

ROTH, the distinguished chairman of the Senate Finance Committee, worked very hard with his staff to say, yes, let us meet to try to bring this together. Our Democratic leader, TOM DASCHLE, tried to urge people to sit and negotiate. And also, particularly, Senator TRENT LOTT, the majority leader, who hosted meetings with the differing parties to try to bring people closer together, to say, yes, we should get this agreement in a posture to which everyone could agree.

I will conclude, Mr. President. We have been ravaged, ravaged by the subsidy practices of other countries in the shipbuilding industries. This agreement that two different administrations hammered out and negotiated over a 7-year period was an effort to end those subsidy practices of those other countries so the United States, which does not have a direct subsidy program, would be able to compete with our competitors from around the world on a level playing field.

Unfortunately, in the absence of this agreement being ratified by this body, we as a country have a signature on a piece of paper which is meaningless because we in the Senate could not bring the parties together to see the benefits of this agreement. It is a most unfortunate set of circumstances. It is unfortunate because there will be thousands of men and women who work in these yards every day who will be disadvantaged and who will be less competitive, not because they have less skills or are less productive, but because they are unable to compete with other governments.

Our workers and our industry and our engineers and our technicians can compete with any other engineer or any other technician or any other worker anywhere in the world. But our workers cannot compete with other governments who are not concerned about making a profit. We cannot compete under those terms with another government that so highly subsidizes those industries in those nations.

It is clear, at a time when we are talking about reducing Medicaid benefits, reducing welfare benefits, reducing benefits in Medicare, that we are certainly not going to start subsidizing our shipbuilding industries in the opposite direction.

So I am extremely disappointed, but, as always, I try to always be optimistic. There will be those in the next Congress who will realize this was a tragic mistake. I say to the other countries around the world that they, too, should look upon this effort, not as a final failure on the part of the United States, but rather only a pause in the legislative process, and, in the next Congress, hopefully we will get back on track and get our industries together to allow this Congress, and particularly this body, to approve what I think is a good treaty.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

THE U.S. ECONOMY—ON THE RIGHT TRACK

Mr. CONRAD. Mr. President, yesterday we received more good news on the performance of the U.S. economy. Yesterday, the Census Bureau reported outstanding news with respect to increases in personal income and reductions in the levels of poverty in our country. I believe a significant part of the reason for the excellent economic performance is the Clinton economic plan that was passed in 1993. I believe that plan has contributed by reducing the deficit, reducing the deficit 4 years in a row. That took pressure off interest rates, and that fueled an economic resurgence in this country.

I think when we evaluate the performance of the last three Presidents on the question of deficit reduction, the record is remarkably clear.

Back in 1981, President Reagan came into office and inherited a deficit of \$79 billion. The deficit promptly skyrocketed under the theory of supply-side economics—the notion that we could dramatically cut taxes while increasing defense spending and somehow it would all add up.

Unfortunately, it did not add up. In fact, the deficit exploded. The deficit went up to over \$200 billion a year and stayed at that level through much of the Reagan administration, although there was some improvement in the final years of that administration.

Then we saw President Bush come into office. He inherited a deficit of about \$153 billion, and then the deficit truly went out of control. Each and every year the deficit rose, until in the final year of the Bush administration, we had a budget deficit of \$290 billion. That was the budget deficit.

Perhaps it would be helpful to explain the difference between deficits and debt, because I often find that people are confused by the two. Deficits are the annual difference between what we raise in revenue and what we spend. It is the annual difference. Debt, of course, is the accumulation of all of the deficits.

Under President Clinton, unlike President Bush where the deficit went up every year, in the Clinton years, the deficit has declined each and every year. In fact, we went from a unified deficit of \$290 billion—

Mr. REID. Will the Senator yield for a question?

Mr. CONRAD. I will be happy to yield.

Mr. REID. It is true, is it not, I say to the Senator from North Dakota, that 4 years in a row of declining deficits, the last time that happened was in the 1840's—that is 1840's—prior to the Civil War; is that true?

Mr. CONRAD. That is correct. The first time that we have seen the deficit decline 4 years in a row under one President was back in the 1840's.

Mr. REID. I also ask the Senator from North Dakota, in looking at the chart as I came into the Chamber, it appears to me that the deficit is only one-third of what it was at the height of the Reagan deficits.

Mr. CONRAD. If you measure the deficit against the size of our national income, which is probably the best measure of the deficit, that is true. In fact, the deficit measured against the size of the economy is the lowest it has been since 1974. In fact, we now have the lowest deficit of any of the major industrialized countries in the world. Again, I think that is the central reason we have seen this economic resurgence.

Mr. REID. Can I ask one final question? And that is, I think the Senator from North Dakota would agree that even though the last 4 years have been remarkable in driving down the annual deficit, I think we would all acknowledge we are working toward a zero deficit; is that true?

Mr. CONRAD. I think that is the goal that many of us share. I hope that would be what we could accomplish, to have a balanced budget in this country. It is critically important that we do that, because we face the demographic time bomb of the baby-boom generation. In very short order, the retirement of the baby boomers is going to double the number of people eligible for our major programs, from 24 billion to 48 billion. That is why we have to keep the pressure on to keep the deficit down.

I will conclude the point with respect to the Clinton administration's performance. In 1992 President Clinton promised he would cut the deficit in half. He has done much better than that. In fact, the deficit is down about 60 percent during the Clinton years.

Interestingly enough, the Federal Reserve Chairman, not known as a strong supporter of the Clinton administration—in fact, originally appointed by a Republican President—said that the deficit reduction in President Clinton's 1993 economic plan was “an unquestioned factor in contributing to the improvement in economic activity that occurred thereafter.”

