

SENATE—Wednesday, July 25, 2001

The Senate met at 9 a.m. and was called to order by the Presiding Officer, the Honorable HILLARY RODHAM CLINTON, a Senator from the State of New York.

PRAYER

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

God of Hope, fill us with Your Spirit of hope so that we may be positive communicators of hope to the people around us and in the ongoing business of the Senate. Bless the Senators with a fresh draught of dynamic hope. May their hope be more than wishing, yearning, or surface optimism but hope that has its source and strength in Your faithfulness. You gave birth to the American dream, You watched over our growth as a nation with Your providential care, and You intervened in crises and strife to turn our struggles into stepping stones toward Your vision of a nation of righteousness, justice, and opportunity. We have every reason to be hopeful as we deal with the momentous and mundane issues this day will dish out. Give the Senators the zest, verve, and vitality of authentic hope today. For them and all of us who work with or for them, we pray that You will hope through us, God of Hope. Only then can we experience the deep wells and living streams of true hope for everyone and every problem, every circumstance and every situation. With vibrant hope we press on with expectation and enthusiasm. Amen.

PLEDGE OF ALLEGIANCE

The Honorable HILLARY RODHAM CLINTON 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.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 25, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HILLARY RODHAM

CLINTON, a Senator from the State of New York, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mrs. CLINTON thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for up to 10 minutes each.

RECOGNITION OF THE ACTING MAJORITY LEADER

The Senator from Nevada is recognized.

ORDER OF PROCEDURE

Mr. REID. Madam President, I ask unanimous consent that the minority have their full 30 minutes this morning and that the majority also have their full 30 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. REID. Madam President, there will be 1 hour of morning business today, with the first 30 minutes under the control of Senator HUTCHISON. For the second 30 minutes, Senator DURBIN will speak from 9:30 to approximately 9:45. The final 15 minutes of the majority's time will be consumed by Senator WELLSTONE.

Shortly after 10 a.m., the Senate will resume consideration of the Transportation Appropriations Act. The majority leader has indicated there will be rollcall votes on amendments or other matters throughout the day.

In addition, as the leader announced last night, the Senate will likely consider several Executive Calendar nominations and S. 1218, the Iran-Libya sanctions bill. As a foundation from the prayer of the Chaplain where he said we should go forward with zest, verve, and vitality, I am not sure I can define each of those, but they sound

really good. I hope we can move forward expeditiously and complete our work prior to the target adjournment next Friday—a week from this Friday.

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized for 30 minutes.

TAX REBATES

Mrs. HUTCHISON. Madam President, I rise today to talk about the tax rebate checks that started going in the mail this very week. In fact, I have already talked to someone who has received a tax rebate. It made me feel so good to know that something we have worked so long to do and so hard to do is now beginning to reach the American people.

I think it is a very timely opportunity for the American people to have a little extra money in their pocketbooks, to be able to do some of the things that maybe they weren't going to be able to do, and also, hopefully, to help spur this economy that is certainly in a stagnant phase.

We are very excited that July 23 is the week that the first set of checks go out. They will be going out between now and the end of September. And everyone who paid taxes last year will receive a rebate. If you paid taxes and you are a single person, you will receive \$300. If you paid \$300, you will receive \$300 back. If you are a single person who is the head of a household—a single mom or dad—you will receive \$500 in the mail. If you are a married couple, you will receive \$600 in the mail if you paid taxes and if you filed your taxes for 2000. Starting July 23, those checks will be in the mail during the course of the next 2 months.

Now, we are very hopeful that people will be able to take this money and do something that they might not have been able to do otherwise. It might be just helping buy the children back-to-school supplies or clothes or shoes; it might be a little added something for a vacation—if you are getting your check in time for vacation, or maybe you are planning on doing it. It could be investing for your pension. It could be that little added bonus of \$300 or \$600 that you would put into retirement. Whatever a person does with their money will help the economy because it will be an investment—an investment in something for use today or an investment in something for use over the next few years. All of that will be helpful. We are looking at layoffs being advertised in the newspaper now, so people are needing that little extra boost in many ways.

I think it is just a great opportunity to say that we do have a surplus in our Government. We are doing the job that we were elected to do in a responsible way by covering the expenses that we know we must cover—expenses such as a strong national defense, expenses for Medicare and Social Security, expenses for the welfare needs for our country. A lot of money is going into education. We are increasing education spending by 14 percent.

