

We want to participate in paying taxes for the things that we cannot do ourselves. Everybody has that attitude. It is when the taxes encroach so much on the quality of life and when the family does not really see what that does for them that we start getting people saying, "Wait a minute. I am paying 39 percent; I am paying 27 percent; I am paying 15 percent," whatever it is, "and I do not see the results. And I don't feel that my taxpayer dollars are being spent wisely." That is when people step up and say, "Let's put this in perspective." And that is what we are trying to do.

Under the Republican plan, we increase the standard deduction for married couples that are filing jointly. By the year 2005, the marriage penalty will be eliminated for couples that do not itemize their deductions. That is the right approach. That is encouraging families.

Also encouraging families is homemaker IRA's. This is something that I and other women Members on both sides of the aisle have been very active in pursuing, and that is because we are saying we value the American family unit. The family unit is the core of our society. And yet, if you are a homemaker working inside the home, doing your part to strengthen society, you cannot set aside \$2,000 a year in an IRA for your retirement security. If you work outside the home, you can. But if you work inside the home, you cannot.

We are going to change that with the budget reconciliation package that has passed both Houses of this Congress. We are saying the homemaker makes a contribution to the strength of our country that is every bit as important, if not more so, than the contribution made by people who work outside the home.

So we are going to correct an inequity that has been in our system. That helps the one-income working family. Many people sacrifice for the homemaker to stay home with the children. And when they sacrifice, they also are going to have to make a sacrifice for retirement security, and I think that is wrong and so did a majority of both Houses of Congress.

Then there is the homemaker who becomes displaced after 25 years of marriage; she becomes divorced or she loses her husband. She, too, is discriminated against in retirement security because she does not have that nest egg to build up for her retirement, which she is entitled to. This is in the bill that has passed both Houses.

We also add to other investment savings opportunities. America has one of the lowest savings rates of any industrialized country of the world. Why is that? One reason is we tax it twice. We tax savings when you earn it, and we tax it while it is in a savings account. It is taxed twice. Most industrialized countries do not do that.

We are going to provide more savings alternatives in this bill so people can put money into an account and the savings will mount tax free, so that

when they need it, when their income levels are such that they need it, they are going to be able to pull it out tax free. Or, if they do not wait until retirement because they have an emergency need such as education for children, or first home or health care emergency, that is going to be provided for as well.

So it gives people an incentive to save because they know they can draw it out for an emergency and yet they are going to be able to earn money tax free either for their retirement security or for their emergency needs. This is going to be a savings incentive bill that is also, besides helping the family that is trying to take care of its retirement needs or emergency needs, going to spur economic activity which creates new jobs for people coming into our system.

So this is a new approach. That is for sure. And many times when you have something new, people are scared. They do not know what to expect, and so they wonder: what is all of this new action going to produce? We are trying to have some simple and basic themes. We are trying to help to encourage the American family. We are trying to encourage the working families that are having a hard time making ends meet but they are not on welfare. They are working to make ends meet, and we are encouraging them by taking more of them, 3.5 million more of them off the tax rolls completely. We are going to do away with the marriage penalty. We are going to try to spur investment to create new jobs in this country. It is very simple. We are trying to save Medicare for our citizens that are on Medicare now as well as for the future.

The Medicare trust fund is going broke. The President's own Cabinet people say it is going broke. Our plan is going to save it—not by cutting it but by slowing the rate of growth from 10 percent per year to 6.4 percent per year. Even 6.4 percent per year growth is more than we have in the private sector health care industry now. That is why we think it is reasonable. We are going to save the system. But we are going to do it over a 7-year period so that we can grow gradually rather than having a meat-ax approach. We are doing the responsible thing for this country. We are also keeping a promise. We are doing what we said we would do. We told the people in the 1994 election: Here is what you can expect if you vote for me. The people did vote for us, and now we are giving them what they expected and what they asked for.

