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Senate

The Senate met at 10:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by Rabbi Yechiel Eckstein, president of the International Fellowship of Christians and Jews.

We are pleased to have you with us.

PRAYER

Our Father in Heaven, we come before You this day and every day in awe, gratitude, praise, humility, and prayer. This, indeed, is the day the Lord has made, let us rejoice and be glad in it.

O Lord, instill in our hearts a love for You and for all Your creation. May we be ever mindful that it is from You that we derive our strength, our wisdom, our hope, and our conviction.

May we be inspired by Your Word and reminded of Micah's admonition to act justly, love mercy, and walk humbly with the Lord our God. May we never avert our eyes from the pain and suffering of others.

O Lord, on this and every day, we seek Your guidance and direction. Watch over us and our leaders—indeed, the men and women in this room.

We pray for the peace of Jerusalem as Psalms 122:6 urges us to do, and indeed for peace among all people of all nations. So that, instead of finding swords and weapons we will find only plowshares and pruning forks. We, the people, look to You, O God and to you, our leaders, to bring that day of peace about.

May we be inspired to transcend our diversities and differences and be blessed from on high with the fulfillment of the ancient Biblical promise of Psalm 133, "How good and how pleasant it is for brethren to dwell together in unity." God bless you and always be with you. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

WELCOME TO RABBI YECHIEL ECKSTEIN

Mr. THOMAS. Mr. President, first, on behalf of the Senate, I say welcome to Rabbi Yechiel Eckstein, president of the International Fellowship of Christians and Jews, to the Senate. Thank you so much for your prayer this morning. Rabbi Eckstein is an outstanding spiritual leader, author, lecturer, and radio and television communicator. Chaplain Ogilvie has invited Rabbi Eckstein to lead a seder dinner for Senators and their spouses this next Tuesday evening, April 15, 1997, which should be a great opportunity. My wife and I attended last year and, as Methodists, we enjoyed it a great deal. We intend to be there again this year.

Rabbi, we thank you for your message and sharing with us some of the feelings of the heritage we share as Jews and Christians.

SCHEDULE

Mr. THOMAS. Mr. President, I would like to announce today's schedule on behalf of the majority leader. Today there will be a period of morning business until the hour of 12:30 this afternoon. At 12:30, the Senate will recess until the hour of 2:15 to allow for the weekly policy conferences to be held. When the Senate reconvenes at 2:15, we will resume debate on the motion to proceed on S. 104, the Nuclear Waste Policy Act legislation. Under the order, the time between 2:15 and 5:15 will be equally divided, with a vote occurring at 5:15 on invoking cloture on the motion to proceed to S. 104.

If cloture is invoked, the majority leader hopes that the Senate will be allowed to proceed to the consideration

of the bill in a reasonable time period. If cloture is not invoked, I remind all Senators that a second cloture motion was filed last night and therefore a second cloture vote would occur tomorrow. If that vote becomes necessary, all Members will be notified later today as to when they can expect that vote on Wednesday.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. ROBERTS). Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 12:30, with Senators permitted to speak therein for up to 5 minutes each.

Who seeks time?

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

TAXES

Mr. THOMAS. Mr. President, several of us have asked this morning for a half hour to talk about an item that is of particular interest now, and that is taxes. It is of particular interest because we are now close to April 15, when taxes are more real to us all than they are at some other times. We want to talk about taxes because they are part of the Republican agenda. We have talked, over the years, about the idea of allowing families to spend more of their own money, allowing businesses to be able to invest and create jobs in the private sector. I think it is appropriate to talk about taxes because it has been an area of controversy—the idea of whether or not we ought to have an effort at tax relief at the same time we seek to balance the budget.

Mr. President, I am here to tell you that having been in my home district in Wyoming over the past week, as most of us have, and having a series of town meetings, the issue that came up most often is: What are you going to do

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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about taxes? What are you going to do about the capital gains tax? What are you going to do about estate taxes or some tax relief for families to be able to help take care of their own children?

