

time has been made available. I wish him to take whatever time he requires.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. LOTT. Mr. President, I extend my appreciation to the distinguished senior Senator from New York. It is always a pleasure to work with him. I thought it was appropriate we have this time this morning to pay tribute to this great man.

Mr. President, today, along with other Senators from both sides of the aisle, I note the first anniversary of the death of Rabbi Morris Sherer, the long-time president of Agudath Israel of America.

This is a sad memorial, in that the nation has lost his ethical leadership and his commitment to justice and religious liberty. But this should also be a celebratory observance, to honor the memory of a man who, while treasuring the past, always looked forward.

Rabbi Sherer was a living example of President Reagan's favorite saying: there's no limit to what you can accomplish when you don't care who gets the credit for it. But today, we rightly give him credit for a lifetime of good works on behalf of this people, his faith, and his country.

More than a half-century ago, in the worst of times for European Jewry, he put Agudath Israel in the forefront of assisting the persecuted and saving the hunted. And with the defeat of Nazism, his organization pitched in to help refugees and immigrants.

Here at home, he took a small organization that seemed to be on the sidelines of American life and transformed it into an active, weighty, influential factor in the mainstream of national affairs.

He was not reluctant to apply the value of his faith of public policy. Because religious education was at the very core of his community's life, he fought for equitable treatment of students in faith-based schools, whether Christian academies or Orthodox schools.

Because he understood that a culture without values is a culture without a future, he fought against the moral decline that has brought so much suffering and sorrow to our country in recent decades.

His concern to preserve and strengthen the Jewish religious heritage in America did not prevent him from working with those outside his own community who shared his principles. We need to have more of that in America, not less.

In matters of public policy, it is easy to win applause, but it is even harder to win true respect.

Rabbi Sherer sidestepped the applause and earned the respect that today brings members of the Senate of the United States to pay tribute to his memory.

I know he would be especially pleased by this observance, not because we are here praising him, but because his son, Rabbi Shimshon Sherer, is serving today as our guest Chaplain.

We thank him for that, as we thank the men and women of Agudath Israel for their continuing commitment to defend their faith and advance the humane vision of Rabbi Morris Sherer.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. MOYNIHAN. Mr. President, our time has expired. Might I ask for 1 concluding minute?

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

Mr. MOYNIHAN. I thank the majority leader for his fine, perceptive remarks and for making this occasion possible.

It is a little over a year since the passing of Rabbi Moshe Sherer, one of American Jewry's most distinguished communal leaders. Rabbi Sherer was the president of Agudath Israel of America for over 30 years and served as a reasoned, wise voice whose counsel was widely respected in the Yeshivot of his beloved Brooklyn and the halls of government in lower Manhattan, Albany, Jerusalem, and here in Washington.

I first met Rabbi Sherer in the early days of the Kennedy administration when he came to Washington on behalf of Agudath Israel. I quickly learned to admire his sagacity and rely on his insightful counsel and abiding integrity. For over 35 years he was a treasured mentor and a trusted friend.

Rabbi Sherer's earliest work on behalf of the Jewish community was the grassroots, and largely illegal, organization and transport of food shipments to starving Jews in Nazi-occupied Eastern Europe in 1941. His efforts also produced affidavits for European Jewish refugees that helped them immigrate to the United States.

After the end of World War II, he and Agudath Israel continued to assist European Jews—survivors interned in displaced person camps—with foodstuffs and religious items, and helped facilitate the immigration and resettlement of Jewish refugees on these shores. In ensuing decades, Rabbi Sherer spearheaded Agudath Israel's efforts on behalf of endangered Jews behind the Iron Curtain and in places like Syria and Iran. In 1991, years of clandestine activity on behalf of Soviet Jews culminated in his establishment of an office in Moscow to coordinate Agudath Israel's activities in Russia. Under his leadership, Agudath Israel also played an important role in providing social welfare and educational assistance to Israel Jews, and in advocating for Israel's security needs.

Ignoring the pessimistic predictions about Orthodox Jewry made by sociologists and demographic experts in the 40s and 50s, Rabbi Sherer went on to help engineer a remarkable change in the scope, image and influence of the American Orthodox Jewish world. A staunch advocate of Jewish religious education as early as the 1960s, he helped establish the principle in nu-

merous federal laws—like the Elementary and Secondary Education Act of 1965—and State laws that, to the full extent constitutionally permissible, children in non-public schools were entitled to governmental benefits and services on an equitable basis with the public school counterparts. In 1972, his efforts on behalf of education led to his being named national chairman of a multi-faith coalition of leaders representing the 5 million non-public school children in the United States.

On the day of his funeral last year I took the Senate floor to declare that:

World Jewry has lost one of its wisest statesmen. America Orthodoxy has lost a primary architect of its remarkable postwar resurgence. All New Yorkers have lost a man of rare spiritual gifts and exceptional creative vision.

Rabbi Sherer passed away only hours before the President of the Senate, Vice President AL GORE, addressed Agudath Israel's 76th anniversary dinner in New York. He spoke for the Senate and for all Americans when he eulogized the Rabbi as "a remarkable force for the understanding and respect and growth of Orthodox Jewry over the past fifty years," whose "contributions to spreading religious freedom and understanding have been truly indispensable in defending and expanding those same rights for all Americans in all faiths."

I know I speak for the entire Senate when I express my condolences to his widow Deborah, his loving children Rachel Langer and Elky Goldschmidt, who join us today in the visitor's gallery, and his son Rabbi Shimshon Sherer whose inspiring prayer opened this morning's Senate session.

