investigation only stops the duplication of investigations, neither of which have so far resulted in anything of substance.

The current resolution extends the committee's deadline until June 14 and will cost the taxpayer's an additional $480,000. I believe this investigation could have been completed by the original promised deadline of February 29.●

SAGINAW HIGH SCHOOL

● Mr. LEVIN. Mr. President, on March 28, 1996, I spoke about the inspiring victory of Saginaw High School in the Michigan Class A State Basketball Championship. However, I neglected to mention the names of the players and coaches. I submit the list of Saginaw's valiant victors for the RECORD.

Saginaw High School varsity basketball team and coaching staff. Players: Deon Anderson, Lawandzo Harris, Montell Lewis, Marcus McCray, Dwayne Nash, Jason Peoples, Deronnie Pitts, Andre Reed, Terrance Reed, Antoine Tatum, Armar Vansant, Terry Washington, Torrance Whitson, and Freeman Battle. Head coach: Marshall Thomas. Assistant coaches: Ronnie Bryant, Brian Humes, Larry Kelly, and Shevonne Weems.●

VOTE IN SUPPORT OF THE ANTI-TERRORISM BILL

● Mr. WELLSTONE. Mr. President, much has happened in the year since this bill left the Senate. Oklahoma City has begun the healing process from the senseless violence it suffered at the hands of a terrorist bomber. Prime Minister Yitzhak Rabin was killed by a terrorist. Terrorism in the Middle East, against subway riders in Tokyo and elsewhere have reminded us of the vulnerability of free societies to this kind of senseless violence. The unabomber's reign of terror has apparently been brought to an end by the FBI. And the antiterrorism bill that left this Senate has come back, in some ways, a better bill: It is less invasive of civil liberties when it comes to eavesdropping by Federal agents, and it prevents defendants from being deported based only on evidence they are not allowed to understand.

What happened to Rabin shows us all that terrorism is not going away. What may have been a success in stopping the unabomber shows that the Federal Government can fight back. I support this bill because I recognize that terrorism is a threat that puts all our lives at risk, and that we must bolster national antiterrorism efforts, including by providing to law enforcement and the courts new tools to combat cutting edge technologies of violence and increasingly bold villains, in order to stem the tide of destruction.

I have made it clear that I do not support everything in this bill. I voted against the Senate bill last year largely because of its broad habeas corpus provisions, which will limit Federal court review in death penalty cases. I am also opposed to this bill's provisions to weaken protections for refugees and asylees fleeing persecution in other countries which has nothing to do with antiterrorism efforts. While I am still profoundly opposed to these provisions, I have concluded that on balance this bill should pass.

There is much in this bill that is good, that will address concerns Minnesotans have expressed to me. This bill will make a real difference in the fight against terrorism. It includes many necessary changes to our Federal criminal laws. It will make it a Federal crime to plan or to carry out terrorist attacks in the United States. It will make it a Federal crime to plan terrorist attacks in the United States, even if the attacks are carried out overseas. It includes increased penalties for conspiracies involving explosives. It will make it easier to detect plastic explosives, and to track chemicals of which most bombs are composed. It will make it harder for terrorist groups to raise funds in the United States. It provides mandatory restitution for victims of terrorist acts. It will help prevent the sale of arms to terrorist states by third parties. And it expands the authority of government officials to deal with threats posed by chemical, biological, and nuclear technologies, involving deadly nuclear materials.

While I did not agree with every aspect of the 1994 crime bill I supported it because I concluded that, on balance, it contained many effective provisions to fight crime and violence. By the same token this is a bill that on balance can make an impact against terrorism.

I voted against provisions in this bill that I fiercely opposed, and supported many changes that were not agreed to. The President and Members of both parties on both sides of Capitol Hill have nearly unanimously come together in this statement against destruction and violence. Because this bill successfully addresses a threat that endangers all of us and because a unified effort makes a strong statement and therefore my voice can help make it stronger, I join my colleagues in its support.●

COL. JAMES C. BARBARA

● Mr. LEVIN. Mr. President, I rise today to honor Col. James C. Barbara on his retirement from the U.S. Army after 32 years of dedicated service. Colonel Barbara has had a far-reaching and successful career which has had a profound effect on the evolution of our Nation's armored vehicles.

