

don't think we ought to hinge that on the requirement that someone join an HMO.

I have been in the Chamber telling stories for 3, 4 years about what is happening to HMOs. Some of them are wonderful. But the construct of an HMO says to a senior citizen: By the way, here is your doctor. We will choose your doctor. You don't get to go to the doctor of your choice. Here is the doctor available for you. By the way, in too many circumstances, we have seen that in many of those organizations, major health care is a function of profit and loss.

I told the story, when we debated a Patients' Bill of Rights, about an HMO. A woman fell off a cliff in the Shenandoah Mountains. She was injured badly, had a long fall, broke many bones, had internal injuries. She was taken to a hospital in a coma. As she was wheeled into the hospital room on a gurney, there was a question whether she would survive. She did survive. It took a long while. Month after month, she finally convalesced and survived.

Her HMO told her: We will not pay for your emergency room treatment because you didn't have prior approval for emergency room use.

This is a woman hauled into the emergency room in a coma and was told: You don't get paid for the emergency room because you didn't get prior approval. Is that nuts? Of course it is. That is exactly what happened to this woman because somebody was looking at her in terms of profit and loss. That is not the way someone's person or body should be presented in the medical system. This is not profit and loss. It is about saving lives.

To say to senior citizens we will help them with the cost of prescription drugs but only if they go into an HMO or a managed care organization does not make much sense to me. This Congress can do better than that. We must do better.

TRADE DEFICIT

Mr. DORGAN. Mr. President, I also want to mention something I talked about yesterday. That is on the subject of the trade deficit. My colleagues know that we face a fiscal policy budget deficit of well over \$400 billion this year, and we also face at the same time the largest trade deficit in American history, \$470 billion; over \$400 billion in our budget deficit and \$470 billion in our merchandise trade deficit in the past year. That is nearing \$1 trillion in combined deficits for our country.

I don't know. I thought that we were about to enter a period of fiscal responsibility. Two years ago we had what was alleged to be surpluses as far as the eye could see. It was good times; following the 1990s, budget surpluses nearly forever. The fact is, now we see budget deficits that exhaust all of our patience as far as the eye can see; spending money we don't have, in some cases on things we don't need, year

after year after year. It won't go away because we ignore it. We ignore it at our peril. We ought to deal with both.

We are preparing for armed conflict. Our thoughts and prayers go with those who wear this country's uniform. We face severe and stiff challenges in foreign policy with North Korea, Iraq, the threat of terrorism against our homeland, and the war against terrorism abroad.

At the same time that exists, we have an economy that is stuttering and in trouble. Then we are told that on top of fiscal policy, budget deficits of over \$400 billion in this year, at a time when we increased defense spending by \$45 billion, increased homeland security spending by over \$30 billion, we are told at the same time by the President that he wants a tax cut of \$675 billion over the next 10 years on a permanent basis.

I don't understand how that adds up. Then, in addition to that fiscal policy dealing with the Federal budget, we have these abiding trade deficits. Those deficits at their root are about jobs.

It is about jobs that used to be here that are no longer. Millions of people are out of work and their jobs are elsewhere. We have a large trade deficit with China. Most people don't know that our trade deficit with China is now over \$100 billion a year. China sends us all their trinkets, trousers, shirts, shoes. They flood our market with Chinese goods. Then we try to get goods into China, and their markets are not very open to ours.

Our trade negotiators negotiated an agreement with China and everybody said we have a bilateral agreement with China. I don't know who negotiated it. I would love to get names and pictures so I could give them credit. They apparently, in a room with the Chinese, negotiated a circumstance that said, in the future, when we have trade with automobiles from the United States and China—and incidentally this is a country with 1.3 billion people who will need a lot of cars—when we have an agreement with China on the trade of automobiles, we will agree, our negotiators said, to allow China to have a tariff that is 10 times higher in China on automobiles than we will have on Chinese cars coming to the U.S.

Our Government said: We will agree to have a tariff on U.S. cars being sold in the country of China that is 10 times higher than the tariff that would be imposed on a Chinese car sold in the United States. Does that make sense? It doesn't.

My point is, the root of all of this is about jobs, about economic opportunity. Our economy is not going to get well unless it has some resurrection of strength in the manufacturing sector. We are, every day in every way, trading away manufacturing jobs.

