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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable JACK REED, a Senator from the State of Rhode Island.

PRAYER

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

Almighty God, Sovereign of this Nation and Lord of our lives, in each period of history, You have blessed us with great leaders who have exemplified love for You and dedication to our country. Today we celebrate such a man. Thank You for Senator STROM THURMOND.

By Your providential care, on May 25, 1997, he became the longest serving Senator in our Nation's history. Yet, it is not just the quantity, but also the quality of these years service motivate our admiration. So today we join with all Americans in thanking You for his outstanding service to the Senate, to his beloved South Carolina and to the Nation.

Thank You for the enrichment of our lives by this man. He has shown us the courage of firm convictions, the patriotism of love for this Nation, and true commitment to the Senate. We praise You for the personal ways he has inspired each of us. He is an affirmer who spurs us on with words of encouragement. Your Spirit of caring and concern for individuals shines through this remarkable man.

Gracious God, may Senator THURMOND know of our affirmation, feel our love, and be encouraged by Your blessing. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JACK REED 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.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, September 25, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JACK REED, a Senator from the State of Rhode Island, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. REED thereupon assumed the Chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

SCHEDULE

Mr. REID. Mr. President, this morning there will be a period of morning business until 10:30 a.m., with the time equally divided between the two leaders or their designees. At 10:30 a.m., the Senate will vote on the Byrd amendment regarding firefighting and drought on the Interior Appropriations Act. If cloture is not invoked, there will be an immediate vote on cloture on the Lieberman substitute amendment to the Homeland Security Act. If cloture is not invoked on the Lieberman amendment, the Senate will remain on the Homeland Security Act, and Senator GRAMM will be recognized to offer an amendment.

Mr. President, I would also say the vote is scheduled at 10:30, and I have been asked by a number of Senators to keep it that way. There are important committee hearings going on and

which need to go on. So if there is a request to extend the time, if I am not on the floor, I would hope the Presiding Officer would object in his capacity as a Senator from the State of Rhode Island because it is important to keep the time for the vote at 10:30.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for up to 10 minutes each, and the time to be equally divided between the two leaders or their designees.

The Senator from Minnesota.

Mr. DAYTON. Mr. President, I ask unanimous consent that I be permitted 15 minutes, if necessary, to complete my remarks.

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

THE ECONOMIC SECURITY OF THE AMERICAN PEOPLE

Mr. DAYTON. Mr. President, as a member of the Senate Armed Services Committee, I have spent many hours in the last few weeks looking at matters of national security.

As the Presiding Officer knows—he is also a member of that committee—the hearings we have held, thanks to our outstanding chairman, Senator LEVIN of Michigan, have been invaluable. I also thank the administration for providing us with briefings and meetings to give us the best possible understanding of the situation we face.

I also serve as a member of the Governmental Affairs Committee. I have

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



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spent the last couple months on the legislation creating the Department of Homeland Security. I pay tribute to the chairman of that committee, Senator LIEBERMAN, who is also the author of that legislation. I think it is tragic that legislation has been hung up here in the Senate for matters of political grandstanding rather than substantive disagreement.

But there has been very little attention paid on the Senate floor or in Washington recently to the economic security of the American people. Frankly, if this administration has its way, I think there will be no attention paid to economic security at all over the next 6 weeks. If you look at the condition of the economic security of this Nation, for most Americans, you can understand why the White House wants to do anything possible to change the subject.

Yesterday's papers, alone, had one day of economic news that would say we ought to put the economic security of this country on the highest level of alert, a code red, for disaster, disaster, disaster.

As the papers reported yesterday, the Nasdaq exchange fell to its lowest level in 6 years, 77 percent below its high in the year 2000; a 39-percent drop in this year alone.

The S&P 500 dropped near its 5-year low, 45 percent below its high just a couple years ago, and a 27-percent drop in this year alone.

The newspapers yesterday said the stocks were surging in July and August of this summer. There was hope, optimism for an economic recovery being underway. But what happened? War scare happened. The Dow Jones has dropped almost 1,400 points since August 22 of this year, a 14-percent drop in its entire value in just 1 month.

Why? Well, yesterday's Washington Times said: "On concerns about the economy and a war."

The Washington Post said: Uncertainty in the economy and a possible war in Iraq. The Times and the Post agree.

According to the chief strategist for Lehman Brothers, the stock market is now heading toward its third consecutive down year, which would be the first time since World War II—the first time in over half a century—that the stock market has dropped for 3 consecutive years.

