every single day that we fail to act.

This budget does that. It is a good thing. Before I leave the floor, I have to add this because I have been listening across the internal television network to the speeches of my colleagues--in particular, Republican colleagues. From their speeches, you would never know that during the Bush administration the difference between the budget that President Bush inherited and the budget projections he was given the day he took office and the actual budget outcomes that the Bush administration produced, the difference was nearly \$9 trillion--\$9 trillion of debt. During that time, there was not a peep from our Republican friends about this carnival of debt, this orgy of fair weather debt in which George Bush and the Republican party engaged.

Now something has changed. We have a different President, and suddenly we are hearing a whole different message from the Republicans. Now that we have a serious recession, the one time when families are contracting their budgets, businesses are contracting their budgets, and State and local governments are contracting their budgets, and the Federal Government has an economic obligation to spend counter cyclically to keep the budget from melting down, now at this time we hear the most intense caterwauling about debt and deficit.

I ask my colleagues, where were you when the Bush administration was running up nearly \$9 trillion, putting a war in Iraq on the credit card, and giving tax relief to America's billionaires?

Where was the economic urgency of putting those things on the American debt tab? This is the one time when it makes sense to countercyclically spend, to deficit spend through a recession. Yet we hear these complaints.

I am a lawyer, as is the Presiding Officer, formerly a distinguished attorney general of New Mexico. We both know that when you are arguing in a court of law, if you intend to make a point, it is usually helpful if the point you are making is consistent with what you have done in the past. It is called the clean hands doctrine. You cannot come into court and argue for a position when you have acted counter to it in the past. You don't have clean hands, and the court will take that into account.

I submit that our friends on the other side, the party of no, is now the party of no consistency and the party of no clean hands on this subject. It is impossible to ignore the Bush debt of nearly \$9 trillion and come to the floor and claim that this President, in this emergency he inherited from the previous administration, should not do the one thing economists say makes sense in this timeframe, which is in a recession to have the Government spend countercyclically. It makes no sense. I think we need to do what President Obama does: Look to the future, look to the pressing priorities of our time, look to the urgent demands, such as health care, and support this budget.

I will conclude, again, with my very great appreciation for the extraordinary work my chairman on the Budget Committee has done to bring us to this day. I think we can look forward to this budget passing, although there will be a certain amount of back and forth until we get there. I think we are doing the American people a service by passing this budget and it is thanks to the chairman's leadership.

I yield the floor.

The PRESIDING OFFICER (Mr. *Merkley*). The Senator from North Dakota.

Mr. CONRAD. Mr. President, I, again, thank the Senator from Rhode Island, Mr. *Whitehouse*, who is such a valuable member of the Senate Budget Committee, as is the occupant of the Chair, who has newly joined us and is already making good contributions to our work. We are delighted to have Senator *Merkley*, the occupant of the Chair and a Member of the Senate Budget Committee, with us and appreciate so much the efforts of Senator *Whitehouse* and Senator *Merkley* in developing a budget resolution that, by the way, our outline was largely followed in the conference committee. It is very close to what passed the Senate earlier. I think the reasons for that success are, No. 1, we did capture the President's priorities of reducing dependence on foreign energy, a focus on excellence in education, providing for major health care reform that is absolutely critical to the country's future and, at the same time, cutting the deficit by two-thirds over the next 5 years, by three-quarters as measured by the gross domestic product, and also providing very substantial middle-class tax relief, hundreds of billions of dollars--in fact, over \$700 billion--of middle-class tax relief that is in this budget. I think we can be proud of that.

We have already seen the budget earlier today pass in the House of Representatives by a very wide margin. I anticipate, when we have our vote, it will also pass with a healthy margin.

I, again, especially thank Senator *Whitehouse* and Senator *Merkley*, who are key members of the Budget Committee who did so much to help us fashion a document that can command the respect of our colleagues.

For one moment, I would like to, as we are waiting for Senator *Grassley* to arrive, indicate that earlier there were a number of comments made to which I wish to respond. First, that reconciliation could still be used for global climate change legislation. Technically, that is true, but it is not going to happen. We have the absolute assurance of all those who are in leadership positions in the House and the Senate, the President of the United States--in fact, the President has assured me directly--directly--that he would not allow that. Let's take that off the table.

Second, we have heard concern from our Republican colleagues about the use of reconciliation. I share those concerns. I have opposed the use of reconciliation for these purposes. But my own belief is health care will not use the reconciliation process. I believe health care will move in the regular

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order. The committees of jurisdiction have until October 15 to do so.

I see now that Senator *Durbin*, who is a member of our leadership, is here. If he is ready to go--how much time does the Senator request? I yield 15 minutes to the Senator from Illinois, Mr. *Durbin*.

Mr. DURBIN. Mr. President, I thank the chairman of the Senate Budget Committee, Senator *Conrad* of North Dakota, not only for yielding but also for his leadership in the preparation of this important document.

The budget resolution is a blueprint. We pass it and then we go to work with the individual parts of it in the appropriations bills. But we have to get this done first because the budget resolution tells us how much we can spend in total. Once we have that guidance, it is turned over to the Appropriations Committee on which I serve. We then parcel it out among the different appropriations subcommittees and go to work looking at the individual budgets. I have one of those subcommittees for which I am responsible. We cannot start working until this budget resolution is agreed to.

It is not an easy political task. First, it is a highly technical document which few Members understand in detail, the chairman and ranking member being notable exceptions. Second, it is highly political because when you start describing what your budget is going to look like, not only next year but several years down the road, you are doing more than putting figures on paper, you are spelling out your values, what do you want to do.