

joint exercises to improve the alliance and member-state readiness. That is a big challenge, but that challenge is one that needs to be addressed.

In terms of more traditional warfighting, NATO has taken on missions in Bosnia, Kosovo, Afghanistan, and Libya, and continued challenges will need to be addressed. It is not yet clear to me whether ISAF, the Afghanistan mission, will go down as a success or not, but it is clearly in the balance and needs to be carefully monitored.

It is clear that the Libya operation revealed numerous alliance shortcomings and was not a model of alliance coherence and cohesion. Rather, Libya was an example of failure at the political level to define the new NATO. The correct response to both, new challenges and admitted failure, is better leadership, better vision, and creative new thinking, along with the resources to carry out those goals.

I have suggested that these could be best applied in response to the Syria disaster, especially with the humanitarian catastrophe and the migrant crisis. I proposed that NATO could have helped member-state Turkey get control of its Syrian border to stop the flow of jihadists into and out of Syria.

It is clear to me that the uncontrolled flood of refugees from Syria could best be handled by creating safe areas in and near Syria so that the Syrian people can remain there under safe and humane conditions. Building on NATO's Bosnia experience, the Alliance could be critical to providing the security for such areas on the ground and in the air. This would not be fighting the war in Syria but protecting the populations of U.N. designated areas. Difficult? You bet, but it has been done before, and NATO is the only possible organization that is in a position to do it.

Although I emphatically believe that NATO continues to have enormous value to U.S. interests and global stability, I do concede that it needs a new vision of its role. That is clearly a work in progress and will have some false starts and failures along the way. How it turns out will not only be a function of resources, as I have discussed, but also an issue of leadership. On that score, I have some concerns. Frankly, I am worried.

The Obama administration seems to be guiding us toward a dangerous deference to others to address emerging global security challenges that are and will be threats to our own national security. The most alarming example is our acquiescence to Russia's vigorous engagement in Syria. Russia basically hijacked our paltry efforts to bring the Syrian disaster under control, inserted its military forces to change the dynamic on the ground, and guided the political process toward their ends. It has all been a sad display of American incompetence and impotence. The United States and its allies are paying the price for this failure of engagement.

After reading President Obama's recent and lengthy interview on foreign policy that was published in the Atlantic Monthly, I can tell he has not drawn the correct conclusions from the foreign policy failures in recent years in Libya, Syria, Ukraine, Russia, and elsewhere. For me, we have abdicated America's traditional leadership role. For the alliance, I fear this could be the beginning phase of our disengagement from Europe, which, if it continues, will be at our peril. Without firm U.S. leadership of NATO, we will begin to see the commitment of our allies weaken. They simply do not have the muscle or the financial capability to support a NATO coalition without U.S. leadership. Without the right kind of leadership, the importance of the transatlantic security relationship and the continued robust presence of U.S. forces in Europe will begin to lose advocates, as perhaps has already occurred among those who do not support our efforts.

If Americans come to see NATO's value in financial terms—bang for the buck—we will lose sight of its real value in the proper terms of national security, American reliability, and the eternal appeal of our community of values—in other words, the values beyond price that must be preserved if we are to prevail against our adversaries.

With that, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. PERDUE. Mr. President, I ask unanimous consent that the Senate be in a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

FUNDING THE FEDERAL GOVERNMENT

Mr. PERDUE. Mr. President, I rise today to speak about why all of us are here. The primary role of Congress is to responsibly fund the Federal Government. To do that, we must set clear national priorities that we can financially support. All too often, the process of setting, and then sticking to these national priorities has become a purely political exercise, not a function of governing. It is the No. 1 complaint I hear when I travel back to my home State of Georgia.

Coming from the business world, I clearly see two interlocking crises we face as a country. First, we have a global security crisis. The world may be more dangerous right now than at

any point in my lifetime. Interlocked with that is our national debt crisis that threatens the ability we have to defend our country today.

As we begin the appropriations process, let's take an honest look at what we are appropriating for. One of our top national priorities is to provide for the national defense. It is one of only 6 reasons 13 Colonies got together in the first place; that is, to provide for the national defense. However, under Presidents Carter, Clinton, and Obama, we saw three different periods of disinvestment in our military. Our 30-year average of defense spending has been 4.2 percent of GDP. Following the Carter administration, the Reagan administration recapped the military. Then, we had another decline. You see the buildup in the surge in Afghanistan and Iraq, behind two wars.

We have been at war for 15 years. I believe in many cases we have burnt out our equipment, and in cases we are beginning to do that with our personnel, with longer tours and more difficult assignments in this hybrid war we are facing today.

