

to decide that job No. 1 is protecting ourselves against the terrorist threat and then trying to find ways to reduce the number of nuclear weapons in this world.

I have kept in my desk for some long while a couple of items I have always used to remind us of what this job is about.

This little piece of metal, if I may show by consent, Mr. President, this little piece of metal is from a backfire bomber. This bomber was a Soviet bomber. It used to be flown by Soviet aircrews hauling bombs that presumably would threaten the United States of America. It was at a Soviet airbase in Ukraine when it was destroyed.

How was this bomber destroyed? Did we shoot it down? No, this bomber was destroyed with a saw, a large circular metal saw. We sawed the wings off a Soviet bomber, and we paid for it under Senate appropriations.

We destroyed a bomber, not through hostile action but under what is called threat reduction. We destroyed missiles. We took off the nuclear warheads. In the Ukraine, where there was once a missile with a nuclear warhead aimed at the United States of America, there is now no missile, no nuclear warhead, and sunflowers are now planted on that ground. Is that progress? Boy, I think so.

This is ground up copper from a Russian submarine that I assume at one point or another was lingering off the east coast of the United States with missiles in its tubes armed with nuclear warheads. But we did not sink that submarine. This is copper wire ground up from a submarine that was taken apart under the Threat Reduction Program.

Senator LUGAR, who is a real champion of this issue, and former Senator Nunn were the first to start the funding by which we actually paid to destroy weapons of our adversaries with whom we had agreements on nuclear weapons reductions and the reduction of delivery systems.

We sawed the wings off a bomber; a submarine, we simply took it apart and ground up the copper wire. Is that progress? I think it is. If we do not in this country assume world leadership in stopping the spread of nuclear weapons and reducing the stockpiles of nuclear weapons, our children and grandchildren will almost certainly see a future in which nuclear weapons are used.

It is our job, our responsibility to be a world leader in this area. There are some who seem not to understand or care about that responsibility. We have some right now in this town talking about designing new nuclear weapons. Let's design a nuclear weapon, a designer nuclear weapon, that will be a cave buster. Hard to get into caves? Let's design a little new nuclear weapon to drop on a cave someplace.

Apparently, after the al-Qaida situation in which they hold up in caves, we have some people thinking they can

create designer nuclear weapons. Once that thinking starts, the thinking that you can use nuclear weapons in circumstances such as that, others will say: We can use nuclear weapons. Once the thinking starts that you can use preemptive strikes against countries because you are worried what they might do later, other countries will say: We can do preemptive strikes.

I worry a lot about where we are headed with the multiple policies with respect to weapons programs. I think we ought to be strong. I have supported many weapons programs, but I also believe, with respect to nuclear weapons, we must lead the world. We must stop the spread of nuclear weapons. We must reduce the stockpile of nuclear weapons all around the world. It is our job. It is our responsibility. We are the world leader. We are the ones.

ECONOMIC POLICIES

These are challenging, difficult, tricky times. Every one of us in this Chamber wants this President to succeed. We want our country to succeed. I do not want us to have foreign policy failures. I do not want us to have an economy that is in trouble. I want this President to succeed. I am a Democrat. He is a Republican. It is in my interest and our country's interest for him to do well. It is also in our interest, where we have differences of opinion, differences on policies, for us to bring out those differences and debate them aggressively.

There is an old saying that when everyone in the room is thinking the same thing, no one is thinking very much. I know some do not like that. There are some who think if questions are raised these days, shame on you. But with the challenges we have in both domestic and foreign policy, we ought to have questions flying from every direction in every corner and every philosophy of this Chamber and then pick the best of those ideas and suggestions.

There is a tendency for each side to want the other to lose these days, and so instead of getting the best of each, we get the worst of both, and that does not serve the interests of this country, whether it is foreign policy challenges, which I just discussed, or the challenges in economic policy which I am going to talk about for a moment. We really need to understand that there is not only one way to address these. On some occasions, there are wrongheaded ideas, things that will make things worse with the economy or with foreign policy. There are some good ideas, some brilliant ideas, some in the middle. Our job is to select from the range of alternatives and to work with this President.

I will talk for a moment about the challenge with respect to the economy. I know there are others who want to speak. I started by talking about the Estrada nomination, but I do want to take a moment to talk about the foreign policy and the economic policies that I think are significant challenges as well.

Yesterday, Mr. Greenspan came to the Congress and I think he poured a 5-gallon pail of cold water on President Bush's fiscal policy proposals. I am thankful for that because the President is proposing, in the face of the largest budget deficits in history by far, more tax cuts, the bulk of which will help upper income taxpayers. I do not think that is what we need to do for the economy.

As I said earlier, this economy is not going to grow if every day, in every way, the lead story is about war, as it has been every day and every week and every month for some long while. This economy does not grow when that happens. The price of oil increases. People are uncertain about the future, and they manifest that uncertainty by what they do. So we need to get through this.

