

It is called fairness. What did the House of Representatives do? They passed a bill that says we do not care about fairness. We will abolish alternative minimum tax and go back to the good old days of zero tax obligation for some of the biggest special interests in this country.

At the same time, they are saying, "Let's give away the store in those circumstances," and just that provision—the one provision on the alternative minimum tax—gives away \$4 billion to 2,000 companies. Mr. President, \$4 billion washed away to 2,000 companies. That is \$2 million a company.

I do not know how that is justifiable in the circumstances of the fiscal policy problems and deficit dilemma problem we have in our country. How is it justifiable? How will the proponents justify coming to the floor of the Senate and saying, "We don't have enough money anymore to provide an entitlement to a school hot lunch to a poor kid. We will eliminate the entitlement status to a hot school lunch," because we frankly cannot afford it.

But we can afford to give somebody with a \$400,000 or \$200,000 annual income a check for \$11,200 a year and say, "Partner you are lucky. Here is a big tax break for you."

We are running this big deficit and we have to cut back on dozens of programs dealing with issues of nutrition, issues of child abuse on Indian reservations, just name it, cutting back all of them, because we cannot afford it.

They say, "But we can afford to hand over a very large tax refund to some of the biggest economic special interests in this country."

I know when I finish speaking, and when the Senator from Arkansas finishes speaking, there will be people who say, "Well, it is the same old complaint: Class warfare." You should not stand up and talk about who actually gets the benefit. Because if we talk about who gets the benefit, and you describe someone with \$200,000 income getting an \$11,200 check, and someone with \$30,000 income getting \$124, somehow you are being unfair.

It is unfair to point that out to the American people. That is not class warfare. That is a discussion of what is real about the proposals to change our revenue system.

I will support substantial changes in our whole revenue base when we are through this process of honestly trying to get this budget deficit under control.

Frankly, our revenue system does not work as well as it should. Our revenue system ought to be changed in a wholesale way to encourage savings. Our revenue system ought to be changed in a substantial way to tax more consumption than we tax and to encourage savings.

We ought not keep taxing work every chance we get. We hang every social good on a payroll tax. Frankly, our payroll taxes are too heavy. I bow to no one to my interest and desire to try

and change our tax system. I do not believe it is right at this time, given the problems our country faces, to propose as a matter of public policy, very large tax cuts to very big special economic interests, and then come to the floor of the Senate and the House and crow about how Members want to change the Constitution to eliminate the Federal budget deficit.

Anybody who wants to eliminate the Federal budget deficit can do it honestly. The honest way is to aggressively reduce Federal spending in areas where we ought to reduce Federal spending, and continue to make investments where we ought to make investments, especially in the lives of children and then use the savings from reducing Federal spending to reduce the Federal budget deficit.

When we have set this country on a course in a constructive path to solve that problem, we ought to turn to the Tax Code. When we turn to the Tax Code, we should not have middle-income families turn out to be the losers.

Every single time somebody monkeys with the Tax Code, especially the majority party, somehow middle-income families end up getting less or end up paying the bill to provide tax cuts and big tax rebates and big generous refunds to the wealthiest Americans.

We ought to have learned in the last 50 years what works and what does not work. What works is to give working families something to work with. The biggest advantage we can provide working families in this country today is to reduce the Federal budget deficit.

We do that by cutting spending and using the savings to reduce the deficit. When we finish that job, then I think we can turn to the Tax Code. And I think we will do a substantially different job than was done over in the House of Representatives for fair tax cuts, for a fair tax system, for those people in this country who work hard and who have borne the cost of Government for far too many years.

Mr. President, I will have more to say about this subject along with some charts tomorrow. I notice my friend from Arkansas, a man noted for charts, has brought charts to the floor, so I am anxious to hear what he has to say. I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask unanimous consent I be permitted to proceed for up to 10 minutes as in morning business.

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

TAX FAIRNESS

Mr. BUMPERS. Mr. President, I cannot add or detract from what the Senator from North Dakota has just eloquently said.

I do have some charts that perhaps are a little more graphic, but I also

want to say that one of the things that my wealthier friends not only back home but across the country say to me is, "The thing I do not like about Democrats is they promote class warfare."

The Senator from North Dakota alluded to that. I do not believe in class warfare. I believe in fairness, justice, and the judicial system, as well as in our economy.