"There were giants in the Earth in those days," the book of Genesis teaches. Rabbi Noshe Sherer was a giant in our midst, whose counsel and wisdom will be missed by all of us who were privileged to enjoy his friendship.

The PRESIDING OFFICER. Under the previous order, the time until 12 noon shall be under the control of the Senator from Minnesota, Mr. GRAMS, or his designee.

The Senator from Minnesota.

#### TAX RELIEF FOR AMERICAN FAMILIES

Mr. GRAMS. Mr. President, we wanted to take a little time this morning to again talk about what I consider the overtaxation of the average working family in the United States. The tax burden is getting larger and larger every day and every year. In fact, under this administration it has grown by about 50 percent in just the last 6 years. To sum up some of these things we do have a number of other speakers who will come down this morning and join us and lay out some of the facts and figures on the current tax status in the United States.

Next Sunday our Nation will celebrate the Fourth of July. Millions of Americans and their families and

friends will gather to raise the national flag, parade in their hometown, grill in their backyard, or drive to the beach for a relaxing vacation.

The Fourth of July is always a truly great American holiday.

As we observe this special occasion, I rise to remind the American people of why we celebrate the Fourth of July, Independence Day, and to call upon Congress and the President to take immediate action to provide meaningful tax relief for all overtaxed Americans.

This great Nation was born out of a tax revolt. The revolt was not because of Founding Fathers were selfish but because they did not want to be shackled under more government regulations, bureaucracy, taxing powers, and unjust legislation of their homeland.

They did not want to send their hard-earned money to the Parliament in England that furthered their own special interests in order to keep themselves in power.

This tax revolt was about freedom and liberty, about a person being able to own himself, his labor, and the fruits of his labor. This is the simple moral origin of our Nation.

Our Founding Fathers understood well that low taxes and freedom were directly related. They did their best to ensure that the American people continued to enjoy their freedom.

Unfortunately, this freedom that our Founding Fathers treasured so much and that triggered our Nation's independence has been eroded.

Today, Americans are overtaxed. The tax burden on working Americans is more crushing than ever. In 1913, less than 1 percent of all Americans paid income tax. Only 5 percent of Americans paid any income tax as late as 1939, before World War II.

Today, the Federal tax burden is at a historic high. Federal taxes consume nearly 21 percent of national income. A typical American family pays \$9,450 in Federal income tax per year.

A median-income family can expect to pay nearly 40 percent of its income in Federal, State, and local taxes—more than it spends on food, clothing, and housing combined.

But our Democratic colleagues and President Clinton do not believe this rapidly growing tax burden is excessive and have preferred new spending to tax cuts.

One of the best indicators of how exhausting the tax burden has become is the annual arrival of Tax Freedom Day, the day on which Americans stop working just to pay their State, Federal, and local taxes and actually begin keeping their earnings for themselves.

This year, Americans had to wait until May 11 before they marked Tax Freedom Day. At 132 days into the year, it's the latest arrival of Tax Freedom Day ever.

As a sign of just how far and fast taxes have escalated, in 1950, Americans marked Tax Freedom Day on April 3.

Cost of Government Day, a day calculated by Americans for Tax Reform,

goes further by including taxes, regulations, and total government spending. This year Cost of Government Day arrived on June 22.

The total cost of government in 1999 is estimated at \$3.72 trillion, that is up from \$3.56 trillion in 1998.

This is a 4.5-percent increase overall, and that is almost double the rate of inflation. The cost of Government regulation alone will cost taxpayers over \$1.06 trillion in 1999. Again, our Democratic colleagues and President Clinton do not believe this rapidly growing tax burden is excessive, and they have repeatedly denied tax cuts to Americans.

Let's take a look at another indicator. Over the course of President Clinton's administration, Washington's income has grown faster than our economy and has grown twice as fast than the income of the average American. In fact, Federal taxes have grown by over 54 percent during this administration. That is nearly \$4,000 per year more per person. The income tax rates also indicate Americans are overtaxed.

The average tax rate for the 437,036 individual returns filed for 1916 was 2.75 percent. Again, the average tax rate for nearly the half million Americans who filed returns in 1916 was just 2.75 percent of income. Under President Reagan, we had only two income tax rates: 15 percent and 28 percent. But today, there are now five tax rates, and Americans can be taxed as high as 40 percent in Federal taxes.

In the past few years, over 20 million American workers earning between \$30,000 to \$50,000 have been pushed from the 15-percent income tax bracket to the 28-percent income tax bracket due to the unfair tax systems we have. On top of that, they have to also pay a 15.3-percent payroll tax. Federal taxes alone account for the loss of 43 percent of the income for those middle-income Americans who have worked hard just to try to get ahead.

The President and the Democrats always like to tell middle-income Americans that, of course, they are only out there taxing the rich while they stick their hands deeper and deeper into the pockets of average Americans. They use class warfare as a cover to tax all Americans at a higher and higher rate.

The rapidly growing tax burdens hurt low-income and minimum wage workers as well. They may not pay income tax, but they still have to pay the payroll tax. As low-income and minimum wage workers work harder and earn more, their payroll tax increases, again taking a huge bite into hard-earned dollars that are most needed to keep those families above the poverty line. Once again, our Democratic colleagues and the President do not believe this rapidly growing tax burden is excessive and have repeatedly refused to support any tax cuts.

Let's ask the American people if they are overtaxed and want a tax refund on their overpaid taxes. Let's ask a full-time mom and former schoolteacher, Susie Dutcher, about the overall tax burden. According to her:

Taxes are far and away the biggest portion of our family budget.