When we get through it, the question is: How is a jump start provided to this ship of state of ours? How is this economy provided a boost? The President says what we need to do is more tax cuts. He said what we ought to do is exempt dividends from taxation.

That is interesting. Certainly, if one were discussing tax reform, if that were the subject, they would have that as part of their discussions, no question about that. Of course, that is not the subject at the moment. The subject at the moment is, should we do an economic stimulus package? So the President takes the opportunity to say let's exempt dividends.

I am wondering why exempting taxation from dividend checks has a priority over exempting taxation from work, such as paychecks. Dividend checks should be exempt; paychecks should be taxable? Is that a value system that says let's tax work and exempt investment? If so, does that make sense? I do not know. I do not know how one chooses that approach.

I will talk now about where we are and how we have gotten to this point. Mitch Daniels, who runs the fiscal policy program at the White House—he is at the Office of Management and Budget—has been the prognosticator of where we have been and what we have been doing.

On March 2, 2001, which is not quite 2 years ago, he said:

It has become clear that this new era of large surpluses is more dangerous to the taxpayer than the preceding era of large deficits.

So Mr. Daniels was gnawing at his fingernails worried about these large surpluses: Woe are we; the surpluses are going to kill us. He said these big surpluses are a big problem. That was about 2 years ago.

Then about a year and a half ago, he said:

We're going to have an enormous surplus, \$160 billion or more.

So he must have gotten his crystal ball at a Dollar Store, I guess, because in November—that is, about 15 months ago—he said:

It is, regrettably, my conclusion that we are unlikely to return to balance in Federal accounts before, possibly, fiscal year 2005.

What happened in that short period of time? Well, we ran into a recession. I stood at this desk when they were proposing their \$1.7 trillion tax cut and said: How can you be so certain? Maybe we will not have surpluses. Maybe we will run into some problems. Guess what we ran smack into. A recession, a September 11 terrorist attack, a war against terrorists, the largest corporate scandals in the history of this country, the tech bubble burst, the stock market pancake, and all of those surpluses that Mr. Daniels was worried about turned to big deficits.

Did that change Mr. Daniels' mind about what we ought to do with the economy? Oh, no. He has only one speed in his transmission. In January—just a year ago—he said:

We project effective balance in 2004.

So he is still using that same crystal ball. A month later he says:

Despite everything, the outlook is promising for balance in the year after next and for a return to large surpluses thereafter.

That was 1 year ago. Still predicting, Mr. Daniels says:

Despite simultaneous war, recession and emergency, we are in a position to fund the requirements of victory, plus a stimulus package, and still be near balance.

That was 1 year ago.

March 27—11 months ago: The U.S. budget is in an extremely good position, Daniels said, adding that:

OMB expected the fiscal year 2002 budget deficit to be about \$50 billion.

This is a guy who was excessively worried about having surpluses that were too large. I assume he was not sleeping; he was worried about large surpluses. A year later, he is saying it is only going to be a \$50 billion deficit. That will be the smallest recession deficit in modern times.

But then we come to February 2003, the same man, same crystal ball apparently, same prognosticator:

Our projections, which incorporate extraordinarily conservative revenue estimates, see deficits peaking this year, heading back thereafter.

Now let me show the chart of Mr. Daniels. In 2002, he predicted our surplus would be \$283 billion. We did not have a surplus. We had a deficit of \$159 billion. In 2003, he predicted we would have a surplus of \$334 billion. We did not have a surplus. We had a deficit of \$304 billion. In 2004, he predicts a \$387 billion surplus. He missed it by well over half a trillion dollars.

I do not know what to make of this. This is the guy who is driving the stage, with apparently 8 or 10 runaway horses, and does not have the foggiest idea what is happening in this economy. He says we are going to have big surpluses—that is his biggest fear—turns them into the largest deficits in this country's history and says: Oh, by the way, I can solve that. Let's do more tax cuts, the bulk of which will go to upper income people, and let's decide to keep taxing work but we will start exempting investment—a value

system that is curious to me. Why would work be taxed and investment be exempted? Is work less worthy than investment?

Yesterday, we had 10 Nobel laureates in the field of economics, along with 400 economists, who put an ad in the New York Times, I believe it was—it could have been the Washington Post—saying that this proposed fiscal policy is going to lead to bigger deficits and bigger problems; it is going to saddle our children and their children with the burdens that we create, and it makes no sense at all. It certainly will not stimulate or jump start this economy.

This country is a strong, resilient country. It will overcome bad policies from Democrats and Republicans, and it has had plenty in two centuries. It has also been benefited by good policies, by visionaries who had the strength and the endurance to stick to those good policies that they knew would allow this country to grow, that they knew would invest in working families, they knew would give investors and entrepreneurs an opportunity. This country is a great place, but it faces very serious challenges at the moment. Those challenges will not be resolved—domestic and foreign policy—by having our heads in the sand. Al-Qaida and terrorism is a very serious abiding threat in this country right now.