Col. Jim Barbara was commissioned in armor through the Reserve Officer Training Corps and has served in Europe, Vietnam, and the United States. He has been the commander of five companies; adviser to Alabama, Mississippi, and Tennessee National Guard units; and the Secretary of the General Staff XVIII Airborne Corps.

From 1981–85, Colonel Barbara was the TRADOC systems manager and assistant manager for tanks, becoming responsible in 1986 for M1A1 initial production, follow-on evaluation, and live fire testing. From 1988–90, he led the common chassis advanced technology transition demonstrator, the largest, competitive weapons system program in the history of the Army.

In 1993, Colonel Barbara led a process action team focusing on ways to develop and implement reengineering techniques to support acquisition streamlining. In 1995, Jim became the deputy program executive officer for tactical wheeled vehicles, where he was responsible for organizing the tactical vehicle community's emergency efforts to design, test, produce, and field armor protection kits for use in Bosnia.

Jim holds bachelor's and master's degrees from Boston College and an MBA from Northwood University. Colonel Barbara's awards and decorations include the Legion of Merit, Bronze Star of Valor, Meritorious Service Medal, and Army Commendation Medal. He is married to the former Eleanor B. McMorrow of Worcester, MA.

I know that my Senate colleagues join me in congratulating Col. James C. Barbara on his 32 years of dedicated service to our Nation. ●

THE BUDGET DEBATE

● Mr. ABRAHAM. Mr. President, as the Senate continues to debate our proper budget priorities, I have noted the presence of a number of inaccurate arguments. These arguments, in my opinion, are distracting us from the central question of how our taxing and spending policies affect middle-class Americans. Particularly worrisome to me are inaccurate views concerning the historical performance of tax cuts, and their impact on middle-class income in particular. Specifically, some are arguing that tax cuts in the 1980's produced lower incomes for our middle class, and saddled them with a larger percentage of total tax receipts.

In an attempt to focus debate more effectively on questions of what will and will not work for the American people, I would like to have inserted into the RECORD an article of mine, published recently in The World & I. In this article I set forth my view of the real effect of tax cuts in the 1980's. As published, the article is accompanied by spirited responses and defenses from several distinguished observers, including Gary Burtless of the Brookings Institution, Michael Meeropol of the Center for Popular Economics, Bruce Bartlett of the National Center for Policy Analysis, Norman B. Turé of the Institute for Research on the Economics of Taxation, and Paul M. Weyrich of the Free Congress Foundation.

I argue that the pro-growth and pro-family tax policies of the 1980's contributed significantly to the prosperity of America's middle-class families. In addition, I point out that tax cuts produce lower, not higher, deficits and that tax cuts help the middle class and poor more than the rich. Not all the respondents agreed completely with my argument. But I believe the article can help all of us form more useful, coherent arguments as we face the budget challenges ahead.

The article follows:

THE REAL 1980'S

(By Spencer Abraham)

The debate over the budget is becoming a debate over the 1980s. Opponents of tax cuts and spending restraints are claiming that these policies wreaked havoc when tried before under Ronald Reagan. The policies of the 1980s, in this view, hurt American families and the American economy, and so should not be repeated.

To answer this criticism, one must explode three interrelated myths that are exercising undue influence over the budget debate today:

The progrowth and profamily tax policies of the 1980s actually hurt America's middleclass families.

Tax cuts necessarily increase the budget deficit.

Tax cuts disproportionately benefit the rich at the expense of the middle class and poor.

Using these myths, defenders of the status quo paint reformers as heartless friends of rich people and enemies of the poor and middle class. By exploding them, we can return the focus of our budget debate to the question of how best to reform tax and spending policies for the benefit of all Americans. But to do this, we must reestablish the truth about how our nation's middle class really fared under the low-tax, limited-government policies of the 1980s.