Susie would love to put more dollars into their retirement account, would love to buy more books for their three children, or put more money in their college fund or spend more money for other family priorities, but she cannot because much of the fruit of their labor is again taken by the Government.

Ask John Batey of Tennessee about the death tax. John runs a 500-acre family farm that has been part of the Batey family for 192 years. John has spent all of his life on his family farm and, like most other farmers, he plans to be a good steward of the land, save and build his assets, and someday try to leave his farm to his children.

After the death of his father 5 years ago and the death of his mother last June, John began to settle his parents' estate. As he was about to take over the family farm, the IRS sent a death tax bill for a quarter of a million dollars. The land value of the farm increased significantly, but the death tax has never been indexed. John had no choice but to sell some of his assets, dip into their lifelong savings, and even borrow some money to pay Uncle Sam.

The Federal death tax was originally levied to pay for the war in 1916 to help fund the efforts of World War I, and estates under \$9 million were not taxed at that time. But it later evolved into a mechanism, of course, with a redistribution of private income.

Just like the Batey family, millions of American farmers and small businessowners are faced with paying high taxes or, in fact, losing their farms and businesses to pay the death tax. Unfortunately, again, my Democratic colleagues insist that a cut in the death tax is a tax cut for the rich, and they can hardly justify a costly tax cut that benefits some of the wealthiest taxpayers.

Ask janitor Joe of Virginia about the capital gains tax. Over the last 30 years, Joe saved every penny of his income he could possibly save after paying Federal, State, and local taxes. He took the risk, and he invested his savings smartly in the market. He was excited as he watched his savings grow into \$1/2 million in assets. That excitement soon turned into torment upon retirement when he began to withdraw the funds. The Government took nearly one-third of those hard-earned savings for capital gains taxes.

Or you could ask newly wedded Alicia Jones of my home State of Minnesota about the marriage penalty. Alicia and her husband graduated from college and had just begun working full time 2 years ago. In 1998, Alicia and her husband worked full time in professional careers. They had no children and were renting an apartment and trying to save to buy their first house. They had to pay at least an additional \$1,400 under the marriage penalty tax in our Tax Code for simply being married.

As a result, on top of the over \$10,000 they already had deducted from their

checks to pay Federal taxes, they had to take an additional \$700 out of their limited savings account to pay for Federal taxes, taxes that they would not have had to pay, by the way, if they had not been married.

She wrote and said:

I'm frustrated by this. I'm frustrated for the future. How do we get ahead when each year we have to take money out of our savings to pay more and more for our taxes? I hope that you will remember my concern.

Alicia's story is not uncommon. There are 21 million American families in this same situation. If these individual stories are not convincing, let's take another look at the polls.

A recent Gallup-CNN-USA Today poll shows that over 65 percent of Americans believe taxes are too high. Half of the American population think the tax system itself is not fair. A Fox News poll indicates that 65 percent of Americans believe that no more than 20 percent of their income should go to Federal, State, and local taxes. As I said, about an average of 40 percent today is collected from Americans across the country.

An Associated Press poll also shows that the majority of Americans want to use the non-Social Security surplus that we are hearing so much about this week for tax relief, not for more pet spending programs by this administration.

The list goes on. There are a lot of people around Congress, and especially in the White House, who talk about tax relief, but I believe it is all show.

The message from the American people is loud and clear: We are overtaxed, we want meaningful tax relief, and we want and need tax reform.

I ask my fellow colleagues and the President to ponder a very fundamental question about taxation over this holiday: Should our Government tax working Americans' income when they first earn it? Should the Government be able to tax it again when they save it, tax it again when they spend it, tax it again when they invest it, and tax it yet again when they die?

They talk about redoing taxes for low income people because it takes a larger portion of disposable income. I agree, but there is no excuse to tax others even more to support larger and larger spending plans.

To my fellow Americans, I invite you to think about our country's origin over this Independence Day holiday. Take a closer look at your payroll stubs to see how much in taxes is taken from your income, or just take a few moments to examine the hidden taxes on your holiday spending. You will be shocked to find out how much tax you are actually paying.

Let me give a few examples. If you drive the family car on vacation on the holiday, remember that 45 percent of the cost of your car goes to taxes. Over half of what you pay for a gallon of gasoline ends up going for taxes. Thirty-six percent of the cost of the tires on your car goes to taxes. And if you

choose to fly, 40 percent of that cost also will go to the Government.

Staying at a hotel is not cheap either, but did you know about 40 percent of your bill goes to the Government in the form of taxes?

If you decide to stay at home and have a simple barbecue to celebrate Independence Day, the Government will stay there as an uninvited guest, and 43 percent of the cost of beer and 35 percent of the cost of soda will go to taxes. The Government's slice of your pizza is about 38 percent, and taxes account for 72 percent if you want to have a drink. Even 31 percent of what you pay for a loaf of bread is taxed.

I think you get the idea of how much of the price of the average products you will buy over this holiday weekend is going to go to the Government in taxes.

So in closing, I am encouraged by President Clinton's announcement that the budget surplus will grow by an estimated \$1 trillion over the next 15 years. This additional budget surplus, I believe, makes tax relief even more necessary and even more feasible.

Even President Clinton is talking about new possible tax relief for the American people this year. I welcome the opportunity to work with the President to try to provide tax relief for all Americans—not to talk about it, not to be all show, but to make sure that some tax reform is passed in tax relief.

Saving Social Security, reducing the national debt, cutting taxes are imperative for our economic security and our economic growth. Our strong economy has offered us a historic opportunity to achieve this three-pronged goal.