This is the Chairman of the Federal Reserve in February of this year indicating that the Clinton plan was the central reason we have seen that dramatic improvement in the deficit during the Clinton years.

Not only do we see an outstanding story with respect to deficit reduction, this chart shows what has happened to real business fixed investment in billions of 1992 dollars. This chart goes back to 1985. You can see, ever since Bill Clinton has been in office, we have seen a dramatic improvement in business fixed investment. In fact, this is the best record for increases in business investment for any President since World War II.

The good news doesn't stop there, because we also see the misery index at its lowest level since 1968. The misery index is a combined measure of the unemployment rate and the level of inflation. The misery index is now at the lowest level it has been in 28 years.

Again, the good news doesn't stop there. We remember when President Clinton was seeking the office of President. He said that he would have as a goal the creation of 8 million jobs in the first 4 years of his administration. He has exceeded that. He has delivered on his promise. We have more than 10 million new jobs. In fact, we have now reached 10.5 million new jobs.

And unemployment is down, down sharply, under President Clinton. In December of 1992, the level of unemployment in this country was 7.3 percent. This chart shows in June of 1996, it was down to 5.3 percent. It has gotten even better since then. The level of unemployment was down to 5.1 percent in August 1996.

We have also experienced strong economic growth under President Clinton. In fact, this chart compares private-sector growth under President Clinton as compared to President Bush. Under President Bush, the private sector grew at a rate of 1.3 percent during his 4 years. Under President Clinton, this chart shows 3.1 percent. With the latest update, private-sector growth in this country is up to 3.2 percent during the Clinton years. In fact, this is the highest rate of growth of any of the last three Presidents—private sector economic growth, the best of any of the last three Presidents.

Mr. REID. Will the Senator yield for a question?

Mr. CONRAD. Mr. President, I will be happy to yield.

Mr. REID. You have talked about the private growth in our economy. Will the Senator agree that we have a smaller Federal work force now than we had during the years of President John F. Kennedy? Federal jobs have been cut back significantly; is that not true?

Mr. CONRAD. It is true. The Federal work force is at its smallest level since the 1960's, during the administration of President Kennedy. I might also point out, and I think this is interesting, that Federal spending—this President is accused of being a big spender—Federal spending measured against our national income has gone down each and every year of the Clinton administration. Interesting.

During the Bush administration, Federal spending went up. Under President Clinton, Federal spending has declined each and every year as measured against our national income.

I might just conclude that yesterday we got more good news. We got the Census Bureau report showing that incomes are going up; poverty is coming down. Median household income showed its largest increase in a decade. We had the largest decline in income inequality in 27 years. We saw the big-

gest drop in poverty in 27 years; 1.6 million fewer people in poverty. We saw the poverty rate for the elderly drop to its lowest rate ever, lowest rate ever for elderly poverty, and the biggest drop in child poverty in 20 years.

It seems to me that part of any Presidential campaign ought to be the record. The record, with respect to the economy, of this administration is crystal clear: The deficit is down, unemployment is down, poverty is down, incomes are up, jobs are up, business investment is up. That is an outstanding record. I hope people will have a chance to learn this record between now and the election. I think if they do, this President will be reelected with a resounding vote. I am happy to yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Let me yield myself such time as I may consume of the hour that has been set aside.

Mr. REID. Would the Senator from North Dakota, prior to the senior Senator from North Dakota leaving the floor, allow me to just ask a couple questions of the senior Senator from North Dakota?

Mr. DORGAN. I would be happy to.

Mr. REID. I say to my friend, the senior Senator from North Dakota, that you have made an interesting and I think a compelling case how things have improved during the past 4 years, from lower Federal employment, to higher private-sector employment, millions of new jobs, 10 million new jobs created, the lowest poverty levels in 27 years. You have gone through that, and I think made, as I indicated, a compelling case.

But I would like to ask the Senator a question. Do you realize in the State of Nevada—this is not on the overall economy of this country—but in the State of Nevada, which is a State sparsely populated but growing, the most rapidly growing State in the Union, do you realize that the unemployment rate in Nevada has declined from almost 7.5 percent when President Clinton took office now to about 5 percent? Were you aware of that?

Mr. CONRAD. I was not aware of that. But I was aware of national figures that showed the unemployment rate declining from 7.3 percent nationally to 5.1 percent today, the lowest level of unemployment we have had in this country in 7 years. I think that is another indicator that the Clinton economic plan, which passed in this Chamber by a single vote, is a plan that is clearly working.

Mr. REID. I would also ask the Senator—in fact, you have made an interesting and, again, a very dynamic case for what has happened with private-sector growth during these last 4 years nationally. But let me ask you if you know that in Nevada, there are 2½ times as many new private-sector jobs per year than during the previous 4 years? That is a tremendous increase.

Mr. CONRAD. That is a remarkable accomplishment. I think any objective observer who looks at the economic indicators can only conclude that this economic plan has been remarkable in its success. In fact, last year, for the first time in many years, the United States was judged to be the most competitive economy in the world. That designation has been given to the United States again this year. It is the first time in a very long time we saw the United States replace Japan as the most competitive nation in the world. So again, I think the evidence is clear and powerful and compelling that this President's economic plan is working and working well.

Mr. REID. I will just ask one last question before the floor is taken by the junior Senator from North Dakota. In Nevada, we have had new business incorporations increase by 14 percent—that is big for any State—but 14 percent during the 4-year period of time. This is in the State of Nevada, not nationally, but the State of Nevada.