Then you see under this administration a further decline, now to 3.1 percent of GDP. This is the lowest point since the Vietnam War, and the irony of that is that we are still spending \$600 billion of \$4 trillion total spending of the Federal Government on our military. The irony is the 30-year average of 4.2 percent, which is a hundred basis points below what we're currently spending—that's almost \$200 billion—in a \$19 trillion economy.

The question is how do we determine the priorities to keep a strong military? To make sure we can fulfill one of six reasons we came together as a country.

We are about to have the smallest Army since World War II, the smallest Navy since World War I, and the smallest and oldest Air Force ever. How can this be? The world is more dangerous right now than at any time in my lifetime.

We see increased aggression from traditional rivals, Russia and China. We also see the rise of ISIS, partly because of our own intransigence. They have to be stopped now, or we are going to have to deal with them later here. Boko Haram, Al Qaeda, ISIS—all of these threats are beginning to be interconnected and pose threats not just in the Middle East, but around the world.

Finally, we have nuclear threats from rogue regimes, like North Korea and Iran, and emerging, game-changing technologies, such as cyber threats, which nations like Russia are using for hybrid warfare right now in Eastern Europe. There is an emerging arms race in space. This is why our women and men in uniform need to have the tools and resources to complete their missions around the world.

This fiscal crisis is jeopardizing our ability to actually fund the missions being asked of our military today. Let me give two examples. JSTARS is a

fleet of planes, 16 in number. These planes in total have over 1 million hours of service. They were used when the Air Force bought them to start with some 30 years ago. They were flown by commercial airlines, such as Air India and Pakistan Air, around the world. Today they fly missions providing critical intelligence, surveillance, and reconnaissance—ISR—ground targeting, and battlefield command and control capabilities to all branches of our military in multiple regions of the world. The problem is they have outlived their useful life and they are being replaced—or the theory was that they were going to be replaced. But because of our intransigence in Washington, the funding is not there to replace them. So we are now facing potentially 8 years where we will not be able to fulfill their mission.

These are the planes that provide oversight for our men and women who are in harm's way—in Afghanistan, Iraq, in Southern Command, where we are intercepting drugs, in the Far East. Wherever the men and women in American uniforms are facing danger, JSTARS is there protecting them in ways no one else can in the military. All of these planes have to be replaced, and the sooner we get started, the better. They will not be able to fulfill their mission over the next 8 years.

This chart shows the declining availability of the current fleet—down to zero by 2023. It also shows that under the current plan, pending DOD approval and funding, the replacement fleet doesn't even start coming online until 2023—a start date that is now in jeopardy because of the current administration's budget request.

JSTARS' recap is the No. 4 requisition priority for the Air Force, behind the long-range strike bomber, the new tanker, and the F-35. We are not going to be able to fulfill the mission of these airmen and soldiers over the next 8 years unless we do something about it right now—and even then, it might be too late.

This is a picture of a 1957 Chevrolet. Some of you will remember what this is like. I remember this car. This is a collector's item. Some of my friends own this car. This car is of the same genre, same age as many of the airplanes we are now flying around the world. That is great, but imagine if you had to drive this car—this was your everyday car and you drove it to work every day back and forth; you depended on it to get you to work every morning and to get you home every night. What would you do if you had to drive it to the west coast and back every week? Imagine what the maintenance time loss would be for breakdown. Imagine what it would be like traveling those distances without all the modern conveniences, such as satellite radio—Sirius, Pandora. What about the safety factor? These are antiques. The point is that this is a direct analogy of what we are doing with our military today in a

very dangerous world. That sounds ridiculous, but you know we have another example, and that is our marines around the world, who are the first to hit a crisis.

In Moron, Spain, we have a contingent of marines and one of their missions is to protect our embassies in Africa. Post-Benghazi, that takes on a new level of importance. These marines do a great job. They are the very best of what we have in America. They are ready to go. The problem is that because of budget constraints, their fleet of airplanes, the V-22 Ospreys, is getting cut in half, and that fundamentally cuts their ability to complete their mission in half. So they will not be able to fulfill the mission they have today the way they are supposed to because of our own intransigence.

So, what is causing this great disinvestment in our military? Well, there is only one answer: the national debt. These two crises interlock in a way they never have before. It used to be that defense hawks and budget hawks were separate people. Today, I am living proof that they can embody themselves in the same person, because I am both. We have to be. We no longer have the luxury of debating both issues separately.