MYTH NO. 1

The claim that middle-class families suffered under conservative reforms is based on an inaccurate representation of the income data. For example, opponents of reform have said over and over that household income fell over a 15-year period, from $38,248 in 1979 to $36,959 in 1993, and that this decline was the direct result of the policies of Ronald Reagan and the Republicans. They wield a frightening graph, much like figure 1.

But the graph does not reflect reality. These 15 years did not constitute one monolithic era of Republican policy dominance. Rather, they included two periods characterized by overtaxation and overregulation (1979–81 and 1990–93) and one period (1982–89) during which Republican policies of lower taxes and less regulation were in place. An accurate portrayal of this overall period would look like figure 2.

In truth, this 15-year period consists of one era of middle-class prosperity under low-tax, limited-government policies and two eras of middle-class pain under policies of high taxes and increased regulation. Americans had 8 years of improvement in middle-class incomes from 1982 to 1989. Unfortunately for the middle class, the periods from 1979 to 1981 and 1990 to 1993 were dominated by overtaxation and overregulation, policies that resulted in declines in middle-class incomes.

Opponents of reform attempt to paint Ronald Reagan's low-tax, limited-government policies as harmful by treating the 1979–93 period as if all of it were in the Reagan era. They wrongly imply that Reagan was president and Republicans were in control throughout this period.

On closer inspection, it becomes clear that the first 3 of the 15 years were under high-tax and heavy regulatory policies. It is also clear that, during this first period, real median family income fell precipitously from over $38,000 to under $36,000, for a total loss of over $2,500, according to Census Bureau data. In fact, one of the sharpest declines in median family income on record occurred in the year 1980.

As anyone with a working knowledge of the calendar and even a passing interest in American politics Knows, Ronald Reagan was not president in 1979 or 1980. Jimmy Carter was. Further, Republicans controlled the Senate for only the first 6 years of Reagan's tenure.

What is more, Republicans did not control the House of Representatives at any time during this 15-year period. Democrats were in charge the entire time. And, in 1979 and 1980, they controlled both the legislature and the presidency.

Yet opponents of lower taxes and slower spending growth almost always include 1979 and 1980, the last years of the Carter era, in describing the impact of the Reagan administration's conservative tax and regulatory reforms. But no matter how much one opposes tax cutting and deregulation, it is difficult to argue that these policies, pursued under Ronald Reagan and the GOP in 1981 and beyond, were bad enough to cause income declines in the years before they were implemented.

Unlike the 1993 Clinton income tax increases, many of which were implemented retroactively, the 1981 Reagan economic policies did not take effect until the middle of 1982. And what happened after these policies went into effect in 1982? As anyone can see from figure 2, real, postinflation median family income in the United States rose between 1982 and 1990, from $35,419 to $39,086, for an increase of 10.4 percent.

COLD WATER ON THE ECONOMY

But in 1990, the Democratic majority in Congress began insisting that tax-revenue increases had to be part of any effort to reduce the budget deficit. The result was the budget summit deal of 1990.

After that, again shown in figure 2, we saw a different pattern. Between 1990 and 1993, median family income plummeted 5.4 percent, from $39,086 to $36,959. The most severe drop in middle-class income began in 1993, the year the Clinton retroactive tax increases took effect. In that year, there was a remarkable $709 (1.9 percent) plunge in real median family income.

So what conclusion should we reach? The answer seems clear: Republican economic and tax policies helped the middle class. Thus, to get middle-class incomes moving upward again, we should return to the low-tax, deregulatory policies of the 1980s. These policies produced one of the most dramatic increases in middle-class incomes in the last 30 years.

Nineteen million new jobs were created between 1982 and 1989—2.4 million in 1989 alone. And 82 percent of these jobs were in higher-paying occupations: technical, precision production, and managerial and professional. Clearly then, tax cuts helped the middle class in the best way possible, by producing economic opportunity and good jobs.