That means the 401(k) account or the IRA or the private savings accounts of many Americans are worth half, or even less than half, of their value when President Bush took office.

Unfortunately, Mr. President and Members, it is more likely to get worse than better.

A Wall Street Journal headline yesterday said: "Is Your Portfolio Ready for War?—Iraq Attack Could Slash S&P 500 by 10%." That is another 10 percent in addition to what has happened already.

Crude oil prices were reported yesterday as topping \$30 a barrel, the highest

level in 19 months. The number of Americans out of work in this country since February of 2001 has increased by 2,300,000 of our fellow citizens. Let me say that again. The number of Americans out of work in this Nation has gone up since February of 2001 by 2,300,000; and we can't get an extension of unemployment benefits passed in the Senate to protect those who have lost their jobs and are suffering the drastic financial consequences.

Unfortunately, it is not likely to get any better, because the leading economic indicators fell in August for the third straight month.

The Wall Street Journal said their consensus economic forecast for the last quarter of this calendar year—2002—has dropped 16 percent, and it also has been revised downward for the beginning of next year.

The chief economist for Wells Fargo Bank—a good Minnesotan, Mr. Suysch said a war with Iraq could bring oil prices to over \$40 a barrel and cause a major recession.

Some have said the administration decided to make the possibility of a war with Iraq the main topic this fall, because the economic condition of this country was so bad. Well, they have succeeded in making the war with Iraq the main topic, and they have succeeded in making the state of our Nation's economy even worse.

Those comments about orchestrating the timing are not mine. They are the words of the White House Chief of Staff, Mr. Andrew Card, reported on September 7 that the White House waited on its PR offensive about the possibility of war until after Labor Day. He said:

From a marketing point of view, you don't introduce a new product in August.

That is one heck of a product. This Senator's judgment, as a member of the Senate Armed Services Committee, is that Mr. Card is being honest.

I have seen no new information and I am aware of no imminent threat to this country. The war scare that is going on now. The hurry-up-and-vote pressure on the Senate right now. The pressure to OK the first preemptive attack in this Nation's 213-year history. They are the first installment of a doctrine which the President announced in June, the right to a preemptive strike by the United States of America.

What would happen in this world if every other nation followed suit with a preemptive strike against a possible future threat? What about India and Pakistan, who both possess nuclear weapons? What about Israel and the Palestinians, China and Taiwan, or North Korea and South Korea?

Does anyone stop to think whether this doctrine of preemptive strike would make the world more or less secure?

Mr. Card, the White House Chief of Staff, is right. This new product has caused quite a PR sensation. It is taking over the headlines—it has replaced the stock market with Saddam Hus-

sein. Talk about going from bad to worse. The trouble is that the stock market is also going from bad to worse.

The number of unemployed in America has gone from bad to worse. The economic outlook of this Nation has gone from bad to worse. The Federal budget forecast has gone from bad to worse. The economic security for most Americans has gone from bad to worse.

I can understand why the White House might not be aware of all this, because the contributions to the Republican political committees are at record highs.

Yesterday's headline again: "GOP Committees See a 40-Percent Increase in Soft Money." Their bank accounts outweigh the Democrats by more than 2 to 1. Their contributors have good reasons to be grateful.

The Brookings Institute reports that the top 1 percent of American taxpayers—the wealthiest 1 percent of the people in this country—got 37 percent of last year's tax cut. They pay 26 percent of the taxes, and they got 37 percent of the tax cut. The average tax cut for the wealthiest 1 percent of the people in this Nation under last year's bill was over \$45,000. The average pretax earnings of the top 1 percent is over \$1.1 million, and they got an average tax cut of over \$45,000.

I have to say that this administration does have an economic recovery plan. The trouble is it is limited to the wealthiest 1 percent of Americans. For the rest of America, we are in a real-life survival show. They lose their jobs. The losers lose their health insurance. They lose their retirement investments. And the winner of the show is someone like Jack Walsh, former chairman of General Electric. He has an annual pension of \$9 million. I hope that was indexed to inflation.

General Electric shareholders, which include retirees whose portfolios, as I said earlier, dropped by 50 percent in the last 2 years, also pay for Mr. Walsh's car and driver and for his floor seats at the New York Knicks basketball games. They pay for his boxes at both the Boston Red Sox and New York Yankees baseball games. They pay his fees to four country clubs, and more.