In the past 7 years, Washington has spent \$25 trillion running the Federal Government. That is bad enough, but the problem is that we borrowed \$9 trillion of that \$25 trillion. That is 35 percent. The Congressional Budget Office says that over the next 10 years we will borrow 30 percent of that. What that means and why that is important is that fundamentally, all of our mandatory spending—some \$3 trillion—is mandatory, so our first dollars go to that. The problem is that all of our discretionary spending—all of USAID, our foreign programs, and our expenditures—are fundamentally borrowed under that scenario, and that is where we are today. Can you imagine that? With this level of borrowing, every dime we spend on foreign aid—I just want to reiterate—foreign aid, domestic programs, and military—we are borrowing that money today because we haven't faced up to this crisis.

First we have the period here under President Bush. In 2000 our debt was \$6 trillion. We added \$4 trillion on the back of two wars. In 2008, we had \$10 trillion in debt. Now we see we have another \$9 trillion in the last 7 years. We will be close to \$20 trillion by the time we are through.

The yellow here is what the Congressional Budget Office says we are about to face. If we do nothing from today, we will add another \$9 trillion to this Federal debt—close to \$30 trillion.

I am a business guy and I know the capital markets are under great stress today. The danger of this is this is totally unmanageable. If interest rates were to reach their 50-year average of just 5.5 percent, we would be paying \$1 trillion in interest on a \$4 trillion total budget. There is no way that is pos-

sible. That is about twice the amount we spend on our military.

Our debt crisis is directly impacting our ability to protect our Nation and project power around the world. This puts in jeopardy our very ability to deal with global threats as they come up every day, and believe me, they are coming up every day. Without a strong economy, without dealing with our debt crisis right now, we can't adequately fund our military to confront the growing threats we face. That is a fact.

It used to be that fiscal hawks and defense hawks, and I have said this, but today I see that more and more people who are one or the other are beginning to come together and recognize the other problem. They are interrelated in a way they have never been.

Believe me, we need a strong defense. I believe we need to be responsible for our Federal finances and the needs of our people here at home. The safety net needs to be maintained. Social Security needs to be saved. These are things we can't ignore, but we have to start dealing with our priorities today. That is why we have to find a way to come together—Democrats, Republicans, conservatives, whatever—and make sure we protect our economic and our national security priorities. We need to get in a room and iron this out. They are not that complicated. We can find the solutions.

As former Admiral Mike Mullen said in 2012, "I believe that our debt is the greatest threat to our national security. If we as a country do not address our fiscal imbalances in the near-term, our national power will erode."

That was 5 years ago, and what have we done since then? Nothing but add debt.

Last year, Congress passed a budget resolution. We laid out a conservative vision for what spending levels we should undertake and cut \$7 trillion from the President's budget. We passed a budget, but because our budget process is broken, we didn't pass most authorizations. We passed appropriations in committees, but we weren't able to get them to the floor and vote on them. So we ended up with a CR at the end of the year, and that led to a grand bargain, which I opposed, and an omnibus that added some \$9 trillion to our national debt. That was used to fund the government, in the absence of any appropriations bills having been approved. That pushed us to a first-quarter omnibus that really most of us wanted to avoid. At the end of that, eight people got in a room over a weekend and decided how we are going to spend \$4 trillion. That is not what our Founders had in mind. That means that the topline spending levels were set by a so-called grand bargain, which I voted against, because it increased spending and would add over \$9.5 trillion over the next decade to our national debt.

This mounting debt crisis will not fix itself—quite the contrary. It will only

grow worse because Social Security and Medicare are going to demand more and more funds from the general operating fund because of the imbalances in those two items. If we don't get serious about solving this debt crisis right now, we will not be able to fully support our national security and our domestic priorities.

Recently, Richard Haass, a former top State Department official, said in a Senate Foreign Relations Committee hearing, "Our inability to deal with our debt challenge will detract from the appeal of the American political and economic model" as we try to influence young democracies around the world. He continued: "The result will be a world that is less democratic and increasingly less deferential to U.S. concerns in matters of security."

We must create restraint and fiscal sanity in Washington. In the private sector, you fix a business by first drilling down and finding the underlying problem. The way that Washington funds the Federal Government, the time it takes to complete the federal budget, and the fact that the current process allows Members of Congress to put off making tough decisions are the real problem. In business, this would never be allowed. In your personal home, this cannot be tolerated, but somehow we are able to do it here year after year. This process has only worked four times in the past 42 years.

It has been encouraging to hear the Senate Budget Committee chairman, Senator MIKE ENZI, and the House Budget chairman, Congressman TOM PRICE from my home State of Georgia, make this a priority for this year. I believe they are making great progress. Both are having hearings to find out if there are models around the world that do it better than we do. We are finding those examples, especially at a time when we cannot allow the process to break down and result in more continuing resolutions, omnibus bills, or short-term funding fights that don't solve anything.