Republicans are committed to returning the non-Social Security surplus to overtaxed Americans who are out there working hard and generating it in the first place. We have reserved nearly \$800 billion of the non-Social Security money for tax relief in our budget, and we will provide meaningful tax relief for all Americans this year.

Thank you very much, Mr. President. I now yield the floor to my colleague from Georgia, Senator COVERDELL, for up to 10 minutes.

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

Mr. COVERDELL. Mr. President, first, I compliment the Senator from Minnesota for organizing and bringing this meeting together on the question of tax relief and for the powerful statement he just made in support of giving relief to American workers so they can keep more of what they earn in their checking accounts rather than sending it off to bureaucrats—locally, in the State, and federally.

In the last few days, President Clinton has joined in calling for a strong lockbox to protect Social Security. I am pleased to see this. For the last month, we have been fighting a filibuster from the other side of the aisle on this concept of setting a procedure

in place that would make sure Social Security receipts have a new protection device. Hopefully, because the President has now said he supports it, the other side of the aisle will drop their filibuster and we can get on with our proposal to be more protective of Social Security receipts.

Second, the President has said he will now support tax relief. That is important. But tax relief can have a lot of definitions.

Our view of tax relief is that it should be across the board, that everybody should participate, and that the savings which families keep in their checking accounts be used for the decisions those families want to make: Do they need more health insurance? Do they need to pay school tuition? Do they have a leak in the roof? Do they need a new car?

The President's definition of tax relief is that you get it if you do something he wants, for instances if you put a solar panel on your roof or if you buy an electric car, if you can find one. That is behavioral relief. In other words, if you begin to live your life the way we in Washington think you should live it, you will get a break, but we are not going to let you decide what you ought to do.

I would suggest that the tax relief proposal, which is growing in size, ought to be looked at very seriously. I will come to that in just a minute. But let's just talk for a second or two about why tax relief is so important to American families.

First, as was said by the Senator from Minnesota, they are paying the highest taxes they have paid since World War II, which, given the extended periods of general peace, is unconscionable.

This year, American families will have a negative savings rate. That has not happened since the Depression. If you read what several pundits in the country have written, they say it is because American families are greedy. Hogwash. What it is, the Government has been taking more and more of what they earn, and the disposable income, the income they have left to use, is barely enough. In fact, in many cases it is not enough to manage their families so there is nothing left to save, and they are not saving.

That means those families cannot face off an emergency. If somebody loses a job or there is some loss of income, the rent cannot get paid. If there is an unexpected illness, an unexpected educational cost, an emergency, there are no savings in America to deal with that. So you put a whole arena of anxiety across the breadth of the land.

I am not going to overdetail this because of the time we have, but I, Senator TORRICELLI—it is bipartisan, bipartisan in the House, Republican and Democrat with leadership—Senator LOTT, Senator GRAMM of Texas, the chairman of the Banking Committee, are all coauthors of a concept that takes the first tax bracket, which is 15

percent, and increases dramatically the number of people who are in that minimum tax bracket.

So everybody would share equally. But the effect is that about 7 million people would be pushed down into that lowest tax bracket. Then the first \$500 of interest that family earns from the savings account would not be taxed. That means about \$100 billion over the next 10 years would be saved by those families, and 30 million of those families would have no tax on their savings accounts.

So what we have is a plan that benefits 110 million taxpayers, 30 million of which would be saving tax free, 10 million of which would no longer pay capital gains tax, and 7 million middle-income taxpayers would be returned to the lowest tax bracket.

But we do not tell them what to do with their savings; they can figure that out. It isn't designed to cause them to live in a loft or to use a solar panel or a windmill. It is designed to let them keep more of their income so they can more effectively manage their families and their lives.

Incidentally, this is the only tax plan that has been endorsed by the New York Stock Exchange. It is right on target, because pushing people into the lowest tax bracket is helping them save, and it is simplifying the Tax Code.

I hope that every succeeding year we can take another million-plus taxpayers and push them down into this 15-percent tax bracket. One day we might even get to the point that almost all Americans are there.

So this is a time for tax relief. Americans are paying the highest taxes they have paid since World War II. They have no savings, and therefore they do not run their families as effectively as they could. We all know the results of that. So this is broad public policy that needs the attention of the President and the Congress. It is the right thing to do, and this is the right time to do it.

I yield back to the floor manager.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. I thank the Senator from Georgia for his remarks this morning. Also, I thank him for all his hard work during this and previous Congresses to make sure that American families will be allowed to keep a little bit more of their hard-earned money, that less of it will come to Washington, and that they will have a little bit more control over how they spend it and what they spend it on. I appreciate it and thank him for all his efforts and work.

I also recognize this morning the Senator from Missouri, Mr. ASHCROFT, who also has been a leader in the fight against higher taxes and is working very hard for tax relief.

I yield 7 minutes to Senator ASHCROFT.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Thank you, Mr. President.

I am delighted to commend the Senator from Georgia for his outstanding remarks. He is right about giving people a chance to spend their own money in the way they choose to spend it.

So much of our so-called tax relief from time to time is given in ways that try to coach people that they should have it the way we want it done. Freedom is the ability to spend one's own resources the way one particularly wants to spend them. So I am delighted with his remarks.

I rise today in support of Congress' plan to provide over \$778 billion in tax cuts over the next 10 years. The President has already announced that the budget surplus will be larger than expected. This onbudget surplus is another name for a tax overpayment. Talk about a budget surplus. It means we are collecting more than we need.