But there is still money left over because we have been careful with our taxpayer dollars, and we thought that the people should share in that surplus. They created that surplus and they should share in it. They pay for it. The taxpayers of our country fund the Government, and when we are efficient, we think the taxpayers who pay the bills should get the return.

We are very proud of the fact that the checks are starting to come in the mail today and people will start seeing they have money coming.

I am proud all of us in Congress have come together to do this, and I am very pleased this rebate is just the beginning. In fact, we are going to see rate cuts. Many people who have taxes withheld will see their withholding has gone down 1 percent. So less is being taken out of their paycheck. They will be paying fewer taxes next year and every year for the next 10 years.

Over the next 10 years, we will gradually decrease the marriage tax penalty. This is a tax that hits married couples where there are two working spouses and they pay more in taxes because of a quirk in the Tax Code, and we are eliminating that quirk or at least we are whittling it away. We have not totally eliminated it, but hopefully we will get to do that someday as well.

We are lowering the marriage tax penalty. We are going to eliminate the death tax, a tax that I think is the wrong approach. If one is seeking the American dream, we want them to keep the money they earn and we want them to be able to pass it to their children if they choose to do that. We certainly do not think Uncle Sam should tax a person's death, and we especially do not want people to have to sell assets—small business assets or property—in order to pay the death tax.

There is more coming. The downpayment is in the mail today, and we are very proud to be able to talk about it.

I thank the Chair. I yield the floor to the Senator from Missouri.

Mr. BOND. Madam President, my sincere thanks to my colleague from Texas for giving us that fine overview of what is happening this week. I am very happy to report I had the pleasure last Friday of joining my colleague from Kansas, Senator BROWNBACK, and several Members of the House, in a trip to Kansas City, MO, with the Vice President and the Secretary of the Treasury, Paul O'Neill.

We went out to see a fascinating operation, not well-known, the Federal Financial Management Service branch of the Treasury in Clay County, North Kansas City. There the men and women who work for the Treasury Department's FMS are turning out 1.2 million checks a day. They print the checks, they put them in envelopes, they sort them by ZIP Code, and they are ready to go out the door. They do the whole process there. There are 1.2 million checks a day going out.

I do not happen to have the lowest last two digits in my Social Security number, so mine will not be coming for several weeks, but it was thrilling to see a promise made and a promise kept.

That is one of the things the Vice President talked about, and the President joined us by videotape to emphasize the fact that last year he said we needed a tax reduction, and he delivered. He delivered with help from a Republican Congress, and we also thank those on the other side of the aisle who joined with us to make it a bipartisan push to get the bill passed ultimately, and three Members from the other side of the aisle who stayed with us on the very difficult votes to make sure we did not lose any more from the amount promised by the President.

The President signed the Economic Growth and Tax Relief Reconciliation Act of 2001 on June 7, and we are seeing literally the checks in the mail. It is a change from the old laugh lines from the Federal Government: I am here to help you, and the check is in the mail. This time we are from the Federal Government, the checks are in the mail, but we are returning your money. This is not somebody else's money you are getting.

This act provides the largest tax cut to the American people since 1981, and not a moment too soon given the economic slump we are currently enduring.

There has been a lot of talk about how maybe, with the economy slowing down, we cannot afford a tax cut. Let me tell my colleagues and anyone else who is interested that whether you are a supply-sider or a Keynesian, there is no better time for tax relief to get the economy moving by leaving money in the hands of those who earned it and allowing them to spend it and invest it. My colleague from Texas told us about the many different uses these tax rebates can be put to, but putting that money back in the hands of the hard-working Americans who earned it is the very best thing we can do to get the economy growing again.

We saw what happened when the Republican Congress pushed through a capital gains reduction about 4 or 5 years ago. No. 1, despite the gloomy predictions of many old-line liberal economists, receipts to the Federal Government did not go down. In fact, they went up because more people un-

locked the investments they had locked away with large capital gains built up and they sold those assets, generating revenue for the Federal Government. More important, they invested in the economy, in the information technology that kept the economy growing through much of the remainder of the 1990s.

Alan Greenspan, who is no wild-side, born-again, anti-government conservative, had been preaching to us on the Budget Committee, the Banking Committee, and anybody who would listen to him that we needed to start reducing the debt.

