

needs to keep itself whole and healthy than the family itself. Therefore, there is no public policy that is more important than nurturing the economic liberty and keeping the checking accounts of American workers healthy so they can do what they have done for the last two-plus centuries.

Economic liberty is a fundamental component of American culture. That is what this tax relief proposal is about. It is about making sure more of those resources stay in those checking accounts.

When you take too much out of those checking accounts—which we have been historically doing now for about three decades-plus—you change the way Americans function. We are not who we are because of our genes. We are who we are because we have been free. When you reduce the resources American families have, you start seeing things you don't like to see.

Let me give you a couple of examples. This year, for the first time since the Great Depression, workers in the United States—our workers—will have a negative savings rate. What is left to save after the Government marches through the checking account?

If an average family in America is making \$50,000 or \$55,000 a year, and you take half of it away, is there enough left to get the job done? The answer is no. So there is nothing to save. So when there is a crisis, there is no ability to respond to it or to prepare adequately for retirement. If you leave the resources in those checking accounts, you will see the savings go up. They will have the resources to do the kinds of things they are supposed to do, including saving for problems or retirement.

Here is another one. Bankruptcies are at an all-time high. Credit card debt is at an all-time high. There are not enough resources in the checking accounts and so the behavior of these families begins to move in directions that are not as appropriate. That is going to continue as long as we continue to press and constrain and take too much out of the check of an American worker, an American family, and an American business.

I see that the distinguished Senator from Idaho has arrived. I don't want to infringe upon his time. I will yield the floor. Under the previous order, each of us has up to 15 minutes.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

TAXES

Mr. CRAIG. Mr. President, I thank the Senator from Georgia for coming to the floor this morning and asking his colleagues to come with him to discuss what is one of the most fundamental arguments and debates this Senate has had, and that is the debate over taxes and how much our government should rightfully take from the American worker and the American family to fund and finance the services of government.

When I first came to Congress in 1981, we were rapidly spending into deficit, and I said at that time my goal would be to balance the Federal budget.

I well remember that some of the old-timers who had been in Congress then for 30 or 40 years laughingly said, "Not in your lifetime, young man." "Not in your lifetime." They also repeated that it really wasn't in the character of our Government or in the good of the Nation that we should ever balance the Federal budget and that deficit spending was appropriate and right for Government to stimulate the economy. I was of a different school of thought, as were many.

In the early 1980s, I joined with Democrat and Republican who agreed with me to introduce balanced budget amendments and to begin to educate Americans that balancing the Federal budget—the annual operating budget and keeping it balanced—would reap this country great dividends.

If you can flash back to the early 1980s, it was also at a time when our deficits were building in the Federal Reserve. At that time, Paul Volcker was saying to us: If you will get your fiscal house in order and I can get my monetary house in order, and we can keep them in balance, we can diminish inflation, lower our interest rates, and cause a tremendous economic growth in our economy.

Congress in those early days chose not to listen. We continued to deficit spend. Paul Volcker, Chairman of the Federal Reserve, basically took it on himself, as did the Federal Reserve, to kill inflation in this economy. It was a very costly task. It threw thousands and thousands of people out of work. It bankrupted small companies. It destroyed farming and ranching communities. It was a devastating thing to do. But it happened.

Some of us have already forgotten 21 percent interest rates at one point and high levels of unemployment. Why? Because the fiscal and monetary policy of this Nation's Government was out of sync. We continued to deficit spend. We continued to mount those deficits until 1994. The American people said enough is enough, and we will listen to a conservative Republican Congress, and we want you to balance the budget. So they changed our country significantly by electing a more conservative Republican majority in Congress. The rest of the story is, while difficult at times, quite simple; that is, we balanced the budget. We did so by restricting the growth of spending at a time when new technologies in our economy were exploding on the scene. The economy and the fiscal policy and monetary policy began to go into balance. We have seen the most phenomenal economic renaissance literally in the history of this country, if not the history of the world.

