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Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, we echo the Psalmist's prayer as we begin this day: "Be merciful to us and bless us, and cause Your face to shine upon us, that Your way may be known on earth."—Psalm 67:1-2.

Father, You have already answered so much of this prayer. You have been merciful in the abundance of Your blessings and Your unmerited grace. You have forgiven us when we have failed, and You have given us new beginnings. Most of all, we praise You for Your smiling face that gives us confidence and courage. We are moved by the reminder that in Scripture the term "Your face" is synonymous with Your presence.

Praise You, Lord, for Your desire to be with us and to share in the struggle for progress. You give strength and power when we seek Your will and desire to do Your desires. We humble ourselves as we begin this day. We want nothing to block Your blessing. We relinquish any self-serving spirit or agenda that would diminish our ability to be blessed or to be a blessing to our beloved Nation. Give us clear minds to receive Your guidance and courageous voices to speak Your truth. Amen.

PLEDGE OF ALLEGIANCE

The Honorable CHUCK HAGEL, a Senator from the State of Nebraska, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. HAGEL). The distinguished acting majority leader is recognized.

SCHEDULE

Mr. GORTON. Mr. President, today the Senate will be in a period of morning business until 10 o'clock. Following morning business, the Senate will begin consideration of any available appropriations bills. Amendments are expected to be offered, and therefore Senators can expect votes throughout the day's session.

For the information of all Senators, the Senate is expected to begin consideration of the reconciliation bill during Wednesday's session of the Senate. That legislation is limited to 20 hours of debate, and therefore it is hoped the Senate can complete action on that bill Thursday.

I thank my colleagues for their attention.

MORNING BUSINESS

Mr. CAMPBELL. Mr. President, are we in morning business?

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business for not to exceed 30 minutes with Senators permitted to speak therein for up to 5 minutes each, with the time equally divided in the usual form.

The Senator from Colorado is recognized.

(The remarks of Mr. CAMPBELL pertaining to the introduction of S. 1438 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. CAMPBELL. Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. I ask to be recognized in morning business.

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

The Senator from Illinois is recognized for up to 5 minutes.

TAX CUTS

Mr. DURBIN. Mr. President, during the course of this week, we will debate in this Chamber one of the most important issues in terms of the future of our economy.

Most of us can remember it was not that many years ago that the Federal budget was swimming in red ink. My Republican colleagues came to the floor of this Senate 2 years ago begging for the passage of a constitutional amendment to balance the budget. They were so distraught and despondent over deficits that they said the only way to bring this House into order was for us to have the Federal courts impose their will on Congress: The Federal courts must stop Congress from spending. The so-called balanced budget amendment failed by one vote. There were great tears shed on the floor of the Senate by Republican Members and even a few on the Democratic side that we had missed the opportunity to end the era of deficits.

Barely 24 months later and how this world has changed. We are now in the world of surpluses, or at least anticipated surpluses. President Clinton's deficit reduction plan of 1993 accounts for about 80 percent of this deficit reduction and surplus creation, and the other part came from bipartisan agreements since that time.

My Republican colleagues have shifted from this debate about amending the Constitution, saying we are so awash with money in Washington that we have surpluses to be given back to

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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people in the form of tax breaks, primarily for the wealthiest of Americans.

Many on the Democratic side take a more conservative view. It is hard, I am sure, for our Republican friends to stomach this, but we are the conservative party when it comes to fiscal issues because we believe if there is to be a surplus, it should be dedicated first to making certain Social Security is strong for decades to come; second, to make certain Medicare receives an infusion of capital so we don't see an increase in premiums or a reduction in services; and third and most important, buy down the national debt.

We can speculate for hours on end on the floor of the Senate about the state of America and its economy. However, certain things are obvious. We have more than \$5 trillion in national debt that costs \$1 billion a day in interest. We have a Social Security system that needs money. We have a Medicare system that does, as well. We should take care of those three items before we go off on some lark of spending \$1 trillion in tax breaks for wealthy people.

