

complete our efforts with regard to the emergency supplemental as well as funding the President's request submitted in early July.

In those coming weeks of the fall, we will also complete action on several remaining appropriations bills. As we outlined earlier today, we will begin with the Labor, Health and Human Services legislation. That legislation underwrites many of our Federal efforts to help where we must to make a difference in so many Americans' lives.

We will also continue to work this fall on asbestos reform legislation. It is clear that is a pressing national crisis. I am convinced that with goodwill and cooperation, we will be able to responsibly address this issue. I have talked with the Democratic leadership repeatedly, and we all agree it is an issue we can address and will address sometime in the future.

We will also take up at some juncture class action lawsuit reform. It is a fairly quiet bill in the background, but it is one that will make a huge difference in the fair and quick administration of justice nationwide. We will also be revisiting medical litigation reform sometime in the fall. There are other items we can address in terms of tort reform that we in all likelihood will be considering. We will continue to stand for issues surrounding life. We will complete action on the partial-birth abortion ban at some point in September, and then we will move ahead on legislation addressing the Unborn Victims of Violence Act.

Yesterday Senator JUDD GREGG announced hearings in September on public health issues on tobacco. I know the distinguished Senator from Kentucky, Mr. MCCONNELL, introduced legislation on Wednesday with regard to buying out quotas from tobacco farmers. We will be addressing all of those issues in the coming months. In addition, we will be looking for other opportunities.

In closing, I thank my leadership colleagues who have helped me each and every day over the last 7 months: Our distinguished President pro tempore, TED STEVENS; I talk to Chairman STEVENS daily. He is an avid user of e-mail so I get three or four every day, which I quickly answer, a canny veteran whose counsel daily has proven invaluable to me and to so many others; our assistant majority leader, MITCH MCCONNELL, whose tireless work day in and day out has kept us together as a team and a conference in these months, is really the glue to our conference; Conference Chairman RICK SANTORUM, who continues to work in overdrive, working overtime, working with passion to keep an eye on the midterm and the long-term issues that are so important to us, focusing so often on those basic values we share; JON KYL, our policy committee chairman, whose attention and focus and study, by leading the policy committee, all ensures that we legislate the very best we can, with the very best information at every opportunity; Senator KAY BAILEY

HUTCHISON, our vice chairman, who stands so often as our public persona in addressing issues and explaining those issues in a way that is important for the American people to understand, addressing issues in a sophisticated, substantive way, but at the same time explaining those so Americans can indeed fully understand where this institution is moving; GEORGE ALLEN, our senatorial chairman, whose instincts are so often right and right on target; JUDD GREGG, who I rely on daily for counsel, whose word I trust and whose support so often makes a huge difference in this Chamber; Senator BOB BENNETT, our chief deputy whip, whose work with colleagues we simply could not do without; Senator ARLEN SPECTER, who was just on the floor, whose thoughts and advice inform so many of the decisions we make here.

I am grateful to all of my colleagues on both sides of the aisle who share a thought, who share with me that single word, that piece of advice out of their busy day. I am proud that together as Senators we have preserved what our predecessors have given us and are working to pass on to our successors even something a little bit better.

I thank all the Senators for their hard work, their diligence, and their cooperation. I look forward to returning in September to continue our work on the people's business.

I yield the floor.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Rhode Island.

#### THE ECONOMY

Mr. REED. Mr. President, I would like to take a moment to speak about the economy, an issue that is of increasing concern to so many families across the country. Measured in terms of employment alone, this has been a very difficult and demanding time for Americans across the Nation. At the President's urging, Congress has passed three major tax cuts in what is becoming an annual ritual. I call it a ritual, because it is based on an ideological belief that tax cuts are a one-size-fits-all fix to all of our Nation's economic woes.

Regardless of the specifics of our economic situation, regardless of the growing number of unemployed Americans, and regardless of our record budget deficits, the Administration has pushed on with its misguided, one-track approach.

Mr. President, I do not think anyone would invest a dollar in a project if they only expected to receive 10 cents back. But that is essentially what has happened under the trickle-down economic approach of the Administration. A March 2003 report by the Democratic staff of the Joint Economic Committee estimated that in the best case scenario, the first year return of the 2003 tax cuts would be less than 10 cents on the dollar.

What this means is the American people massively overpaid, committing

ourselves to transferring hundreds of billions of dollars to the Nation's wealthiest individuals for a pittance of economic stimulus.

We have all become extremely anxious and hopeful to hear anything positive about the economy. At first blush, the recent data coming from the Department of Commerce offers a suggestion of hope. But after considering the reports at longer length, and in the context of all the participants in our economy, I am convinced the reports about our gross domestic product are something of a letdown.