Mr. CONRAD. Again, it follows the trend we are seeing nationally. President Clinton has the best record in terms of an increase in business investment, the rate of increase, of any President since World War II. You see the stock market at an all-time high. Virtually every indicator shows clearly that this economic plan has been a tremendous success.

I might just say that when we passed that plan, we took a lot of heat for it. I remember our friends across the aisle said that this plan would crater the economy. They said that if we passed this plan, it would increase unemployment, it would reduce economic growth, it would increase the deficit. They were wrong. They were wrong on every single count. The fact is, those of us who voted for that plan, it was controversial and we took a lot of political heat for passing it, that plan has proved itself and proved itself remarkably well.

Mr. DORGAN. Mr. President, on the last point, the Senator talks about what the reaction was to the plan in 1993 that required some amount of fortitude to vote for because it was not popular. The political thing would have been to vote "no." And half this Chamber did. It passed by one vote. Speaker GINGRICH said at the time, "This will lead to a recession," August 6. "Pass this, it will lead to a recession." What has happened? Well, the deficit is down, unemployment is down, inflation is down, jobs are up, economic growth is up.

I will just discuss a bit some of the things that you have talked about. I thought I would just tell a story, if I might, that happened to a friend of mine the other day that describes context. You always have to put things in context, because what happens in politics is, someone comes to the floor of the Senate—and it has been done a lot lately—and they will take one little piece that you are able to find, and

they will hold it up to the light and say, "Look at this. Isn't this ugly? Isn't this awful? Look at this awful bad news." That is the way this system works.

Of course, bad news travels faster than good news. The old saying: "Bad news travels halfway around the world before good news gets its shoes on." So people do this. Let me talk about context.

A friend of mine has a precocious 3-year-old. She went to the video store, because they were going to be home for the weekend and they thought they would get a couple movies. They went to the video store and bought a little cartoon for the 3-year-old to watch and then a couple of movies for her and her husband to watch for the weekend.

She told me this story. After they went to the video store and got these three movies, they stopped at the grocery store, and this precocious 3-year-old of hers, as they are walking past the checkout counter in the grocery store, the little boy said, "Well, Mommy got us some movies for the weekend." The cashier said, "Really?" He said, "Yes. She got a cartoon movie for me and two adult movies for them." What happened is the little boy was explaining on the way to the grocery store, "Gee, I get to watch three movies," and the mother said, "No. We bought one for you, and the other ones are for myself and your father." "Why can't I watch them?" "They are for adults." Then he tells the cashier, "Mommy got two adult movies." Well, he was technically accurate, but contextually, in the context of this discussion she told me, she was trying to look for a cash register to crawl under.

That is what happens with respect to all of this discussion. It loses context when you take just a part of it and hold it up.

The Senator from North Dakota and the Senator from Nevada talked about where we are and where we are heading. The question is, it seems to me, not so much in isolation but in the context of the broader economic question, are we headed in the right direction or are we headed in the wrong direction? Are we moving forward or are we moving backward?

Let us just not listen to Senator CONRAD. He wears a blue suit, serves in the Senate, and talks, and Senator REID wears a blue suit and serves in the Senate and talks, and I am talking. So people say, "Well, you're politicians on the floor of the Senate. All you do is talk about these things." Let us not listen to us.

Let us listen to money magazine. Here is what they say:

The majority of Americans are better off on most pocketbook issues after 3½ years under [President] Clinton, who's presided over the kind of economic progress any Republican President would be proud to post.

Barron's:

In short, Clinton's economic record is remarkable. . . . Clinton also rightfully boasted that, "our economy is the healthiest that it has been in 30 years."

Business Week:

[I]nflation is low, growth is good, and the dollar is strengthening. America is in its best economic shape in 20 years.

Reuters:

Clinton has run up an enviable record in the past 4 years, cutting the budget deficit each year, and making good on a campaign promise to cut the deficit in half.

That is not us. Money magazine, Barron's, Reuters, Business Week are telling this story. It is the story that Senator CONRAD just told with charts—steady economic growth, deficits down, way down, and inflation down, way down, 5 years in a row, unemployment down to 5.1 percent. This is a remarkable economic story.

Are things perfect in our country? No. Are we finally heading in the right direction? Are we seeing higher deficits? No, we are seeing much lower deficits. Are we seeing unemployment grow? No, we are seeing unemployment diminish, more people are working. That is movement in the right direction.

This economic news in our country is news that most of us ought to view as remarkable news, that ought to be a source of strength to the American people.

Senator CONRAD just touched in the last part of his presentation on some things that just came out yesterday, and we were at a meeting with the President last evening, in fact, a meeting with the President yesterday at noon, the three of us were there, and then a gathering with the President last evening again where he talked about the new Census Bureau information.

I would like to share it with people because it is important. Typical household income up \$898 in 1995, the largest increase in a decade. Typical African American family's income is up \$3,000 since 1992. The median income of African-American families has increased from \$22,900 to \$25,900, the largest decline in income inequality in 27 years. We have had a problem with income inequality, the poor getting poorer and the rich getting richer, the largest decline in that inequality in 27 years. The number of people in poverty fell by 1.6 million, the largest drop in 27 years. The poverty rolls are not growing, they are shrinking. The poverty rate fell to 13.8 percent, the biggest drop in over a decade. The African-American poverty rate dropped to its lowest level in history. The elderly poverty rate dropped to 10.5 percent, the lowest level ever. The biggest drop in children living in poverty in 20 years. The largest drop in poverty rate of female-headed households in 30 years. This is from the census data about what is happening in the American economy.

