

years in office, he had 377 Federal judges confirmed, just 5 less than President Reagan, who was the all-time champion. But President Reagan had 6 years of a Republican Senate to help him—of his own party. President Clinton only had 2 years of his own party, the Democrats, to help him. There were 6 years where I was chairman, and we still put his judges through as much as we could. If you compare the number confirmed to the number nominated, President Clinton enjoyed an 85-percent confirmation rate on individuals he nominated. That is one of the highest ratings. What is more, President Reagan, like I say, had 6 years of a Senate controlled by his own party, while President Clinton had only 2.

Here is what happened to the 56 Clinton nominees who did not get confirmed during those 8 years. Some of them were multiple nominees. Three were left at the end of the 103rd Congress when the Democrats were in control, so those three cannot count against the Republicans. That leaves 53. Nine were nominated too late in the Congress for the committee to feasibly act on them or they were lacking the appropriate paperwork. That leaves 44. Seventeen of those lacked home State support, which often resulted from the White House's failure to consult with home State Senators. There was no way to confirm those nominations without completely ignoring the senatorial courtesy that we afford to home State Senators in the nominations process. That leaves only 27. One nominee was defeated on the Senate floor, which leaves only 26 remaining Clinton nominees. Of those, some had reasons for not moving that I simply cannot comment on. So in all 6 years that I chaired the committee while President Clinton was in office, there were fewer than 26 nominations left in committee.

Let's compare this record to the first Bush administration when the Democrats controlled the committee. The Democrats failed to confirm 58 Bush 1 nominees over the course of only 4 years. Let's look at the number of nominees pending at the end of the Clinton and Bush 1 administrations. While there were 41 Clinton nominees left in the committee at the end of the 106th Congress when Clinton left office, the Democrats left 13 more, a total of 54 nominees hanging at the end of the first Bush administration. Moreover, of the 41 Clinton nominees left at the end of the 106th Congress, one was renominated and confirmed in the 107th Congress, 12 lacked home State support, and 9 were nominated too late for the committee to act or had incomplete paperwork. That really leaves only 20 nominees who did not go forward during the last year of the Clinton administration.

All this goes to show that any allegation that this committee was somehow unfair to President Clinton's nominees is simply untrue, and payback is not the right thing to do. In fact, I treated

the Clinton nominees better than the Democrats treated the Bush 1 nominees and I think better than the current Senate leadership is treating the current President Bush's nominees. I just wanted to set that record straight. You cannot compare the Bonnie Campbell matter with the Miguel Estrada matter. They are completely distinguishable. And with regard to ability, there is no comparison.

Miguel Estrada not only has graduated at the top of his respective college and law school classes, at Columbia and Harvard, but he also was an editor of the Law Review; worked as a clerk for Amalya Kearsse, a Carter appointee in the Second Circuit Court of Appeals; worked as a clerk to Anthony Kennedy, currently a Justice in the U.S. Supreme Court; worked in the Solicitor General's Office; was highly respected; has four of the—worked for three, if not four, of the Clinton Solicitors General; worked 4 years for Clinton; 1 year for Bush; argued 15 cases before the U.S. Supreme Court, winning 10 of them even though he has a speech impediment, a disability. It is amazing what this man has been able to do, and it is amazing to me that he has gone through this. I do not see one justifiable reason in the world for this.

On the other hand, I don't understand, sometimes, my colleagues on the other side. I know they do not all agree. We have a total of 55 votes we know will vote for Miguel Estrada. It seems to me that is what we ought to be doing is voting up or down. We should not be setting this awful precedent of a filibuster against any judicial nominee or, for that matter, any person on the Executive Calendar because I believe it does fly in the face of the separation of powers doctrine, to require, from here on in, if this precedent is set, 60 votes to confirm any "controversial" nominee. If that happens, then the Presidency will have been diminished, the judiciary will have been diminished, and we will not be able to get the top people in the country to even take these seats.