I tell you, some corporate executives are no longer satisfied with golden parachutes. They take the whole airplane.

American taxpayers ought to be asking themselves: Why does this guy need a tax cut? Why did this administration insist on squandering over \$2.2 trillion over the next 10 years on tax cuts where over one-third of the benefits go to the wealthiest 1 percent of the people in this country? It will cost the Federal Government \$500 billion more over the next 10 years just on the higher interest payments on the Federal debt. That is \$500 billion more in taxes to pay for fiscal irresponsibility. That provides nothing for homeland security. That provides nothing for special education; nothing for anything that benefits the people of America.

In 1 year, the non-Social Security budget of this country has gone from a 10-year forecast a \$3.1 trillion surplus to a \$700 billion deficit. That is an almost a \$4 trillion drop in 1 year. Not even Arthur Andersen can hide that number.

Yesterday's paper reported that the Vice President is indignant about suggestions that this war scare, this "warphoria" has been timed for political benefits this fall.

I wouldn't be indignant. I would be outraged, if the White House Chief of Staff is correct in what he said—that the White House waited to introduce its "new product" until the fall of a midterm election. Only the people who were responsible for those decisions know why they made them.

But the American people will ultimately hold them responsible for those decisions. The war scare has wiped the economy off the headlines. It has also wiped any economic recovery for this country off the map. It has wiped many Americans' jobs out of existence, and wiped many Americans' prosperity from comfort to despair. If all of this is absolutely necessary, it is unfortunate. If it is not, it is unforgivable.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. SCHUMER. Thank you, Mr. President. I will be very brief. I was going to ask the Senator from Minnesota a question.

I will be brief because I know my colleague from Wyoming is waiting.

I wanted to first compliment him for his remarks and pose a thought and a question. I would be interested in what he has to say.

The President thinks strongly that Saddam Hussein must go, and go quickly. All of us are thinking about that and wrestling with that. I am not going to comment yes or no on that. The President should be spending time and effort focusing on it. It is a very important issue. I don't begrudge him for doing that. He is spending maybe half of his time on it. It seems to me the other half of his time is spent on going around the country campaigning—half his time on the war effort, and half his time going around the country campaigning for candidates, and the economy is not getting any of the President's attention.

As my friend from Minnesota has correctly laid out, it is going down, down, down. Every day there is a new headline. We have one in New York. The securities industry is going to lay off many more people at a time when we can't afford it. In every part of the country, you see this down, that down, and this down.

I make a plea to the President. Spend your time focusing on Saddam Hussein, but what about spending the rest of the time—instead of traveling around the country going to political events—focusing on the economy. We are a great Nation. We can do both. We can examine what we ought to do in Iraq. At the

same time, we can start focusing on the economy and things such as getting people back to work, extending unemployment insurance, and lowering the cost of prescription drugs.

The President has been absent on every one of those issues. One doesn't exclude the other.

I ask my colleague: Does he agree with those sentiments? Am I not correct when we read that the President is spending one-half of the week going to different parts of the country simply campaigning, and that I haven't heard him pronounce a thing about the economy and what we are going to do about it in all too long a period of time? Then, when he says with sort of verbiage and nothing substantive, I do not know if they have a single plan.

I don't know if they have a single plan, even though they withdrew the tax cuts they proposed for the very wealthy. I ask my colleague, in light of his excellent remarks, would he agree with me that all Americans, Democrats and Republicans, Independents, want the President to come back home and spend some time focusing on the economy; that he can do both, we can do both, deal with the war issue and focus on the economy?

Mr. DAYTON. I absolutely agree with the Senior Senator from New York. What I find particularly disturbing is, as I know from experience in Minnesota, where the President has been to my State three times in the last year in the midst of my colleague's very difficult election campaign, the President has come in, raised a couple million dollars, and has charged part of the cost of this trip to the American taxpayers. He gives one 20-minute policy speech somewhere and then goes on to raise millions of dollars for campaigns, and the American taxpayer is paying the bill.

I agree with the Senator, the President ought to stay at home. He should focus on the economy, in addition to Iraq. And if he does travel for political reasons, the American taxpayer should not be paying the bill.

Mrs. BOXER. Will the Senator yield for a question?

Mr. SCHUMER. I am happy to yield to my friend from California.