The point I want to conclude with is that we put this country on course with a plan that was not popular and we paid a price for that. I understand that. It was not popular at the time. It turns out to have put this country on solid footing to move toward greater

economic strength, more jobs, more economic growth, less unemployment, less inflation. It was the right thing to do and America is heading in the right direction.

While there might be some who are complainers in America, we have a designated corps of complainers in our country who never want to do anything for the first time, have never found anything they are pleased about. They might want to find small areas where they would say, "Gee, this is not right. This is not working." While they have complained it will not work and it is not right, we have set it right and are making it work and are moving this country in the right direction. That is the story of the economic numbers.

Mr. REID. Will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator.

Mr. REID. There are two Senators from North Dakota on the floor and they, of course, attended the meeting yesterday where the President came and talked to us. There was no press, not a single press person in the room, and I listened very closely as did my colleagues.

The thing I will never forget, I am confident I am not telling tales out of school, is when the President showed us this, he said, "Last night, late at the White House, I was given this, and I sat there alone looking at one page and almost cried," because he has also, as you recall, gone through literal hell, people criticizing his economic plan. The President of the United States, alone in the White House, said when he saw this he became so emotional he almost cried because this is good news.

Would the Senator agree this is good news? This is the glass being half full, not half empty. We all recognize, as I indicated to the Senator from North Dakota earlier in this discussion, we can do better. We can do better. But the glass is half full. It is not half empty.

The American people deserve to hear this good news. Would the Senator agree?

Mr. DORGAN. I absolutely agree. As I said earlier, good news does not travel very far, very well, or very quickly. There is an industry that is interested in seizing and entertaining people on bad news. Part of that industry is in American politics, because they understand that negatives far more easily motivate people than do positives. I understand even though today we could have people come to the floor and hold up a bunch of negatives and say, "Is this not awful," we do not have a situation that is perfect in this country. Circumstances exist where the American people govern this country in a representative government. We make decisions, at times, decisions that the American people probably do not want us to make, but we do it in what we think is in the best interests of this country.

This President is a mortal President. I like him. I vote with him when I

think he is right. Yesterday I voted against him. I thought he was wrong on something. He is not a perfect President. None of us is perfect. This President has attempted to be a leader. When he took office in 1993 he proposed a plan that says this is a tough plan, and it is tough medicine, but let us, together, try and eliminate this Federal budget deficit. I would like you to vote for a plan that does it. Part of the medicine will be, yes, some increases in taxes, although most of the tax increases went to the very highest income people in this country, and especially some spending cuts in areas where we were spending too much money, and it was a package that we voted for, and I was pleased to vote for it. It was the right thing to do. We did not get even one vote from that side of the aisle. You would expect somebody to make a mistake occasionally and vote wrong. Not one would vote with us. We won by one vote, one single vote in the House and the Senate.

We put in place an economic plan that was the right thing to do. The result? More employment, less unemployment; more economic growth, lower inflation and lower deficits. That is a country that is moving in the right direction.

I am happy to yield the floor and allow the Senator from Nevada to take some time at this point.

Mr. REID. Mr. President, I want to spend a little bit of time reviewing the good news that we received yesterday. The good news, I repeat, typical household income went up last year almost \$900. In 1995, the median household income increased 2.7 percent. This is tremendous. It is now up to \$34,076, the largest 1-year increase since 1986. Typical family income is up over \$1,600 since the President's economic plan has passed. Median family income has increased, up to over \$40,000 a year in 1995. That is an increase of over \$1,600, as I indicated, since his plan passed in 1993, when the Vice President of the United States had to come in and cast the deciding vote because it was on a 50-50 tie with Senators.

Under President Bill Clinton, the typical Afro-American family in America's income is up over \$3,000. The median income is up to almost \$26,000. This is a \$3,047 increase compared to when President Clinton took office.

Mr. President, 27 years—we have had the largest decline in income inequality in 27 years. In 1995, household income inequality fell as every income group from the most well off to the poorest experienced a real increase in their income for the second straight year. One measure of inequality, something called the Gini coefficient, which is something economists use but is deemed to be the most reliable judge of inequality, dropped more in 1995 than any year since 1968.

People in poverty. Mr. President, enough people are off poverty to fill the States of North Dakota and the State of Wyoming and then have people

left over—1.6 million people are off poverty. This is significant. This is even though the population is growing. We are still maintaining this drop. It is the largest 1-year decline since 1968.

Mr. DORGAN. Will the Senator yield?

Mr. REID. I am happy to yield to the Senator.

Mr. DORGAN. That would be the equivalent of five Wyoming's, as I calculate?

Mr. REID. Mr. President, 1.6 million—I think Wyoming is about 600,000, so it is about 2½ to 3½ Wyoming's.

Mr. DORGAN. I thought Wyoming had a smaller population than that, but it is sufficient to say you could take a number of the States in the northern Great Plains that are not heavily populated and you can compare the kind of progress we have made in a number of these areas by referring to those States.

It is remarkable when you take a look at income data provided by the Census Bureau, no one would have predicted this kind of economy would produce that in this 3½-year period.

Mr. REID. I say to my friend, the reason I mention States is these are real human beings, real people that go to work every day, hopefully, if that is possible, if they have a job. But these people get up every morning and go to bed every night—real human beings, 1.6 million of them are off poverty. That says a lot, I think.

The poverty rate fell to 13.8 percent, the biggest drop in over a decade. In 1995, the poverty rate dropped from 14.5 percent to 13.8 percent. That is the largest 1-year fall in the poverty rate since 1984. Since President Bill Clinton's economic plan was signed into law, the poverty rate declined from 15.1 percent to 13.8 percent, the biggest 2-year drop in the poverty rate in 23 years.