Did we make a few mistakes? Probably. Do I agree with everything in the bill? No. Probably no one on this floor does either. But we can afford to come back again and correct mistakes that we might have made. What we cannot afford to do is nothing. That is the only mistake that we cannot afford to make. We cannot afford not to fix the Medicare problem. We cannot afford not to balance this budget. And we cannot refuse to keep the promises that we

made—for tax cuts, for encouraging the American family, for encouraging the working families of our country. It is going to help the working people of our country and the elderly as we save the Medicare system.

I thank the Chair. I thank him for his leadership, and the Senator from Wyoming and others who are speaking to try to set the record straight. It is scary. There is no question that people not knowing what to expect are afraid. We have to let people know exactly what we are doing and hope that their common sense makes them understand that this is going to be good in the long term for our children and grandchildren so that we do not give them this \$5 trillion debt that we are bumping up against in 2 weeks in this country.

I thank the Chair.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I thank the Senator from Texas.

I think it is extremely important that we walk through this bill; it is a large bill; it covers lots of things; but to talk about how it will affect each of us as citizens of this country. And so I congratulate the Senator on doing that.

Let me just observe that one of the principal things we are doing is thinking about young people, is talking about what kind of shape we want this country to be in when we go into a new century. We have maxed out on our credit card. We charged it to the young people who are coming, and it is time we do something about that.

I now yield our time remaining to the Senator from Washington State.

Mr. GORTON. Mr. President, I have been informed by the Senator from Missouri that he has a brief interruption which he would like to make. I yield to him for that purpose.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

VISIT TO THE SENATE BY PETER DUGULESCU, MEMBER OF THE ROMANIAN PARLIAMENT

Mr. ASHCROFT. Mr. President, I am pleased to be able to introduce to Members of the Senate Peter Dugulescu, a Member of the Romanian Parliament. Peter is a friend of mine of some time, and was influential in bringing much greater levels of democracy to Romania.

As a matter of fact, when the revolution in Romania began, he was part of a crowd in the city of Timisoara where 100,000 people had gathered one day to protest the lack of religious freedom there. They had called for a pastor to come to speak to the crowd. And no one felt confident enough in the regime to come and speak to the crowd. And Peter finally offered himself to the crowd.

This was during the days of President Ceausescu. When Peter went to speak to the crowd and lead them in prayer, it was a turning point in the revolution of Romania. He now serves in the Romanian Parliament and is a testimony to the kind of courage that real patriots exhibit.

It is my pleasure to have him accompany me to the floor today. And I just wanted to thank the Senate for the opportunity to allow me to commend him, not only for the example he has set for his fellow citizens in Romania, but to commend him for the kind of example he sets, his dedication of principle and commitment to strong ideals and values and commitment to his God and recommend him to citizens around the world.

I thank the Senator from Washington for allowing me to make this interruption. And I hope that someday I have a chance to return the favor. Thank you very much.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. What is the state of business, Mr. President?

The PRESIDING OFFICER. Does the Senator seek to extend the period of time for the transaction of morning business?

Mr. GORTON. In the absence of such a request, what would take place?

The PRESIDING OFFICER. The regular order would be to close morning business.

EXTENSION OF MORNING BUSINESS

Mr. GORTON. I ask unanimous consent that morning business be extended for a period of 5 minutes.

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

THE RECONCILIATION BILL AND THE BUDGET

Mr. GORTON. Mr. President, I have heard many of the comments of my eloquent and thoughtful Republican colleagues about the reconciliation bill and the budget which has just been passed, their thoughtfulness with respect to the way we have caused the Medicare system to be preserved, protected, and strengthened, the fact that in doing so the percentage of the premium which individuals will pay for their Medicare part B coverage will not be increased, except for those who are wealthy enough to be able to afford and who, for that matter, ought to pay for a greater portion of the cost of their health care rather than passing that cost onto the backs of working Americans.