The fact is, homeland security is not adequately funded and everybody knows it. But no one will admit it. North Korea is a bigger problem than Iraq and everyone understands and no one will admit it. Yes, Iraq is a problem, but it is not the only problem. It does not even lead the list with respect to North Korea and the issue of terrorism.

Having said all that, against that backdrop of foreign policy challenges as aggressive and difficult as we have seen in some long time in this country, we have an economy that is sputtering and has lost strength. It will not gain strength by deciding to borrow more money and add to the Federal budget deficit and do it for the purpose of reducing the tax burden of those at the upper income levels.

Upper income people are wonderful people who do a lot for this country. But should a proposal, when we are up to our neck in Federal debt—should a proposal that gives an \$80,000 average tax cut to the American who earns \$1 million a year be a priority in this country?

Yesterday, I was at a hearing and I was told by the Secretary of the Interior: By the way, we will close, we will zero fund a school called the United Tribes Technical College. It is a wonderful school, 32 years in existence. Native Americans from across the country, some 40 States, go to school there. It gives them a chance in life. These schools are very important. Why are we going to defund it? Why doesn't the administration want to fund it? It is a

matter of choices. I asked, What choices? Exempting dividends? Or funding an Indian school that does wonderful things for people who want to advance their education?

These are the choices. Yet there are too many wrong choices being made.

My hope is as we confront these economic challenges and foreign policy challenges, this country will succeed. We have survived a lot. This country has been through a lot. We have survived a Great Depression. We beat back the oppressive forces of fascism and Hitler. This country has achieved what no other country in the world has achieved. But it is not because it has made bad choices, it is because it made good choices.

The question is, What are those good choices? They do not come from one location. They come from all corners of this Chamber, all corners of this country. They come from, yes, the executive branch, but they come from the legislative branch, as well. It does no service to our country to not have an aggressive, vigorous debate about these issues.

Let me finish where I started. I don't particularly enjoy coming to the floor of the Senate saying we ought not vote at this point on Mr. Estrada. That is of Mr. Estrada's doing, not ours. That is of the White House's doing, not ours. When they ask us to give someone a lifetime appointment to the Federal bench, and then say to us we have no right to receive answers to basic questions asked—questions asked and answered by other candidates—we have no right to those answers, then we have a responsibility to say, well, advise and consent does not mean that we rubberstamp anything sent down to the Congress. It means it is an obligation of ours to evaluate. Is this person worthy of being on the Federal bench? How do they reason? How do they think? How do they approach this job?

I mentioned when we asked questions, or my colleagues on the Judiciary Committee asked questions of Mr. Estrada, he said he would not answer them. Those same questions were asked of Mr. Hovland. He is now a district judge. He answered. Questions were asked of Freda Wolfson. She answered the questions. Ed Kinkeade answered the questions. Linda Rae Reade answered the questions. All are Federal judges now because they came to the Congress, not expecting and demanding to be approved, just presenting themselves as the President has done through nomination, to say, here I am; now, Members of the Senate, your job is to give advice and consent and to vote on this nomination. I am willing to answer questions. Here I am. Here is who I am. Ask me questions. I will answer them.

Mr. Estrada's approach was different. He said: Here I am. But I will only tell you my name and you get a chance to look at me, but I will not answer your questions. We cannot allow that to

happen. If it happens on this nomination, it will happen on the next nomination.

What we have said to Mr. Estrada is, answer the questions. We have submitted a list of things he refused to answer that others have routinely answered. We said: Release the information from your term working in the Solicitor's office. Others have done that. Mr. Estrada is not a judge so we do not have much of a record to go on regarding how he thinks and how he approaches his responsibilities.

He should, and I hope he will, decide to meet the basic requirements of providing information to the Senate. When he does that, in my judgment, I think we ought to proceed. Until he does, in my judgment, we ought not proceed under any circumstance.

Our job is to give advice and consent on a lifetime appointment. Anyone who treats that lightly does not understand the responsibility under article II of the Constitution.

Let me finish by saying I take no pleasure in saying that Mr. Estrada has additional requirements in front of him. But it is he himself who has visited that upon this Senate. Had he answered the questions and provided the information, we would not be in this situation. But we are in this situation of requiring this nominee, before he is voted upon, to provide the basic information that we have requested in consideration of whether he ought to receive a lifetime appointment on the second highest court in this country. If and when he provides that information, I will be happy to vote and make a judgment on Miguel Estrada.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. TALENT. Mr. President, I rise first of all in support of the Estrada nomination and to say a word or two about it. Mr. Estrada's qualifications are excellent. I reviewed them the other day and it struck me that the man is so smart it is almost scary: Harvard Law School, Phi Beta Kappa graduate, clerk of the court of appeals, clerked on the Supreme Court, argued numerous cases before the Supreme Court.

