SENATE—Tuesday, July 27, 1999

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. Thurmond].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, we echo the Psalmist’s prayer as we begin this day: “Be merciful to us and bless us, and cause Your face to shine upon us, that Your way may be known on earth.”—Psalm 67:1-2.

Father, You have already answered so much of this prayer. You have been merciful in the abundance of Your blessings and Your unmerited grace. You have forgiven us when we have failed, and You have given us new beginnings. Most of all, we praise You for Your smiling face that gives us confidence and courage. We are moved by the reminder that in Scripture the term “Your face” is synonymous with Your presence.

Praise You, Lord, for Your desire to be with us and to share in the struggle for progress. You give strength and power when we seek Your will and desire to do Your desires. We humble ourselves as we begin this day. We want nothing to block Your blessing. We relinquish any self-serving spirit or agenda that would diminish our ability to be blessed or to be a blessing to our beloved Nation. Give us clear minds to receive Your guidance and courageous voices to speak Your truth. Amen.

PLEDGE OF ALLEGIANCE

The Honorable Chuck Hagel, a Senator from the State of Nebraska, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. Hagel). The distinguished acting majority leader is recognized.

SCHEDULE

Mr. GORTON. Mr. President, today the Senate will be in a period of morning business until 30 o’clock. Following morning business, the Senate will begin consideration of any available appropriations bills. Amendments are expected to be offered, and therefore Senators can expect votes throughout the day’s session legislative.

For the information of all Senators, the Senate is expected to begin consideration of the reconciliation bill during Wednesday’s session of the Senate. That legislation is limited to 20 hours of debate, and therefore it is hoped the Senate can complete action on that bill Thursday.

I thank my colleagues for their attention.

MORNING BUSINESS

Mr. CAMPBELL. Mr. President, are we in morning business?

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business for not to exceed 30 minutes with Senators permitted to speak therein for up to 5 minutes each, with the time equally divided in the usual form.

The Senator from Colorado is recognized.

Mr. CAMPBELL. Mr. President, I yield the floor. 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. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. I ask to be recognized in morning business.

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

The Senator from Illinois is recognized for up to 5 minutes.

TAX CUTS

Mr. DURBIN. Mr. President, during the course of this week, we will debate in this Chamber one of the most important issues in terms of the future of our economy.

Most of us can remember it was not that many years ago that the Federal budget was swimming in red ink. My Republican colleagues when it came to the floor of this Senate 2 years ago begging for the passage of a constitutional amendment to balance the budget. They were so distraught and dependent over deficits that they said the only way to bring this House into order was for us to have the Federal courts impose their will on Congress: The Federal courts must stop Congress from spending. The so-called balanced budget amendment failed by one vote.

There were great tears shed on the floor of the Senate by Republican Members and even a few on the Democratic side that we had missed the opportunity to end the era of deficits.

Barely 24 months later and how this world has changed. We are now in the world of surpluses, or at least anticipated surpluses. President Clinton’s deficit reduction plan of 1993 accounts for about 80 percent of this deficit reduction and surplus creation, and the other part came from bipartisan agreements since that time.

My Republican colleagues have shifted from this debate about amending the Constitution, saying we are so awash with money in Washington that we have surpluses to be given back to the American people in the form of tax breaks, primarily for the wealthiest of Americans.

Many on the Democratic side take a more conservative view. It is hard, I am sure, for our Republican friends to stomach this, but we are the conservative party when it comes to fiscal issues because we believe if there is to be a surplus, it should be dedicated first to making certain Social Security is strong for decades to come; second, to make certain Medicare receives an infusion of capital so we don’t see an increase in premiums or a reduction in services; and third and most important, buy down the national debt.

This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
We can speculate for hours on end on the floor of the Senate about the state of America and its economy. However, certain hard-prepared words are obvious. We have more than $5 trillion in national debt that costs $1 billion a day in interest. We have a Social Security system that needs money. We have a Medicare system that does, as well. We should take care of those three items before we go off on some lack of spending $1 trillion in tax breaks for wealthy people.

One might expect to hear that from a Democratic Senator and expect to hear the opposite from a Republican Senator because that is the nature of this debate. I appeal to the American people to step back for a second and look for a credible, objective arbiter. Let me make a suggestion: Alan Greenspan, Chairman of the Federal Reserve Board, has been one of the Clinton administration with bringing about the economic prosperity that has brought down inflation, increased employment, increased the number of new businesses, increased housing. What does Alan Greenspan say about the $1 trillion tax cut? He says it is not wise, not good policy. He said there may be a time in a recession when a tax cut makes sense but to put this tax break for wealthy people on the books now is to fuel an economy too much, to create inflationary pressure.