Keep in mind, we pay the Chief Justice of the United States Supreme Court \$192,000 a year. Any one of these top nominees makes four or five times that or more. So these jobs are not plums as far as their salary. These jobs are taken because people want to give service to the Federal Government. They want to serve the public and they are willing to sacrifice the monetary remuneration they are making as attorneys in order to serve. We ought to keep that in mind.

I would hate to see the day we only get the lesser of the less to be nominated because nobody else of any qualifications would want to go through this type of an awful procedure. I don't want to see the day when the only ones who can make it are those who do not have any records, have written nothing, have never said anything, whom you don't know anything about, and who may be good judges but may very

well not be. It is going to be tough even for the American Bar Association to make their evaluations because they won't have anything to make them on, other than the local attorneys who may be practicing law in the same area.

I have said enough. I just wanted to set the record straight.

Also, I totally disagree with the distinguished Senator from Iowa in his comments about the Iraq situation. We do have evidence of al-Qaida people being in Iraq. We do have evidence of organization within Iraq. We do have evidence that I think would rebut almost everything the distinguished Senator from Iowa said. But since my colleagues are on the floor and desire to speak, I do not want to take their time. So I yield the floor.

The PRESIDING OFFICER (Mr. ROBERTS). Under the previous agreement, the Senator from North Dakota, Senator DORGAN, is recognized for 25 minutes, to be followed by Senator HOLLINGS of South Carolina for 30 minutes, to be followed by Senator SESSIONS.

The distinguished Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I have voted for over 100 judges nominated by President Bush. In North Dakota, we have had vacancies in both the west and east district judgeships. President Bush nominated two Republicans for those judgeships. I was happy to support them, and to work with President Bush to make sure that their confirmation went smoothly. One has been confirmed, the other I am convinced will be confirmed, and both will make us proud as Federal judges.

I make that point only to say that I expect to be supportive of most, if not all, of the President's nominees. And I wish that we could have a vote on Mr. Estrada.

Mr. Estrada's nomination is problematic, however, in that he has refused to answer some basic questions. My colleagues, the ranking member of the Judiciary Committee and the minority leader, have indicated by letter that Mr. Estrada needs to be forthcoming, and answer provide some basic information about his judicial philosophy and temperament. Considering that Mr. Estrada is seeking a lifetime appointment to the bench, one would expect that he would be eager to provide that information.

Judge Hovland, whom the President nominated to the Western District of North Dakota, answered the very questions that Mr. Estrada would not. I was happy to support Judge Hovland. I wish Mr. Estrada would be forthcoming.

When and if he does that, I hope we proceed to vote. And then we can move on to any number of pressing matters.

U.S. INTERNATIONAL TRADE DEFICIT

Mr. President, I want to take the floor to talk about one very pressing matter, which all of us should be concerned with: that is, our country's record trade deficit in 2002.

I spoke on Wednesday about it, and the very next day, the U.S. Trade Ambassador, Bob Zoellick, was on CNN's "Moneyline" with Lou Dobbs, to talk about the deficit.

Mr. Dobbs, whom I really admire, asked Mr. Zoellick the following question:

What would you say, [Mr.] Ambassador, is the most important [issue for] a country that has a \$430 billion trade deficit?

Ambassador Zoellick's answer: Let's negotiate new trade agreements.

He said:

That's what we've been doing over the last couple years, reversing some of the slowdown in the past. We just completed two new trade agreements with Singapore and Chile. We're trying to move ahead working with the global trade negotiations, working with the Europeans and others.

Then Lou Dobbs noted that manufacturing jobs are being exported abroad.

Again quoting Mr. Dobbs, he said:

Is there anything that can be done about that or is this a historical trend that is going to continue for years to come?

Ambassador Zoellick said:

Jobs [have] gone down, but that's because productivity has gone up. So where have those jobs gone? Well, you've got more people in the service industry. You have cable television and others.