The Afro-American poverty rate dropped to its lowest level in history. I repeat: The Afro-American poverty rate dropped to its lowest level in history. In 1995, the rate declined from 30.6 percent to 29.3 percent. That is the first time it dropped below 30 percent and is the lowest level since data was first collected in 1959.

The elderly poverty rate dropped to its lowest figure ever—ever—to 10.5 percent. Of people over the age of 65, only 10.5 of them are in poverty. That is tremendous. By far, that is the best of any country in the world. In 1966, 28.5 percent of American elderly lived in poverty. That was before Medicare came into being. Medicare has kept a lot of people off the poverty rolls. In 1995, the elderly poverty rate declined to 10.5 percent. That is a new record low for elderly poverty—ever—not in the last decade or two, but ever. Not only do we have seniors poverty rate declining, but child poverty has dropped to its lowest level in 20 years, also. So seniors and children are doing better. We are doing better by them.

Mr. CONRAD. Will the Senator yield for a question?

Mr. REID. I am happy to.

Mr. CONRAD. You mentioned that the poverty rate for the elderly was at a level of 28 percent, or more than 28 percent in 1966.

Mr. REID. Almost 29 percent.

Mr. CONRAD. Almost 29 percent was the rate of poverty for the elderly; 29 percent of the elderly lived in poverty as recently as 1966. What did it drop to?

Mr. REID. It dropped to 10.5 percent.

Mr. CONRAD. To 10.5 percent. You know, sometimes we say, well, the Government doesn't do anything that has much value. But here is a case where the portion of our elderly population that lived in poverty has been reduced from 29 percent of the elderly to 10.5 percent. That is a dramatic improvement in the lives of real people. I think that is something people can be proud of. I think Bill Clinton and his economic plan, which has led to an economic resurgence in this country, ought to get some of the credit. This President deserves some of the credit.

Mr. DORGAN. Will the Senator yield on that point?

Mr. REID. Yes.

Mr. DORGAN. I heard a Senator come to the floor of the Senate a while ago and say, "For this President to claim credit for the good news about the economy is like a rooster claiming credit for the sunshine." There are some here who are unwilling to give this President credit for anything.

I read this, a few moments ago, in Money magazine, who understands. Barron's, Business Week, and Reuters give the President credit. Do you think this President would not have been given the blame for an economy that was faltering and failing?

Let me read, if I might, a comment by the Chairman of the Federal Reserve, Alan Greenspan. He said:

The deficit reduction in President Clinton's 1993 economic plan was an unquestioned factor in contributing to the improvement in economic activity that occurred thereafter.

That is language from an economist. It could be clearer, I suppose. But he said "unquestioned factor." The President's plan is an "unquestioned factor" in contributing to the improvement in economic activity that occurred thereafter.

Paul Volcker, former Chairman of the Federal Reserve Board, said:

The deficit has come down, and I give the Clinton administration and President Clinton himself a lot of credit for that. I think we are seeing some benefits.

The Philadelphia Inquirer, in a series they did, said:

What the GOP won't admit is that the President also helped the economy grow. Clintonomics showed enough fiscal discipline that it helped produce the lower interest rates, which, in turn, spurred economic growth.

I still hear people, who are Members of the Senate, come to the floor and say, "Well, the only people who care about the Federal deficit are we conservatives, we Republicans."

The people who care about the Federal deficit are the people who stood up and owned up to a vote in 1993 and said, "I will cast an unpopular vote in order to reduce this Federal deficit and get interest rates down and put this country back on track." Some of our colleagues who did that are not here. They lost their seats as a result of that. But the fact that we did that in 1993, according to all of these sources—don't just listen to me, but to these sources—the fact that we did that created the circumstances that allowed the American economy to grow and produce the kind of news we heard yesterday. Once again, this President is providing leadership in the right direction, and this country is moving ahead and in the right direction, rather than languishing or moving backward. That is the point I wanted to make today.

Mr. REID. Will the Senator read that quote from Barron's and from Money magazine again?

Mr. DORGAN. The Money magazine article was in August, last month. It says the following—

Mr. REID. And things have gotten even better since then.

Mr. DORGAN. Yes.

It says this:

The majority of Americans are better off on most pocketbook issues after 3½ years under President Clinton, who has presided over the kind of economic progress any Republican President would be proud to post.

Barron's magazine said:

In short, Clinton's economic record is remarkable. Clinton also rightfully boasted that our economy is the healthiest it has been in 30 years.

Finally, Business Week—and these are not publications that would normally be supportive of a Democratic President—Business Week said:

Inflation is low, growth is good, and the dollar is strengthening. America is in its best economic shape in 20 years.

So if one doesn't want to listen to us because they say, "Well, obviously you are partisan on that," these publications are not partisan voices who evaluate this economy and say that America is finally on the right track. It is growing, moving ahead, reducing poverty, increasing employment, reducing inflation, reducing interest rates. That is good for this country.

The point today is, again, in an era of so much bad news and in a society which entertains people with other people's dysfunctional behavior and bad news, it is time to trumpet a little bit that we are finally moving in the right direction—deficits down, unemployment down, employment up, inflation down. It is finally important for us to say that we have turned the corner, and America is moving ahead.

Mr. CONRAD. If the Senator will yield, I just want to comment on the question of who gets credit and who gets blame.

The blame game is very popular, especially just before an election. Some are holding this President responsible for anything that has happened any-

where in the country during his time as President, even if it relates to things for which the President has very little influence or control.

The national economy is one place where the President does have significant influence and control. I just say to my colleague, the Senator from Nevada, that facts are stubborn things. President Reagan said that: "Facts are stubborn things." My colleague from North Dakota says there are others that are not partisan voices who are confirming that this President's economic plan is working.

