

What price of proof will America pay before we act? The President says the price will be a day of horror like none we have ever known.

As the President does everything to prevent that day, too many see the U.N. inspections as a game of hide and seek rather than life and death, which is the issue that it is. So that is really what is before us with regard to Iraq.

With regard to economic growth, economic security for working Americans and hope for those unemployed will not come from growing the Government but only from growing the economy. To get the economy growing—to create a job for every man and woman seeking employment—the President has proposed broad tax relief for 92 million taxpayers at an average of \$1,100 each.

The President's plan will increase the reward Americans receive for working, producing, saving, and investing—everything that is part of a growing economy. Small businesses, married couples, families with children, and retirees will all be the individual beneficiaries. But the biggest winner will be the U.S. economy. For 40 years, every tax relief proposal saw its opponents try to divide and conquer taxpayers with claims of “tax breaks for the rich.” And again this year is no different.

What specific part of the President's plan do they object to? Do they want to penalize marriage for a few more years? Do they think parents with kids should wait longer for the \$1,000-per-child tax credit? Should the tax rate reductions be delayed along with the incentives to grow the economy? Some of our colleagues across the aisle supported these changes last year, but it seems there is always some reason now is the wrong time for tax relief. In fact, I cannot remember when there was a right time for tax relief, listening to our colleagues on the other side of the aisle. So it is always the wrong time. It is always no, maybe later, or it is, yes, but not now for you, or you, or you.

We hear a lot of talk about the stock market. But it sounds as if we are talking about the weather. Everybody talks about it and complains but no one wants to do anything about it. The President does something about it by ending double taxation of dividends. His plan will get the stock market growing again, but we have no Democratic plan for the stock market, other than to complain. If the President's opponents would show the same determination to grow the economy as they do in growing the Government—as we saw here on the floor of the Senate just over the last couple of weeks with amendments offered and, thankfully, defeated, that would have added in excess of \$300 billion to the deficit—America would be in fine shape. Over the last 2 weeks, as I just indicated, our friends on the other side of the aisle forced votes on new spending that would have paid for almost half of the President's tax cut. Other spending add-ons that were offered, but not

voted on, probably doubled that amount. The President's opponents have called for a \$300 tax rebate for individuals and up to two children. So much for no child left behind.

Now, if we had a budget surplus and the economy was humming along, fine, I would support a broad rebate. But today we need to get the economy going again; we need to prime the pump, not splash limited resources around in a manner that does nothing to grow the economy.

When it comes to our national and economic security, the world changed on 9/11 and, more than anyone else, the President has realized this. His determination to stamp out the outlaw regime of Saddam Hussein is the President's realization that the threat to national security today is far greater than it was prior to 9/11. For national security, we need to do more than we have done before. His determination to enact an economic growth package is based on the President's understanding that the impact to our economy from the 9/11 attack was far greater than anyone imagined.

For economic security, we need to do more than we have done before. He knows we need to do more, and the American people know it, too. The only question is when will this Congress figure out that the world has changed and catch up?

Mr. President, 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. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

STATE OF THE UNION ADDRESS

Mr. WARNER. Mr. President, I was privileged to be present last night at the President's State of the Union Address. Earlier today, I said the State of the Union Address was delivered magnificently, in a way that I think touched the hearts and souls of millions of Americans. Certainly this heart and soul was deeply touched. I was very proud for the manner in which the President delivered that message—with sincerity, calmness, and confidence. It happened to be my 25th State of the Union Message. For a quarter of a century I have been privileged to represent the great State of Virginia and be a part of this institution. I have never been more proud of any President at any time than I was of George Bush last night.

I want to address those very clear remarks with regard to the state of the world and, most specifically, the leadership that our Nation has given in the worldwide fight against terrorism. We are committed, and committed until the end, and the end is nowhere in sight. We made great progress. The

President detailed that progress. We have much more progress to make. I am very pleased over the creation of the Department of Homeland Security. I have been a strong supporter of that from the beginning. I remember, before the White House staff decided we should move in that direction, I was among those, with many others in the Chamber, who advocated that we move in the direction to create a separate Department. We have done that. We have selected a fine Secretary and two of his first deputies to take up the heavy responsibilities. It is my hope that we will give it strong support in this Chamber, that we will give it strong financial support in terms of appropriations.