What happened in the House last evening is one of the most bizarre things I have witnessed in my 20 years in the U.S. Senate. A tax cut—a tax cut—of about \$180 billion over the next 5 years but which balloons to about \$600 to \$700 billion for the 10-year period.

In other words, \$180 billion for the first 5 years, and between \$400 and \$500 billion for the next 5 years.

They say they will identify cuts to pay for it. We see in the House they can do that because they only have to project 5 years out. Our budget in the Senate requires the Senate to come up with a 10-year projection.

To get on with the story, I do not like class warfare but how do we say to the American people that the tax bill that passed last evening provides a tax cut for people who make over \$200,000 a year, provides them a tax cut of \$11,266—and that is per year—and provides an average for those who make zero to \$30,000 a year, gives them \$124 a year.

Mr. President, for the people who make less than \$30,000 a year, the tax cut last night will not even buy a 13-inch pizza for the family to enjoy on Friday nights. Are we engaging in class warfare to bring up this fact? Is it class warfare to point out the unbelievable unfairness of this situation? I ask the American people and my colleagues, if you are going to provide a tax cut, how do you say to the American people that those who make over \$200,000 a year are going to get a \$11,000 tax cut and people who make \$30,000 or less get a \$124 tax cut? Class warfare? It is utterly the most bizarre thing I have ever seen.

Who do you think needs the tax cut most, the guy making \$200,000 a year or the guy with a wife and two kids making \$30,000 a year?

Let's discuss the capital gains part of the tax bill. Capital gains occur when you buy and sell stocks or other property. I agree with Felix Rohatyn, who I watched on CNBC yesterday, who said, "I have never understood what economic benefit this country derives when somebody sells General Electric and uses the money and buys DuPont stock." What does that do for the economy, except fatten some broker's fees?

But look at this chart showing who benefits from the capital gains tax cut. Who benefits from it? You guessed it. Those who make \$100,000 a year or more are going to get 76 percent of the benefit of this capital gains tax cut. What does this poor stiff get who makes only \$30,000 a year? Only 6.4 percent of the capital gains tax cut. Class

warfare? Who believes that is fair, Mr. President? Who believes that the people making \$100,000 a year or more—which includes every single Member of Congress—who believes we ought to be getting 76 percent of this tax cut. How can I believe that this is fair while the people of my State—where the median family income is less than \$30,000 a year—will get only 6.4 percent of the cut?

Mr. President, here is a USA Today poll. It points out what I have been saying for months around here. I never lost a friend voting for a tax cut. It is so wonderful to be able to vote for a tax cut and go back home and say, "Look what we did," and beat our chests. I get letters from people who want their taxes cut. But I get more letters from people who want the deficit reduced. People who are making \$30,000 a year or less would gladly give up that \$124 tax cut in return for a balanced budget. Do you know why? Because if we balance the budget, it will hold down inflation and interest rates. Mortgage interest will be less, interest on car loans will be less, the economy will be more stable, the dollar will stabilize. Why in the name of God are we considering this tax cut when polls like this one indicate that 70 percent of the people in this country say they want the deficit reduced before they want a tax cut? Only 24 percent of the people in this poll said, "I want the tax cut over deficit reduction."

Do you know who the House agreed with when they passed the tax cut last night? Not with the 70 percent of the people who say, "Deficit reduction first." And, actually, not with the 24 percent of people who say they want a tax cut more than they want deficit reduction. No, the House agreed with this 5 percent of people who say, "We want both." That is what the House is saying. "We are going to cut your taxes and balance the budget, too." Think about it—5 percent of the people in this country saying we want both—and that is where the House comes down.

We tried that \$3.5 trillion ago in 1981. Here is a graph that shows pointedly and precisely what happened. In 1981—and I remember it well—Ronald Reagan's press conference, after Congress passed his tax cut plan. He said, "You have given me the tools. Now I will do the job. We will balance the budget by 1984 and with a little luck we will balance it in 1983." Those were Ronald Reagan's words.

Well, it did not happen. Instead the deficit shot up to record levels. I want it put on my epitaph that I was 1 of the 11 U.S. Senators who voted against those 1981 tax cuts. I said, "You will create deficits big enough to choke a mule." They turned out to be big enough to choke an elephant.