OK, so now I understand it, I guess. The Trade Ambassador said we are shipping manufacturing jobs overseas but we have cable television. Hooray for us.

So Mr. Dobbs tried again, asking Ambassador Zoellick to identify the most important trade issue for the United States, and the Ambassador said:

Well, the most important issue I frankly think is keeping the United States in [a] leadership [role] in global trade. . . .

I just came back from China. I was in Latin America not long ago. And what they look to is U.S. leadership in terms of various negotiations, the global negotiations, the hemispheric negotiations, and individual ones.

That's the biggest trade issue for this country? We have the highest trade deficit in human history—and Mr. Zoellick thinks the answer is to negotiate even more trade deals?

Maybe Mr. Zoellick thinks that the deficit is really not that big of a problem. He would not be alone in that belief.

On February 24, the Wall Street Journal published an editorial entitled "Hooray for the Trade Deficit!" The Journal argued that the trade deficit was propping up the economies of Europe and Japan, and were a sign of our economic strength.

I have no idea what water they have been drinking. But let me quote from the editorial:

Pundits claim that "financing" the U.S. current account deficit requires that foreigners purchase some \$1.5 billion in U.S. assets a day, and warn darkly of the time when that need cannot be met.

And they say:

But the current account deficit is by definition the inverse of net capital inflow. So it can very easily be argued that U.S. assets

are in such demand, even with Treasury yields at historic lows and after three down years in the U.S. stock market, that Americans have to find \$1.5 billion a day worth of foreign goods just to spend all the money that's coming in.

I do not understand that at all. Have they not taken the first basic course in economics? I just do not understand that. Total nonsense.

We have been running record trade deficits through all kinds of economic conditions: through the economic boom of the 1990s, through the more recent recession, through a peacetime economy, through a wartime economy. The trade deficit keeps going one way: up, dangerously up.

If the economies of Europe and Japan need our trade deficits to stay healthy, then they ought to get busy revamping their economies, because there is no way this situation is sustainable.

Does anybody really believe our economy is so strong right now, as the Wall Street Journal suggests, that we have to find \$1.5 billion a day worth of foreign goods just to spend all the money that is coming in? The fact is, we are mortgaging our children's future with these trade deficits. It is irresponsible, and it ought to stop. If the Wall Street Journal were truly a conservative newspaper, it would be leading the charge to demand that we do something to rectify this trade imbalance.

I have been on the floor of the Senate critical of trade policies in the Clinton administration time after time after time, and I am critical of the trade policies of this administration. The fact is, you cannot tell the difference between Republican and Democratic administrations on trade policies. Year after year after year, we have Trade Ambassadors who talk about the advantage of doing another trade agreement; and every single time we do another trade agreement, our trade deficit ratchets up.

This chart show the merchandise trade deficit we face: \$470 billion in 2002, after exploding increases during the nineties.

The Washington Post reported that this trade deficit put "a significant damper on U.S. economic growth." In fact, the fact that the Post article talks about the deficit is very surprising, incidentally, because the Washington Post, of all newspapers, is the most ecstatic about this fast-track trade authority, global trade, and the trade deficits we have inherited. They excuse them away at every significant opportunity.

Yet the Washington Post story said:

. . . a combination of increasing imports and falling exports clipped more than half a percentage point off the 2.4 percent increase in U.S. gross domestic product last year. . . .

The Post further noted that:

. . . nearly one-fourth of the year's [trade] deficit in goods trade was with China, which sold \$103 billion more goods to the United States than it bought here.

What does this mean? It means jobs. That is what it means. These numbers

describe where the jobs are, who wins and who loses. With respect to the global economy, and with respect to trade agreements, we are losing, we are losing jobs.