We must guard against a competitive battle between the Department of Homeland Security and the Department of Defense, because homeland security begins on the far-flung battlefields of the world. Today, it is Afghanistan and Indonesia; it is all across the world. And to the extent that we can defeat the efforts of any one, two, three, or four groups of individuals who, through the mechanism of terrorism wish to bring harm against the United States, let us hope we can do that in the far-flung lands of the world. That is homeland defense. That is the principal responsibility of the Department of Defense, with our troops in forward projection. They are to deter, first and foremost, to stop, discourage before it starts, any attack against the United States; but should that attack occur, then engage.

We have seen the heroism of the men and women of our Armed Forces, together with the Armed Forces of other nations in Afghanistan. While that operation is by no means complete—and certainly in the last few days we witnessed another outbreak of hostilities—we are making steady progress.

As we approach our budgetary responsibilities of the Department of Defense, and now the new Department of Homeland Security, we don't want to see a competition and a push-pull. Each is deserving of our full and strongest measure of attention and, eventually, authorizations and appropriations. I hope to take a strong lead in that effort.

Returning to the remarks of our great President last night, he outlined the steps we have taken thus far with regard to the enormity of the threats posed by Iraq, most particularly under the leadership of Saddam Hussein, and recited what we have done. The President did not have to come to the Congress of the United States, but he did come to the Congress, and he received an overwhelming vote of approval—77 colleagues, I among them as one of the coauthors of the resolution—77 strong votes.

He has now indicated further steps he is taking, working with the community of nations in the world—the United Nations and other nations such as Great

Britain, Great Britain having taken a strong leadership role. He will be meeting with the Prime Minister of Great Britain in the coming days, talking regularly with heads of state in government worldwide in an effort to strengthen the already strong coalition of those nations willing, if force is necessary, to use force, to join us in support.

The President has always said war is the last option. He reiterated that last night. Quite clearly, the steps he is taking, this weekend with heads of state in government, by sending our distinguished Secretary of State Colin Powell to the United Nations to, once again, undertake the persuasion, which he has brilliantly displayed to date, are required among various nations in the course that is right and the course that is just and the course that will preserve the integrity of the United Nations as an organization.

Saddam Hussein has thumbed his nose at that organization for 12 years, defied all the resolutions, even kicked the inspectors out, inspectors who were there pursuant to resolutions of the Security Council. That is a sad and distressing record, and we would not be where we are today with the world focusing on this situation, with the United Nations Security Council meeting, acting, and passing Resolution 1441, which is good and tough, had it not been for the leadership of our President working with Prime Minister Tony Blair and other heads of state in government.

We owe our leaders a great debt because there may be a legitimate discussion about certain aspects of the policy on Iraq—and I welcome that debate; I think it strengthens our resolve—but there can be no dispute that Saddam Hussein possesses these weapons of mass destruction, has used them in the past, and today he is in absolute defiance of Resolution 1441.

An impartial observer, Hans Blix, charged with the mission of conducting the inspections under the resolution has now reported to the United Nations and reported to the whole world about the continuous noncompliance, lack of cooperation by Saddam Hussein.

Let me read a part of the Blix report. In Mr. Blix's words:

Iraq appears not to have come to a genuine acceptance, not even today, of the disarmament that was demanded of it and which it needs to carry out to win the confidence of the world and live in peace.

Saddam Hussein has the power this afternoon, tomorrow, as he had for the 2 months of the inspections, to comply with Resolution 1441 and avoid even the threat, much less the actuality, of the use of force. But he has been defiant day after day, night after night, and I commend Mr. Blix and his organization for doing their best and for putting forward to the United Nations and the Security Council and, indeed, the whole world a very frank and candid report.

Again, our President continues to work within the framework of nations

seeking a course referred to as diplomacy to try to avoid the use of force, to try to have compliance with the security resolution.

For 12 years, he has defied the United Nations, and subsequent to Resolution 1441 we have had these 2 months or so of inspections. Again, I commend you, Mr. President, for the calmness, for the confidence, and for the wisdom to continue on the course that you established, on the course that 77 of the colleagues in this Chamber strongly backed, but at the same time, Mr. President, reminding Saddam Hussein and reminding the world that diplomacy can be no stronger than the resolve of the nations to enforce it, and that resolve is there.

In the words of the President, let there be no doubt, he will not let the security interests of this Nation or those of our principal allies and friends be put in peril by Saddam Hussein and his inventory of weapons of mass destruction if diplomacy fails.

No timetable was established. Again, step by step he is proceeding through a process that is very important.

I draw a contrast to what happened in 1991. Again, I was privileged to be the coauthor of that resolution. At the time, I was, with Senator DOLE, one of the floor managers on this side of that historic debate. Mind you, we had some 500,000 men and women of the United States in position in the gulf region. We had a coalition of at least 12 nations with combatant troops that were going to join. This Chamber had its historic debate and, by a mere margin of five votes, was the resolution approved. Action was taken, and, very quickly and properly, the Members of this Chamber rallied behind the President and rallied behind the troops.

