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**Speech by Senator Edward M. Kennedy
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Thank you, Tom for that generous introduction. The Brookings Institution is consistently at the forefront of debate on the great issues in both foreign and domestic policy, and it's a privilege to be with you today.

In our open society, it is essential to distinguish vigorous debate over honest differences of opinion from the repeated use of false and misleading arguments to persuade the American people. Integrity is the lifeblood of democracy. Deceit is a poison in its veins.

The most important principle in any representative democracy is for the people to trust their government. If our leaders violate that trust, then all our words of hope and opportunity and progress and justice ring false in the ears of our people and the wider world, and our goals will never be achieved.

Sadly, this Administration has failed to live up to basic standards of open and candid debate. On issue after issue, they tell the American people one thing and do another. They repeatedly invent "facts" to support their preconceived agenda - facts which Administration officials knew or should have known were not true. This pattern has prevailed since President Bush's earliest days in office. As a result, this President has now created the largest credibility gap since Richard Nixon. He has broken the basic bond of trust with the American people.

In recent months, it has become increasingly clear that the Bush Administration misled the American people about the threat to the nation posed by the Iraqi regime. A year after the war began, Americans are questioning why the Administration went to war in Iraq, when Iraq was not an imminent threat, when it had no nuclear weapons, no persuasive links to Al Qaeda, no connection to the terrorist attacks of September 11th, and no stockpiles of chemical or biological weapons.

Tragically, in making the decision to go to war, the Bush Administration allowed its own stubborn ideology to trump the cold hard evidence that Iraq posed no immediate threat. They misled Congress and the American people because the Administration knew that it could not obtain the consent of Congress for the war if all the facts were known.

By going to war in Iraq on false pretenses and neglecting the real war on terrorism, President Bush gave al Qaeda two years—two whole years—to regroup and recover in the border regions of Afghanistan. As the terrorist bombings in Madrid and other reports now indicate, al Qaeda has used that time to plant terrorist cells in countries throughout the world, and establish ties with terrorist groups in many different lands.

By going to war in Iraq, we have strained our ties with long-standing allies around the world—alleys whose help we clearly and urgently need on intelligence, on law enforcement, and militarily. We have made America more hated in the world, and made the war on terrorism harder to win.

The result is a massive and very dangerous crisis in our foreign policy. We have lost the respect of other nations in the world. Where do we go to get our respect back? How do we re-establish the working relationships we need with other countries to win the war on terrorism and advance the ideals we share? How can we possibly expect President Bush to do that? He's the problem, not the solution. Iraq is George Bush's Vietnam, and this country needs a new President.

It is said that truth is the first casualty of war. But this Administration's dubious and devious behavior is not limited to questions of war and peace. It is part of a pattern that has been demonstrated again and again in the President's handling of policy, at home as well as abroad. Saying whatever it takes to prevail has become standard operating procedure in the Bush White House. In this Administration, truth is the first casualty of policy.

This tactic is a fine art learned by today's White House from the political battles of the 1990s. The American people in the last decade did not buy the extreme right wing Republican agenda when it was plainly and openly proclaimed. Many of those who supported Newt Gingrich's triumph in 1994 watched in dismay as the raw extremism of the Republican Congressional leadership frightened and repelled the electorate. Speaker Gingrich and his allies forthrightly described the right wing revolution they intended to create, but the public recoiled from their radical vision.

Unfortunately, Republican strategists learned the wrong lesson from that experience. Instead of rejecting the Gingrich agenda as too extreme, they concluded that his error was poor marketing, not poor policy. The key to political success was to speak in moderate, non-threatening tones, while continuing to pursue the same extreme course of action. They felt they could win with platitudes, not policies.

During the 2000 campaign, America met a Republican candidate for President who promised to conduct our foreign affairs as a "humble nation," not an "arrogant nation." He was conservative, but he promised to be a "compassionate conservative." He promised to overcome the "soft bigotry of low expectations" in our schools. He promised to meet the urgent need of senior citizens for prescription drug coverage under Medicare. He promised to change the tone in Washington.

Given his narrow margin of victory, it is clear that George Bush would not be President today if he had not made those promises of moderation and statesmanship. The Supreme Court would never have decided the election.

What happened to those promises? In the White House, George Bush has been arrogant, not humble in foreign affairs; conservative, not compassionate in domestic policy. As we now know, all the reassuring language of the 2000 election campaign was a Trojan Horse cynically constructed to smuggle the extreme right wing into the White House.