That does not mean much to the economic thinkers and the newspaper editorialists and others whose jobs are not in jeopardy, but it means a lot to the millions of people who used to have good jobs that paid well, with good benefits, whose jobs are now gone. Because they cannot compete in global trade when a U.S. manufacturer moves its plant abroad, so they can produce where they can hire 14-year-old kids, work them 14 hours a day, pay them 14 cents an hour, and dump the chemicals into the streams and into the air, and then ship the product back to Toledo or Fargo or Los Angeles or Denver, and then say to the American producer: You cannot compete with this; tough luck; you cannot compete in the global economy.

That is not what we ought to allow in terms of global trade.

We have deficits as far as the eye can see. With China, we have trade deficits of \$103 billion; with Canada, deficits of \$50 billion.

This chart shows the deficits we have: \$50 billion with Canada, \$37 billion with Mexico. And, by the way, before we did the United States-Canada-Mexico trade agreement, so-called NAFTA, we had a very small trade deficit with Canada and a small trade surplus with Mexico. Now we have turned both of them into very large trade deficits.

On the chart, you can see virtually the only trading partner with which we have a surplus at this point is Australia. But this administration is going to remedy that because now they are engaged in trade talks with Australia, to set up a free trade agreement with Australia. So we may not have a trade surplus with Australia for long. If those same trade negotiators who negotiated all of our trade agreements are engaged in Australia, we will lose within a week or two and be back to red ink with respect to Australia.

Not only do we have trade deficits with virtually every major trading partner, we have deficits in almost every sector of goods trade. We have a \$110 billion deficit in vehicles, \$47 billion deficit in consumer electronics, \$58 billion deficit in clothing.

Some might say: Well, agriculture is a bright spot because we are a net exporter of agricultural goods. But the fact is, we are losing in agriculture as well. Our modest surplus in agricultural products was reduced 30 percent over just last year. And major areas of agricultural trade are now in deficit. Our surplus in meat declined by \$1 billion. We have a deficit in livestock trade which reached \$1.5 billion last year. We had a deficit in vegetables and fruits of \$2.5 billion last year.

Now, let me talk just a for moment about China.

We have a trade deficit with China.

We did a bilateral trade agreement with China. I don't have any idea who negotiated that either, but the fact is it is a trade agreement that doesn't work. It works for them, but not for us.

After we negotiated a bilateral agreement with China, our negotiators agreed that following a phase-in period, we will allow China to have a tariff on automobiles that is 10 times higher on U.S. automobiles going to China than any Chinese automobiles sold in this country. We agreed we would allow China, a country that has a \$100 billion trade surplus with us or we in deficit with them, to impose tariffs on automobiles 10 times higher than the tariffs on Chinese automobiles sent to this country. I don't know who does this kind of negotiating. On whose behalf do they think they are negotiating?

We have a deficit in toys with China, \$14 billion in toys. The following Post article describes why. The title is "Worked Until They Drop; Few Protections for China's New Laborers."

This is a story about Li Chunmei, a 19-year-old. She was literally worked to death at a factory in China. They made stuffed animals for the U.S. marketplace. Let me read a couple portions of the article. This is a picture of that young lady.

On the night she died, they said, she had been on her feet for 16 hours running back and forth inside the toy factory carrying toy parts from machine to machine. Long hours were mandatory, and at least 2 months had passed since Li and other workers had enjoyed even a Sunday off—2 months had passed since they were allowed even a Sunday off. Her roommates had already fallen asleep when Li started coughing up blood. They found her in the bathroom a few hours later, curled up on the floor, moaning softly in the dark, bleeding from her nose and mouth. They called an ambulance and she died before it arrived. The cause of her death was unknown, but what happened to her last November in this industrial town in southeast Guangdong province is described by family, friends, and coworkers as an example of what China's more daring newspapers call *guolaosi*. The phrase means overworked to death. They actually have a phrase for being worked to death in China.

This is the playing field for international competition. Children being worked to death. This is what we are competing with.