Our economy today drags the rest of the world's economies with it. Our workforce has never had more options, generally speaking, and opportunity for employment in the history of our

country, except, as the Senator from Georgia knows, in rural agricultural communities and some of our resource-based communities where agricultural policy or Government policy is not in sync at this moment, and where we have a unique phenomena around the world such that our biotechnology has expanded around the world to the point of creating tremendous surplus because of the balanced budget.

Because of the fiscally responsible Congress, we are now experiencing the politics of surplus—not deficit but surplus. The politics of that surplus is really quite simple. For those who like to spend, they lick their chops and rub their hands and say, look at all we can do more than we are doing for the American people.

For those of us who really believe we are doing enough and that the American people best know, as the Senator from Georgia said, where and how to spend their money on their families, the politics of surplus is the opportunity to reward the American people for their wisdom in requiring their Government to balance its budget and to return to the American family the money that is rightfully theirs in the reality that we are, in fact, overtaxing the American workforce for the amount of money necessary to run Government.

We knew coming to this session of Congress that what we wanted to do for the American workforce and the American taxpayer in returning to them their money would be a difficult task at best. The first sounding of the alarm came with the President's State of the Union Message when he not only proposed in a time of surplus 80-some new spending programs but even proposed a tax increase. I mean, my goodness, Bill. We are talking about potentially hundreds of billions of dollars of surplus and the argument is that we are probably overtaxing the American people and you want more money and you want to tax more. That really was the beginning of the battle that we have engaged in for about 7 long months.

It was also quite obvious from the very beginning this President would have an ally. That ally would be the liberal press that, from the very beginning, was always asking people such as me and the Senator from Georgia: Well, but what about the President's position? Don't you think that is the right position?

In essence, they were saying: My goodness, you are surely not going to give back this money when you can spend it on all of these programs.

Here is how all of that refines itself into headlines. I was fascinated by it.

In February, I asked the Chairman of the Federal Reserve, Alan Greenspan, who all of us respect greatly, to come to speak to the Republican policy luncheon. He said: What do you want me to speak about? Quite simply, I want to ask you one question: What do you do with surplus? Alan Greenspan came. And he said: Let me suggest that

you reduce marginal rates, you pay down debt, "but, most importantly, you don't spend it."

"Most importantly, you don't spend it."

He said the reason is quite simple. Don't send a message to the economy of this country that you are going to lift the caps and start spending money. He said it will be a most negative message because the available resources of this country are now dedicated to growth and job creation in the private marketplace. And if you suggest that you are going to increasingly take more of it and spend it in Government, you will send a more negative signal. Don't do it.

Before the August recess, after we had shaped a tax bill and we were in the final days of debating it and getting ready to send it to the President, the headlines in the papers were "Alan Greenspan not in favor of tax cut."

The reason I use that example is because it typifies what we knew very early on—that we have many enemies out there as did the taxpayers have in pushing this message. Enemy No. 1, Bill Clinton; No. 2, a collective press that would not fairly write to the American people the broad base of this argument.

Let me tell you what Alan Greenspan said that extrapolated itself into headlines as "not in favor of tax cut." He said, and I am not going to extrapolate; I am going to quote:

My first priority, if I were given such a priority, is to let the surplus run. As I have said before, my second priority is if you find that as a consequence of those surpluses they tend to be spent—

In other words, Alan Greenspan is consistent with February and late July—

Then I would be more in the camp of cutting taxes because the least desirable is using those surpluses to expand outlays or to spend.

Greenspan continued:

I give great sympathy to those who wish to cut taxes now to preempt that process, and, indeed, if it turns out that they are right then I would say moving on the tax front makes a good deal of sense to me.

Do you know that Alan Greenspan is right? Already the forces of the idea that the President will veto this package are at hand saying: Can we have another \$10, \$15, or \$20 billion?

Can we have all of the surplus that will be generated out of the general fund and spend it because the priorities are so important?

If we send a signal to the American economy, and Bill Clinton helps it with a veto of this tax bill that will go to him next Tuesday, that we are turning on the spending machine, I am not so sure that a year or two from now we will see near zero unemployment in our country; we will see the vibrant economy; we will see the investment capital; we will see the job creation that has given the American people more reason for optimism than anything we have done or we could do as a government in the last good many decades.

