

current retirees in the lurch—and those about to retire—because people will be bailing out if they decide to take personal accounts proposed by the Republican side—and nobody makes up the difference.

I will say that the Republican side has been resolute in saying they will not even consider looking at the tax cuts that President Bush has proposed twice now during his administration, resolute in their belief that though they have failed to revive the economy—these tax cuts have driven us into the deepest deficits in our history—and though the total cost of these tax cuts will be three times the amount of money that we need to save Social Security on a permanent basis, they are resolute that we cannot ask one millionaire in America to give up a penny in his Bush tax cuts—too much, too far to go.

It shows you how this cannot be resolved in honest terms because unless and until we are all committed to the future of Social Security, unless and until we realize that rich and poor in this country all benefit from having this insurance policy—which Franklin Roosevelt conceived so that our parents and grandparents could live in dignity—we will continue to reach a stalemate in this conversation.

Stick with the basics. We should not cut current benefits. We should make any program voluntary, and it should be an add-on to the Social Security retirement. It should not be in place of it, unless you can come up with an honest answer of how we are going to fill the hole.

I yield the floor.

The PRESIDING OFFICER. The Senator has used 2½ minutes.

The Republicans have 2 minutes 30 seconds remaining.

Mr. SUNUNU. Mr. President, earlier in the debate I made clear that it was frustrating that we had asked the other side for a proposal, a plan, specifics to strengthen the Social Security system, and they had not given an answer.

Here, finally, in the last minutes of a debate that has gone over 1 hour, we get an answer: They will commit to raising taxes. Because to suspend or eliminate tax cuts in order to cover this shortfall in Social Security is to make a firm commitment that you will raise taxes, that you will take new taxes into the general revenues and divert them to Social Security. That is a tax increase. There is no ifs, ands, or buts about it.

Every worker in the country already pays over 12 percent of their payroll every week in taxes into the Social Security system. I say that is enough. We can reform, strengthen, and vitalize this program by empowering workers, giving them the option to control 2 or 3 or 4 percent of those payroll taxes every week and put it in a personal retirement account, not to gamble it on penny stocks but to put it in a fund similar to the Federal Thrift Savings Plan, a mixed basket of stocks, a very

secure investment in bonds, perhaps a mix of the two, to invest not for 1 or 2 years but for 20 or 30 or 40 years; empower workers today to control more of what they earn. Surely that is a good thing for those workers because it gives them an asset they can leave to their family.

When we take money out of the hands of bureaucrats and give more control to individuals, we are making them more powerful and, to be sure, we are making the bureaucracies less powerful. That is indeed a step in the right direction.

When they set up these accounts, the assets don't disappear or go away. They stay part of the retirement security system. If you look at the proposal just introduced last week by Representative NICK SMITH, that has been scored by the actuaries as returning more to the system in the long run to cover any shortfall that you claim. Whether it is \$500 million or \$500 billion or \$1 trillion or \$2 trillion, whatever number you choose to pick today, over the long run there are more assets in the system to be used to pay benefits, and that is what makes it actuarially sound. That is what makes it a good idea for workers and a good idea for the American people.

I thank my colleagues.

The PRESIDING OFFICER. The Democratic side is recognized for 2½ minutes. The Senator from New Jersey.

Mr. CORZINE. Mr. President, we could get into a debate about whether making tax cuts that have not occurred yet permanent is a tax hike. I think that is not what we are talking about tonight.

Are there ways this can be financed? At least this Senator made some specific suggestions about where one could look for funding that would cover this gap, and I think there are a number of ways of looking at it. They require tough choices. Is providing \$900 monthly income to seniors more important than eliminating the estate tax, providing a dividend exclusion to a very narrow sector of our society, or is it better to provide \$900, \$11,000 a year on average, to the American people, providing also for 2 million kids who lost their parents, dealing with the disabled in this country? It is hard for me to understand these tradeoffs, but at least I believe that that is an argument the American people would find winning.