As Senator CONRAD has stated, 70 percent of the growth in this quarter's GDP estimate is caused by increased defense spending, without which the economy would have grown at less than 1 percent. This 1 percent growth would be the slowest economic growth of any administration in half a century. So what we are seeing is one of those issues in which one sector, for obvious reasons—because of our buildup in Iraq and our subsequent operations there—is generating a disproportionate share. One can ask the question fairly, how long can that continue?

The National Bureau of Economic Research announced last month that the recession ended 20 months ago. But this announcement simply confirms what many have long suspected—that we are in the midst of a “jobless recovery.” The economy is in as much trouble as it was in the early 1990s, if not worse. More than 3.2 million private sector jobs have been lost during this Administration, with 1.2 million jobs lost even after the so-called end of the recession 20 months ago. And 6.2 percent of the civilian labor force was unemployed, which is down slightly from the previous numbers of 6.4 percent. But the July decline is instructive because it doesn't represent a growth in jobs, it represents the fact that there is a drop in the number of people looking for jobs. The way we measure unemployment is by looking up the number of people actively pursuing employment, that is the basis of the calculation. What we are seeing is people giving up hope, becoming disheartened, understanding that it is hard to find jobs and therefore dropping out of the search for jobs.

Indeed, if you look at the ratio of employment to population, total number of people working versus the population of the U.S., we have seen that ratio decline. Nine million workers were unemployed in July across the country.

But for the current President Bush, this is not his father's jobless recovery. By this period in the 1991 economic recovery, private nonfarm payrolls were rising again. Not only are private sector jobs failing to rise again, they are continuing to fall at an even faster rate. Corporate layoffs are continuing. For Americans who have suffered the most from the recession, this is not an economic recovery because there are simply no jobs.

In my State, we received notice that a major department store is closing, a flagship store in one of our prominent malls, Lord & Taylor, which will lay off workers. We are seeing other retail operations close. For the families of Rhode Island and the Nation, the news they are getting is of more job losses.

Persistent unemployment is only one piece of evidence that passing tax cuts does not fix the Nation's economy. The next place to look is the budget.

This week, for the first time, President Bush acknowledged the role the tax cuts played in mortgaging our Nation's economic future by turning budget surpluses into record budget deficits. In the Rose Garden, the President said: "And so part of the deficit, no question, was caused by taxes; about 25 percent of the deficit." That is according to the President. But according to economists, these figures are conservative at best.

The administration's Midsession Review reveals that the budget deficit for fiscal year 2003 is expected to be an astonishing \$455 billion. This is the largest budget deficit in our history. This deficit is placed into stark relief by the Bush administration's forecast upon coming into office of a \$334 billion surplus for 2003. So in just 2 years, we have seen a swing of more than three-quarters of a trillion dollars and that is just for this fiscal year.

The causes of the deficit are plain to see if you look at what is happening to revenues as a share of GDP—they have gone into a freefall. According to the Midsession Review, revenues in 2003 will equal 16.3 percent of gross domestic product, the lowest level relative to the size of the economy since 1959. The administration would like the public to believe this is some sort of natural decline due to recession and war. But we have been in recession before and we have seen war before, without getting into such a low level of revenue.

In fact, we can look at where revenues relative to GDP were in 1990 and 1991 and see that for President Bush, this is not his father's tax policy either. The truth is the administration's tax cuts actually account for 36 percent of the \$7.6 trillion reversal in what was the 10-year budget outlook for fiscal years 2002–2011.

This is not even taking into account the administration's soaking up of Social Security surpluses, thereby reneging on a campaign promise not to raid Social Security. Moreover, the tax cuts take away resources necessary to ensure both Social Security and Medicare long-term solvency.

We need to save for the retirement of the baby boomers, and we are now less than a decade away from that wave of retirement. We don't have time to "grow out" of the deficits as we might once have back in the 1980s. That makes these efforts even more pernicious to the economy.

The administration has leveled the claim that the deficits would only be temporary. The first chart appearing in

the Administration's Midsession Review shows that deficits as a share of GDP will be cut by more than half by 2006. As Senator CONRAD has pointed out, cutting a deficit in half after you have quadrupled or tripled it isn't exactly impressive management. Yet, I don't believe this Administration will even accomplish that reduction of the deficit. The deficits in the latter half of their 6-year window are not going to be as small as they claim they will be.

There are many reasons why we should be skeptical of the administration's predictions of much smaller deficits in the future years. First, the budget projections don't include lots of things that will surely increase the deficit; for example, the continuing costs of the Iraqi occupation—estimated today at \$4 billion a month—and the continuing cost of military operations in Afghanistan, estimated today at \$1 billion a month.

Secondly, the administration's tax cuts are unlikely to boost GDP—and tax revenue relative to GDP—as much as the administration thinks. Their forecast for the years 2005 through 2008 is simply too optimistic. The Midsession Review shows an increase in revenue relative to GDP of more than 2 percentage points in just 3 years, 2004 through 2007. But this sharp increase is unprecedented. It didn't even happen during the "revenue surprises" of the 1990s when revenues seemed to explode.