I would say that even those of us who are partisans can report facts and report them accurately. I would be prepared to debate any of my colleagues at any time and any place on the question of the facts presented here. Every single one of these facts is verifiable by anybody who cares to check. These numbers indicate clearly this President's economic plan has worked. The deficit is down each and every year of the Clinton administration, and down dramatically.

The head of the Federal Reserve says to us that it is unquestioned that the President's economic plan contributed to this improvement. This improvement has radiated through this economy, improving incomes. The Senator from Nevada reports the biggest increase in personal income in a decade; the biggest reduction in poverty in 27 years.

All I can say to my friends across the aisle is if they had a President with this economic record they would be running a campaign of "It's morning in America." They ran that campaign when the debt and the deficits were skyrocketing. Now we have a case where not only is the economy improving, income is improving, investment is improving, unemployment is being reduced, inflation is being reduced, and the deficit is declining—but this President has done it without writing the hot checks adding to the deficit—adding to the debt. That was being done during the 1980s.

So this is even a more remarkable accomplishment—to have this economy showing this resurgence and this strength even while President Clinton is bringing the deficit down each and every year—bringing the deficit down 60 percent. It took a vote that occurred here in 1993 on the Clinton economic plan, and it passed by one vote.

Mr. DORGAN. I wonder if the Senator will yield?

Mr. REID. I am happy to yield to the Senator in one second. But think how much better the economy would be if we were not having to pay the interest on the debt that accumulated during principally the Reagan and Bush years. I mean we would have no deficit.

Will the Senator acknowledge that?

Mr. CONRAD. The Senator is absolutely right. It is very interesting. If we didn't have to pay the interest on the debt that was accumulated during the Reagan and Bush years, just those

years, we would have a balanced unified budget today. That is a fact.

Mr. REID. I say also the document about which we speak today is not something that was prepared by the Democratic National Committee, or the Democratic Senatorial Campaign Committee. This came from the Census Bureau. These are facts. And as the Senator from North Dakota has indicated, facts don't lie. These are the facts.

Mr. DORGAN. Will the Senator yield for a moment? If we go back 6, 7, or 8 years—6 years, for example—and think of where we were, deficits at record highs and increasing each year. There were the junk bonds, failed savings and loans; the derision with almost a financial casino in the country with the taxpayers paying the bill from S&L's that go belly up, junk bonds that were nonperforming, people going to prison, the placing of junk bonds under circumstances that were not legal. Do you remember when we were, 6 or 7 years ago, deep in debt, and getting deeper?

The point we are making now is that this country has turned around. It didn't happen just by accident. It happened because a set of Federal policies were put in place that said here is what we should do: We should turn the corner, and move in this direction—cut spending. This President proposed that; cut spending.

We have 250,000 roughly fewer Federal employees on the public payroll today than when this President took office. A quarter of a million Federal workers, who were working when this President took over from a Republican President, are no longer working for the Federal Government. It is the smallest Federal Government in decades in real numbers.

Mr. REID. Since John Kennedy.

Mr. DORGAN. Since John Kennedy was President.

I want to add one more bit of context to this. It is not my intention to come to the floor—nor is it the intention of Senator CONRAD, or Senator REID, or others who will join us—and say that we on the Democratic side of the aisle, or this President, President Clinton, are infallible, that we have not made mistakes, that we are solely responsible for everything that is good. That is not my point. It is not my point.

But my point is when others come to the floor and continue to kick and flail away at every tiny little thing they can find wrong, hold it up, and say, "Isn't this ugly," and entertain us for hours with this today because, "Gee, this is awful." Let us put in context where this country is headed, and who had the courage and the plan to move it in that direction. This President deserves some credit for that. I can name names. I will not do it. But I could just for fun go down a list of people here and what they said in 1993. They said this President is going to lead us into a recession; this plan will not work; this plan will bankrupt America; this plan will lead to slower growth; this

plan will lead to less employment; this plan is in the wrong direction. It turns out that every single one of those people were dead wrong—not just wrong but dead wrong.

This economic plan put this country on the right path so that deficits came way down, interest rates came down, unemployment came down, new jobs went up, and inflation came down. They were wrong. This plan worked.

I mean, I have people in my hometown who are the kind of people who oppose everything for the first time. We all know people like that; just sit around and play pinchle and complain. No matter what somebody proposes. It is wrong; it will not work; and it can't work. This country was not built by complainers. While they were playing cards and complaining other people were out building, and doing.

This President came to office with a mission. He said here is a plan. And this plan he said, I think, will restore vitality to the American economy, and move us in the right direction. And it was surprising that some people found that the Democratic President provided leadership in a way that cut Federal spending, cut Federal programs, reduced the deficit, and put the country back on track, but he did.

I think the purpose of this discussion today is to put that in full context so that we can talk about something that ought to be good news for everyone—Republicans and Democrats—that every American ought to believe that it is better for us, no matter who gets credit if our country is moving in the right direction, because internationally we now must compete with tough, shrewd international competitors in a game where there are winners and losers, and the losers suffer the British degree of slow economic decline and the winners experience new jobs, hope, and opportunity. That is why it is so important to have this economic strength and why it is important that we are finally back on track with an economy that is stronger.

Mr. REID. I want to finish with two thoughts:

One, we had the lowest drop in elderly poverty. We talked about that; the biggest drop in child poverty; and, the largest drop in the poverty rate of households in 30 years.