Having collected more than we need from the people who worked hard, the least we could do would be to give it back to them. When you go into a business and hand a \$10 bill to the clerk for a \$7 item, they don't say: Well, we are going to increase your spending level. We are going to throw in four extra pairs of shoelaces and a can of polish, if you are in a shoe store. They say: No, here is your change. This is your money. You have overpaid.

That is where we are. In the days ahead, Congress will be deciding what to do. Are we going to try to find more ways to spend the money the people have earned or are we going to say our faith is in families; we are going to focus the resources of this country where we have our faith, and that is in the private sector and in families? That is what has made America great.

Or are we going to say our real faith is in bureaucracy; we are going to take more of this money and fund bureaucracy?

I think it is time for us to think about funding families, not funding bureaucracies; funding Main Street, not funding Washington, DC. When we have challenges in this country, I think all of us know they aren't going to be solved by government. As terrible as Littleton, CO, was and is, the real challenge is a cultural challenge.

We need strong families with the right values. We don't need stronger government bureaucracies. If bureaucracies could have solved the Littleton situation and many other challenges, we would have expected to have no challenges by now because we have great bureaucracies. We have more bureaucracy in America than ever before, but we have greater problems.

Instead of the high tax load that really almost forces the second parent to be in the workforce, maybe we ought to think about allowing people to keep some of the money they earn so they don't have to have both parents working and competing with the needs children have for the shaping, the nurturing, the developing, the teaching, and the parenting that is so necessary.

This year, the average American will have to work 173 days just to pay for government. This includes the burdens of Federal taxes, State taxes, and local taxes. We pay more in taxes than at any other time in history.

Some people say: Well, there was a year or two in the Second World War. I dispute that. I don't think they are counting local taxes as well. Some people say: What does the Congress have to do with local taxes? Very frankly, a good bit of the load of taxes at the State and local level is a result of Federal mandates, the Federal Government wanting to force things to be done by government and the bureaucracy, not having the courage to charge for it but just saying to the States: You must get this done.

It is sort of similar to going in to order something without paying for it. We have done that at the Federal level. It is a shame, but it has happened.

It is time for us to say that we need to allow some of the individuals who have built this great Nation to enjoy the fruits of their own labors. When we have overcollected, we have taken more than we need. We have a surplus. Let us give the folks the change back instead of trying to force them to buy more bureaucracy, which they didn't want, didn't order, and don't need. They do need the capacity in families.

According to a Congressional Research Service study, the surplus means that the average household will be paying \$5,000 more in taxes over the next 10 years than the government needs. Well, let's just let the American people have some of that money back.

I want to go quickly to one of the most important things we can do to correct a serious error of our Tax Code. For a long time, Members of this body have understood that our Tax Code penalizes people for being married. The way the Tax Code is administered, there is what is called a marriage penalty for people who enter the durable, lasting relationship of marriage, which is the place where children learn and where society and the social order, our culture, renews itself—in durable, lasting, committed marriages. They get taxed more heavily, very frequently, than if they were not married. That is called the marriage penalty.

I may not be one for lots of little nuances in the Tax Code, but it is time for us to take this massive prejudice out of the Tax Code that charges people elevated rates because they are doing the thing government most needs. If government is to promote safety and the stability of the community so people can reach the potential that God has placed within them—and that is what I think government is for—the family does that more effectively and in concert with government better than anybody else. If anything, marriage ought to be the subject of a subsidy, not the pernicious recipient of a penalty that punishes people for being married.

I know KAY BAILEY HUTCHISON, the Senator from Texas, has focused for

years on this idea. I have been one who has stood up to say that we ought to focus on this idea. If we have an opportunity to let people keep some of what they earn, let us stop punishing people for the persistent, durable commitment of dedicated marriage that is fundamental to the success of this society in the next century. That would be a tremendous first step.

We all know that we are paying more in taxes than ever before. We have watched, as the tax burden has gone up, families struggle to meet their responsibilities, moms and dads trying to juggle how they can accommodate their schedules and still raise a family. Finally, the second parent goes into the workforce to make ends meet because government demands so substantially.

Let us give the American family the kind of tax relief that allows families to make America great again and to make their own decisions. It is with that in mind that I think one of the tremendous opportunities we have is the opportunity to abolish the marriage penalty in the tax law.

I urge my colleagues, as we consider our responsibilities, to relieve American marriages of this pernicious penalty which punishes people for doing that which we all need.

I thank the Senator from Minnesota and the Presiding Officer.

Mr. GRAMS. I thank the Senator from Missouri for those words and, again, thank him for all his efforts on tax relief.

I now recognize the Senator from Alabama, Mr. SESSIONS, who also wanted to talk about it, for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. I express my appreciation for the excellent remarks delivered by the Senator from Missouri. He and the Senator from Minnesota have been champions of lowering the burden of government on American people since they have been in this body. They are known for that. They have given time and effort and passion to it. I really was inspired by the remarks of the Senator from Missouri. I appreciate them very much.

We are in a time of surplus. We have time to make some decisions about what we are going to do with that surplus. The President's own Office of Management and Budget midyear review now indicates that we will have, over 10 years, a \$1 trillion surplus outside of Social Security available to us.

I suggest we have to consider allowing working Americans to keep more of what they earn. That is clearly a policy that will nurture freedom. The more money we take from individuals, the more we take from families, the more we shift it to a burdensome bureaucracy in Washington, the more we diminish their freedom, their power vis-a-vis the government. The government is strengthened. The individual and family is weakened. It is just that

simple. The power to tax is the power to destroy. A tax diminishes freedom. It penalizes certain behavior, and it encourages other behavior.