Such dramatic growth in revenues is much less likely now, because the administration's tax cuts have reduced the mechanisms that were the main drivers of the 1990s revenue surprises—capital gains taxes and the progressivity of the individual income tax system.

Then there is the other administration response to the deficit issue—that it simply doesn't matter.

Federal Chairman Allan Greenspan repeatedly has emphasized that higher deficits do, in fact, lead to higher interest rates. As the Fed's monetary report to Congress stated, deficits have already led to a downswing in national saving, and "if not reversed over the longer haul, such low levels of national saving could eventually impinge on the formation of private capital that contributed to the improved productivity performance of the past half-decade." At last month's Banking Committee hearing, Chairman Greenspan clearly stated that he would oppose the continuation of large deficits in the face of full employment. Yet the administration's own overly-optimistic forecast shows deficits persisting after the economy is back to full employment and robust economic growth.

By choosing tax cuts over less costly and more immediate stimulus for the past several years, the President has allowed the manufacturing sector, a hallmark of our country's economy, to fall into a spiraling decline. This neglect for a vital sector of the economy has especially hurt the Northeast and the Midwest.

Just this week, the Wall Street Journal stated:

While hundreds of factories close in any given year, something historic and fundamentally different is occurring now . . . Most of these basic and low skilled factory jobs aren't liable to come back when the economy recovers or when excess capacity around the world dissolves.

The manufacturing industry cut 56,000 more jobs in June alone, the 35th consecutive monthly decline. From manufacturing to information technology, midcareer workers have been especially hard hit, and with many of these jobs lost forever to other countries, there is even more reason to act fairly and pass additional assistance for the long-term unemployed and to provide them with new skills through job retraining programs when you consider the record of job loss.

We should not limit unemployment and job retraining assistance to those laid off from manufacturing jobs, however. With so many Americans out of work for far too long and the persistence of job losses, there is an incredibly pressing need to extend benefits to those workers who have exhausted all of their unemployment benefits and yet still found no work. It is not their fault that jobs are not being created for them to fill.

Finally, there is no question that state fiscal crises are also restraining the economic recovery. These crises are predicated in no small part on insufficient Federal grant-in-aid to the States, along with decreased state tax revenues that are tied to reduced Federal tax rates.

Indeed, what we have here is a push-and-pull phenomenon. As the administration claims they are cutting taxes to stimulate the economy, State and localities are forced to raise taxes and cut expenses under their rules and their budgets, thus creating a situation in which our effect is counteracted by their necessary actions.

The official labeling of an "economic recovery" by the National Bureau of Economic Research sadly does not mean an end to the economic suffering that too many Americans feel. I think we should all be deeply concerned about the state of our economy—the persistent unemployment, and the huge budget deficits that are only likely to grow worse as the administration continues to push its tax-cutting agenda. Contrary to the administration's claims that its tax-cutting agenda is necessary to get the economic growth to bring surpluses back, those tax cuts will reduce our economic capacity for many, many years to come. We have already seen clear evidence of that, even in the administration's own estimates.

Just this week, a trio of Cabinet Secretaries has been traveling across the country on a so-called Jobs and Growth Tour Bus. But there have been no jobs, very limited growth.

And this tour is less of a victory lap than a further underscoring of the serious economic issues that face American families.

It appears that for some, the problem of working families struggling to get by merely serves as an excuse to pass massive, ineffective, irresponsible, and untargeted tax cuts. We must stay focused and pass measures that make sense and will put our economy on the right course both now and into the future.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

#### LIBERIA

Mr. WARNER. Mr. President, I rise to address the Senate concerning my concern—I think there are others who feel similarly—about the crisis situation that is rapidly developing in Liberia and the decision framework that has confronted, is confronting, and will confront our Government.

I carefully use the word “Government” because when men and women in the Armed Forces are sent into harm’s way, there is a constitutional responsibility on the President as Commander in Chief and the principal architect of our foreign policy to make the decision to send them into harm’s way. In no way in my 25 years in the Senate have I ever once questioned that constitutional authority. In fact, I will match my record—humble as it is—against any Member of this body with regard to participation in the war power debates, participation in the resolutions regarding the use of force, when we, as a body, are addressing our responsibilities with regard to the men and women of the Armed Forces.

The President has a constitutional right. There is always debate, as reflected in the history of the War Powers Act, to what extent should he consult and, indeed, to what extent should he receive the specific concurrence of the Congress before exercising that very heavy responsibility.

There are volumes written on this subject. But for simplicity, clarity, and brevity today, I simply say the Constitution gives that right to the President and should not be ever in question. To the extent that Congress has the opportunity, through consultation and through other actions working with the administration, I believe it is wise that Congress speak to this issue.