I also believe Social Security has been a promise to the American people—again, that if you live by the rules, you pay your taxes, if you show up and work, if you are committed to a lifetime of work, you will have a dignified retirement. And putting this into the risk of a marketplace—a world that, both fortunately and unfortunately, from time to time I have lived in—can lead to results for individuals that are much different than what the expectations or whatever actuarial numbers are projected by people who are bureaucrats thinking about what

returns will average out over some long period of time. Because people live in the here and now, in a 20-year time-frame or 40-year. They work and they retire at a certain point in time. And if the market is not performing at that point in time, when that account they own comes up, they don't have those guaranteed benefits.

By the way, this is a zero sum game. When you take out that \$2 trillion, it requires that somebody else give, not only the people who are choosing to leave the system but those people who choose to stay in the system.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CORZINE. We should protect Social Security and oppose privatization.

The PRESIDING OFFICER. The debate is concluded.

#### STEEL TARIFFS

Mr. ALEXANDER. Mr. President, I would like to make a few remarks about the report of the International Trade Commission on steel tariffs, which was made over the weekend. Late last Friday night, the International Trade Commission released its report on the impact of the steel tariff. The steel tariff is a tax. It is a tax that the administration imposed in March of 2002 on at least 10 different kinds of imported steel, including the kind of steel that is used to make automobiles and trucks in this country. The effect of the tariff was to increase the price of that steel up to 30 percent. It had a noble purpose. The President hoped to save some steel jobs in this country.

The International Trade Commission (ITC) over the last several months has taken a lot of testimony and done a good deal of study to see what was the impact of that decision made in March of 2002 on both the steel industry, the steel producing part of our country, and on the automobile industry and on the other steel consuming parts of our economy. The report's finding on the overall economic impact of the steel tariff was not very surprising. According to the report, the steel tariff has saved a few steel jobs by raising the price of steel. But it has cost U.S. manufacturers, the auto parts suppliers, for example, over \$680 million. The report also claims that somehow to make up for this, the tariff revenue to the U.S. Government, collected on the steel that came in from outside the country, was about \$650 million. So the ITC estimates that there was not too much damage to the economy, only a \$30 million loss in GDP.

But what that overlooks is who paid the tax? It was, in part, the struggling auto parts suppliers who are manufacturing parts in this country in competition with auto parts suppliers all over the world. They paid the tariff to the federal government directly when they shipped in foreign steel themselves and in part indirectly when they paid higher prices to their distributors

who brought in steel from abroad for them. They paid the tax.

What has happened over the last year and a half, when all of us have been making speeches about how our greatest economic challenge may be how to keep our manufacturing jobs from moving overseas, is that we have imposed upon our manufacturers a tax, a tariff that has increased their costs by up to 30 percent and made them less competitive.

As a result, they have done what manufacturers have to do. Rather than lose money, they have laid off a few employees or they have begun in a few cases—I know this in my own State of Tennessee; we are a big manufacturing State and one-third of the manufacturing jobs are automotive jobs—they have begun to move their parts suppliers to Mexico or Japan or Korea or other parts of the world where parts can be made, paying the global steel price.

So, yes, we may have brought in \$650 million to the U.S. Treasury in the tariff, but it has been paid on the backs of the steel-producing auto parts suppliers and other steel consumers of this country, and it has had the effect of driving jobs overseas.

The report also illustrated something we knew to be true; that the steel tariff is hurting steel-consuming firms all across the United States, from auto parts suppliers to home appliance manufacturers, to tool and die shops to metal stamping facilities. All of these steel-consuming firms have been affected by the burden of the steel tariff in some shape or form.

Here are a few things the report said: One-half of the steel-consuming firms surveyed reported they had difficulty in obtaining steel in the quantities and quantities they needed. That is an added cost.

Second, almost a third of these firms relocated or shifted production to foreign plants, facilities, after the implementation of the tariff.