So I feel very strongly about it. Let me just say that too often when we talk about taxes and the budget, I think it seems that we are talking about arithmetic and bookkeeping when we talk about budgets. It just seems to me that when we talk about budgets, we are really talking about something quite broader than that, and that is the direction of this Government and whether or not we want to have more central Government, or whether we want to have less, whether we want to move more of our activities back closer to people at the State and local governments, or whether we want to continue to build up more and more at the central Federal Government level.

With that concept, the philosophical direction that is inherent in those decisions is also a decision about taxes and, I suspect, if possible, although we haven't done it for 30 years, to balance the budget and to continue to spend at the same time. You do that by raising taxes. That is the way you do that. That is what the President did several years ago, to move toward a balanced budget by continuing to spend but to raise taxes.

There is a philosophical difference of view. There are those who believe that we ought to have more Government, who believe that the Government actually spends money to a better advantage than people themselves do, who believe that we ought to have more and more functions carried on at the Federal level in the central Government. That is a legitimate point of view. I don't happen to share it.

I think, Mr. President, that quite often when we talk about the details of issues, really at the center of it is that issue of whether you want more Government or whether you want less. It is a pretty basic philosophical issue. That is what we are talking about here. It does seem to me that—No. 1, when you have a tax burden on the American citizens that averages between 38 and 40 percent in taxes for families, that is a heavy burden. That is a very heavy burden.

It seems to me, of course, that there are lots of ways in which we can reduce the size of the Federal Government. We can contract, we can have more things done in the private sector, and we can move more of it to the State government. There are a lot of the things out of the \$1.7 trillion budget we don't have to do. Many of those things have been there forever and they just go on because they go on. I guess I am suggesting that we ought to take a long look at that budget. In my view, one of the priorities for this Congress and for this Senate ought to be to balance the budget and provide tax relief for American citizens. That is what it is all about, I believe, so we want to talk about that.

There is a different view. There are those who, I think legitimately from a strategic point of view, say, "Let us balance the budget first." That is OK, I guess, if you are committed then to doing the tax relief. However, I believe we ought to deal with them at the same time. I am one who signed a letter—there were 16 of us, I believe—to the leader saying that we ought to deal with the whole concept of the size of the budget, how we balance the budget and how we give tax relief to American families and to business. That seems to be what we ought to do.

What did I hear about at home? I heard about capital gains taxes. I heard an awful lot about the idea that people would like to be able to invest in businesses if they could make some profit over time, even if it is nothing more than inflation over time, and about paying taxes on the investments for the inflation they have made. That discourages them. We have a lot of small businesses in my State, as is true everywhere. Small business is the backbone of this economy. We have a lot of farmers and ranchers and families who have spent their whole lives putting together an estate in their ranch or farm. Now we find, quite often, because those are not really cash-flow cows—there is a great deal of asset value there, but not much cash—you have to dispose of that property in order to pay the taxes. You can't pass it on to your family. There is a lot of concern about that.

Well, Mr. President, I have been joined by several of my associates to talk for a little bit about taxes this morning. So I yield to my friend, the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. HUTCHINSON. Thank you, Mr. President, and I thank the Senator from Wyoming for yielding time and for organizing this time to talk about the desperate need for tax relief for American families and businesses. I rise today in very strong support for meaningful and permanent tax relief for American families and businesses. This is, I believe, no time for us as conservatives, no time for us as Republicans, no time for us as Americans to retreat or backtrack or to equivocate on our commitment to the American people that we will fight for them and fight for tax relief.

One of the problems—and there are many—with the President's budget is that he matches temporary, very narrowly targeted tax cuts with permanent tax hikes. So while the minimal targeted tax cuts would be sunsetted, the American people will be obliged to continue to pay and pay and pay the tax increases. Not too long ago, Mr. Greenspan, Chairman of the Federal Reserve, testifying before the Senate Banking Committee, said, "Ultimately, you cannot solve the long-term deficits from the receipt side. It's got to be from the expenditure side."

Put very plainly, it seems to me that Mr. Greenspan is saying that the prob-

lem we have in our chronic deficits is not that the Federal Government does not have enough money, it is not that our National Government does not have enough revenues; it is that we are, in fact, addicted to spending. So the question is—and the debate continues to exist—Can we balance the budget and provide tax relief simultaneously? I think the answer to that is an emphatic, yes. The problem is not that we don't have enough revenues or that we need to increase taxes. The problem has been and continues to be that we spend too much and that we cannot get a control on our spending habit and that we are unwilling to deal with the very real problem of entitlement spending that consumes more and more of the budget pie.