We must also reduce redundant programs, roll back the regulatory regime, and focus on growing our economy through overhauling our archaic Tax Code, and unlocking, finally, our Nation's full economic and energy potential.

Finally, we have to save Social Security and Medicare and tackle the biggest problems of our overall health care costs. To do this, Washington needs to stop pretending that these crises will go away on their own and that the national debt will somehow solve itself. It won't. In fact, it has already done irreversible damage to our credibility and capability on the world stage. Our mounting debt crisis is already raising questions from our allies around the world about how we will be able to stand by our international commitments.

I just got back from a trip to Europe and the Middle East. The No. 1 point raised to us by leaders, heads of state

in those countries, was that America needs to lead again. To lead again, we need to get our financial house in order.

Our debt crisis and a failed foreign policy has served to confuse our allies and embolden our enemies. It threatens our ability to defend our country, period. Also, the interest payments on our debt is affecting our education, infrastructure, and more—here at home in the programs that are necessary. Imagine if we didn't have that unproductive responsibility of unnecessary interest. Every Member of this body knows we need to act now.

My question is, why aren't we acting? The challenge is to stop talking about it theoretically and start putting solutions into practice. That is why Georgians sent me to the U.S. Senate, and that is why I will continue fighting on this every day.

Let's not lose sight of Congress's No. 1 responsibility. We are charged in the Constitution under article I to responsibly fund the Federal Government and to ensure that the 6 reasons why 13 Colonies got together in the first place can actually be realized.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

INCORPORATION TRANSPARENCY AND LAW ENFORCEMENT ASSISTANCE ACT

Mr. WHITEHOUSE. Mr. President, I am here today to highlight law enforcement legislation that would help crack down on human trafficking, terrorism financing, money laundering, Medicare fraud, the narcotics trade, tax evasion, public corruption, and a litany of other crimes in the United States and around the world. These crimes all involve money, and the United States has become a favorite destination for criminals looking to hide it.

Earlier this month, the International Consortium of Investigative Journalists published the first of the so-called Panama papers, a leak of 11.5 million confidential documents from a Panama-based law firm that sets up shell corporations and tax shelters for wealthy clients. The documents we have seen so far show that, along with the Caribbean islands you might expect, several American States are popular places to form shell corporations.

Our friend Senator Kent Conrad, who used to be chairman of the Budget Committee, was fond of using this floor chart showing what is called the Ugland House building in the Cayman Islands. This little building claims to be the place from which an astonishing

18,000 companies do business. As unimaginable as it may be to have 18,000 companies claiming to be doing business out of that one little building, I am sorry to say that there is a building just a 2-hour drive from the U.S. Capitol Building that serves as the official address for a quarter of a million companies, many of them shell corporations.

A shell corporation is a company that serves no economic purpose and doesn't conduct any real business. Shell corporations exist primarily to hold legal title to bank accounts, real estate, or other assets, often obscuring the true human owners. While people can form shell corporations in just about any country, many American States make it especially easy to do so, perhaps even easier than getting a library card. You may actually need to go down to a library to sign up for a library card, but you can form a shell corporation with a few clicks of a mouse and payment of a small fee.

There is another reason that the United States has become so popular for shell corporations. Currently, none—zero—of the 50 American States require the disclosure of the beneficial owners—the real human beings who own the companies. Instead, corporate records can identify the owner as just another faceless shell corporation, or the owner could be identified as a professional agent paid to sign the needed forms and never speak of them again or a lawyer who refuses to disclose who his client is under attorney-client privilege. Behind this easy-to-establish veil of secrecy, criminals can and do use these shell corporations to open bank accounts, transfer funds, and even to hide the ownership of expensive assets.

This building shown here is at 650 Fifth Avenue in New York City. The Iranian Government used a string of generic businesses to obscure its ownership of this Fifth Avenue skyscraper. Profits from this enterprise helped fund Iran-backed terrorism for decades, until a U.S. Government investigation finally uncovered the scheme in 2008.

How could a state sponsor of terrorism own a piece of the New York City skyline and profit from owning that piece of the New York City skyline for so long without anyone knowing? Let's look at how Iran used anonymous shell corporations to hide its involvement.

On paper, 650 Fifth Avenue was owned by a partnership of the Alavi Foundation, a New York-based charity, and the Assa Corporation, a New York shell company. Assa Corporation was, in turn, owned by yet another shell company, Assa Company, Limited, and formed in the Isle of Jersey, a notorious banking center and tax shelter. The Isle of Jersey company was in turn owned by individuals representing Bank Melli, the Iranian Government's financial arm, and there is the connection to Iran.

So to the public, that building—worth about half a billion dollars—was