This brings us to a subset of the first myth: that the rich got richer and the poor got poorer during the 1980s. Once again, this claim is unsubstantiated by the facts. First, let us look at a graph (fig. 3) that surfaced during the economic policy debate.

According to this figure, the 15 years between 1979 and 1993 produced:

A 15 percent decline in real family income for the bottom 20 percent of America taxpayers.

A 7 percent drop in income for the second-lowest 20 percent of taxpayers.

A 3 percent drop in income for the middle 20 percent.

Meanwhile, this 15-year period saw:

A 5 percent increase in income for the fourth 20 percent.

An 18 percent increase in income for the richest 20 percent of taxpayers, which was most problematic of all for critics of taxcut policy.

Once again, however, the use of this 15-year conglomeration produces misleading figures. The data look bad for the poor and middle class on this graph because, once again, the figure lumps in the effects of Jimmy Carter's high-tax, high-regulation policies with those of low taxes and low regulation.

When we separate out the 1979–81 period (fig. 4) from the 1982–90 recovery years (fig. 5), we find that everyone got poorer under the high-tax, high-regulation policies of 1979–81—the poor much more so and much more devastatingly than the rich. From 1979 to 1981, the poorest fifth experienced a drop in income of 9 percent, the next fifth a drop of 6.8 percent, the middle fifth a drop of 5.4 percent, the following fifth a drop of 3.5 percent, and the top fifth a drop of 4.5 percent.

Meanwhile, when the government lowered taxes and regulations during the 1982–90 period, everyone got richer.

During the 1982–90 Reagan-Bush era, everyone was better off. The bottom fifth experienced an 11 percent increase in income, the next fifth experienced a 9.7 percent gain, the middle fifth a 10.3 percent increase, the next fifth an 11.8 percent rise, and the highest fifth a 17.9 percent increase.

After the 1990 budget deal, everyone again became worse off. And after President Clinton's retroactive tax hike took effect in 1993, average Americans were hit hard.

Perhaps some would complain that people with high incomes did even better than other Americans during the prosperous 1980s. But government's goal should not be to make all people the same. It should be to allow everyone to become better off. And policies of low taxes and fewer regulations did precisely this.

It really is very simple: Lower taxes and less regulation help the poor, along with everyone else, while higher taxes and more regulation hurt the poor, along with everyone else.

MYTH NO. 2

What about the notion that we cannot afford tax cuts and that the tax cuts of the 1980s produced the burdensome deficits our economy is staggering under today?

This myth, unfortunately, has led some in Congress to abandon their commitment to tax cuts in the name of common sense. They now argue that common sense demands that we delay, cut back, or abandon entirely any tax cuts, at least until we achieve a balanced budget.

In fact, tax cuts can help America achieve the goal of balancing the budget. Tax reductions—particularly those that strengthen incentives to work, save, and invest—increase the rate of economic growth and thereby produce higher tax revenues for the Treasury than would be the case under a high-tax regime.

It is a paradoxical truth—to paraphrase what President John F. Kennedy said in 1962—that tax rates are too high today and tax revenues are too low. And the soundest way to raise revenue in the long run is to cut the rates now.

Kennedy was right and for a simple if somewhat unexpected reason: Irrespective of the top marginal tax rate, the government will take in about the same amount as a percentage of gross domestic product (GDP).

Research by economist W. Kurt Hauser shows that government receipts as a proportion of GDP have continued to hover at 19.5

percent since 1960. In 1982, the tax share stood at 19.8 percent of GDP. By 1989, the tax share had declined slightly to 19.2 percent of GDP—much the same as it had been back in 1960.

In short, whether we have raised or lowered tax rates, the percentage of GDP in taxes has hovered at 19 percent. The issue, of course, is 19 percent of what? Is it 19 percent of a large and growing GDP, or of an anemic, stagnant one?