One might expect to hear that from a Democratic Senator and expect to hear the opposite from a Republican Senator because that is the nature of this debate. I appeal to the American people to step back for a second and look for a credible, objective arbiter. Let me make a suggestion: Alan Greenspan, Chairman of the Federal Reserve Board, who is credited as much as the Clinton administration with bringing about the economic prosperity that has brought down inflation, increased employment, increased the number of new businesses, increased housing. What does Alan Greenspan say about the \$1 trillion tax cut? He says it is not wise, not good policy. He said there may be a time in a recession when a tax cut makes sense but to put this tax break for wealthy people on the books now is to fuel an economy too much, to create inflationary pressure.

What would be the response of the Federal Reserve Board? Obviously, raise interest rates. What happens when interest rates are raised? The cost of a mortgage payment goes up for people who have an adjustable rate mortgage. People who have equities in mutual funds for retirement find those equity values falling as interest rates go up. Chairman Alan Greenspan, the objective arbiter, says to the Republicans: Please, stop; don't do this. You are overreacting to what we hope is the good news of a surplus.

That is the critical difference.

We know the Republican tax breaks are primarily geared for wealthy people. We know after 5 years, the Republicans have to dip into the Social Security trust fund to pay for their tax breaks. We know they provide no money whatsoever for Medicare. We know that if we follow their scenario we will be forced on the floor of the Senate and the House of Representatives to make dramatic cuts in education, in environmental protection, in

the basics that Americans expect from our Federal Government.

It is a recipe for economic disaster and a recipe for fiscal irresponsibility.

Mr. SCHUMER. Will the Senator yield?

Mr. DURBIN. I am happy to yield to the Senator.

Mr. SCHUMER. I thank the Senator for yielding.

One of our great historians said those who don't learn the lessons of history are condemned to repeat it. We are about to repeat the same kind of mistake that was made 20 years ago. We have an economy that is moving along smartly and well. We have inflation in check. We have job growth. Americans are prosperous and happy.

All of a sudden, almost with happy recklessness, the other side wants to blow all this up.

In 1981, we passed a huge dramatic tax cut. What happened? Interest rates went through the roof. Unemployment rates went from 4 or 5 percent to 7, 8, or 9 percent. Americans were out looking for work. It took an entire decade to rectify that.

Adding insult to injury, not only is this idea reckless in terms of the soundness of our economy as my colleague from Illinois has brought up and as Alan Greenspan stated, now we have CBO, which has always been known as a bipartisan, careful agency, saying this huge tax cut is very wrong, as every major economist that I have read about has also stated. It should be done when we move into recession if, God forbid, we do but not now.

CBO says this balances the budget better than saving the money and putting it aside for debt reduction and for Medicare. The world is almost being turned upside down. I plead with the CBO Director to get his bearings. I have never seen CBO act in such a wild and almost irresponsible way.

We know the budget caps are going to be lifted. What did the Republican leadership do in the House yesterday? They passed another emergency bill. Last week, the census was an emergency, not contained in the budget caps. This week, it was something new. Just yesterday there was an emergency, another \$5 billion. They are going over the budget caps. CBO says they won't; it will go to debt reduction. It is absolutely awful.

CBO is one of the few compasses we have as we sail through these new economic waters. For them to get so partisan and so off base by making an assumption that is virtually laughable, I plead with the head of CBO to reexamine his statements. To say a \$1 billion tax cut will reduce the deficit more, or a \$700 billion tax cut will reduce the deficit more than a \$300 billion tax cut, with most of the remainder going to be put aside for debt reduction to help the Medicare system is absurd.

I ask the Senator from Illinois his view of what CBO is doing. When we lose our moorings, when we lose our lodestars, when the whole debate be-

comes entirely political, we are in trouble.

Mr. DURBIN. I agree with my colleague from New York. We have not run into such economic doubletalk and gobbledygook since the days of the appropriately named Laffer curve.

I yield to the Senator from California.

Mrs. BOXER. I thank the Senator for yielding for a question. I want to join in on the CBO question. I have gotten to the point where I don't listen to any bureaucrats. I listen to the Nobel Prize-winning economists. They are saying the Republican plan is risky and dangerous. Many signed a letter. I am going with them.