I am suggesting what the Republican Congress has done in proposing a very broad-based tax cut is responsible, consistent with our economy, fair, and it is intended to help people. It is intended to say to the American family: Taxpayers are entitled to more than 50 percent of what they earn, to save, to invest, to buy a new home or a car, to do what is truly a part of the American dream; and that is to not consistently have government take away more of it. That has always been the great energy of our society.

After Alan Greenspan was at the policy committee, I asked him about this phenomenon in the stock market and this high-tech economy. I said: How do you read this one, Mr. Greenspan? He said: I am not sure I can, other than to say the genius of the American people turned loose in a private marketplace is beyond imagination.

Today we have seen that genius simply because we have reduced the level of intensity of government upon that genius. And we want to reduce it a little more. Of all the surplus moneys that will come rolling into government over the next 10 years, we are saying, for every dollar, we only want to give one quarter of it back—not all of it, one quarter of every dollar. Three quarters of it stays in government to shore up Social Security, to reform Social Security, to protect new and future Social Security recipients, to spend a little in selected areas when we find it necessary.

Yet one would think, from listening to folks on the other side of the aisle, that this tax cut would destroy government as we know it. I heard a Democrat Senator the other day say it will destroy all the environmental programs; it will destroy all the educational programs; it will destroy all of the welfare programs. After listening to that, my only thought was: Get a life. Where are you coming from?

We are talking surplus moneys, not current moneys. We are talking surplus moneys. We are only talking about giving a quarter of it back out of every dollar and keeping three quarters of it to do much of what that Senator was talking about.

The reason that Senator was in such an illogical, untruthful panic was that over the August recess Republicans, led by the Senator from Georgia, went home to hold town meetings and press conferences and to visit with our taxpayers and our voters and explain the package. All of a sudden, the numbers started shifting because the national media didn't have control of the message. All of a sudden, the tax bill moved up into the high fifties and sixties as something the American people thought was probably the right thing to do. Still frustrated, they want the debt paid down. But when they found out that over the course of the life of this tax bill we pay down about \$2 trillion in debt, they said that is fair and reasonable.

Of course, when agricultural America, where the Senator from Georgia

and I were visiting with our farmers, saw what we had done for them in farming and in the tax package to help production agriculture, they said that makes sense, that gives us tools to survive and to be productive.

I am absolutely amazed this President blindly, without listening, reading, or sensing the character of the American people, but only the politics of his party, says "veto" from day 1, "veto" from day 2, "veto" from day 3, instead of saying we have an opportunity to keep this economy growing to allow the private sector to thrive, to hold down the influence of government over the private sector, and, most importantly, allow the American family to pursue its dream.

That is what this tax package is all about. It is all about the right things. It is about fairness, responsibility, helping people, and controlling government.

I thank my colleague from Georgia for his leadership in this area, for helping send the messages out unfettered, clear and simple, to the American people so they can make up their own minds. They are making up their minds. It is very clear to me where they come down. They come down on the "no spending" side, and they come down on the side of splitting the differences between a tax cut and paying down the debt. That is right and responsible. I hope the President will listen as that bill comes to him this coming week.

I yield the floor.

Mr. LOTT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. HAGEL). Without objection, it is so ordered.

Mr. LOTT. Mr. President, I do have a series of requests that I will need to make. I have notified the Democratic leadership that we will be making these requests, and I believe Senator DORGAN is here to respond and perhaps comment on them.

UNANIMOUS CONSENT REQUEST—MESSAGE ACCOMPANYING S. 1437

Mr. LOTT. Mr. President, I ask unanimous consent the Chair lay before the Senate a message from the House to accompany S. 1437, the FAA reauthorization. I further ask consent the Senate disagree to the amendments of the House, agree to the request for a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

Before the question is put, I do want to say the FAA reauthorization is a very important piece of legislation, obviously. It never seems to be easy getting it through the Congress. I remember in 1996 it was the last bill that we