That is exactly what we do not want in this country is any kind of new cost added by the Federal Government which causes a parts supplier in New Hampshire or Tennessee to move a plant overseas.

Third, one-quarter of these steel-consuming firms reported that their customers shifted to purchasing finished parts or assemblies overseas as a result of the steel tariff.

Let's say you are making a sunroof in Gordonsville, TN, and the cost of steel goes up 15 or 20 percent and that is the major raw material you are using. The Nissan Smyrna plant in Tennessee can buy that roof from just down the road in Gordonsville, everything else being equal, but the sunroof can also be made to a high standard of quality in many other countries in the world—in Japan, in Korea, in Mexico, in Canada. If costs are too high, too much out of whack, then the American automobile plant, in order to keep its costs down so it can be competitive,

will buy that finished part from overseas. That is not subject to any tariff.

Fourth, almost one-third of these firms reported the contracts they had in place to purchase steel were broken or modified after the tariff was imposed and reported a loss in profits due to these problems of approximately \$190 million.

Finally, one-third of these firms reported longer lead and delivery times.

This also is very important. There is such a thing as just-in-time delivery in the automobile business. That is why in Tennessee we have gone from having two dozen auto parts suppliers 12 or 14 years ago to more than 950 today. The Toyota plant and the Nissan plant and the Saturn plant and the Mercedes plant—all of them located in the South, some still located in the Midwest—they like to have their parts suppliers nearby. If those firms have longer lead and delivery times, it makes that just-in-time delivery advantage less reliable.

In addition, the report further highlighted the impact the steel tariff had specifically on auto parts suppliers. There are a lot of automotive people in the country. Historically, they have been in Michigan and in Ohio—the song “Detroit City” was written about Tennesseans who went to the Midwest to get good jobs and send the money home, and then they would come back themselves one day. Now, a lot of those auto parts suppliers have followed the auto plants to the rest of the country, to the Southeast and the Deep South.

As I mentioned earlier, Tennessee is home to about 950 of these auto parts suppliers. They make up about one-third of all our State's manufacturing jobs.

Mr. President, 85 percent of the auto parts suppliers surveyed in the ITC report said that their steel prices in the United States were higher than global prices; 31 percent reported that customers had shifted purchases to buying finished parts or assemblies overseas as a result of the tariff; 74 percent reported changes in contract prices for steel; and 55 percent reported the steel tariff was the only important factor in these changes in steel prices. Mr. President, 79 percent reported an inability to pass on steel price increases to customers.

There is a lot of back and forth about just to what extent these steel prices have gone up. The report mentioned a variety of figures. It mentioned a figure of an 8 percent increase in hot bar steel. I wonder if maybe taking a snapshot of 8 percent in March of this year over March of last year ignores some of what goes in between.

But here is what some of the auto parts suppliers said in testimony before the International Trade Commission was the effect of the steel tariff on steel prices.

Arvin Meritor said its price increases were 25 percent to 40 percent on cold rolled and galvanized steel. Delphi said its prices increased 5 percent to 48 per-

cent. DURA saw its prices increase 30 percent. Federal Mogul saw its prices increase 25 percent. Metaldyne saw its prices increase 10 percent. Transpro saw its prices increase 25 percent.

Maybe some were lower and maybe some were higher, but these plants found in a very competitive business that even a few pennies more in cost per part makes a difference in their ability to keep a job in the United States. They found their costs suddenly way up—15 percent, 20 percent, or 25 percent. All of these burdens have meant extra costs to steel-consuming firms—extra costs that have affected steel-consuming jobs all across America. The steel tariff may have saved some steel-producing jobs, but it has already destroyed a lot more steel-consuming jobs. The findings of the ITC report alone should give the President ample reason to end the steel tariffs.

I spoke on this subject on July 16 in this Chamber. I tried to point out at that time how both steel-consuming and steel-producing jobs are important to our country. But if that is all you are considering, there are a whole lot more steel-consuming jobs than there are steel-producing jobs. For example, in Tennessee, there are about 328,000 steel-consuming jobs. There are only about 3,000 steel-producing jobs. There are 100 times more steel-consuming jobs than steel-producing jobs.