There are statistics that relate to the State of Nevada. Bank lending increased by \$10.5 billion. Home building increased by 25 percent per year during the years of President Clinton. Almost 5½ times as much new manufacturing jobs were created; 261,000 workers are protected by family and medical leave. We have new police officers, and that is going up. A lot of good things have happened.

What I say to my two colleagues on the floor today and the Presiding Officer is to build just briefly on what the Senator from North Dakota just said. I think with the Presidential election winding down and 5 or 6 weeks until it is over, I hope that, if we gain nothing

else from our experiences during these past 2 years, we should recognize how much better things would be if we had a Congress that was willing to work, where you had a conference and where both parties were in on the conference; where instead of having the majority run roughshod over the minority you had people working together for the good of the country.

As it has happened in years gone by in this great body and the one down the Hall in the Capitol, I hope, if we learn nothing more, it is time that we develop and urge a thirst for bipartisanship here because of what has happened in spite of the polarization that is taking place here in Congress. Think about how much better it would have been had we worked together on these issues.

I yield to my friend.

Mr. CONRAD. Mr. President, I was going to make another point. When I got up this morning I went to get the Washington Post. Right on the front page is the reporting of what we are talking about here today. The headline on the front page of the Washington Post is, "Household Income Climbs."

The subheadline is, "Census Bureau Also Reports Poverty Rate Drop."

So if anybody is watching this and wondering if this is an accurate recitation of what the Census Bureau is reporting, you can just turn to your local newspaper and you will find these news reports all across America.

"Median household income rose 2.7 percent * * * after being adjusted for inflation."

Inflation is running about 3 percent. So incomes actually went up about 6 percent last year—biggest increase in a decade. Over the same period, the Washington Post reports the poverty rate declined from 14.5 to 13.8 percent. The number of people in poverty fell by 1.6 million.

That is the statistic the Senator from Nevada was using—the largest decrease in 27 years. The largest decrease in poverty in America in 27 years. That is the statistic both the Senator from North Dakota and the Senator from Nevada were using. If we need evidence this plan is working, here it is right here in this morning's newspaper.

Let me just conclude:

The benefits of economic growth were spread widely through the economy—in nearly all occupations, all education levels and all income categories.

That is the kind of economic results you would like to have, and this economic plan is delivering those results. We ought to stay the course. We ought to stick with this plan. Absolutely the worst thing we could do is take a riverboat gamble and go back to the old days of supply-side economics in which somehow, as Senator Dole said last year, you cut taxes and you are supposed to get a big, big revenue increase. As Senator Dole said last summer—he said, you know, we tried that in the eighties. That was the idea that NEWT and the House Republicans had.

We said everything would be all right. Well, it wasn't.

That was Senator Dole speaking just last summer, and only when he found himself 20 points behind in the polls did he decide a different policy would make sense. And if anybody is wondering whether his plan adds up, I just give you two numbers. We are projected to spend \$11.3 trillion over the next 6 years. Our income is projected to be \$9.9 trillion. Those two do not match up. You cannot spend \$11.3 trillion and have income of \$9.9 trillion and add up.

Mr. DORGAN. Is that under the Dole plan?

Mr. CONRAD. That means you are going to add to the debt.

Mr. DORGAN. I ask the Senator a question. Is that the projected income under the Dole plan?

Mr. CONRAD. That is the projected income under current law, that we would spend \$11.3 trillion, we would have income of \$9.9 trillion. And what does Senator Dole say? The first thing he wants to do is cut the income by \$550 billion. Now you have a \$2 trillion gap between spending and income. That is how you raise the debt. That is how you raise deficits. That is how you put this economy right back in the ditch.

If we are going to go back to a policy of debts, deficit and decline, that is the path to take.

I might just say Senator Dole says cut the income \$550 billion. That would create a \$2 trillion gap between our spending and our income. You would then think, well, he is going to propose \$2 trillion of spending cuts to make up for it. Oh, no. He is not even close. He has about \$700 billion of specific spending cuts that he has recommended, and if you look at the spending cuts what you find is he is saying we ought to cut just one category of Federal spending about 30 percent. And the category he has chosen is what Senator REID from Nevada knows well—domestic spending. He wants to cut it 30 percent, I say to the Senator.

Mr. REID. Education.

Mr. CONRAD. Law enforcement.

Mr. REID. Environment.

Mr. CONRAD. Environmental cleanup, roads, bridges, airports. He wants to cut those 30 percent. In fact, by the sixth year, he would cut them 40 percent.

If anybody in this country thinks the way we should build for the future is to cut, in the sixth year of Senator Dole's plan, education 40 percent, cut law enforcement 40 percent, cut the construction of roads, bridges and airports 40 percent, sign up to the Dole plan because that is precisely what he is recommending to the American people. That would be a disaster for the economic future of this country. And even with those cuts he is nowhere close to adding up. Instead, we are going to get a huge increase in the debt. That will increase interest rates. That will slow the economy. That will put our economy in the ditch. That is a policy of

debt, deficits and decline, and we ought to avoid it at all cost.

I yield the floor.

Mr. DORGAN. Will the Senator yield?

Mr. REID. I would be happy to yield, indicating that one of the things we have not talked about here today with the Clinton plan is something that we recognized very clearly in Nevada. As a result of the Clinton economic plan, in Nevada nine times more Nevada families received a tax cut than an increase. It happened all over the United States. In addition to that, businesses got tax breaks in the Clinton plan of 1993. We fail to talk about it. In the little State of Nevada, almost 7,000 small businesses got a tax break when we passed the deficit reduction plan.

Mr. CONRAD. Will the Senator yield just on that point?

Mr. REID. I will be happy to yield.