Look at this chart. Here was our deficit in 1981 and here is how the Reagan administration said they would reduce the deficit. That was the promise. That was the siren song that an irresponsible Congress bought into.

But what happened? The deficit did not go down as promised. Look where it went. By the time we were supposed to have a balanced budget in 1983, we had \$200 billion deficits and we have never had one less than that since.

Ironically, I can remember the last year Jimmy Carter was President, the deficit was \$65 billion and people were threatening to impeach him. Unthinkable.

No, Mr. President, I am not voting for a tax cut. I am going to vote the way 70 percent of the people of this country want me to vote. When it comes to fairness, the tax cut, even if desirable, is hopelessly inequitable and unfair. The greatness of this Nation, the greatness of the Constitution, is it says each one of us counts. We are all somebody.

Whether you like Jesse Jackson or not, I always like it when he has those kids say, "I am somebody." The soul of America is that each one of us counts. And no one of us should count for \$12,000 or \$11,000 a year more than the people who did not happen to be born quite so wealthy.

This chart shows where the deficit has been going since Bill Clinton became President. There it is in 1995. Here are his projections for the out-years and here is the projection the American people want. They want that deficit to continue going down. They do not expect miracles, but they do expect a responsible, thoughtful Congress to give this Nation a chance. Give our children a chance. You are not ever going to achieve the greatness of this Nation by cutting student loans, or AmeriCorps, where people can pay off their student loans.

When the families of America sit around the dinner table in the evening and talk about what they love most, it is not the tax cut. It is not that Mercedes out in the driveway. It is not that nice big split-level home. It is not the farm out back or that posh office downtown. What they talk about most is loving their children. In light of that, what do you think the ordinary American person with a family believes—that he or she should get a few dollars more in spendable income or that this Nation ought to start living within its means so that those children have a real opportunity, not a saran-wrapped opportunity, but a real one.

I come down on the side of all of those American families. My children are all grown. I have two grandchildren. They deserve better than they are going to get if we do not reverse our overspending ways; if we do not show the kind of responsibility they have a right to expect of us.

Mr. President, I believe the Senate will show a great deal more discretion in dealing with this, and if we do not, if we do not, the chart you saw a moment ago of what happened from 1980 to 1995 will just be compounded.

Mr. President, I have taken more time than I really intended to take. I feel very strongly about it and will

speak again on the subject and again and again. My side may lose just as 11 of us lost in 1981. But I am absolutely certain without intending to be arrogant or self-serving that it will be one of the greatest travesties ever to befall this Nation.

Mr. President, I yield the floor.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT

The Senate continued with the consideration of the bill.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. DOLE. Mr. President, we had hoped that we might have an agreement reached on the rescissions bill. But apparently that will not be possible. So there will be a cloture vote at 2 o'clock. We will file cloture again today for a vote on Saturday because we intend to finish this bill before we leave for the Easter recess; spring recess.

I would hope that our colleagues on the other side would understand that we, this Senator and the Democratic leader, worked in good faith most of yesterday into the evening until 9 or 10 o'clock. So did other Members on our side of the aisle, the Senator from Pennsylvania, and both Senators from Arizona. And we believe we gave up a great deal to get an agreement. I thought there was an agreement until I read it in the morning paper.

So I was surprised when I later learned that our colleagues on the other side did not agree to the agreement we thought we had agreed to.

Having said that, I hope we can invoke cloture. If we do that, a lot of these amendments will disappear. I do not know how we can deal with 100-and-some amendments that are out there. But if cloture is obtained, that will shorten the process a great deal.

I do not know where the hot buttons are on the other side. I maybe know of one or two of them. But it seems to me many of the so-called "cuts" were in effect funny money and many of the add-ons are not going to be spent either. But if both sides felt they had a good position, I fail to understand what may have derailed the whole process.

But there will be a cloture vote at 2 o'clock. The second-degree amendments must have been filed by 1 o'clock. So it is too late to file second-degree amendments.

It is still my hope that Senator DASCHLE and I can bring everybody together here. I think we are pretty much together on this side. What we want is an agreement with no amendments. We do not want an agreement and then have everybody say we have 10 amendments here and 10 amendments there. If you have an agreement, you have an agreement. Right now we do not have an agreement.

So I just urge my colleagues to be patient, to take two aspirins, take a nap, whatever. If we finish this today, we