We have troops today and will have troops tomorrow, as they did yesterday and the day before, leaving their families, leaving their homes, leaving their military assignments in the United States, individually and as units, and being forward deployed. Those forward deployments are essential because they back up the resolve of those trying to settle this matter diplomatically through a group of nations. Were it not for those deployments and the announcement by Great Britain and, indeed, some others to contribute forces, a lot of the rhetoric, a lot of the effort would simply not send a message to Saddam Hussein.

I wish to commend our President. I notice there has recently been a statement to the effect that some of our colleagues might believe we should at this time, which surprises me—we want to stand solidly behind our President at this time as he continues his work with the heads of state in government; as our Secretary of State once again goes to the United Nations, we want to stand solidly behind him. But yet our colleague, Mr. KENNEDY, issued a release yesterday which said:

Much has changed in the many months since Congress debated war with Iraq.

I think the inspectors have diligently worked hard. Some could say progress is being made. But stop to think of the progress that would have been made had Saddam Hussein just complied with Resolution 1441 and shown the inspectors where his arsenal was located, such that it could be verified, such that it could be audited and eventually destroyed. If we are to undertake debate, whether it is today or tomorrow, as indicated by my distinguished friend and colleague who serves on the Armed Services Committee, the first question I put is: Is the debate timely in terms of the steps our President committed to take, and has taken, this week and next week? Is the time of such a debate helpful to our President?

Second, he says much has changed. Is there any indication Saddam Hussein has done one thing to comply with the most recent Resolution 1441, much less the resolutions of the 12 previous years? As an individual Senator, I have worked and attended almost all the briefings on this subject. I have participated in most of the debates. I have not seen a Senator bring to the forefront clear and convincing evidence that Saddam Hussein has done anything to comply with the terms of Resolution 1441. If anything, he has taken steps to thwart the efforts of the inspectors, to impede them.

This type of inspection regime is not new. It was implemented in South Africa successfully. It was implemented in the Ukraine successfully. So there is a track record with the United Nations that is well known in the field of diplomacy and among the nations of the world, but that does not have any parallel to what Saddam Hussein has steadfastly refused to do. He has not budged an inch to comply with the current Security Council resolutions.

That would be the second question I pose to Mr. KENNEDY or other colleagues were they to come to the Chamber. Is it timely? Show me what Saddam Hussein has done to merit this further consideration, either by debate or otherwise in this Chamber.

Time is not on our side. I am not suggesting I can set a timetable. Under the Constitution, that is the prerogative of the President of the United States, in accordance with those provisions which say that the executive branch shall negotiate. The executive branch sets the foreign policy of this country. We have the right to disagree, but they set the foreign policy. And the President did that last night.

It is clear to me that every day that goes by, Saddam Hussein has the ability to take these weapons of mass destruction, which nobody disagrees he has—Hans Blix pointed it out clearly—and proliferate them around the world, and not necessarily by truckloads. A very small vial, one, two, or three dozen, can be distributed into the hands of a terrorist network. Those vials can make their way back and do untold harm to free citizens in the world. He has ability to disperse tons

of anthrax. Two envelopes directed at this very Senate Chamber, which were never opened, resulted in tragic loss of life by postal workers and others. That was just two little envelopes, not vials, not tons, which he possesses.

These are the threats that concern me. Time is not on our side. It is on Saddam Hussein's side. So I welcome the debate, if it is to come, and I hope those questions which I have posed today can be answered.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

TAX CUTS ARE NOT THE PROBLEM

Mr. BENNETT. Mr. President, throughout the day today there has been a lot of discussion of the President's State of the Union Message. I was interested in the comment that was in the press this morning that said the President gave two speeches.

The first one has been virtually forgotten. The first one was on our domestic issues, on our economy, on what we need to do to deal with some of our problems at home. I think the Senator from Virginia has appropriately and properly addressed the question of the second speech which had to do with Iraq, but since much of the rhetoric we have heard today has had to do with the deficit and attacks on the President's first speech, I will take a few minutes to go back to that first speech, that forgotten speech, the first half of the President's statement on the state of the Union, and talk about some economic impact of what would happen if we were to do what the President wanted us to do.

From the rhetoric we have heard today, all of our problems stem from one thing and one thing only, and that is the tax cut that passed very strongly in this Chamber and in the other body when the Presidency of George W. Bush began. If we had only not passed that tax cut, we would not have a deficit. If we had only not passed that tax cut, we would have enough money to fund everything. If we had only not passed that tax cut, somehow Medicare would be taken care of as far as the eye can see and Social Security would be secure forever. Everything stems from that terrible tax cut.