We cannot trust the CBO anymore.

I want to ask my friend about the tax break and the question: Is this fair? The Senator has an important chart. I found out yesterday under the Republican Senate plan anyone earning \$1 million a year gets back \$30,000 each and every year in a tax break, while those at the bottom hardly get anything.

I want to pose a question to my friend from Illinois. A millionaire gets back \$30,000. That equals the average income of an average citizen. In other words, a millionaire gets back as much in a tax cut as the average American, who gets up every day and goes to work for 8 hours a day, earns in a year.

I pose the question to my friend: Is this fair?

Mr. DURBIN. I think the Senator from California has once again identified the Achilles' heel of Republican tax policy. They just cannot help themselves. Whenever it comes time for a tax break, they always want to give it to Donald Trump. I think Mr. Trump is doing well. I think Mr. Gates is doing very well. I don't think they need a tax break to be inspired to go to work tomorrow. The Republicans insist that is the case.

Look what it does: For the top 1 percent of wage earners in America, the Republican plan, the Republican tax breaks give an average of almost \$23,000 a year. Of course, for those bottom 60 percent, people with incomes below \$38,000 a year, they receive \$139 a year.

The Republicans say: Wait a minute, the rich are paying all the taxes; they should get the tax break; it should come back to them.

Yet when you look at it, they are taking them at the expense of working families who are concerned about the future of Social Security, concerned about the future of Medicare, and want to make certain we keep up with our basic commitments to education and environmental protection.

The PRESIDING OFFICER (Mr. BUNNING). The Senator's time has expired.

Mr. DURBIN. I thank the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I ask unanimous consent to have the time extended to 10 minutes.

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

SNAKE RIVER DAMS

Mr. GORTON. Mr. President, Senators from the Northwest are sometimes frustrated in trying to get our message across, to deliver or reflect the views of our constituencies almost 3,000 miles away, and to let our Senate colleagues from around this country understand what it's like to live in the Northwest.

The Northwest is known for clean air and water, a high quality of life, picturesque landscapes, the beauty and majesty of the Cascade and Olympic Mountains, the rolling hills of the Palouse, lush wooded forests, sparkling lakes, a playground for backpackers, hikers and recreational enthusiasts, home of America's success story—Microsoft, the apple capital of the world, breadbasket to the nation, a vibrant salmon fishery and home of the most wonderful people who possess a zest for life and fierce instinct to preserve and protect these truly unique qualities of my great state of Washington and of Oregon, Idaho, and Montana as well.

Mr. President, I share the passion of my constituents. I consider it an honor to represent a state as great and diverse as mine. But what is often overlooked is the fact that our hydroelectric power system plays a central role in keeping Pacific Northwest a clean, healthy, and affordable place to live, work, play, and raise a family.

I have come to this floor many times to explain what makes the Northwest tick to my colleagues and to others unfamiliar with the region. And I have been frustrated or puzzled by the reaction I get when I reflect the views of my state, and in particular, my eastern Washington communities.

We have been waging a battle with this administration, radical environmental organizations, and other dam removal advocates over the issue of removing Columbia-Snake River dams.

Advocates of dismantling our Columbia River hydro system place the choice in stark terms of dams or salmon. That choice, presented in such terms, is false. The truth is that by applying adaptive management to our hydro system, we can and will preserve endangered salmon runs and our valuable hydro system.

I reject the false choice of salmon versus the Columbia hydro system. I believe passionately that we can and will restore a vibrant salmon fishery to the Columbia and that we can do so within the confines of the hydro system.

To an outsider, one would think the administration has the momentum. Interior Secretary Bruce Babbitt has been a roll-tearing down dams from the California coast to Maine in the Northwest.

Incidentally, however, we may be a new ally in Vice President ALBERT

GORE. While he has been known as a removal advocate, last week, in order to get a photo opportunity on the Connecticut River, he had a dam release some 4 billion gallons of water in order that he could go canoeing. Perhaps now we have found a new use for dams and a new ally in the Vice President, as long as we can offer him canoeing activities by releasing water.