Here again, the real numbers destroy the myths and tell the true story. According to the federal Office of Management and Budget (OMB), in 1982, the year the tax cuts were implemented, tax receipts stood at $617.8 billion. By 1989, tax receipts had increased to $990.7 billion.

How did this come about? By lowering taxes, the government freed up capital and entrepreneurial spirit, creating jobs and wealth and expanding the size of the economic pie. From 1982 to 1989, GDP increased from $3.1 to $5.4 trillion. Therefore, while tax revenues as a share of GDP remained relatively constant at just over 19 percent, the dollar amount of tax revenues collected by the federal government rose dramatically, because the economy grew dramatically.

Tax cuts will increase economic growth and thereby reduce the deficit. The question is, by how much? Economist Bruce Bartlett, a former assistant secretary of the Treasury, notes that the OMB figures show that increases in real GDP significantly reduce the deficit. By the year 2000, the deficit would be diminished by more than $150 billion if the economy grew just 1 percent faster than currently projected over the next five years.

Of course, Bartlett says, there is no guarantee that the Republican tax cuts will achieve a 1 percent faster growth rate. But there is no doubt they will increase growth above what would otherwise have occurred. If growth is just 0.4 percent faster per year it would be enough to make the tax cut deficit-neutral, based on the OMB data.

Thus, a dispassionate review of the figures shatters the myth that the Reagan tax cuts increased the deficit. The problem was not our revenue stream, either in terms of the percentage of GDP paid in taxes, or in real tax dollars received. The problem was too much spending. From 1982 to 1989, government spending rose from $745 billion to $1.14 trillion, a 53 percent jump.

Tax cuts in the 1990s can help produce the same type of economic growth they generated in the 1980s. This growth in turn will help us reduce the deficit. All we must do is reduce the rate at which government spending grows. CBO figures show that, if we simply hold the rate at which federal spending grows to a little over 2 percent per year, we can cut taxes by $189 billion and balance the budget by the year 2002.

MYTH NO. 3

But this reference to tax cuts brings us face to face with another myth, namely, that tax cuts disproportionately benefit the rich at the expense of the poor.

The myth explodes, however, on contact with IRS data conclusively show that lower income-tax rates actually increase the percentage of the total tax bill paid by the rich while decreasing the tax burden on the poor.

There is an amazing historical correlation between decreases in the marginal tax rate and increases in the share of revenue paid by the top 1 percent of income earners. And, of course, along with this increase in taxes paid by the most wealthy went a decrease in the taxes paid by the lower 50 percent of income earners.

For example, by 1988, the share of income taxes paid by the bottom 50 percent of taxpayers assumed just 5.7 percent of the income tax burden. Also in 1988, the average tax payment of the top 1 percent of taxpayers amounted to 27.5 percent of the total.

On the other hand, after the budget summit deal of 1990, the top marginal tax rate was increased from 28 to 31 percent. This produced a 3.5 percent decrease in the revenue share paid by the top 1 percent—down to 24.6 percent of the total. That is, as marginal rates decreased, the rich paid more, and as marginal rates increased the rich paid less, leaving more for the middle class and poor to pay.

Clearly, then, if we want to help the middle class, the last thing we should do is increase marginal tax rates. Such an increase will lead to lower productivity, lower tax revenues from the rich, and an increased tax burden for those who are not rich.

The answer to our dilemma, then, is not to keep our current high taxes but to cut taxes while bringing spending under control.

By bringing together disparate kinds of tax cuts, from a $500-per-child tax credit to a reduction in the capital-gains tax rate that will strengthen small businesses and entrepreneurs, we can increase the well-being and productivity of America's middle-class families. These tax cuts would allow middle-class families to build a better future for their children.

The proposed $500-per-child tax credit directly benefits the middle class. The Joint Committee on Taxation has reported that three-quarters of the benefits from this tax cut will go to people with incomes less than $75,000.

A capital-gains tax cut will accrue to the middle class as well. IRS data show that 55 percent of taxpayers who report long-term capital gains earn $50,000 or less. And 75 percent of them earn $75,000 or less.