I remind us once again of a few fairly basic, fundamental truths.

We can choose, at least for a time, what level of expenditures we will have in the Federal Government. We can get carried away with our ability to make pledges for expenditures, and we can set the level wherever we want. We cannot choose, by legislative fiat, the level of revenue that will come to pay for that level of expenditure, because the level of revenue goes up and down as the economy prospers or falters.

I have seen examples of countries in Africa that laid out a budget of expenditures that was absolutely marvelous in all of the benefits that would come from their government spending on

this and that and the other thing. Anything that anybody wanted, the government promised to take care of them. But they discovered the fundamental truth I have just stated: They could set the level of expenditures pretty much where they wanted, but with their economy not producing any money their level of taxation came nowhere near the level of expenditure. We must ask ourselves, what is going to happen to the economy if the proposal that the President's tax cut be repealed should pass? That question was put to Alan Greenspan, the chairman of the Federal Reserve Board, and he answered in a way that requires a little careful attention, because some people picked up on his answer and said: Aha, Greenspan has said there will be no economic impact if the tax cuts are repealed.

This is what he actually said—I do not have his exact words to quote, but in effect he said the markets have already assumed the tax cut will stay and indeed will be made permanent. Therefore, there is no further stimulus to come out of these tax cuts.

So everybody says the tax cuts were not stimulative. However, he went on to say—and this paragraph they do not quote—if they were now repealed, the markets would react negatively. Having made the assumption that they will be permanent, the market would react negatively and the economy would be hurt.

I raise that bit of history because I ask this rhetorical question: If the market has already assumed the tax cuts and acted favorably and positively to that assumption, what would happen if those tax cuts were not repealed, as some people in this Chamber charge, but were produced more rapidly, accelerated, rather than repealed? I think the market would respond positively. Say our first assumption that says they are going to remain permanent is not only proven valid by this but we will have the permanence come more rapidly than we thought.

If the markets as a whole respond positively, if the economy as a whole responds positively, what does that do to tax revenue? It increases tax revenue so we can begin to have enough dollars to deal with the challenges of the expenditure side.

I am a member of the Appropriations Committee. I remember attending the conference on the final appropriations bill—not this year because this year we did not get one until the new Congress convened; we did not have a final conference at the end of the last Congress. It was the final conference the year before where Senator STEVENS came in and said this is the number that we have all agreed on for total appropriations and expenditures. It was substantially higher than the number where we began. He laid it on the table and said: This is the number. Even though it is significantly higher than we thought we would have and expenditures more than we thought, this is

where we will be. Mr. OBEY, the ranking member on the House side, said that number is not high enough.

The number was a very significant increase over the previous year, substantially more than the growth in the population, substantially more than any inflation, but that became the number. We finally passed it this way in order to get out, and then we started the next year.

At that period, Democrats were in charge of this Chamber and the spending went up significantly from that number. That is the new baseline. We have seen in this Congress attempts made to take that baseline even higher.

The most significant thing the President had to say about our long-term economic health in last night's speech had nothing to do with the tax proposals. The most significant thing he had to say is: My budget will hold the spending increase to 4 percent. If we can hold the spending increase to 4 percent after years of 7 percent and 9 percent, one on top of the other, to establish a very high baseline for further increases, it will be something of a miracle. But it will be far more important than all of the other rhetoric we have heard on the tax side. If we can't get the spending under control, we cannot under any circumstances raise the taxes to cover it. That is a fundamental truth that we should remember over and over again.

In concluding, I repeat something I have said here many times, but I have discovered in the Senate there is no such thing as reputation. Everything is said as if it is brand new. But it is a fundamental truth we should understand over and over again. Money does not come from the budget. Money does not come from legislation. Money comes into the Government from the productivity of the American economy. If we can make the economy strong, if we can make the economy grow, we will have the tax dollars that we need to pay for our expenditures. If we ignore the health of the economy and then get carried away with our desire to increase our expenditures, we will end up in fulfillment of the dire predictions we are hearing. That is not what the President is proposing, but what some of his opponents are proposing. I think the President was responsible in his first speech last night on the domestic economy. We ought to pay attention and act accordingly.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

TERRORISM

Mr. GREGG. Mr. President, I rise to continue the discussion which was obviously laid forth last night in definitively strong terms by the President of the United States on the issue of our national defense and how we address the terrorism and the linkage between terrorism and the Iraqi situation. The