Much of the debate in recent weeks has been about the President's deceptions on Iraq and the war on terror. Richard Clarke has revealed the truth about the Administration's inattention to the grave and gathering threat of terrorism before 9/11—and the President's preoccupation with Iraq. The misguided war in Iraq has distracted us from the real war we must win, and made that war harder to win, because, even as we combat terror, it has left America more and more isolated in the world.

Iraq has also diverted attention from the Administration's deceptions here at home— especially on the economy, health care, and education.

In President Bush's stump speech on the economy, he blames the terrorist attacks of 9/11, the corporate scandals, and the on-going war on terrorism for the economic decline.

Initially, President Bush acknowledged that the recession began on his watch. In January 2002, he said, "The economy started to show signs of slowing down in March of 2001."

In fact, candidate Bush even acknowledged in a back-handed way the economic prosperity of the Clinton years during the GOP Convention in 2000, when he said: "For eight years, the Clinton/Gore administration has coasted through prosperity."

Back then, he was at least right about the existence of prosperity, if not the cause. But in late 2002, the Administration began trying to backdate the Bush recession to the Clinton years. And for good reason. They want nothing from their past to cast a shadow on their happy talk about today's economy. Here's what President Bush said in his State of the Union Address three months ago: "This economy is strong, and growing stronger. Productivity is high, and jobs are on the rise."

In February, Vice President Cheney said, "The economy's in very good shape, and going forward there's every reason to be optimistic that we will have the kind of growth that we need to create jobs out there."

In the same month, the President's Secretary of Labor told CNN that the stock market was the "final arbiter" of economic growth. The stock market. Not jobs. Not wages. The stock market. That's not the Secretary of Commerce talking. It's the Secretary of Labor.

The President's chief economic adviser said outsourcing jobs overseas "is just a new way of doing international trade." He said "outsourcing benefits the economy overall." Treasury Secretary Snow said corporations "need to do what they need to do."

The Administration's only economic policy is more and more tax cuts for the wealthy. What he doesn't mention is larger and larger budget deficits, the largest in our history, mind-boggling budget deficits that make Democrats look like budget balancers.

When he announced his first tax cut plan, the President said in February 2001, "my plan is good for the long-term health of our economy. It is good for the businesses that create jobs."

Not exactly. Since then, the economy has lost 2 million jobs.

The President said his first tax bill would create 800,000 additional jobs by the end of 2002. We lost 1.9 million jobs instead.

His economic report promised 3 million more jobs in 2003. Wrong again—300,000 jobs lost.

The report last Friday that 300,000 new jobs were created last month is a very positive sign. But let's not forget - the unemployment rate actually went up, not down, last month—because even more people came back into the labor force and started to look for work again—and couldn't find a job.

Even the few new jobs come with an asterisk. They pay an average of 8,000 dollars less than the jobs lost in the Bush economy. In 48 of the 50 states, jobs being created pay 21 percent less than had been paid by industries losing jobs.

The President takes credit for his tax cuts, but refuses to accept any blame for his failed economic policies.

President Bush said in January 2002, "In tough times, people need an unemployment check..." The Treasury Department web site says the President's economic proposal includes extending federal unemployment benefits. Secretary Snow says that President Bush would sign an extension of those benefits.

But just last Wednesday, the President let the federal program of extended unemployment benefits expire, even though these benefits have been provided for unemployed Americans in every previous recession. The failure to renew the benefits now means that 1.1 million out-of-work Americans have no financial lifeline as they keep searching for a job.

The real question is, "Will the President lift a finger to make this extension of benefits happen?" He says he supports an extension, but he let the unemployment program expire, leaving 90,000 more workers every week out in the cold.

President Bush also says his overtime proposal is helping low-wage workers, when it's really denying overtime pay to 8 million employees to boost the corporate bottom line.

What can they possibly be thinking? If unemployment is a problem, what sense does it make to allow businesses to make larger profits by requiring employees to work longer hours for lower pay, instead of hiring more employees to do the work?

Labor Secretary Chao has even denied what is written plainly in the Department's own proposal - that it will take overtime pay away from veterans.

In a letter to Speaker Hastert, she wrote, "I want to assure you that military personnel and veterans are not affected by these proposed rules by virtue of their military duties or training." But it says in the regulation - right there in black and white - if you have "training in the armed forces," your employer can deny you overtime pay.

And today, the President now says he's for job training for our workers as they seek new and better jobs in today's economy. But what you won't hear from the President is the fact that his budgets for the past three years have proposed cuts to job training totaling more than 800 million dollars.

This Administration says it's for a strong economy. But with each unemployed worker, each job shipped overseas, each underpaid minimum wage worker, each denial of overtime pay, each loss of unemployment benefits, each decline in wages, the credibility gap of this Administration on the economy grows ever wider.