I have heard, particularly, the references of my colleagues to the long-sought and most welcomed reductions in the tax burdens on the American people. But, Mr. President, I want to emphasize one aspect of those tax reductions which have frequently before

been overlooked. While there is in total almost \$250 billion in tax relief for the American people in the reconciliation bill this body passed early last Saturday morning, the overwhelming bulk of those tax reductions, 80 percent of them, in fact, comes from two sources: The closing of certain corporate and business tax loopholes amounting to about 10 percent of the gross tax reductions and a \$170 billion dividend which the Congressional Budget Office has told us will be the benefit to the Federal Treasury of passing a budget which clearly will be balanced by the year 2002.

Mr. President, I think that is a vitally important concept. The tangible dividend to the American people of our balancing the budget will be \$170 billion in lower interest payments on the Federal debt and an increased tax collection under the present system because of greater prosperity, more opportunity, more employment, a better lifestyle that a balanced budget will give to the people of the United States.

Mr. President, that is the overwhelming source of the tax reductions that are included in this bill. We, as Republicans, believe that if we balance the budget, that dividend ought to go to the American people, not to further or for additional spending programs. And that profoundly differentiates ourselves from our opponents in this battle who consistently have demanded more spending on the part of the Federal Government.

Now, Mr. President, perhaps the most remarkable illustration of the differences between two of the three sides of this battle is the fact that the President of the United States claims that he has presented a balanced budget when, in fact, he has not done so but has simply estimated the deficit out of existence.

The Congressional Budget Office, the agreed upon arbiter of the fiscal direction in which this country is proceeding, has offered us no dividend in connection with President Clinton's budget proposals. Not \$170 billion, not \$150 billion, not \$10 billion have they offered us should we pass the President's budget. Why? Because, of course, under Congressional Budget Office figures, it does not balance in the year 2002. In fact, it barely gets below \$200 billion at any time between now and that year. That is perhaps the greatest single illustration of the proposition that the White House offers us stones for bread, that it gives us nothing that will ever lead us to a balanced budget and does nothing in the way of a fiscal dividend to the American people and thus no source for tax relief for the people of the United States.

That \$170 billion dividend, I wish to emphasize, is only the dividend that a balanced budget provides for the Treasury of the United States. It is perhaps one-quarter to one-third of the overall benefit to the American people. If we pass a law which will cause the budget to be balanced, in addition to that \$170 billion in a return of lower taxes, the

American people will benefit to the tune of \$300, \$400, \$500 billion in higher wages, in greater income, in broader opportunities, in economic growth in the country as a whole.

So, what we have done, Mr. President, is that we have passed a set of proposals which will improve the condition of the American economy and the American people by close to \$1 trillion between now and the year 2002. If only we can get the White House to agree to it or to agree to a budget which has the same impact.

That is a magnificent triumph, Mr. President. I believe it is unprecedented at any time in the last two or three decades. And in addition to all of the other dividends that come from a smaller Government, less control and influence on the part of the Government over our lives, a reform of the welfare system, the preservation of Medicare, in addition to all of these other dividends, is this potential for a better and a more prosperous America. And that, Mr. President, is the justification for what we propose to do, and what we passed in this body late last Friday night or early last Saturday morning.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOLE. Mr. President, was leader time reserved?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I thank the Chair.

(The remarks of Mr. LUGAR, Mr. DOLE, and Mr. CRAIG pertaining to the introduction of S. 1373 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

RURAL LOCAL INITIATIVES SUPPORT CORPORATION

Mr. BOND. Mr. President, earlier this morning I joined my good friends of the Local Initiatives Support Corp. to kick off LISC's new rural LISC initiative. I was pleased to be joined by Roger Young, the commissioner for the Eastern District of Audrain County, MO; David Thayer of Central Missouri Counties HDC; and David Stanley, chairman and CEO of Payless Cashways, Inc., who support this initiative. I thank them for their tireless efforts in support of finding new ways to leverage funding through public-private partnerships for addressing the housing and economic needs of rural, distressed communities.

I emphasize that rural communities face an economic decline of substantial