

demonstrates. High tax rates cost jobs and ultimately reduce revenues that might otherwise accrue to the federal Treasury.

That is the experience of the 1980's. Tax revenues increased from \$517 billion in fiscal year 1980 to \$1.03 trillion by fiscal year 1990. They nearly doubled. And that is despite the fact that the top income tax rate fell from 70 percent to 28 percent. The share of total Federal income taxes paid by the top 10 percent of taxpayers, ranked by adjusted gross income, rose from just under 50 percent in 1980 to more than 57 percent by 1988. During a period in which their marginal rate fell by 60 percent, the wealthy paid almost 19 percent more in dollar terms in Federal taxes. That is because the tax base expanded as people worked more, invested more, and took money out of tax shelters and put it into taxable investments instead.

Just as the local department store does not lose money when it holds a weekend sale—volume more than makes up for a reduction in price—the government does not lose revenue when it reduces tax rates. Just the opposite occurs. With businesses expanding, more people working, and more investments being made, tax revenues will increase.

The opposite occurs when tax rates are increased. People change their behavior to avoid the higher tax. After the tax increases of 1990 and 1993, income tax collections actually declined from 8.6 percent of gross domestic product [GDP] to 8.2 percent of GDP in 1994.

Even if you disregard the dynamic effect of the tax cuts proposed in the budget before us today, tax revenues are projected to increase substantially. They will increase from \$1.35 trillion in fiscal year 1995 to \$1.85 trillion in fiscal year 2002. That is \$500 billion—half a trillion—more money than we are collecting today.

Mr. President, how much is enough? Can the Government not get by with an extra 35 percent worth of revenue—an extra half-a-trillion dollars—to spend? How much more is needed?

Now there is a lot of talk about the spending cuts in this package; that they are too deep or that one group or another is being singled out. The fact is, most programs are not being cut at all. Medicare spending, for example, will rise from \$178 billion this year to \$274 billion 7 years from now. In other words, we will be spending 50 percent more in 7 years than we spend today. The average Medicare benefit will go from about \$4,800 per person today to \$6,700 in the year 2002. That is not a cut. Let us be honest. It is not a cut.

Student loan volume will grow from \$24 billion in 1995 to \$36 billion in 2002—another 50-percent increase. Be honest: a 50-percent increase is not a cut.

It is the logic that defines a spending increase as a cut that has gotten us into this predicament. It is like giving someone a 50-percent raise and having

that person quit because he thinks his employer cut his salary. Let us be honest. An increase is not a cut.

Let us make no mistake about what these deficits mean. When mom, dad, grandma, and grandpa want more from the government than they are willing to pay for in taxes today—that is a budget deficit—we are all handing the bill, dollar for dollar—plus interest—to our sons and daughters, and their children yet to come.

Most people agree that the Federal Government should maintain a social safety net to provide individuals with the hand up that they need to escape hard financial times. No one here is proposing that we eliminate that helping hand. But, we have got to find a way to provide a safety net without leaving future generations with a legacy of debt and despair.

My grandson was born just 5 months ago and already owns a share of the national debt that is \$18,500 and rising. He can expect to pay \$187,000 in taxes during his lifetime just to pay the increase on the national debt. What will be left of his income to care for his children? How will the Government care for the needy of tomorrow when every dollar of individual income tax revenue is devoted to interest on the national debt?

Mr. President, a balanced Federal budget offers hope. Yes, it will require that Congress prioritize spending so that the most important programs are not jeopardized. And wasteful programs will have to be eliminated. Some of the luxuries will have to be postponed to another day. A balanced budget will require heavy lifting, but it offers hope and opportunity.

The Congressional Budget Office predicts that a balanced budget would facilitate a reduction in long-term real interest rates of between 1 and 2 percent. That means that more Americans will have the chance to live the American dream—to own their own home. A 2-percent reduction on a typical 30-year \$80,000 mortgage would save homeowners \$107 a month. That is \$1,284 a year, or over \$38,000 over the life of the mortgage.