I think we have to be honest with ourselves. This great economy has done some wonderful things for America. We are also finding that people are moving up in the tax brackets, higher and higher tax brackets, meaning they are paying a higher percentage of their income to the government each year. And the sad fact is that the total percentage of the gross domestic product; that is, of all goods and services produced in America, is increasing. According to the Federal Government's own statistics, in 1992, when this administration took office, before the big tax increase, we were sending 17.6 percent of the gross domestic product to the Government. It will reach 20.7 this year or next year—a steady increase.

To say that tax decreases are going to destroy the Government and somehow result in a massive reduction in funds to the Government is silly. The year before last we rolled back one-third of the 1993 huge tax increase that the administration pushed for. We rolled that back and included within it a \$500 per child tax credit. I know the Senator from Wyoming, the Presiding Officer, was a supporter of that, and the Senator from Minnesota, was a big supporter of that \$500 per child tax credit. I made it one of my highest priorities and worked extremely hard to see that that became a reality.

They say: Well, you can't afford a tax cut. If you have a tax cut, we will increase our deficit. That has not happened. In fact, we are continuing to see surpluses accrue.

But what I want to ask the American people to do is think about this: A family with three children making \$35,000 a year, or \$45,000 a year, will now receive a tax credit—not a tax deduction but a \$500 reduction in the amount of money they have to pay in taxes to the Government for each of those children—\$1,500. They will be getting those refunds this spring. Many have already received those refunds—\$1,500 for a family. That is \$120 per month tax free for a family to use for things.

If there is somebody struggling today, as the Senator from Missouri noted, it is working families. It is expensive. They will have \$120 a month to buy shoes with, or maybe a new set of tires for the car, or maybe money so the child can go on a school trip that they would like for them to go on but are wondering how they are going to pay for it. They will get it every month, because this Congress said, no, we are not going to keep taking this money from the families; we are going to allow you to keep it and use it as you see fit.

Who cares more about children than a mother who cares about her children? Who can best decide what they need than the family?

It is a myth that if you do not vote for more and more and bigger pro-

grams, you love your children less. That is an incorrect statement. It really offends me, because what we are doing is taking that money from families who love their children and who know their children's names. Nobody in Washington knows my children's names or the names of children in Alabama. They can't possibly utilize resources as effectively as the people who love them and who are raising them.

I really believe that was a nice step forward. But it was just one step. I am proud that we accomplished that. It took some effort. It looked as if it wasn't going to happen, until finally the American people understood what was being talked about. They realized that it was in fact possible to achieve it, and the people started speaking. The Congress—some of those who objected—got the message, and the President got the message. He signed that bill. So we are looking at a continual possibility of a surplus in the future.

I am concerned that we are showing an unhealthy increase in the amount taken by Government. I think it is time to send some of that back to our people. We can make reform of Social Security, we can secure Medicare, and I am absolutely strongly committed to the Social Security lockbox—to setting aside our Social Security surplus so we don't spend it, and making sure it is there to allow us to strengthen and improve Social Security.

That is the first step. If we spend the Social Security surplus by new and bigger programs—there is always some new program that somebody has—we are not going to have it to save Social Security.

Likewise, we have an opportunity with a non-Social Security surplus—this \$1 trillion, this \$1,000 billion, that will be ours in the next decade—to make a decision: Are we going to allow the Government to grow and become more and more a dominating force in our lives, or are we going to encourage families and freedom and prosperity?

Just for example, I support and am working very hard on a program I call "The Class Act." Most States—42 States now—have a plan called a pre-paid college tuition plan where you can buy into college tuition, invest your money into it as your children grow, so much a month, how you choose, and when your child gets to the age to go to college, it can be paid for.

We found that the Federal Government taxes all the interest that accrues on that money. The Federal Government is taxing and penalizing families who are doing the right thing by saving for their children's college education at the same time that we are providing tax breaks, interest rate breaks, and interest deferred payments to people who borrow for college. As a result, we have found that borrowing in the last decade has tripled—three times what it was in the previous decade. And savings are down.

Good government policy calls on us and demands of us that we encourage

the highest and best qualities in people. Taxing and penalizing people who save, and at the same time subsidizing people who borrow, which we need to do—people need to be helped in borrowing to go to college; we are not eliminating any of those programs—is wrongheaded. It is not encouraging our highest and best instinct as a people.

We are different from the rest of the world. This was never a government-dominated country. It has never been run by a king. It has never been run by a totalitarian Communist dictator. It is made up of millions of independent, free Americans who respect themselves and their communities and care about themselves and their communities.

We don't believe the Government ought to do everything for us. People are prepared in this country, as a part of our very character as a people, to take care of themselves whenever they can. But if the Government continues to take more of their wealth and take more of the money they earn every month, making it more and more difficult for them to meet their responsibilities, then they tend to look to Government to fund them.

That is not a good trend for us. This is basic. This represents a basic divide in this Senate and right down the hall in the Congress between people whose visions differ about the nature of our country.

I say let's celebrate our character of individualism, personal responsibility, personal integrity, good financial management, and frugality. Let's encourage savings and not tax people's money who save.

I think it is time for us as a nation to think about this. We dare not get into a big spending program. We do not dare start taxing and spending again. We have an opportunity for a historic time for America. I am proud to join with the Senator from Minnesota in promoting it.

Mr. GRAMS. Mr. President, I thank the Senator very much. I appreciate the words and all of the efforts of the Senator from Alabama. He is talking about the President announcing that a tax cut is possible. He is agreeing with us that tax cuts are important.