With the Republican takeover of Congress in 1994, we did force through a balanced budget. We did bring spending under control. We are starting to bring the debt down. We have provided the incentive for the economy to grow with a capital gains tax reduction, and we generated more revenue with that tax reduction.

Late last fall, when Alan Greenspan came before us, he said: The time has come to start giving money back to those who earned it. Tax rates are too high. We need to continue to move to reduce the debt, but we have threatened to build up such a surplus, because of the excessive taxation imposed on this economy in 1993, that we are going to be in a position where we will put a stranglehold on the economy and potentially have the Federal Government buying up private assets, i.e., nationalism or socialism, if we do not start leaving more money in the pockets of hard-working Americans. So we began the process promised by President Bush of reducing taxes.

It turns out that not the recession officially but the downturn that was forecast by the stock market in March of last year, and which really began to take effect this quarter a year ago, which really accelerated during the winter, was getting worse, and the tax relief that President Bush promised was not only a matter of fairness for American taxpayers but it was a vitally needed boost for the economy.

When there is an economic downturn, the worst thing that can be done is to raise taxes. Herbert Hoover had a depression named after him because when he saw the economy turn down, he said: We have to maintain the surplus. So he jacked up taxes and tariffs, and he led the United States to take the world down into a worldwide depression.

I hope we have learned. I hope we have learned we can tell those naysayers who say, oh, my gosh, we have an economic downturn so we have to raise taxes, that is the dumbest thing we can do. There is very rarely a time when we will see fiscal policy being an accurate, effective counter-cyclical measure.

This is the time to put money back in the pockets of hard-working Americans who have earned it. I am very

proud to have been one to support that tax cut all the way.

The rebate checks are going out, the child tax credit will increase, the marriage penalty will be reduced, educational savings improvements will be made. For Missouri small businesses, the devastating impact of the death tax will be reduced, and there will be incentives for helping people fund their retirement.

There is more to be done. I look forward to working with my colleagues to assure that permanent tax relief, that this measure is made permanent, and that we have a more fair, simpler, and flatter Tax Code. We are working to fulfill the promise that President Bush made. I am proud to have been part of it. I look forward to continuing to work on that team.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mrs. HUTCHISON. I thank the Senator from Missouri for talking about his trip with the Vice President, and once again emphasizing a promise made is a promise kept. I thank the Senator from Missouri.

I yield up to 5 minutes to the Senator from Idaho.

The ACTING PRESIDENT pro tempore. The Senator from Idaho.

Mr. CRAIG. Madam President, I thank my colleague from Texas for bringing this issue to the floor this morning and allowing time to talk about what is going on in the mailboxes of Americans today. The rebate checks are coming home.

A week and a half ago I was in Idaho walking across a street in a small town. A lady yelled across the street at me: When am I getting my check?

True story. It happened. I said: They will be mailed out in a week and a half. What are you going to do with your check?

She says: I have four kids and we are going to Wal-Mart to buy school clothes.

That is the message that is coming home to America today. President Bush recognized that hard-working Americans were being taxed at the highest level ever in our country's history. He worked with us, we supported him, and as a result, when someone says today "the check is in the mail," literally it is happening.

This week, America's taxpayers began to receive the rebate check we promised them, that President Bush promised them, that began to pull down the surplus and keep money out of the hands of Government and return tax dollars to the hard-working American families who sent them here in the first place.

In Idaho households, over 380,000 checks will arrive between now and September 24. That represents \$167 million to Idaho. That is a lot of money in our State. We are a small State. We

have 1.2 million citizens. That is going to have a phenomenal impact on the Idaho economy. Nationally, that is 91.6 million taxpayers and about \$39 billion.

This time, I am proud of what we have done as a Congress. Congress did it right. Tax relief is reaching the people at the right time. It will boost their confidence in the economy and their Government. I think it will restore a little financial freedom when they need it. I think you must always recognize with hard-working families, mom and dad both working, if they have children, and of course they want children, that is a very important but very real expense.

Just like that lady in Blackfoot the other day who said, "I'm going to Wal-Mart and buy clothes for my kids," Americans will spend it; they will save it. I don't care about all the great speculation and debate that Americans are not going to save it and it isn't going to help the economy. Speculators, frankly, I don't care. It is the citizens' money that is being returned to them and they will do a little bit of both with it. I think it is important we recognize once the money is in the hands of the American working family, politicians can't direct it or, more importantly, misdirect it.