When it comes to Medicare, the Administration's credibility gap is enormous too.

The President is obviously desperate to claim the recently-passed Medicare drug bill as a pre-eminent domestic achievement. But the bill is a raw deal for senior citizens and a sweetheart deal for the insurance industry and the pharmaceutical industry. It is a triumph of right-wing ideology masking as moderate reform. Worst of all, it is legislation wrapped in deceptions reaching all the way up to the top of the White House, promoted by a sordid effort to use public money to manufacture partisan propaganda and rooted in contempt for our democracy and the law. Almost every day, there is a new revelation-and every day it becomes clearer why the Medicare bill is a prime example of the need for new and honest leadership in the White House.

In the long dishonor roll of Bush Administration efforts to enact their flawed Medicare legislation, the conspiracy to hide the truth about the cost of the bill from Congress and the American people stands out. On January 29th - seven weeks after the bill was signed into law - the Administration finally admitted that its true estimate of the cost would be 534 billion dollars over the next ten years - 134 billion dollars higher than the cost Congress was given when it approved the proposal.

The shameful facts are undeniable. Throughout the debate on the legislation, the Administration knew that its own cost estimate was far higher than the figure available to Congress or the country. It intentionally concealed that higher estimate in order to win the debate.

On June 11th of last year, one day after the bill was unveiled in the Senate, Richard Foster, the chief actuary of the Medicare program and the official responsible for the Administration's estimate calculated that the bill would cost 551 billion dollars. He was told by Tom Scully, the head of Medicare, that he would be fired if he gave that estimate to Congress. He said that the order not to provide the information to Congress came directly from the White House.

Foster kept revising those politically explosive actuarial estimates as the bill moved ahead, so that the Administration would always have a current estimate of the bill's cost and the various compromises being considered by the House and Senate in reaching the final offering. As he testified, the costs he came up with were always in the range of 500 to 600 billion dollars.

Tom Scully may have been the front man who threatened to fire Foster, but the whole White House team working on the bill undoubtedly knew about the estimates and counted on concealing them from public view as they worked frantically to get the legislation through Congress so President Bush could sign it with a flourish. Foster testified that he gave his estimates not only to Scully and to other members of the Department of Health and Human Services but to senior officials at the White House as well. A White House spokesman, Trent Duffy, confirmed that the White House had received the actuaries' cost estimates.

But even while they knew that Foster said the cost of the Medicare bill could be as high as 600 billion dollars, the Administration was claiming, without qualification, that the cost would not go over 400 billion dollars. On September 25, 2003, during the heat of the debate, Secretary Thompson said that "the 400 billion dollar price is what the Administration is working off and remains behind." That is what the Administration told the thirteen conservative House Republicans, who voted for the bill only after publicly stating that they would not support a bill costing more than 400 billion dollars. That is what the President told Congress and the American people, just five days before the House passed the final bill.

Did the President know that he was deceiving Congress and the country when he claimed the cost of the bill was 400 billion dollars? The denials from the White House have been carefully worded. The President claimed he did not receive a complete budget estimate on the bill until five weeks after he signed it into law. On January 30, the White House press secretary said Mr. Bush had been informed of the final cost estimates "just in the last two weeks."

But the issue is not complete or final cost estimates. The final estimates were not even finished by Foster before the bill was passed. But a series of estimates going all the way back to the beginning of the debate and clearly showing that the bill would cost far more than 400 billion dollars were available and known at the highest levels of the Administration throughout the process. Did the President never, in all those months, ask his aides what his bill would cost? Was he never told what his Administration's own cost estimate was?

In the end, it doesn't really matter. Like the claim that Iraq tried to purchase uranium in Africa for a nuclear weapon, whether the President knew personally that the Medicare claim was false is less important than the fact that his Administration has no scruples about concealing the truth to advance their partisan goals and political objectives. This Administration misled Congress, misled the public, and misled even members of their own party about the cost of the Medicare bill. Why? Because they knew the bill would never pass if the real cost was known - and they believed victory was more important than honesty.

The Administration's win-at-any-price tactics on Medicare did not stop with concealing the cost. When it came to the House floor, there were not enough votes to pass the bill. It fell short of a majority after the fifteen minutes of time normally allotted for a vote. Thirty more minutes went by—then an hour, then two hours. Finally, at 6:00 a.m. in the morning, almost three hours after the vote began, Republican leaders in the House managed to talk enough members into switching sides to reach a narrow majority - and they immediately gavelled the vote to a close.