About 4 weeks ago, I appeared on “Meet the Press” and somewhat indirectly referenced my concern about Liberia at that time. I expressed that the need to make a decision was coming down upon this Government, as indeed it has, and that it would be wise for the Congress to take a role. I cannot predict how this body would vote on it if it got to a vote. But I think the involvement of Congress when men and women go in harm’s way is a very important responsibility as coequal branches of the Government, the executive and the legislative, and, indeed, an obligation.

I have tried each day to spend some time on these issues. I read what I can

from the press, which has been rather interesting and good coverage so far, and from other documents, official and otherwise.

The complexity of this situation is really considerable. We do have these historical ties dating to the 1840s to this small country. At times, we have taken actions there. At times through the history of this country, we have sort of looked the other way. We have gone in before to try to quell disruption and violence, but I do not find a long history of strong involvement. We now have a despot who has been elected to the highest official post in that country, who has made representation that he will leave subject to certain contingencies. The President of the United States has indicated he wants to try and help the people subject, again, to the Liberian leader taking certain actions. This whole framework is quite unclear.

The Secretary General of the United Nations visited here 2 weeks ago. I was privileged to sit in a small meeting hosted by the distinguished majority leader, at which time we expressed our views. He was quite concerned, as I am quite concerned—I think everybody is quite concerned who has followed this—about the extraordinary dimensions of human suffering, there is no dispute about that, human suffering as a consequence of the frightful public record of the current leader in Liberia, that leader who has indicated he is willing to leave.

As I stand here addressing the Senate, on orders from the President, a very significant force, largely of marines, has progressed from the Horn of Africa around to the Mediterranean and is approaching, probably in the next 72 hours, a location somewhere off the coast of Liberia, where the ships will be positioned to await such further orders as the President may direct.

Now, what of the role of the Congress? As chairman of the Senate Armed Services Committee, I had hearings—at least a briefing—at my request on July 8. The chairman of the Joint Chiefs provided a very fine team of briefers where my committee, in S-407, heard their reports. A day or so ago, recognizing the Congress would soon be leaving for its August recess, I felt it wise to set a second briefing of the Armed Services Committee to which I invited really anyone in the Senate who wished to join, and also specifically a group of Senators, of which I am one, who soon will be embarking on a trip to the African continent. I was privileged to be included in that trip and expressed an interest to go primarily because of my concerns of national security in that region and the impending Liberian conflict. It had been my expectation that several of those Senators would have joined today had that briefing gone ahead.

Yesterday afternoon, the Department of Defense, following the regular procedures we always follow, sent up the names of three briefers—2 from the

Joint Staff and one from OSD policy—and it all seemed to be ready to go this morning when quite unexpectedly we received word from the Department of Defense that the briefers would not come.

I will not dwell further on that procedure. I will say in my 25 years in the Senate, it is most unusual to conduct our affairs in that way between the Senate and the Department of Defense. Indeed, I am not sure I know of a precedent of that type of abrupt cancellation, but I will put that to one side and press on. I did feel it would have been helpful, certainly, to this Senator and several others—I know one or two on the Foreign Relations Committee yesterday expressed to me their concerns of where could they get information. Both of those Senators were invited to attend this morning. One of them is on the Subcommittee on African Affairs and he expressed to me his concern and asked how best he could get involved in learning more.

I will move on now to this question about the seriousness of this problem. This type of civil war, regrettably, has persisted in Liberia for many years. There are essentially three factions now. There is one faction to the sort of fragile, if almost inconsequential, government that is in place today with this despotic leader. Then there is a group to the south that refers to themselves as the Model, M-O-D-E-L. There is a group in the north that refers to themselves as the Lurd, L U-R-D. Both of them are a mixture of groups of Liberians and others from other areas. Both groups are now converging on the central part of the country, Monrovia, and we have witnessed this outbreak once again of civil war and the devastation being wrought on innocent civilians.

So what to do about it? Again, I am not prepared to give a clear answer. I would presume the administration is proceeding and in due course will share this information, but it is likely one or more decisions will be made in the absence of the Congress in formal session, so that concerns me because I feel strongly that congressional involvement in this situation is very important. I go back to our obligation to the men and women in the Armed Forces.

Once this military force—that is the force at sea—is on station, I anticipate that will increase the international pressure on our Government—and I continue to use the phrase “government”—to become more actively involved and send these forces in. Again, under the Constitution, the President has every right to make that decision on his own initiative, with or without consultation with the Congress, and to proceed.

In doing that, I call the attention of the Senate to the military doctrine that has evolved since Vietnam. It was my privilege to serve in the Department of Defense for over 5 years during the Vietnam conflict as Navy Secretary. That period of history is indelibly etched in my memory, a period of