The trade ambassador said: We are losing manufacturing jobs, but we have cable television.

I don't understand that at all. Where does a statement like that come from?

We lose some manufacturing plant and pick up some cable television signals? Good for cable television. But the fact is, it is not a replacement for manufacturing. No country will remain a strong international economic competitor if its sector dissipates. That has been happening.

I talked yesterday about the workers abroad with whom American workers are required to compete: Those who make 14 cents an hour—and, yes, they do—at age 14, working 14 hours a day—yes, they do employ those people in some parts of the world. Then the product of their labor is sent to Pittsburgh, Denver, Los Angeles, Fargo, Topeka. It goes on the store shelf, and it is all about profit.

People say: Isn't that wonderful for the consumer to have a lower priced product? It is not such a lower priced product. It is just that the people who used to have the income to buy it lost their job when the plant went overseas.

I also made a mistake yesterday. I mentioned the companies that renounced their American citizenship to save on taxes. They not only moved their plant overseas, but they renounced their American citizenship so they could save on taxes. I talked about them becoming Bahamian citizens. I should have said Bermuda. I guess some of them become citizens of the Bahamas, but it is more typical that they became citizens of Bermuda. The Bahamas has a navy with 26 people—I guess that is the Bermuda Navy. I want to correct that. The Bermuda Navy has 26 people.

So if an American company that wants to become a citizen in Bermuda and renounce its citizenship runs into trouble someplace, and some disparate country out there decides to expropriate the assets of this company that used to be American, but is now Bermudan, my feeling is, when they say let's call out the navy, I think they should call Bermuda and say call out your 26-member navy.

One of these companies actually had one ship grounded on a sand bar near Cuba. Would you please call out the navy to help? That is what we ought to tell them to do the next time they need assistance.

We have public policies both in fiscal policy dealing with the Federal budget and in trade policies that are in desperate need of attention. There is no attention paid to it at all at this moment, except for some of us in the Congress who want to see if we can do a U-turn on some of these policies and put us back on track towards more economic growth and more jobs for this country. The sooner we get to that real debate, the better.

This economy of ours can't run on paper. It can't run on promises. This economy needs a shot in the arm by a Congress that is willing to stand up to these issues and say: Our fiscal policy doesn't add up.

I come from a very small school. My senior class was 9; 40 kids in all four

grades of high school in a town of 350 people that I came from. But there is only one way they teach math. They taught math the same way in that small school they teach it in the biggest and best school in the United States. That is, 1 and 1 equals 2, not 3.

I studied hard and I learned that. Some in this town with advanced degrees have decided that 1 plus 1 is 3. In fact, you can find it in the budget documents. The fact is, the American people all understand it is a mirage. None of this adds up. This is a tough time and it requires tough choices. I wish it weren't. I wish it was a time when we had unparalleled economic growth, when the economy was rebounding, the stock market was moving up, and everybody was employed. But the fact is that is not the case.

We face serious, abiding economic challenges. This President needs to send a program to this Congress and this Congress has a requirement, it seems to me—if this President won't act, the Congress has a requirement to act to say we need to put this country back on track. The current circumstances simply do not add up.

I used to teach economics in college for a couple years. Everyone talks about the business cycle. We have been hit with things in this economy that are pretty unparalleled. Some of us warned about this 2 years ago when the President proposed a \$1.7 trillion tax cut. Some of us said maybe we ought to be a little conservative here. What if the bottom falls out and we run into tough times, or turbulence, or get some bad economic news? They said not to worry. We have blue skies as far as you can see, straight ahead—budget surpluses forever, the President said. We passed that—not with my vote—long-term permanent tax cut, and then immediately we found out we were in a recession. We got hit with the terrorist attack of 9/11, and we were at a war with terrorists; and we now have the largest budget deficits we have seen. We had the largest corporate scandals in history. All of this is coming together at the same time, at the same intersection, and the budget surpluses turned into deficits, and the deficits got bigger and bigger.