So I suggest that we can cut taxes and that we must cut taxes for the American people. There are three areas, I think, particularly that we need to emphasize. First, as the Senator from Wyoming emphasized, was family tax relief. Families today, working families, hard-working families, are being squeezed more and more by an ever larger tax bite—almost 40 percent for the average family—at the Federal, State, and local level, which is more than they are spending for housing, for education for their children, for health care, more than they are spending for recreation, all combined together, they are spending to the tax collector. That is too much. That is unfair.

I also was listening to my constituents over the recess. We had 12 town meetings in Arkansas. In Fayetteville, AR, after making a speech and taking questions for more than an hour, a gentleman came up to me and said, "Senator, something is wrong in America." He said, "I was raised in a family of eight of us. There were eight children. Mom stayed home, dad worked. Dad, as a single breadwinner in a single-income family, he could provide for the eight of us. We had a pretty good life. My dad had a high school education. Now I have a college degree, two children. My wife and I both work, and we can barely keep things together. Something is wrong." While there may be many, many answers to that question, what is wrong and what has happened—a big part of it—is that Government has gotten larger, and as Government has gotten larger, its demand on the family has increased and the amount that it confiscates from the American family of higher taxes has grown to the point that the American family has a very difficult time paying it.

We need family tax relief. We need estate tax relief. There are fewer things I heard more about during my town meetings than the need for estate tax relief. There are fewer taxes in this country I believe that are more un-American than the estate tax. There are fewer taxes that are more of a killer and a destroyer of the American dream than the estate tax.

We used to say that part of the American dream is if you work hard,

save your money, and if you invest well, that you not only will have a better life, but you will be able to pass that on to your children and grandchildren so that they will have greater opportunities than we have. But today, if you work hard and if you have done well, we will take 55 percent of it in estate taxes. It is killing that American dream, or a big part of that American dream. I think that is wrong.

There are five bills in the Senate to reform or to eliminate the estate tax. I am on all of them. I think we need to at least raise the exclusion. But better yet, we need to eliminate it. It is a very ineffective way to fund the Federal Government anyway. We are 65 cents short in collections for every dollar that we receive from the estate tax. It is a very ineffective way of funding Federal programs.

Then, finally, I want to mention that we desperately need immediate capital gains tax relief. I heard a great deal about this. This is what they say. They say, yes, the Republicans are for capital gains tax relief, that it is a tax break for the wealthy. Well, we know that the vast majority of tax filers will at some time in their life file capital gains on their tax returns, most of those being middle-income earners. It is not a tax break for the wealthy.

Let me tell you how it plays out in Arkansas. A young couple started 30 years ago building a poultry farm in the Ozark Hills. They spent their life paying off that mortgage. They are getting up in age. They are not wealthy. But they have worked their whole lives to pay off that farm. Maybe they can no longer tend that big farm, or maybe they want to move into town close to the hospital, or maybe they need to get in close to the grandchildren. They go to sell that farm. They discover that the capital gains taxes would be so high that they can't afford to sell the farm they worked a lifetime to pay for. They are not wealthy. But that is what we have done with the capital gains tax.

I will give you one other example. My chief of staff is from Stone County, AR. Stone County has one of the largest per capita incomes in the State of Arkansas. His parents own a little cafe called Cody's Cafe in Fifty-Six, AR, next to the State park. It is a good restaurant. It has good food. I recommend it. I eat there when I am in Fifty-Six, AR. But Todd's parents wanted to sell that little restaurant. It is a mom-and-pop operation. They don't have many employees. It is a very small cafe. They wanted to sell it and put it into another business, in another restaurant in another part of Arkansas. They had a buyer, somebody who was going to buy that cafe-restaurant. Those buyers undoubtedly were going to expand, and they were going to hire additional employees as well. Todd told his parents, "Before you make that deal, before you sign that contract, be sure to check with your accountant. Find out what the capital gains taxes will be."

When they checked they found they couldn't afford to make that sale. So they hung onto it. They continued to operate it.