I think we have to be very careful because I think it would be a bad deal for the American people if we got a little bit of a tax cut but it came at the cost of huge increases in spending. We don't want that type of a tradeoff. We want to make sure that tax relief means tax relief and not just some token tax relief while we increase spending over in the other side.

I recognize for up to 5 minutes this morning the Senator from Kansas, Mr. BROWNBACK, and I also want to compliment him for all of his hard work and efforts in the area of taxes.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Thank you very much, Mr. President. I thank our distinguished colleague from Minnesota for all his work in this field.

As long as I have been in this body—I have not been in it that long; I am in my third year—I have known that Senator GRAMS has been really working on the issue of tax cuts. He has pushed forward. He has prodded people on it. He has done a beautiful job of getting us to the point of people saying let's have a tax cut, a serious tax cut, not one where we just issue a bunch of press releases and the press releases cost more than the tax cut but a real tax cut that stimulates the economy and helps people.

I am delighted the President is now apparently willing to work with the Congress in order to provide the American people with the tax cut they need and deserve. Part of the reason the President is now willing to consider a tax cut is the strength of the American economy, which is precisely one of the reasons we should consider a tax cut at this time. We are at this point of a budget surplus because of some fiscal discipline in Washington but mostly because of the strength of our economy. We need to keep that economy going and growing strong. That is the key to having budget surpluses in the future—a strong economy. We can help with tax cuts.

The bottom line, as has been mentioned before, is that growth works. When we have growth, we have more resources to pay down the debt, to do the programs needed for the American public, and now to cut taxes.

If we are going to continue to experience a growing economy, we need to take steps to enhance and sustain our current record of economic expansion in order to pave the way for the next century. We need another "American century." Providing the American people with broad-based pro-growth tax relief is one of the ways to help achieve it.

In America there is an emerging class of investors who are more aware of what tax policy means for individuals and for the ability of our economy to perform. This class of investors is citizens who have been able to take part in the American dream through 401(k) programs and expanded IRAs that have been offered as part of a retirement package or encouraged through our Tax Code. They are not wealthy—not yet anyway—but they are increasingly concerned about our Tax Code and what it means to them.

We need to work with the family farmers, cab drivers, construction workers, and small businessmen to allow them to participate in this free market system and have it continue its expansion. They know the best thing Congress can do in order to spur growth is to cut taxes.

There are a variety of options for cutting America's taxes. We can use a budget surplus after accounting for Social Security. We need the Social Security surplus for Social Security, and we need to lock it down, lock it out—create a lockbox for it.

With the budget surplus over and above Social Security, we could widen

the 15-percent tax bracket in order to help "flatten" the tax structure and provide the American people with tax relief. An expansion of the 15-percent tax bracket has another desirous effect of alleviating the impact of the marriage penalty. Currently, nearly 21 million families are forced to carry an average of \$1,400 more a year in taxes simply for being married. We must bring this institutionalized discrimination against the family to an end. Now is the time to do that.

We could also take steps to encourage savings and investment by cutting the capital gains tax rate, which could stimulate the economy and give back further revenues to the Federal Government. Americans need a higher rate of national savings to continue to grow into the next century. Cutting capital gains tax rates will help. We can look at the possibility of further reductions in the death tax area. I think we need to do this, particularly for small businesses and family farmers who frequently spend a lot of time reorganizing their business, creating trusts and other corporations to get around paying death taxes that would have the impact of killing their business, or of killing their farm, and not allowing them to pass it on to the next generation. We need to do those things.

I congratulate the Senator from Minnesota for his work on this tax-cutting agenda and getting the President to agree that we can and should do a tax cut. For the President to say he isn't opposed to a tax cut is a positive step. Now it is time for the President to deal with the Congress in providing real tax relief to the American public. It stimulates the economy, it keeps us growing, and it supports the American public.

I yield the floor.

Mr. GRAMS. Mr. President, I thank the Senator from Kansas for his efforts in discussing the importance of continued work in reducing the tax burden for average Americans.

The bottom line is that we are overtaxed today. The average family today spends about 40 percent of everything they make on taxes. Compare that to 1916 when the taxes began; it was less than a 3-percent tax burden on those paying taxes at that time, which was only about 5 percent of the American people. Today over 40 percent of a family's income goes into taxes.

When we talk about tax relief, we are talking about giving back money that has been overcharged—in other words, the excess money, the surplus. We are not talking about cutting any Government spending. We are not talking about reducing even the size and scope of the Government under these plans. That we need to do. If we were going to actually cut taxes, we would be giving back the surplus and then looking for ways to reduce the amount of money the Federal Government spends.

A couple of brief facts on the tax burden and how it has grown. Under the Clinton administration, individual income tax relief for income tax receipts

has far outstripped our economic output. The tax collections have more than doubled this country's gross domestic product growth in the last 6 years. It is almost double what personal income growth has been. In other words, Washington spending is growing twice as fast as the growth in the entire economy and twice as fast as a person's personal income. I think that is what we are talking about today.

We all need to pay taxes. We need to support Government. There are many good things the Government does. We need to review the excessive spending and Washington's belief that it can do everything for everybody.

In a bipartisan effort and mood, I yield the remainder of my time to the Senator from South Carolina to sneak in some remarks this morning.

I yield the remainder of my time to the Senator.

Mr. HOLLINGS. I thank my distinguished colleague.

Mr. President, so the distinguished Senator from Pennsylvania has time for the independent counsel, I ask unanimous consent to extend his time from 12:05 to 12:35 so his half hour can be preserved.

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

Mr. SPECTER. I thank the Senator.