Mr. CONRAD. I asked my staff to find out in North Dakota what happened because we continually are told these are the big taxers and the big spenders. I have reported what happened to spending. Every year under the Clinton administration spending as a share of our national income has gone down—each and every year.

Big spending? I do not think so. This President has reduced spending measured against our national income. And on the tax side, in my State of North Dakota, as a result of the 1993 plan, 29,000 people got a tax cut because of the expansion of the earned-income tax credit that was included in the Clinton plan; about 1,400 people got an income tax rate increase. And who were they? They were couples earning over \$180,000 a year and individuals earning over \$140,000 a year. So 20 times as many people got a tax reduction as got a tax increase.

Mr. DORGAN. If the Senator will yield, one of the concerns I have about the proposal now for a substantial across-the-board tax cut offered by Senator Dole is that it is so at odds with what is required of leadership at this point. I said on the floor yesterday, and I will say it again, I admire Senator Dole. I think the service he has given to this country is something most Americans should be thankful for and grateful for. He has been a good public servant.

I said yesterday I would not trade one Senator Dole and his experience for all 73 House Republican freshmen who boasted they had no experience and came here and proved it quickly.

I admire Senator Dole, but the fact is a test of leadership in our country is are you willing to do what is necessary for this country? Are you willing to propose what is necessary? President Clinton came in 1993 and made a proposal that was not popular. He knew and we knew people are not going to belly up to this one and say, well, sign me up; please let me have some of that—spending cuts and tax increases.

We knew that was not going to be politically popular. We knew it was going

to be hard to do. It turned out to be extraordinarily hard to do. It turned out it passed in this Chamber by a tie-breaking vote being cast by the Vice President. So it turned out to be enormously difficult. Why? Because it was not popular. It was tough medicine. It was needed to put the country back on course. That is the test of leadership.

Mr. REID. And it was very partisan.

Mr. DORGAN. It turned out to be very partisan, regrettably. I wish it would have been a bipartisan effort to say, if we have to do some heavy lifting, let us all lift. But that was not the case. In any event, what has happened now is that Senator Dole, who has always stood here in this Chamber and said I do not agree with those who say let us have a big across-the-board tax cut and the deficits, the heck with the deficits, let us not care what happens as a result of it, he has always been one who stood in the well of the Senate and said these things do not make any sense. This does not make any sense. Now he has been convinced apparently to propose an across-the-board tax cut which will substantially reduce the revenue and substantially increase deficits. And do not trust me on that. Trust the Concord Coalition, a bipartisan organization or nonpartisan organization run jointly by a former Republican Senator and Democratic Senator who say this is going to vastly inflate the Federal deficit.

It seems to me, given the economic story we have talked about today, the question is, do we want to move in that direction again: swollen deficits, slower growth, more unemployment? Or do we want to continue with the plan that has worked for our country?

Mr. REID. I would say to my friend, in closing, we have heard a discussion here this afternoon about the economy and how the glass is half full rather than half empty. I have heard on the Senate floor, over the past month or so, the same type of discussion as it relates to crime in America; that is, "the glass is half empty, it is not half full," when we should recognize that the violent crime rate has dropped for adults. We are making progress with the approximately 40,000 new police officers throughout America. We are making great progress. We should talk about the positive effect of how crime is being attacked in this country rather than continually dwelling on the negative.

I yield the floor.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Georgia controls the next hour.

TAX RELIEF

Mr. COVERDELL. Mr. President, it is not going to be the subject I intended to address, but I could not help hearing some of the remarks from the other side about how onerous it would be if we were to allow the American family to keep more of what it earns in its checking account via tax relief. I

am going to talk for just a second about it.

An average family in my State gets to keep 47 percent of its gross income. In 1950 those people got to keep 80 percent. Now they can only keep 47 percent after they get finished paying their Federal tax bill, State, local, the cost of Federal regulations, and extra costs they pay in interest payments because of the national debt that has been drummed up by an ever-increasing and larger Federal Government here in Washington.

Mr. President, 47 percent is what is left at the end of the day. I will say as long as I am here that any effort to bring relief to those average families and to allow more of their earnings to stay in their checking accounts is laudable and correct, because we have pushed the average family to the wall. That which we ask them to do, get the country up in the morning, feed it, house it, shelter it, take care of its health, is virtually impossible to do today with what is left in that checking account after some Government bureaucrat marches through it.

It is not my purpose to discuss it here this afternoon. But lowering the economic pressure on the average family in our country would do more to end the stress and the anxiety and the behavioral problems in our middle-class families than any other thing we can do. You can track the stress in those families and track it day by day, month by month, year by year, as we ratcheted up the tax pressure on those families. You can see the effect it has had on them—smaller families, no savings in their savings accounts, lower SAT scores, more members of the family having to work just to keep up; in some of them, not only both parents working but both parents having two jobs.

I am absolutely mind boggled that we would be arguing that it would be some evil and sinister thing to lower the tax pressure on the American family.

RE-CREATE A MELTDOWN

Mr. COVERDELL. Mr. President, we are hours away from the end of the fiscal year. There are leadership meetings occurring everywhere. I have become convinced that the other side has concluded it is to their political advantage to try to re-create a meltdown here.

We have learned from reading in the paper that the now famous Dick Morris, political consultant to the White House, spent 5 months planning the last shutdown, and we see the exact same characteristics as we come to trying to bring the year to a logical and bipartisan closure. Let us remember that, unlike a year ago, we have 60,000 troops in harm's way right now in Iraq and Bosnia. We have just watched a hurricane sweep across our eastern shores, and we have families desperately trying to dig out. We are 6 weeks from an election, and we ought to get the electioneering out of the