I clerked on a court of appeals, and I mean no disrespect to the members of the Federal judiciary when I say I wish every Judge had Mr. Estrada's qualifications when he or she went on the bench. Mr. Estrada is competent, qualified, honest, and he deserves to be on the court of appeals.

I regret the filibuster that is currently underway to prevent his confirmation. It is unfair to him. It is bad for the country. Worst of all, it introduces a note of discord into the Senate that makes me discouraged about our ability to do the other things we need to do for this country—to pull together behind a prescription drug plan, behind a jobs bill, behind a strong defense that will protect our men and women in uniform, protect our country, create jobs

in Missouri and around the country. It will also inhibit our ability to accomplish what we need to do in health care for small business.

HEALTH CARE INSURANCE

I will take a few minutes and talk now about what could be the most significant measure that we could pass to expand the cause of access to health insurance for people who work for small businesses in this country.

I chaired the Small Business Committee in the House for two terms, and from the time I did that, I made it my point to interact with small business people around the country and especially around Missouri. They have a number of problems they are confronting: Taxes are too high; in many cases they face regulations that do not make any sense, that inhibit them and hurt them and burden them and accomplish nothing in terms of environmental quality or worker safety or any of the social goals we want to achieve. Many small businesses have difficulty getting access to the capital they need to grow, to expand, to create jobs.

Those are all problems. We need to work on all those problems. But the No. 1 problem facing small business in this country today is the rising cost of health insurance premiums. I have seen it all over the State of Missouri. I have been in places in Cape Girardeau, in Columbia, in Joplin, where small business owners report to me premium increases of 25 percent in 1 year or premiums doubling over 3 years. The effects of this are incalculable. Small business people cannot compete effectively for employees. They have to buy poor quality health insurance, and in some cases have to drop their health insurance altogether, or else the high premiums suck up money they want to put in wage increases or to expand the business. The high premiums are tremendously unfair to them, very bad for the country and, most importantly, very bad for the people who work for small businesses. Of the 41 million people in the United States who are uninsured today, almost two-thirds of them own a small business or work for a small business or are dependents of somebody who owns a small business. The impact on them is enormous.

And think of the impact on the rest of the health care system. Just because these folks are uninsured doesn't mean they don't get sick. At a certain point, when they get sick enough they go to the emergency room or they go to the hospital. Since, those costs are currently unsponsored, they have to be shifted to the rest of the population or hospitals have to eat those costs. What a difference it would make to the people of this country and the small business sector and to the economy if we could introduce and pass a measure that would help cover folks who currently are uninsured. We can do that.

I have talked about the bad news. The good news is that we have an idea that can fix this problem very substantially. It is an idea that passed in the

House of Representatives two terms in a row. It is time tested. It is supported on a bipartisan basis in the House. It has the broad support of the small business community. It would not cost the taxpayers of this country a dime. I am talking about association health plans.

Let me explain what association health plans are. The best way to think of them is that they would simply empower small businesspeople of whatever kind to get health insurance on the same terms that big companies already can. AHPs would reduce the cost of health insurance to small businesses by 10 percent to 20 percent. This is how they would work. We need to pass a law empowering or enabling the major trade associations, the Farm Bureau, the Chamber of Commerce, the NFIB, the medical associations, to sponsor ERISA health care plans, including self insured plans, the same way big companies can.

Then, if you joined the trade association, the association would have to offer you coverage under the plans. They would have to offer it to you. They would have to carry you. So if you were a small business you could join the trade association and it would be as if you were becoming a little division of a big company. It would be as if your small business had been bought by a bigger company and all of a sudden you were part of a large national pool of people without having to pay the marketing costs or the profit margins of big insurance companies, and with much reduced administrative costs. One of the big reasons small businesses have to pay more for health insurance is that the administrative cost for small businesses is so much greater.

As I said, this would not cost the taxpayers a dime. It is not a Government program. It just allows small businesses to pool together to help themselves and their employees. It is not a revolutionary change, but the impact would be revolutionary on people who work for small business who would have access to health insurance. The number of uninsured would be reduced by millions of people.

We have gone years without really good news in the health care sector, and association health plans have the potential to be that good news. As I said, the bill has a history already, at least in the House. It was introduced first in the 104th Congress 6 or 7 years ago by my good friend, then-Congressman Harris Fawell. We passed it twice 2 years running in the House. It had strong bipartisan support. I think the bill when we introduced it originally in the House had 85 Republicans and 25 Democrats, including the ranking member of the Small Business Committee in the House. It has very strong support already in this body. I am pleased to say the chair of the Small Business Committee, Ms. SNOWE, is a strong supporter. Senator BOND is a strong supporter.