Aside from this, the tragedy of this, the fact is, our market is open to Chinese goods. Shoes, shirts, trousers, trinkets, toys, every day and every way we are flooded with Chinese goods. But Chinese markets all too often are still closed to ours.

The Farm Bureau, a conservative farm organization, says the Chinese market is really no more open today than it was when China entered the WTO. The Farm Bureau has supported fast track, has been largely supportive of the trade approaches, but the fact is

they are critical of the implementation of China's WTO accession, saying:

At the end of [WTO] negotiations, China was a \$2 billion market. We expected substantial growth, but we haven't seen [it] because China hasn't done what it's supposed to do.

That is from Teresa Howes, senior director of trade for the American Farm Bureau. Good for them.

The bottom line is, our agricultural products aren't getting into China. Yet Chinese goods move into our marketplace all the time.

You don't have to travel to China to figure out why we have this kind of trade deficit. Go to Canada. Take a look at our wheat trade with Canada.

The fact is, we have a massive quantity of Canadian grain coming into our country sold by a monopoly, the Canadian Wheat Board, that would be illegal in this country, undercutting farmers, taking money directly out of their pockets, and you can't do much to stop it. We now do have a couple of trade actions, but it has taken forever to get them. I have no idea what the result will be, but the fact is, this has gone on for 8 to 10 years, and our farmers have not gotten effective action to stop it.

Our trade deficit with Europe I mentioned last week. We can't get American beef into Europe. We take Europe to the WTO. We go there and we win. Europe says: So what; it doesn't matter to us. We don't intend to let your beef in.

So our country ratchets up its backbone, stiffens its resolve, and we say: OK, you do that, we will stick it to you. And what does our government do? It imposes import duties on Roquefort cheese, goose liver, and truffles. That will scare the dickens out of the EU, won't it? We will take action against Roquefort cheese, goose liver, and truffles.

I would like to meet those officials in the trade ambassador's office. That was under the previous administration. I don't understand that at all. When will our country decide it is going to stand up for our economic interests?

How about trade with Korea? We have a very large deficit with Korea. Last year Korea sent us 618,000 automobiles. Do you know how many U.S. cars got into Korea? Two thousand eight hundred. Is it because Koreans don't like U.S. automobiles? No. It is because Korea has the strategy to ship their cars to the American marketplace and keep American cars out of theirs. What does that mean? That means jobs. We lose them. Korea gains them. Is it fair trade? Absolutely not. Shame on us for allowing it.

If you don't want to talk about cars and Korea, talk about potato flakes. We raise a lot of potatoes in my part of the country, potato flakes for confection foods. There is a 300 percent tariff on potato flakes to Korea.

I just don't understand how we continue to allow this sort of thing. How does it make sense for our country to allow this to happen?

What about Japan? In Japan we have had a trade deficit of \$50 to \$60 billion every year forever since I have come to Congress. It keeps going up. Fourteen, 15 years ago we reached a beef agreement with Japan. You would have thought we won the Olympics. The negotiators had fiestas and jubilation, and the Washington Post had huge stories about our beef agreement with Japan. Good for us. Our negotiators were on the ball. But nearly 14 years after the beef agreement, there is still a 40 percent tariff on every pound of American beef going into Japan. They don't have enough T-bone steaks in Tokyo; their market is closed. We can't get more in. We have a 40 percent tariff on every pound. That doesn't make any sense to me.

What is our country doing? We just sit around and chant a mantra, like a religious group on a street corner with a mantra: Free trade, fast track, free trade, fast track, the global economy.

The fact is, the global economy has moved forward much faster than the rules for the global economy. The result is that the American workers and farmers and businesses have been injured because of it. It is just a plain fact. There isn't anyway you can explain it away. A \$470 billion trade deficit in the year 2002 in merchandise trade cannot be explained away by anyone.

This is either a priority and crisis or it is not. If you believe it is—and I do—then this country needs to do something about it.