The United States has 12.8 million steel-consuming jobs—2.1 million of which are in the auto business. The United States has 226,000 steel-producing jobs.

Everybody's job is important. Just to come along and say we want to save steel jobs cannot be used as a rationale for a steel tariff when the effect is that it destroys a lot more steel-consuming jobs. Even in States such as West Virginia and Pennsylvania, there are a lot more steel-consuming jobs than there are steel-producing jobs. There are more auto jobs in Pennsylvania than there are steel-producing jobs. That is no reason for the steel tariff.

The economy is beginning to recover. Manufacturing is up. Manufacturing jobs are not up. We are more productive. So there are fewer jobs. But manufacturing for the last 3 months, according to the Wall Street Journal, is up.

I strongly believe this recovery is a direct result of the President's job and economic growth plan. The last thing we need now is to continue any new costs such as the steel tariff on a major manufacturing sector that slows down our economic growth. I fear that if the steel tariff remains, we will see more plant costs during 2004 in Tennessee and across America.

I believe the President has made an honest, good-faith effort to save steel jobs. But it has backfired by destroying auto and other steel-consuming jobs. I hope he takes into account the information that was revealed in this report this weekend. The President is a very good listener. He has given this decision almost 2 years to operate. I hope

he will decide based on the fact that the tariff is destroying auto jobs that the best decision he could make for the American worker is to end the steel tariff, and to end the steel tariff now.

#### WAR ON TERRORISM

Mr. THOMAS. Mr. President, of course we have an important bill before the Senate. However, one of the overriding activities, and it is unfortunate, is the discussion of our efforts in Iraq and probably the highest priority now, the fight over terrorism.

It is a challenge, of course, to deal with terrorism, which is not only focused in one place but particularly in that part of the world. We have a commitment to win on our terms. We are highly committed.

Our world changed September 11. The things attached to September 11 went beyond Iraq, went beyond Afghanistan. We are dedicated to complete our work there. We are dedicated to completing the job we have begun. Everyone understands that. It is a difficult task. Never before have our troops done such a wonderful job. We have ahead following up with stability in Iraq. It is a long-term, difficult job.

We have heard stated our involvement in Iraq is based on fraud put forth in Texas. This is unreal and something that we do not need to put up with in the Senate.

Our involvement with Iraq goes back a long time, to the gulf war. Our troops did a great job there. We worked with Iraq following that. They failed to agree with the United Nations agreement on the followup. So obviously, there were many reasons to do something with Saddam Hussein. I don't think there is any question about that.

The key to Iraq is winning the war on terrorism. That is why we are there. The President has asked for a large amount of money to fund the war on terrorism. We knew that would be the case. Certainly of the \$87 billion, some is for our troops. No one argues with the notion we have to give our troops the support they need. The majority of the money will go to our troops in Iraq and Afghanistan while we continue to give them the resources they need to continue to win.

There are also other needs if we are going to finally get this country to be self-supportive, which is our goal, and to do away with terrorism so it is not a source of danger around the world. We have to be committed. The stakes are high. And our spending has been high.

We have been, since September 11, in some unusual arrangements. I am serious about trying to control spending and to keep it within the budget, but when there are extraordinary circumstances, you have to take extraordinary steps. And certainly September 11 is extraordinary. Certainly the economy now, which we are trying to strengthen, is extraordinary. The terrorism that continues to take place is extraordinary.

So if we are to be successful in this global war, we must be willing to pay that price, and we must do the job correctly. I think that is particularly important after we are there. I guess before we began, you could talk about all kinds of things. The fact is, we are there. The fact is, we are committed. The fact is, we have done a great deal. We need to continue to see it through and see our duty through.

Where are we today? We are winning the war in Iraq. The situation remains dangerous, of course, and it is not settled, it is not steady. But great progress has been made.