A 2-percent reduction in interest rates on a typical \$15,000 car loan would save buyers \$676.

The savings would accrue on student loans, and credit cards, and loans to businesses that want to expand and create new jobs. Reducing interest rates is probably one of the most important things we can do to help people across this country.

This bill includes incentives to help people buy insurance coverage for long-term health care, and to save in medical savings accounts. It includes a tax credit for adoption expenses, and estate tax reform so that families are not forced to sell their small businesses just to pay estate taxes to the Government.

This budget represents a break from business as usual. We are finally making the tough choices the American people sent us here to make. We are keeping our promises—for a change.

Will some people be unhappy with the bill? Of course. It is always easier to hand out money other people earned than it is to say "no." Will some say they have been singled out? Of course. But if you look at the myriad of interests that say they have been singled out, you see that no one has been singled out at all.

This is a historic debate, the most important vote many of us will ever cast. Let us not miss this opportunity or another one might not arise until it is too late for our country. Vote for the Balanced Budget Reconciliation Act.

Mr. DOMENICI. 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.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that I be allowed to speak for 2 minutes as in morning business, not to take away from the time on either side.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, just so everyone will understand, we cannot be doing this because we are very, very close on getting to the amendments we have agreed to. In this instance, for 2 additional minutes, I will not object, just so Senators on our side know we are not going to be able to do any more of this until we get on the amendment. At this time, I will not object.

The PRESIDING OFFICER. Without objection, the order for the quorum call is rescinded. The Senator from Texas is recognized as in morning business.

ATROCITIES IN BOSNIA

Mrs. HUTCHISON. Thank you, Mr. President, and I thank the Senator from New Mexico.

I want to talk for 2 minutes about the atrocities that we believe may be going on right now in Bosnia. I have submitted a sense-of-the-Senate resolution so that the Senate can speak out against these atrocities and ask the Bosnian Serb leadership to stop forthwith anything that might be going on that is a crime in the area of Banja Luka.

We saw in the Washington Post this morning and in the New York Times last week what now appears to be mass murders in Srebrenica by the Serbs in July. The problem, Mr. President, is this may be going on right now around Banja Luka. I want the U.S. Senate to speak forcefully, asking the Serb leadership, if they are going to try to sit down at a peace table, that the least they can do is allow our Assistant Secretary of State John Shattuck, people from the United Nations, people from the Red Cross into the Banja Luka area to certify that there are not mass murders going on right now to account for

the men who have been rounded up in factories, in stadiums and, if they are still alive, to let them go back to their families and, if there are crimes being committed, to stop them forthwith.

I think it is time that we as a Senate, on a bipartisan basis, speak loudly and clearly.

My sense-of-the-Senate resolution has been filed as an amendment. It is HUTCHISON, MCCAIN, LIEBERMAN, STE-

VENS, LEVIN and THOMAS, and many co-sponsors are coming from both sides of the aisle.

Mr. President, we must speak and the Serb leadership must stand up and say these atrocities have stopped.

Thank you, Mr. President, and I thank the manager of the bill for letting me speak on this very important subject. If we can stop one murder right now, it will be worth it.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NOTICE

Incomplete record of Senate proceedings. Except for concluding business which follows, today's Senate proceedings will be continued in the next issue of the Record.

ORDERS FOR FRIDAY, OCTOBER 27, 1995

Mr. GRAMS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:15 a.m., Friday, October 27, 1995; that following the prayer, the Journal of the proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, the Senate then immediately resume consideration of the reconciliation bill.

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

PROGRAM

Mr. GRAMS. Mr. President, for the information of all Senators, the Senate will resume the bill at 9:15 a.m. tomorrow and will begin a very lengthy series of stacked rollcall votes in order to complete action on the budget reconciliation bill.

All Members should be reminded that the stacked votes will be shortened; therefore, Members should expect to

remain in or around the Chamber during tomorrow's session.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. GRAMS. Mr. President, if there be no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 12:23 a.m., recessed until Friday, October 27, 1995, at 9:15 a.m.