Mr. HOLLINGS. I thank both of my colleagues on the other side of the aisle.

I awoke with a shock when I saw we had \$1 trillion more money to spend. I go right back to 1995, just 4 years ago, when I said I will jump off the Capitol dome if this budget is balanced by the year 2002. I said to myself, it looks as if I am going to have to jump off the dome, because they found another \$1 trillion. We just have surpluses everywhere.

I felt that way until I picked up the President's document—the budget of the U.S. Government that they gave us today, hot off the press. Turn to page 42 and Members will see the actual deficit in 1998 at the end of September was \$5,478.7 trillion.

The distinguished Presiding Officer, who is a certified public accountant, knows how to add and subtract. For the 5 years, on page 42, the total gross Federal debt goes to \$6,298 trillion. The Federal debt by the year 2002 that I was worried about has already increased some \$400 billion. By the year 2004, it has increased from the 1999 deficit \$551.1 billion.

The debt is going up half a trillion, and everybody is talking surplus. That is totally dismaying to this particular Senator. It is a shabby game and a fraud that we play on the American public. The only entity to keep us honest is the free press. They join in the fraud. They had a debate some years ago, between Mr. Walter Lippmann and John Dewey. This is back before the war. Lippmann's contention was that the way to really build and strengthen a democracy is to get the best of minds in the various disciplines—whether it

is in medicine or whether it is in law or whether it is in finance or whether it is foreign policy—get the best of the best minds around a table, determine the needs of the country, and give it to the Congressmen and Senators and let them enact it into law.

John Dewey countered that. He said: No, the better way is to give the American people the truth, and the American people, in a consummate way, through their Representatives in the Congress, the House and Senate, would reflect those truths, and we would have a strong democracy. That is the way since Jefferson's time, when he said:

[. . . as between] a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter.

That was because he was depending, over many years—now over the 200 years we have had—on that media expounding and telling us the truth.

The truth is, there is nothing in the lockbox that everybody is talking about. We have been spending it—\$857 billion that we owe Social Security this very minute. So there is nothing in the lockbox. You can see from this document, when they say, pay down the public debt, there is no such thing as paying down any kind of special debt. You either have a debt that increases or a debt that decreases and comes into balance. They play that shabby game called "paying down." The President even said, as quoted in the New York Times this morning, that he was going to tear up the credit card.

What they do is transfer the debt from the general indebtedness of Government, namely for defense and spending and everything else, foreign policy and otherwise, and transfer it over to Social Security, over to the military retirees, civilian retirement, over to Medicare, because there is a surplus. So they transfer that debt into these trust funds and say that is paying down the debt. It is like having a Visa and a MasterCard and you pay off your Visa card with the MasterCard. You are still the Government. If you are still the individual, you have your individual debt; if you are still the Government, you have the Government debt.

One more word and I will yield with gratitude to my distinguished friend from Pennsylvania. Just turn to page 43, the next page. You can see the 15-year; they have the debt held by the Government, accounts held at the end of the period, which has to be added up with the debt held by the public at the end of the period, and you will see the debt goes up to \$7.587 trillion. The debt goes up almost \$2 trillion over that 15 years.

Fortuitously, back 4 years ago I was saying that when President Reagan came to town we had an annual budget deficit from year to year and President Reagan said: I am going to balance it the first year. Then he said: Whoops, this is worse than I ever thought; I'll do it in 3 years. Then, with Gramm-

Rudman-Hollings, we did it in 5 years. I said, before long we are going up to 10 or 15 years. And sure enough, this morning they have gone up with all kinds of estimates of revenues.

Really, the way to play, if you want to play this game, is let's have a 25-year budget. We will have enough money for everything. Send the money to the U.N., double the amounts to the United Nations, double the tax cut. Let's double all these things, give it all to investment accounts, health care, whatever you want. Let's have a 25-year budget and really go to spending up here.

It is a wonderful charade. It is a lord-awful fraud. It is only up to the media to cut out this nonsense about surplus when we are spending, this year, \$100 billion more than we are taking in. It shows from the President's own figures we will continue to spend more than we take in, increasing the debt, which brings us to the \$350 to \$365 billion interest costs on the national debt. Before long, I am going to put in a tax allocated to really getting rid of that debt, whereby we will give a \$3.5-trillion tax cut, namely, get rid of that interest cost over the 10-year period. That is the kind of tax cut the Senator from South Carolina would like.

I thank my distinguished colleague from Pennsylvania.

The PRESIDING OFFICER. Under the previous order and agreement, the time until the recess shall be under the control of the Senator from Pennsylvania.

The Senator from Pennsylvania.

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#### INDEPENDENT COUNSEL REFORM ACT OF 1999

Mr. SPECTER. Mr. President, I seek recognition today to join my colleagues Senators LEVIN, LIEBERMAN, and COLLINS in introducing the Independent Counsel Reform Act of 1999. Our bill would accomplish two important goals. First, it would reauthorize the institution of the independent counsel for another 5 years. Second, our bill would make significant changes to the existing independent counsel statute to correct a number of problems which have become clear to all of us during the course of the past few years.

Tomorrow, the independent counsel statute will sunset. The law is dying because there appears to be a consensus that it created more problems than it solved. Many of us have forgotten the very serious problems and conflicts that led us to pass the statute in the first place. Any problems with the law can be fixed, and our bill addresses the issues that have caused the most serious complaints. But it would be a serious error to eliminate the institution of the independent counsel.

Many years have passed since President Nixon's infamous Saturday Night Massacre. Yet it is important that we remember this episode because it is such a powerful reminder of why we