Norman Ornstein, the distinguished Congressional scholar at the American Enterprise Institute, called it "the ugliest and most outrageous breach of standards in the modern history of the House."

"Democracy is a fragile web, of laws, rules and norms," he said. "The norms are just as important to the legitimacy of the system as the rules. Blatant violations of them on a regular basis corrode the system. The ugliness of this one will linger."

Is this what the President meant when he said on February 2nd, 2001 at a Republican Congressional retreat that "it will be a proud moment for all of us, Republicans and Democrats, to say we came together to modernize Medicare so that seniors can retire in dignity"?

Not only were the rules of the House bent and broken to pass this legislation, but the House Ethics Committee has now launched a formal investigation of the charge that a Republican member of Congress was bribed to change his vote on the bill and threatened with retribution if he did not. The FBI is also investigating the charge.

Massive deception of members of Congress, a breach of standards on the floor of the House, allegations of actual bribery—all in the name of passing this defective bill - are bad enough. But now that the legislation has passed, the behavior of the Bush Administration has reached another low. It is actually misusing tens of millions of dollars of senior citizens' own Medicare money to finance false advertising about the Medicare bill in order to strengthen the President's re-election prospects.

The Administration has every right to try to convince the public that this lemon of a law is actually lemonade - but they have no right to squander millions of Medicare dollars on the effort. Bush campaign commercials should be financed by Bush campaign funds - not the Medicare trust fund.

So far, the Administration's nationwide advertising effort has cost taxpayers 12 million dollars. They have mailed a letter and brochure touting the legislation to every Medicare household, at a cost of another 10 million dollars.

They are even secretly funding fake TV news reports with actors posing as journalists to sell their bill. The Congressional General Accounting Office is investigating whether these fake broadcasts are illegal, but we don't need an investigation to know that the Administration's deceptive tactics are wrong. The American Society of Newspaper Editors has condemned them as "outside the boundaries of ethical behavior for HHS or any other government agency."

The Administration defends this propaganda by saying that they have the duty to let Medicare beneficiaries know about the changes in the law. But anyone who sees the ads or reads the brochures knows that they provide no useful information. Instead, their Madison Avenue approach provides empty slogans designed to sell the bill like a commercial product. "Same Medicare, more benefits," the ads proclaim. They ignore all the ways this legislation will undermine Medicare and actually leave millions of senior citizens worse off.

The legislation attempts to dismantle Medicare and privatize it. It provides windfall profits for HMOs and drug companies, but does nothing to control the explosion in drug prices that is putting essential medicines out of reach for the elderly and for many other Americans as well.

Because of high premiums and high deductibles, six million senior citizens will pay more in premiums for the new plan than they will receive in benefits. Six million of the poorest of the poor on Medicaid will actually be required to pay more for the drugs they need. Three million retirees will lose the good private retirement coverage they now have, and be forced into the inadequate new program.

Many other provisions in the bill cater to industry profits at the expense of patients. Senior citizens are forbidden from using their own money to buy supplementary insurance coverage to fill the gaps still left in the drugs they need. Seniors must sign up with a drug program for a year - but the insurance company running the program can change its list of approved drugs every two weeks.

The Medicare bill is a poster child for how not to write a law. Even a sausage-maker would be offended by how this law was made. It's an anti-elderly, anti-Medicare bill that never should have passed. And if we had a President who put the health of senior citizens ahead of the profits of the pharmaceutical industry and the insurance industry, it never would have passed.

A similar credibility gap infects the Administration's education agenda. In the early days after the inauguration in January 2001, after the extraordinary circumstances of the election and the controversy over the outcome, many of us in Congress set aside partisanship to cooperate with the new President to improve and strengthen education. The President said he was strongly committed to seeing that the neediest children would get the benefits of public school reform. Democrats took the President at his word and we worked with him - as we had, on other issues, with the previous President Bush, with President Reagan and President Ford. Whatever disagreements we had with them, we believed they would keep their word - and they did.

With this President Bush we quickly agreed to the two key principles that became the basis for the No Child Left Behind Act-- resources and reform. We would use increased resources to carry out reforms that would provide a better education for all of the nation's students. Resources for reform. At a press conference on January 23rd, 2001, three days after the inauguration, President Bush had said "many of our schools, particularly low-income schools, will need help in the transition to higher standards."

On February 27th, 2001, in an address to a Joint Session of Congress, the President told the nation that "Funding is important and so is reform. So we must tie funding to higher standards and accountability for results. Schools will be given a reasonable chance to improve and the support to do so."