It is not to build walls around our country, but it is to say to the Europeans, the Koreans, the Chinese, the Mexicans, the Canadians, and others, we are open for business. Our market is open to you, but on the basis of fair trade. If your markets are closed to us, don't come to us asking for admission to our marketplace.

If you are going to work 14-year-old kids and pay them 15 cents an hour and work them all day, don't come to our marketplace. We don't allow it. This country fought for 100 years for the basic principle of a safe place in which to work, minimum wages, child labor laws, preventing dumping of chemicals into the streams and the air, the ability and the right to collectively bargain. All of these things were developed through great strife over a century. Now we have people deciding, we can fly our jet around the world and look down and find a more friendly place in which to produce, move our factory there, and not have to worry at all about those issues. And so they moved their factory—and, incidentally, some of those companies decided to renounce their citizenship as well, to become citizens of the Bermuda. Why? Why would they want to become citizens of the Bermuda? To save on their tax bill and not pay taxes in this country.

Bermuda has a navy that has the strength of 26 people; there are 26 people in the Bermudan military. My feeling is if a company renounces their

American citizenship to become a citizen of the Bermuda, the next time their assets are threatened anywhere in the world through expropriation, have them call in the Bermudan Navy; see if there is a Bermudan destroyer to move into the region. I don't think so.

What I want is for this country to say, yes, we are the leader in expanded trade, and, yes, expanded trade helps all in the world—but only if it is done on a basis that is not a race to the bottom, and on the basis that it brings everybody up.

The White House doesn't want to talk about it. The President won't talk about it. Neither did President Clinton. The Congress doesn't want to deal with it. Why? Because the minute you do talk about this, they say, well, you are raising this trade issue, you are some sort of xenophobic isolationist stooge who doesn't get it, but we get it; we all see over the horizon. They say, you don't understand the global economy.

What I understand is that when last year we imported \$470 billion or more in goods than we sent out, this country is obligated to repay that at some point with a lower standard of living. You can argue that our budget deficit is money that we owe to ourselves. You cannot argue that with a trade deficit. A \$470 billion trade deficit means we owe that liability to those living outside this country, which gives them a claim on this country's assets and a claim on a lower standard of living in the future for American citizens.

We must get at the business of solving this problem. I am not saying we should put walls around our country. I want our marketplace to be reasonably open, but I want us to be a leader in developing the basic rules of trade that are fair to this country's interests.

That has not been the case, regrettably. I wish I didn't have to make this speech. I made it repeatedly during the Clinton administration, and I will probably make it during the Bush administration because trade deficits are consistently going one way, and that is up. Jobs are consistently going one way, and that is out.

We were told by the economists in support of those who wanted NAFTA passed—and I voted against it—that what we will get from Mexico under NAFTA is the product of low-skilled labor. Do you know what we get from Mexico now, with the big trade deficit we have with them? We get the product of high-skilled labor. The three largest imports from Mexico are the products of high-skilled, not low-skilled labor: automobiles, automobile parts, electronics. They are all products of high-skilled labor. This is exactly the opposite of what economists and politicians said who pushed this fast-track NAFTA onto this Congress.

What we are doing now, having passed fast track over my objection in recent months, is once again negotiating new trade agreements. When those agreements come back to Congress, nobody in Congress will have any

opportunity to offer even one amendment to change an obvious problem in the trade agreement. I think that shortchanges this country. I hope very much the trade ambassador, for whom I have a lot of respect, but a great deal of disagreement with—I hope he and others in this town will understand, including my colleagues, that this is a very serious abiding problem for this country. We cannot ignore it.

This country ignores this growing trade deficit of nearly \$1.5 billion a day, 7 days a week, at its own peril. We must solve this problem, and the sooner the better.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

AMERICA'S TRADE DEFICIT

Mr. HOLLINGS. Mr. President, I thank our colleague from North Dakota because his words are music to my ears. He is a student of competition. He knows there is no such thing as free trade. It is only competitive trade. Every nation necessarily tries to build up its manufacturing, its production, its economic strength not only in finished products, but in agriculture.