Mrs. BOXER. I was astounded to see some of the recent news coming out on the economic front, the gap between the middle class and the wealthy, the gap between the rich and the poor, the fact we see in many categories the worst economy in 50 long years in terms of jobs lost in the private sector, in terms of the sluggish growth of the GDP, the number of foreclosures. It is stunning. One has to be concerned that this administration is giving this no attention whatsoever, which was my friend's point.

We look at a President who is spending half his time on foreign policy; that is fine. This Congress is going to help in that area because we have a lot of ideas on how to meet the threat Iraq poses. On our side of the aisle, there

will be different opinions on how to meet that threat, which will show the strength of our democracy, and that this party is, in fact, a broad umbrella, which is healthy in the long run for the country.

The other half of the time seems to be spent on the road campaigning. I agree with my friend. Given the economic statistics—the stock market, we are looking at maybe a \$4, \$5 trillion loss, the worst in 50 years, and the fact pensions are down—does my friend believe we ought to perhaps come up with something specific to ask the President?

For example, he keeps calling us to talk about foreign policy. Why doesn't he call us to the White House to talk about this economy, to get the best ideas of Republican Presidents and Democratic Presidents? This isn't partisan. People are suffering out there, Republicans and Democrats, Independents, young and old, for different reasons. So would my friend think that might be a good way for this President to show he cares as much about the everyday issues our people are facing as he does about electing Republicans, and perhaps this would be a way to break through on this economy?

Consumer confidence is down. Perhaps that would give a spur to our people and bring us together just as we get together on foreign policy.

Mr. SCHUMER. I thank my colleague for her question and comments. She is right on the money. It is a great idea. We are called, our Democratic leadership, along with Republican leadership, to the White House on numerous occasions to discuss the war effort. That is good. That is how America should work, particularly when it comes to wartime. But in a sense we have an economic war here at home, as my good friend from California has enumerated: people losing income; people losing jobs; people worried about the future; pensions way down.

Why are we not being called to the White House for an economic summit on what to do there? I speak for all of us: We would be happy to meet the President halfway or a good part of the way in terms of doing things because the people are languishing. To ignore the economy and spend all this time running around the country campaigning is a dereliction of duty. He is not even up for election.

I thank my colleague for the question.

Ms. STABENOW. Will the Senator yield?

Mr. SCHUMER. I am happy to yield for the last time.

Mr. THOMAS. Could the Chair tell me what the system is this morning? Are we going to have one side have all the time?

The ACTING PRESIDENT pro tempore. The Senator from New York has the floor. There are 10 minutes allotted to each Senator. The Senator from New York has the floor.

Mr. THOMAS. How much time remains?

The ACTING PRESIDENT pro tempore. He has 1 minute remaining.

Mr. THOMAS. I thank the Chair.

Mr. SCHUMER. I yield the 1 minute to the Senator from Michigan.

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

Ms. STABENOW. Mr. President, I thank the Senator from New York.

Every economic indicator we want to go up is going down, and every one we want to go down is going up. The Senator and I have worked together on one of the most critical issues that affect Americans, their pocketbook and quality of life, which is access to prescription drugs. I share the concern that we do not see the focus on the economy and what needs to happen in the economy. The Schumer-McCain bill, now in the House of Representatives, which would lower prices for prescription drugs, is one very important piece of that economic puzzle. When we see that more people are lower income, their health care costs are rising, I appreciate his leadership on that issue.

Mr. SCHUMER. I thank the Senator for her leadership as well.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

SENATE AT A STANDSTILL

Mr. THOMAS. Mr. President, it is interesting. I wanted to visit a little bit about where we are on the floor and the fact we are not moving. We have been in the same place for 4 weeks.

I understand the frustration of the folks on the other side of the aisle. I recognize, too, that we are in the full swing of an election year. It is blame-game time, where we all stand up and blame the President for what is going on when there is no effort on the other side of the aisle to move off where we are and take up some of the issues we ought to be addressing.

We talk about prescription drugs. Prescription drugs is not on the floor because the leadership has not moved from where we are to make time to get it up here. I get a little exasperated, using all this time for political comments when there are no ideas of what to do coming from the other side of the floor.

Actually, that wasn't why I came here, but I have to tell you it is pretty frustrating to continue to hear that sort of thing—blaming the President when these folks have no idea what they want to do and no suggestions, no leadership coming from the Senate. What are we going to do about it?