The moms will go to Wal-Mart and buy clothes for their kids. It may pick up a good number of tankfuls of gas. It may well put food on the table or it might go into someone's savings account. That is what it is all about.

I heard some critics try to disparage or make fun of the rebate, saying it is only \$300 or \$500 or \$600. To some families, getting a \$600 check in the mail can make all the difference in the world about some of the choices they will make this late summer or fall. It may well be the price they pay for a little additional vacation they had cut short because of the energy bills and the higher gas prices that they were going to be paying this year. That is what a tax rebate is all about. Anyone who ridicules the rebate, my guess is they have lost touch with the American people and the hard-working men and women who get up every day and go to work and spend 8 or 10 or 12 hours at work and pay their taxes because they think that is the way good Americans ought to function. Many do it, and thank goodness they do it. Now we are able to reward them just a little bit.

My advice to the naysayer: If you don't need the rebate, give it back to the Treasury. Give it to a charity. Do something with it other than spend it on your family or save it because it is your money and we have guaranteed you the freedom to make that choice.

By the way, the Treasury Department has always had a fund to receive contributions. So those who do not like the tax cut, give it back. Those who find it valuable, spend it and enjoy it. It is your money. The check is in the mail.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mrs. HUTCHISON. I thank the Senator from Idaho. I appreciate all the work he has done to make this tax relief package a reality. He has been working on it for a long time. He is one of our leaders and we appreciate his keeping the promises he made to the people of Idaho in helping every American have a little more money in the next 2 months to spend on the needs that he described, such as the mom of four children going to Wal-Mart to buy the clothes for her children to start school.

Now, Madam President, I yield up to 5 minutes to Senator Thomas from Wyoming.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

Mr. THOMAS. Madam President, I thank my friend, the Senator from Texas, for this time.

It is important we talk a little bit about some of the things that have been done and the impact we will see immediately. This is unique. I cannot recall it ever happening this way before, where there were excessive dollars available that came in, and more taxes than were necessary to carry out the essential elements of Government. There was a need for an economic boost and there is. So we took this opportunity to return some of this excess money to the people who have paid it.

That is a basic issue and one we deal with quite often. That is a difference of philosophy in terms of how we handle money. Obviously, everyone agrees there has to be a sufficient amount of money to take care of the necessary functioning of Government, although there is a difference in view of what the functions would be. There is also a philosophical difference among those who would say we have money, so let's increase the role of Government; let's spend more and have more programs. Others say, wait a minute, let's try to keep the role of Government limited and return this excess money to the people who paid it. That is what this is.

It is a very basic issue, one that is philosophical but it is the right thing to do.

I hear this business, from time to time, about millionaires are going to get \$300 a day. How many people do you think, of all the taxpayers who are going to get a check in the mail, are millionaires? The people I have seen are not millionaires, the people who are going to get some of the money they paid. All taxpayers who have paid their dollars will reap some benefits from this distribution.

That is what it is all about. Further, I think it is necessary at the same time to recognize that on June 7 of this year, this Republican Congress and the White House kept a commitment to the American people and delivered the

most significant tax relief in 20 years. Not only will we have this distribution, of course, which is designed to give some immediate impact to it, both for the taxpayers themselves and for the economy—\$300 for single filers, \$500 for single moms, \$600 for families, and that is very important—but following that, of course, is a new tax law that goes a long way to restore fairness in the Tax Code.

It reduces the marriage penalty, which my friend from Texas was obviously almost the singular leader in causing that to happen, and we appreciate it, the death tax, doubles the child credit and child care enhancements. We need to recognize that over a period of time we are going to do a great deal to increase fairness and return dollars via the Tax Code, although that doesn't happen for several years. That is why this is very important, this immediate impact. I think it is one of the greatest things that can happen. And, in addition, it should happen.

We now hear people talking about raising taxes, for heavens' sake, when we are facing difficulties in the economy. When we find ourselves with real surpluses, to talk about raising taxes—give me a break. I cannot imagine anything more unlikely to happen than that.

I think we should feel very good about what has happened. I am hopeful all these checks will be out very soon. They are now in the mail. Beyond this, I want to emphasize again we have had a significant change in the tax culture and the Tax Code over time. This is the most important thing. I am happy to have had a chance to participate in it and recognize it today.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mrs. HUTCHISON. Madam President, I thank the Senator from Wyoming for working on this ever since he has been in the Senate, for being committed to tax relief for every hard-working American, and for being one of our leaders, speaking out on this issue and talking about how important it is that we not only give tax relief right now, but also hopefully will have another tax relief package in the near future. We want to have all the surplus used wisely. That means part of it should go back to the taxpayers who have worked so hard to earn it.