But I want you to think with me, my colleagues. What would have been the impact had they been able to make that sale, had we not had the exorbitant capital gains tax we impose? We would have had a new business started with new employees. The economy would have been stimulated with more taxes being paid to the Federal Treasury. We would have had new business owners there in Stone County with the desire to expand that restaurant operation, hire additional employees and, therefore, not only stimulate the economy in Stone County, but pay more taxes to the Federal Treasury.

You take that little example from Stone County, AR, and multiply that thousands of times across the United States, and you begin to get the picture of what we could do in stimulating the American economy, and therefore making it easier for us to balance the Federal budget if we would simply cut drastically and dramatically the capital gains tax rate. I believe we need to do that.

So I know there are others who are here to speak. I just want to conclude by saying this is no time for us to retreat on our promise made to the American people that we are going to work for tax relief. I believe it is the moral equivalent of what President Bush did in 1990. I admire and love President Bush, but I think he made a terrible mistake when he told the American people "no new taxes," and then violated that pledge in reaching a budget deal. We must not, in our desire to reach some mythical budget deal, forsake, abandon, or equivocate on the promise and the pledge we made to the American people that we have come up here to lessen that ever-increasing tax burden under which they labor.

So I, for one, will continue to work for a budget that is going to have family tax relief, estate tax relief, and capital gains tax relief for the American people.

I yield the floor, Mr. President.

Mr. THOMAS. I want to ask the Senator if there is a Fifty-Six, AR.

Mr. HUTCHINSON. There is a Fifty-Six, AR, and Cody Cafe is the place to eat.

Mr. THOMAS. Mr. President, I yield to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

THE SINKING OF THE "TITANIC", TAX DAY, AND OTHER MANMADE DISASTERS

Mr. GRAMS. Mr. President, 1 week from today, we will mark the anniversary of two infamous, manmade disasters. One may slip by unnoticed. I am certain the other will not.

The first disaster we will commemorate next Tuesday is the 85th anniversary of the sinking of the *Titanic*, an

event made all the more tragic because it could have been prevented. The story of the *Titanic* is a sad story of excess, of man's ongoing reach for something bigger, something more powerful.

The second manmade disaster is the arrival of tax day. Now, I do not mean to draw a direct comparison between the loss of life in the *Titanic* incident and the plight of America's working men and women. But for many Americans, April 15 is another potent symbol of man's ongoing reach for something bigger and more powerful. The bigger and more powerful entity in this case is not the world's largest ship, but the largest government the world has ever known. And Washington's constant need to expand its reach has imprisoned working families in a disastrous cycle of taxation.

Look what our outrageous tax burden has done to families over the past 40 years. Taxes today dominate the family budget. The annual tax bill for a typical family now averages \$21,365—significantly more than they spend on food, clothing, and shelter every year.

Factor in State and local taxes and the hidden taxes that result from the high cost of government regulations, and a family today gives up more than 50 percent of its annual income to the government. We pay an especially high price in my home State of Minnesota—a study released last year by Harvard University revealed that Minnesota taxpayers pay the seventh highest taxes in the Nation.

Taxes are not merely an inconvenient fact of life. They are the 1990's version of highway robbery.

Who has borne the brunt of these ever-increasing taxes since the 1940's? Working families with children. No wonder these Americans shake their heads in dismay each April.

Mr. President, when my colleagues and I in the sophomore class were elected in 1994, we were sent here by our constituents on a promise that we would balance the budget and cut taxes. That same promise was made by the Members of the new freshman class. And we do not intend to let 1 more year pass without delivering on those promises. Tax relief and deficit reduction can and must go hand in hand. Any budget presented in this Chamber that favors deficit reduction at the expense of lower taxes—what Washington's big spenders like to call the save-the-dessert-for-after-dinner approach—is nothing more than an exercise in futility. Until the opponents of tax relief recognize that what they call dessert is what most taxpayers consider their salary, we will never reach agreement on a budget.

I would like to also add that I received a letter today from a mayor back home who opposed tax relief. He didn't call it dessert, but he called it political goodies that we would like to disperse to our constituents. Allowing working men and women to keep more of their money is what he calls political goodies.