What we have done is continue to work on two bills for about 4 weeks now. Homeland defense is one of the most important issues we have before us, and it has been stalled. Although we have differing views on how it ought to proceed, that is fine, that is part of the system here. We ought to take a vote on those views and move forward, but instead of that, we have had stalling on the other side, no chance to vote

on amendments, simply wanting to always vote on cloture, which is what we are faced with today.

The unwillingness of the majority leadership to allow votes on certain amendments has created a standoff. We keep hearing about what else you want to talk about over there, but we won't move off where we are. It is pretty frustrating. It seems as though that is the political moment. We have to really get down to what it is.

The same thing is true of Interior appropriations. It has been on the floor for 4 weeks. Yet we can't seem to move it to get some of the things done. For those of us in the West, it is very important—public land fees and, so on, in which we are so involved. Maybe even more important than that, the more immediate issue, there is some drought relief in this bill. There is something on forest fire suppression. We can do those things. But have we moved? No.

We continue to stall and to have votes on cloture, which does not resolve the issue. All we need to do is have a vote on the amendments. If you don't like the amendments, have a vote to table them. That is where we ought to be. That is the system.

To get up and start spending all of our time blaming the President for an economic slowdown that began under the Clinton administration, according to all the people who are familiar and knowledgeable about it, is to be a little tiresome, when we have an opportunity to move forward. There are a lot of things we ought to be doing in the relatively short time we have left.

Obviously, homeland defense is one that has to be done.

We need to debate the Iraq resolution, which is going to take some time. We need a CR if we are going to adjourn on the 19th of October. We have an energy bill which we ought to move forward. We talked about pharmaceuticals and Medicare. We could have done something in our committee, but the majority leader pulled it out of the committee. We will not have time to accomplish these items as long as we remain on the pending bills.

It seems to me it would be very frustrating to want to spend the time blaming the President for the economy when the Senate is not doing what we can and moving forward.

I will not take any more time. We ought to look at what we are accomplishing instead of trying to put the blame on everybody else when we have not succeeded in doing what we ought to be doing. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. BOND. Mr. President, I understand the distinguished Senator from Michigan would like 5 minutes so she can then assume the Chair. I will be happy to defer to her for 5 minutes, if I can then be recognized after her and have the attention of the body. I will be happy to accommodate her.

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

THE ECONOMY

Ms. STABENOW. Mr. President, I thank my friend for his courtesy this morning, and I appreciate the opportunity to speak for a few moments before assuming the Chair. I did want to follow up on the discussion this morning on the economy. A few minutes ago, I indicated that every economic indicator that should be going down is going up: job losses; health care costs; foreclosures; national debt; interest rate costs; Social Security trust fund raid. Every part of the economy we wish to be going up is going down: economic growth, down; business investment, down; the stock market, down; retirement accounts, down; consumer confidence; minimum wage.

We have a very disturbing situation. I wish to speak for a moment about one piece of the economy that is so critical in the quality of life of American families and American businesses which are struggling to pay the costs. Let me speak to one piece of the economic record of the last 18 months, and that is that workers' payments for health insurance is soaring.

We are seeing that the cost of insurance to cover a family has gone up 16 percent, and the cost of an individual has gone up 27 percent, over one-fourth increase in their costs. The costs are going up. Their savings are down, their investments are down, and at the same time, we are seeing the biggest part of the reason for that health care cost going up as a result of the cost of prescription drugs.

We are seeing overall prescription drugs going up over three times the rate of inflation. This is a critical part of the economic pie, the costs for consumers right now. It is not inconsequential. It is not like buying a new pair of tennis shoes or "Gee, I would like to have a new coat." This is life-saving medicine, the difference between life and death, or whether a person goes into a nursing home or is able to live at home. I am very concerned about this. What is the response?

We in the Senate have been focused on Medicare prescription drug coverage and lowering prices for everyone. We have been successful in passing a bill that, in fact, lowers prices and creates more competition in the marketplace once a patent expires. But what is the response of the pharmaceutical industry within this context, with the struggles that are going on for families, businesses, and farmers across the country? What is their response right now? A new PR campaign, not putting the millions of dollars into lower prices and making prescription medications available, lowering the premiums for small businesses. They have gone on a huge PR campaign.

We are seeing ads that I find, I have to say, absolutely outrageous. One says: "Pray for a Miracle." It uses the picture of a child who, obviously, is deathly ill. It says: "Pray for a Miracle," because they say generic drugs will never cure him.