Most of us in the region believe we have the facts and support on our side to defeat those who wish to remove the Snake River dams and thereby destroy a central piece of the Northwest economy and a way of life for millions of Northwesterners.

I have asked myself—What do we have to do?

We can have thousands rally to "Save Our Dams"—as we did in eastern Washington and Oregon communities earlier this year.

We can have our local, State, and Federal officials unite in their opposition to dam removal, and we have added Governor Gary Locke and Senator MURRAY to the ranks of those opposed to removing our eastern Washington dams.

And we can have scientists, federal agencies, and even environmental groups point to global warming as a major cause for salmon decline.

We can have the National Marine Fisheries Service scientists tell us, in a report released April 14, that the chance of recovery for a few distinct salmon runs is only 64 percent if all four lower Snake River dams are removed, as against 53 percent by continuing to transport smolts around the dams—a difference that is barely statistically significant.

And we can have recent media reports tell us that the "Outlook is bright for salmon runs this year." In this July 12 Seattle Times article, scientists and biologists are predicting a potential rebound in salmon stocks in the Pacific Northwest. And the reasons they cite are: improved ocean conditions, better freshwater conditions, and cutbacks in fishing.

But still we hear the dam removal clamor from national environmental groups and bureaucrats in the Clinton-Gore administration. And we have an energized Interior Secretary who in his words has been "out on the landscape over the past few months carrying around a sledgehammer" giving speeches saying "dams do, in fact, outlive their function" and "despite the history and the current differences over dams, Babbitt said he believes change is inevitable." (Trout Unlimited Speech, CQ, July 17, 1999)

Here I am again, to share some compelling statistics recently released by the Army Corps of Engineers that further prove that removing dams in eastern Washington would be an unmitigated disaster and an economic nightmare.

Ten days ago, the Corps released three preliminary economic studies that will be included in an overall

Lower Snake River Juvenile Fish Migration Feasibility Study set for completion later this year.

The Corps studies quantified the economic impact of the removal of the four Snake River dams as removal relates to the region's water supply, navigation, and power production.

I simply cannot overstate the importance of these studies and what they mean for the future of the Pacific Northwest, its economy and the livelihood of our families and communities.

That is why I was surprised when there was little attention paid to the release of these three studies. I can remember that as recently as March of this year when the Corps was preparing to release a study on recreation benefits involving the four lower Snake River dams, environmental groups including the Sierra Club, NW Sportfishing Industry Association, Trout Unlimited, and Save Our Wild Salmon were tremendously successful in getting the media's attention and substantial coverage of their claims that removing the four Snake River dams would bring a \$300 million annual recreational windfall to the region.

The environmental groups leaked the \$300 million number knowing that the study was incomplete, but the false information made big news. Then, the report was completed and the truth was told. In fact, the real number, according to the Corps report is: "Under the natural river drawdown alternative, the value of recreation and tourism then increased to \$129 million annually, which represents an increase of about \$67 million per year."

Why did this report, with complete analysis, receive so little attention?

I am again surprised at the lack of attention given to the results of the latest three studies, which standing alone, send such a clear signal to this administration, radical environmental groups, and dam removal advocates everywhere that they should abandon their cause.

Let me share these numbers with you:

First, starting with power production:

The economic effect of breaching on the region's power supply would be \$251 million to \$291 million a year.

Residential bills for Northwest families and senior citizens would increase \$1.50 to \$5.30 per month.

But the region's industrial power users, which rely on cheap power to provide thousands of jobs can see a monthly increase ranging from \$387 to \$1,326. Our aluminum companies would see an increase in their monthly bills ranging from \$222,000 to \$758,000.

If the Snake River dams are breached, how would we replace the 1,231 megawatts the dams produce annually? Keep in mind it takes 1,000 megawatts to serve Seattle. The answer is, there is no cheap alternative. We can increase power production at thermal power plants or build new gas-fired combined-combustion turbine plants.