I am pleased to yield the remainder of our time to the Senator from Pennsylvania, Mr. SANTORUM.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania has 3 minutes 20 seconds.

Mr. SANTORUM. Madam President, I thank the Senator from Texas and the Senator from Wyoming for being here this morning to talk about what I think is one of the most important issues we can talk about in the Senate,

and that is what we are going to do to strengthen our economy. Why is it I put it in that context? The right medicine at this time is to put more resources into the economy to get this rather flat-line economy right now jump started.

Over the past year now, we have been going through a fairly substantial economic slowdown. The right medicine is exactly what the Congress did. We worked very hard with the President of the United States to pass a tax relief measure that got an infusion of money out into the public just in the nick of time, I hope—I hope just in the nick of time to help get this economy up and going and churning again. Checks are in the mail and being received by people all across America in amounts that are substantial, in amounts that are meaningful to people, to families who are preparing for their children to go back to school and need to buy school clothes and books and school supplies. Those are the kinds of expenditures that I know, with the number of children I have, can put a real pinch in your budget because they are one-time expenditures, mostly at end of the summer, the beginning of the fall, and they are very difficult to budget.

This check coming at this time can provide some help to middle-class and lower income families who really do need this help and help the economy at the same time. It gets that infusion of money into our economy.

I am proud that we were able to work in a bipartisan way in the Senate. Twenty-five percent of the Senate Democrats along with the Republicans voted for this proposal. It showed that with good leadership we can get bipartisan work done to meet the needs of the American people, to help the average American. At the same time, we can strengthen our economy at a time when we are going through a very difficult slowdown.

I know there are other things we need to do. We need a national energy policy because at least in my State, in Pennsylvania, we have some real problems in our manufacturing sector, driven principally by high energy prices over the past 18 months. We need to have a national energy policy so we do not have these spikes that cause economic downturns and difficult times in our manufacturing sector, which is still, from my perspective, a very important sector of our economy.

We need to do something on trade. We need to open up new opportunities to trade around the world, which by doing so will create better jobs in America. The economy is important. We need to be aware here in the Senate of what we can do at a time of economic slowdown to get this economy up and running.

The first and most important thing is to reduce the tax burden on the American public to get more money in the

economy. The second thing is to develop a national energy policy to make sure we have stable, long-term, affordable, clean energy for America's future so we are not relying on foreign energy and that problem. The third thing is to increase trade.

I yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order, the next 30 minutes shall be under the control of the Senator from Illinois.

THE TAX CUT

Mr. DURBIN. Madam President, historians and political scientists will find this a very interesting morning debate in the Senate. Over the next few months, they ought to take a look at what primarily Republican politicians and the President are saying and mark it as a special part of American history because the American people really have been lobbied by the President and by his supporters to support a tax cut. They have been lobbied to support a tax cut.

This morning we have had an array of Republican Senators coming to the floor to explain why a tax cut is a good thing.

Think about it. The average person in Illinois would think a \$300 check for a person or a \$600 check for a family is obviously a good thing. That is going to help pay for school expenses, as the Senator from Pennsylvania said. It is going to be around if you need it for whatever the cause—paying off last winter's heating bill or taking care of some expenses around the house. These are real things that families face, and \$300 from the Government or \$600 from the Government, of course, is a good thing.

But, of course, the reason the Republicans are spending so much time trying to convince us it is a good thing is because there is some doubt as to whether, on a long-term basis, the President's tax cut is really the right thing for America. Do we need an economic stimulus right now? You bet we do. This economy apparently is continuing to go down.

Yesterday the stock market took quite a hit. I hope it recovers soon. Everyone does—anyone who has a pension fund or IRA or 401(k) or any kind of investment. But we do need a stimulus for this economy. Alan Greenspan is desperately looking for the right stimulus. He has reduced the prime rate from time to time to try to stimulate the economy. It doesn't seem to be working as he hoped because long-term interest rates have not come down, and that is kind of an indicator as to whether or not we are going to be moving forward and the people who make investments believe we are so they can have some confidence in our future.

To say we need some kind of tax cut now for economic stimulus for families, you bet; I think it is a good idea.