The significance of the words of our distinguished colleague, Senator DORGAN, is that he is an agricultural Senator. For years, I have been trying, with the textile industry in my home State, to get some awareness of the fair competition in our textile industry, which is the most productive in the entire world. But since NAFTA, we have lost 58,100 jobs. As we have passed textile bills through the Senate over the past almost 37 years that I have been here, it has been the airline/aircraft industry that has been so strong. Well, Boeing is finally joining me. They have 7½-percent unemployment up in Seattle, WA, and Boeing is manufacturing in China. And our \$435 billion trade deficit also includes a deficit in agriculture. No one has been a better protector of the interests of agriculture than the distinguished Presiding Officer.

It is only the second time in our history that we have a deficit in the balance of trade in farm products. That is not news to this Senator from South Carolina. I remembered when we finally, just in the last few years, got a deficit in the balance of trade in cotton with China. So I understand it is going to all agricultural products.

We have the facts and figures. I am ready to join in the debate for us to start treating foreign trade as foreign aid. It was good that the Marshall plan worked, but now we have to rebuild our economy, and that is a very important problem.

But there is one more important thing, and that is this war in Iraq. What we are saying—and I talk advisedly—to that GI is this: Look, we want you to go into Iraq and we hope you come back home safely. The reason we want him or her to come back safely is not for their welfare, but for our welfare. We want them to come back

because we are going to give them the bill. My generation is not going to pay for it. The fellow fighting the war is going to have to pay for the war.

For the first time in the history of wars in the United States of America, we said the Army is going to war, but the country is not. The President is not going. The Congress is not going. Oh, we are going to wear that flag on our lapels. Yes, we are patriotic and we will give you patriotic talk anytime you want it.

But as far as actual support, let's find out what the record shows because I had to listen to Bob Novak, the distinguished columnist on TV, the other night when he said: How are we going to pay for it? Just like we did in Vietnam. We borrowed the money.

No, sir, we paid for Vietnam. I was in the room with George Mahone, chairman of the Appropriations Committee. We called over to Marvin Watson and said: Ask the President if we can cut another \$5 billion. He said cut it. Why? Because the President of the United States was very sensitive about guns and butter. He wanted to pay for both, and President Lyndon Baines Johnson paid for both. That is the last time we had a balanced budget in the history of this particular Senator being up here—back in 1968. Yes, we paid for guns and butter in Vietnam under President Johnson.

Let's go back to the Civil War.

I was amazed that President Abraham Lincoln instituted not only the income tax to pay for the Civil War, he instituted a tax on dividends. They have the unmitigated gall to say what we need now is a cut of all taxes on dividends when they were giving TRENT LOTT the bum's rush. The party of Lincoln, the party of Lincoln; that is all I heard on my TV at home. Where is Abraham Lincoln when we need him? He taxed dividends and instituted the income tax in 1861. They had to repeal it—they said it was unconstitutional—by 1870, but they paid for that war. They sacrificed.

When you have a mutual sacrifice, then we are all committed. I believe the country is going to war in Iraq, not just the army. I want to pay for it. I put in a 1-percent value-added tax to pay for that war, and I can't get a hearing before the Finance Committee.

I had a hearing before the Finance Committee when Lloyd Bentsen was the chairman. I brought in Dr. Cnossen, the expert who not only instituted that plan in Japan, the United Kingdom, and Canada, but knew all the ins and outs. He was my expert. He testified. As we were leaving the Dirksen Building that day, former Senator John Chafee turned to Chairman Bentsen and said: If we had a secret ballot, we would vote that matter out of the Finance Committee unanimously because we were beginning to run into these astronomical deficits as a result of voodoo 1 under President Ronald Reagan.

In World War I, we raised taxes to pay for the war. During World War II,