These tax cuts will bring real relief to America's middle class. They will help the economy and thereby help lower the deficit.

The 1980s teach us—if only we will examine their lessons properly—that a vibrant economy, spurred by low taxes and fewer regulations, will produce balanced budgets and economic well-being for the middle class. We need only trust Americans to spend and invest their own money as they see fit. We need only trust the people, rather than government, to make their own decisions about how to take care of their families and improve their lot in life.●

CONGRESSIONAL REVIEW TITLE OF H.R. 3136

● Mr. NICKLES. Mr. President, I will submit for the RECORD a statement which serves to provide a detailed explanation and a legislative history for the congressional review title of H.R. 3136, the Small Business Regulatory Enforcement Fairness Act of 1996. H.R. 3136 was passed by the Senate on March 28, 1996, and was signed by the President the next day. Ironically, the President signed the legislation on the first anniversary of the passage of S. 219, the forerunner to the congressional review title. Last year, S. 219, passed the Senate by a vote of 100 to 0 on March 29, 1995. Because title III of H.R. 3136 was the product of negotiation with the Senate and did not go through the committee process, no other expression of its legislative history exists other than the joint statement made by Senator REID and myself immediately before passage of H.R. 3136 on March 28. I am submitting a joint statement to be printed in the RECORD on behalf of myself, as the sponsor of the S. 219, Senator REID, the prime co-sponsor of S. 219, and Senator STEVENS, the chairman of the Committee on Governmental Affairs. This joint statement is intended to provide guidance to the agencies, the courts, and other interested parties when interpreting the act's terms. The same statement has been submitted today in the House by the chairmen of the committees of jurisdiction over the congressional review legislation.

The joint statement follows:

STATEMENT FOR THE RECORD BY SENATORS NICKLES, REID, AND STEVENS

SUBTITLE E—CONGRESSIONAL REVIEW SUBTITLE

Subtitle E adds a new chapter to the Administrative Procedure Act (APA), "Congressional Review of Agency Rulemaking," which is codified in the United States Code as chapter 8 of title 5. The congressional review chapter creates a special mechanism for Congress to review new rules issued by federal agencies (including modification, repeal, or reissuance of existing rules). During the review period, Congress may use expedited procedures to enact joint resolutions of disapproval to overrule the federal rulemaking actions. In the 104th Congress, four slightly different versions of this legislation passed the Senate and two different versions passed the House. Yet, no formal legislative history document was prepared to explain the legislation or the reasons for changes in the final language negotiated between the House and Senate. This joint statement of the authors on the congressional review subtitle is intended to cure this deficiency.

Background

As the number and complexity of federal statutory programs has increased over the last fifty years, Congress has come to depend more and more upon Executive Branch agencies to fill out the details of the programs it enacts. As complex as some statutory schemes passed by Congress are, the implementing regulations are often more complex by several orders of magnitude. As more and more of Congress' legislative functions have been delegated to federal regulatory agencies, many have complained that Congress has effectively abdicated its constitutional role as the national legislature in allowing federal agencies so much latitude in implementing and interpreting congressional enactments.

In many cases, this criticism is well founded. Our constitutional scheme creates a delicate balance between the appropriate roles of the Congress in enacting laws, and the Executive Branch in implementing those laws. This legislation will help to redress the balance, reclaiming for Congress some of its policymaking authority, without at the same time requiring Congress to become a super regulatory agency.

This legislation establishes a government-wide congressional review mechanism for most new rules. This allows Congress the opportunity to review a rule before it takes effect and to disapprove any rule to which Congress objects. Congress may find a rule to be too burdensome, excessive, inappropriate or duplicative. Subtitle E uses the mechanism of a joint resolution of disapproval which requires passage by both houses of Congress and the President (or veto by the President and a two-thirds' override by Congress) to be effective. In other words, enactment of a joint resolution of disapproval is the same as enactment of a law.

Congress has considered various proposals for reviewing rules before they take effect