The President says the antidote is to give more tax cuts and make them permanent. It seems to me he requires all of us to say we all like tax cuts. It would be nice if nobody had to pay any taxes. Count me in. I expect my constituents would appreciate the fact they would not have to pay taxes. Part of the cost of what we do together as citizens in building roads, schools, and providing for the common defense—part of the cost of that is the taxes we must pay. What the President is proposing in his budget is, by the way, let's be a bit short next year—about \$400 billion short—and we will charge it over to the kids. We will let the kids assume that role of paying for it. We will consume more than we are willing to raise, and we will let the kids pay it

off some time later. That doesn't add up, either.

By the way, the President also says, well, the economy is fundamentally sound, we don't need to do much right now in terms of stimulus. The fact is, when we teach about the contraction and expansion side of the economy in the business cycle, you teach about confidence. The expansion and contraction side of the business cycle is all about confidence. If people are confident in the future, they do the following: Buy a house, buy a car, take a trip. They do the things that manifest their confidence in the future because they have a job and they feel good about the future. And that confluence of individual acts around the country creates the expansion side of the business cycle. But when they are not confident about the future, they do the opposite. They defer the purchase of that appliance for their home, or that automobile they were looking to purchase, or the home, or the trip. When they defer that purchase, the economy contracts. It is all about the confidence with which the people view the future.

At the moment, the people are not confident about the future. There is not a lot we can do about the mechanics of the economy, because now the lead stories are about war, so there will never be confidence until we get through this period. We cannot ignore what is happening in our country with fiscal policy, trade policy, and a whole series of issues that some apparently feel we should pretend are all right but, in fact, are not all right—are seriously amiss.

That brings me back to the point I started with. The agreement that will be on the floor of the Senate this week dealing with the Moscow Treaty is just another piece of pretend policy. Everybody will vote for it. Why wouldn't you? What is wrong with it? But it does nothing. It says the U.S. and Russia are going to reduce the number of nuclear weapons, not by getting rid of them, but by putting them into storage. So what does that do to make the world safer? The answer is nothing. Most people know it.

There is the other piece of responsibility that is required—yes, of this President and of this Congress—and that is to provide world leadership and reduce the number of nuclear weapons, reduce the threat of nuclear war; and stop the spread of nuclear weapons around the world. It is the President's and our responsibility here in Congress. We ought not to pretend that we are taking action that really has very little impact with respect to fiscal policy, trade policy, nuclear arms control policy, because that will not ensure the future of this country and will not give our children confidence about the future of this country or this world.

So, Mr. President, my hope and expectation is that we can make tough decisions and come together and decide, yes, if it is heavy lifting, it requires all of us to do it together. I am

tired of "let's pretend." That is what is happening all too often both at the White House and also here in the Congress. Let's pretend on nuclear arms policy. Let's pretend on fiscal policy and trade policy. That, in my judgment, is a foolish approach. We need to do better.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. It is my understanding that morning business is going to end in a couple minutes; is that right?

The PRESIDING OFFICER. In about 2 minutes.

Mr. REID. Mr. President, I direct a question to my friend from Virginia. The Senator from Virginia is here and wishes to speak; is that right?

Mr. ALLEN. Yes, on the issue of Miguel Estrada.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF MIGUEL A. ESTRADA, OF VIRGINIA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE DISTRICT OF COLUMBIA CIRCUIT

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session and resume consideration of Executive Calendar No. 21, which the clerk will report.

The legislative clerk read the nomination of Miguel A. Estrada, of Virginia, to be United States Circuit Judge for the District of Columbia Circuit.

Mr. REID. Mr. President, before my friend starts, we have other people who wish to speak who can come this afternoon. I am curious as to roughly how long the Senator wishes to speak.

Mr. ALLEN. I suspect 15 to 20 minutes.

Mr. REID. I thank the Senator.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Virginia.

Mr. ALLEN. Mr. President, I rise once again to support Miguel Estrada's nomination to serve on the United States Court of Appeals for the District of Columbia. Miguel Estrada is being treated unfairly by Senators on the other side of the aisle who continue to practice such blatant obstructionism in an effort to score petty partisan points. Indeed, the obstructing Senators are shirking, in my view, their duty by avoiding a vote on this gentleman, Miguel Estrada, who was nominated 22 months ago by President Bush.

This is not mere payback; it is an escalation in a bitter battle by the Senate Democrats to keep judges off this court who properly construe the Constitution and respect the laws duly enacted by the elected legislature. That is disappointing, and it is dangerous.