What would be the response of the Federal Reserve Board? Obviously, raise interest rates. What happens when interest rates are raised? The cost of a mortgage payment goes up for people who have an adjustable rate mortgage. People who have equities in mutual funds for retirement find those equity values falling as interest rates go up. Chairman Alan Greenspan, the objective arbiter, says to the Republican leadership from New York. We have not run into such economic doubletalk and for Medicare. The world is almost being turned upside down. I plead with the CBO Director to get his bearings. I have never seen CBO act in such a wild and almost irresponsible way. We know that large caps are going to be lifted. What did the Republican leadership do in the House yesterday? They passed another emergency bill. Last week, the census was an emergency, not contained in the budget. The world is almost being turned upside down. I plead with the CBO Director to get his bearings. I have never seen CBO act in such a wild and almost irresponsible way. We know the large caps are going to be lifted. What did the Republican leadership do in the House yesterday? They passed another emergency bill. Just yesterday there was an emergency, another $5 billion. They are going over the budget caps. CBO says they won't; it will go to debt reduction. It is absolutely awful.

CBO is one of the few compasses we have as we sail through these new economic waters. For them to get so partisan and so off base by making an assumption that is virtually laughable, I plead with the head of CBO to reexamine his statements. To say a $1 billion tax cut will reduce the deficit more, or a $700 billion tax cut will reduce the deficit more than a $300 billion tax cut, with most of the remaining going to be put aside for debt reduction to help the Medicare system is absurd. I ask the Senator from Illinois his view of what CBO is doing. When we lose our moorings, when we lose our lodestars, when the whole debate becomes entirely political, we are in trouble.

Mr. DURBIN. I agree with my colleague from New York. We have not run into such economic doublespeak and gobbledygook since the days of the appropriately named Laffer curve. I yield to the Senator from California.

Mrs. BOXER. I thank the Senator for yielding. One of our great historians said those who don't learn the lessons of history are condemned to repeat it. We are about to repeat the same kind of mistake that was made 20 years ago. We have an economy that is moving along smartly and well. We have inflation in check. We have job growth. Americans are prosperous and happy.

All of a sudden, almost with happy recklessness, the other side wants to blow all this away. In 1981, we passed a huge dramatic tax cut. What happened? Interest rates went through the roof. Unemployment rates went from 4 or 5 percent to 7, 8, or 9 percent. Americans were out looking for work. It took an entire decade to rectify that.

Adding insult to injury, not only is this idea reckless in terms of the soundness of our economy as my colleague from Illinois has brought up and as Alan Greenspan stated, now we have CBO, which has always been known as a bipartisan, careful agency, saying this huge tax cut is very wrong, as every major economist that I have read about has also said he should be done when we move into recession if God forbid, we do but not now.

CBO says this balances the budget better than saving the money and putting it aside for debt reduction and for Medicare. The world is almost being turned upside down. I plead with the CBO Director to get his bearings. I have never seen CBO act in such a wild and almost irresponsible way.

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Mrs. BOXER. I thank the Senator for yielding. I want to join in on the CBO question. I have gotten to the point where I don't listen to any bureaucratic, Nobel Prize-winning economists. They are saying the Republican plan is risky and dangerous. Many signed a letter. I am going with them.

We cannot trust the CBO anymore. I want to ask my friend about the tax break and the question: Is this fair? The Senator has an important chart. I found out yesterday under the Republican Senate plan anyone earning $1 million a year gets back $30,000 each and every year in a tax break, while those at the bottom hardly get anything.

I want to pose a question to my friend from Illinois. A millionaire gets back $30,000. That equals the average income of an average citizen. In other words, a millionaire gets back as much in a tax cut as the average American, who gets up every day and goes to work for 8 hours a day, earns in a year.

I pose the question to my friend: Is this fair?

Mr. DURBIN. I think the Senator from California has once again identified the Achilles' heel of Republican tax policy. They just cannot help themselves. Whenever it comes time for a tax break, they always want to give it to Donald Trump. I think Mr. Trump is doing well. I think Mr. Gates is doing very well. I don't think they need a tax break to be inspired to go to work tomorrow. The Republicans insist that is the case.

Look what it does: For the top 1 percent of wage earners in America, the Republican plan, the Republican tax breaks give an average of almost $25,000 a year. Of course, for those bottom 60 percent, people with incomes below $38,000 a year, they receive $139 a year.

The Republicans say: Wait a minute, the rich are paying all the taxes; they should get the tax break; it should come back to them. Yet when you look at it, they are taking them at the expense of working families who are concerned about the future of Social Security, concerned about the future of Medicare, and want to make certain we keep up with our basic commitments to education and environmental protection.

The PRESIDING OFFICER (Mr. BUNNING). The Senator's time has expired.

Mr. DURBIN. I thank the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I ask unanimous consent to have the time extended to 10 minutes.

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

SNAKE RIVER DAMS

Mr. GORTON. Mr. President, Senators from the Northwest are sometimes frustrated in trying to get our