It is interesting how much of a different picture you receive from people who have been to Iraq and then come back and tell what they have seen and what they feel as compared to what you see on the news nightly. I understand that bad things are always news, and so that is not a new idea. But progress is being made. There is no food crisis, no refugee crisis, no public health crisis.

The coalition is helping Iraq establish a representative basis for a democratic government of their own, something they, of course, have never had. And it is part of our goal for the future. The coalition authorities continue to help repair the vital infrastructure all across the country. We are seeing increasingly other countries becoming involved. I think soon we will see the U.N. be more involved than it is now. Coalition forces are aggressively hunting down members of the former regime.

Unfortunately, some would rather ignore the achievements, I think, for political purposes. That is too bad. I understand there can be differences of view. That is perfectly legitimate. But when you get the sense that sort of thing is being designed toward an election in 2004, it is a little disturbing.

The former regime in Iraq had ties to al-Qaida; there is no question. It harbored and supported terrorists; there is no question. It possessed weapons and used weapons of mass destruction. They had done that; there is no question. They were a threat to the region and the world. We know that was the case.

When we decided to use military force, the President made the best decision he could make. To suggest this was dreamed up in Texas for political purposes is not realistic, nor is it fair. Using the best information available at the time, the President made his decision—a tough decision. Can you imagine having to make that kind of decision following September 11?

So it is a very difficult issue. But I think, truly—and my only point is—we can disagree, but we ought to disagree taking into account the facts, letting people make their own judgments. I understand that. But I think to portray the President as deliberately misleading the public is not a reasonable approach and one that should not take place among our associates. The war on

terrorism takes time and patience and dollars, and we must see it through.

Mr. President, I feel very strongly about this issue, so I wanted to make those comments today.

#### CONGRATULATIONS TO LAIRD LARSON AND BOB DUXBURY

Mr. DASCHLE. Mr. President, today I want to offer my warmest regards and sincere congratulations to Laird Larson of Clark, SD, and Bob Duxbury of Wessington, South Dakota, on their receipt of South Dakota State University's Eminent Farmer award for 2003 in Brookings last Friday night.

Laird Larson and Bob Duxbury are well known and highly respected within SD, not only as dedicated farmers, but also as innovative community leaders. I know of no individuals more deserving of this recognition than Laird and Bob.

Laird and his wife, Kathy, have farmed in Clark County, SD, for almost 30 years. They are active in a number of farm organizations, including the South Dakota Crop Improvement Association, SDCIA, where Laird has served on the county board of directors for nearly 20 years and as State president. This year the SDCIA recognized Laird as its Premier Certified Seed Grower.

Laird also has a long history promoting agricultural education. He has raised funds for renovating greenhouses at South Dakota State University and is currently working to develop a seed science center at the school.

Laird and Kathy Larson understand the unique character of rural life and have passed on its values to their three accomplished children: Heidi, who works for Wisconsin Crop Improvement; Shane, who I had the pleasure of getting to know when he worked on my Senate staff several years ago; and Sara, who is majoring in special education at Augustana College in Sioux Falls. The Larson family reflects the strength and character of rural life in America today.

Bob Duxbury and his wife, Rose, farm and ranch near Wessington, in central South Dakota. In a landscape dotted with farms, ranches and small communities, farmers and ranchers not only are called upon to feed our Nation with safe and affordable food, but in many instances are also called upon to serve in public office. Bob exemplifies that dual commitment, standing today as a shining example of Thomas Jefferson's enduring ideal of the citizen farmer.

Bob's commitment to agriculture started at a very young age, with his own participation in 4-H and continued with his degree from South Dakota State University in 1956, which he used to teach animal science. He served as the State's Secretary of Agriculture from 1975 to 1978 and was a member of the State Fair Board from 1971 to 1975. He also has been a member of the South Dakota legislature for nearly 20 years, many of those in leadership positions.