Over the course of several months of hearings, markups, debates, and negotiations, we agreed on a series of proven, bipartisan reforms: higher standards for all students, well-trained teachers, smaller class sizes, supplemental services after school, periodic tests to see that all students are making progress, and accountability for results. After long and hard negotiations, we also agreed on the specific level of resources necessary to carry out those reforms.

The country has seen that promise flagrantly broken. In 2002, less than a month after signing the bill into law with great fanfare, President Bush quietly proposed to cut funds for the No Child Left Behind Act by 90 million dollars.

His next education budget, in 2003, cut funding for the reforms by far more - 1.2 billion dollars. Believing his political ticket already had been adequately punched on education, President Bush tried to drop over half a million children from after-school programs.

He eliminated funds for training teachers in technology, for dropout prevention, for gifted and talented children, for school counselors, for rural education, and for additional assistance to small schools. He's never even proposed a penny for the school improvement program to help low-performing schools turn around.

The most recent Bush education budget leaves over 4.6 million children behind - a number even the Administration cannot dispute.

At the very time the President was breaking his promise to the nation's public school children, he also tried to divert over 4 billion dollars in education funds to private schools.

The President gave tax breaks to the top one percent of Americans that this year total five times the funds promised but never delivered for the No Child Left Behind Act.

Faced with a growing storm of criticism from across the nation, including from Republican state legislatures, the Administration has been grasping at straws to deny its wrongdoing.

Last October, Secretary of Education Rod Paige told the Wall Street Journal that No Child Left Behind isn't underfunded. True, he said, the Administration wasn't providing the amount authorized by the bill. But the authorization was only a "limiting number - the legal maximum . . . a guardrail that keeps wildly spending appropriators from driving the federal budget over the cliff." Nothing could be further from the facts. What's being driven over the cliff here is the truth about the Administration's broken promise on education.

We called the law the "No Child Left Behind Act" because we meant just what it said. No child means no child. All children must learn. All teachers must be certified. All schools must be held accountable. The tragedy is that these long overdue reforms are finally in place, but the funds are not.

The Administration is funding the No Child Left Behind Act at only two-thirds its clearly promised level. Imagine if President Kennedy had said, "we're going to send a man to the moon," and then provided the resources to get only two-thirds of the way there.

The Administration claims that more resources aren't needed, because schools have more money than they can spend. Ask any superintendent across the country if that's true.

It's not true. It's a dishonest accounting statement about how schools actually spend the funds available in their budgets. The Defense Department and many other agencies use the same accounting principle, but no one says they have more than they can spend.

After he signed the education law, President Bush said "if you measure and then don't provide extra help, the measurement system is empty." But that's exactly what this Administration has done for the reforms in the No Child Left Behind Act.

Schools have already begun to do their part in good faith. They've begun to identify gaps in achievement and try to close them. They've begun to measure the progress of all students. They're trying hard to implement the law in good faith.

But where's the "extra help" the Administration promised? It isn't there. The Bush Administration has clearly failed to live up to its end of the bargain. And that's unacceptable. We see this same kind of misleading deception in higher education, too. Listen to the President's words during the 2000 campaign, "Pell Grant aid significantly affects the ability of a child to attend college or stay in college. . . . I am going to ask Congress to bolster first year aid . . . to 5,100 dollars per recipient of the Pell Grant."

There are 1.3 million first year Pell Grant recipients. This year, for the third year in a row, President Bush underfunds that promise by a thousand dollars per student. But it's an election year, so he's proposed a special thousand dollar Enhanced Pell Grant. But there's a catch - there's only enough for 33,000 students. President Bush is leaving behind all but 33,000 of those 1.3 million college students.

Education is the golden door of opportunity for every child. One out of every four Americans is a child in a public school. Yet less than 2 percent of the total federal budget is dedicated to their education. That 's not conservative. That 's not compassionate. That 's ridiculous.

There are legitimate criticisms of current federal education programs. The National Education Association and I have had our disagreements over the No Child Left Behind Act.

The NEA represents 2.3 million hard-working teachers who have one of the most difficult and important jobs in America. But when the NEA disagreed with the Bush Administration over the No Child Left Behind Act, the Secretary of Education called it a "terrorist organization." Terrorists. And this after President Bush said in February 2001 in Omaha, Nebraska, "We always have to praise the teachers."

This is the pattern and the record of the Bush Administration. Iraq. Jobs. Medicare. Schools. Issue after issue. Mislead. Deceive. Make up the needed facts. Smear the character of any critic. Again and again and again, we see this cynical and despicable strategy playing out. It's undermining our national security, undermining our economy, undermining our health care, undermining our schools, undermining public trust in government, undermining our very democracy. We need a change. November can't come too soon.

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