we pass and the people we elect are totally dependent on how much money we put on it is dreaming.

And, if you want to stop alienation and really cause people to dance in the streets, balance the budget. In 1981, FRITZ HOLLINGS, Bill Bradley and DALE BUMPERS were the only three Senators who voted for Ronald Reagan's spending cuts and against his tax cuts. I can show you absolute documented proof, if everybody had voted that way we would have had a balanced budget in 1985. But, no, the herd instinct swept across this body and we voted for those massive tax cuts that guaranteed the budget was going to go out of control. And it did. Just as I screamed from this very spot in 1981.

Here we are, back to the same old stand. It reminds me of trying to housebreak my little dog. I just could not do it. His memory was just too short. And he is not alone. The memories of people in this body are awful short, too. Nobody seems to remember how we got an additional $3 trillion in debt from 1981 to 1992.

So, it is nonsense to talk about a two-thirds vote to raise taxes. Even the Articles of Confederation, which started out by saying you have to have 9 of 13 States agree to raise taxes before you can do it, had to be changed because they knew that would not work.

Mr. President, I have tried to make two points today. As I have said many times before, if it had not been for a generous, compassionate, caring Government, who had taxes to pay for my education on the GI bill, I would not be standing here right now. I have been trying to pay back this great Nation, the oldest democracy on Earth, with an organic law which we call the Constitution; next to the Holy Bible the most sacred to me. And every time we get in a tough political spot somebody says, ''Well, let's amend the Constitution.'' When I think about some of the people here trying to tinker with what Ben Franklin and James Madison and John Adams and Alexander Hamilton did, crafted the greatest document and delivered under that document the greatest Nation, the greatest democracy on Earth, and people are constantly trying to destroy it, undo it—I shudder when I hear some of my colleagues wanting to undo what the greatest assemblage of minds ever assembled under one roof did to bring this all about.

What do they want to do? Make it impossible to raise taxes because the rich would have to pay. I am not going to be caught voting to cut Medicare and welfare and Medicaid and have somebody come to me and say, ''Did you use it for balancing the budget?''

No.

''Did you use it for education, so that everybody can have a college education?''

No.

''Did you put it into housing? The environment?''

No.

''What on Earth did you do with it?''

Why, we cut taxes for the wealthiest 5 percent of the people in America. That is what we did with it.

I will be 6 feet under before you catch me voting for something like that.

I just came over here to say that the citizenry of this country, when you stop and talk to them from the heart, if not the head, talk to them from the heart and the head, let them know we are the luckiest people alive.

Yes, I paid a lot of taxes yesterday, and I did not like it, but I will tell you what I do like. I enjoy living in a civilized society where the crime rate is down, where the unemployment rate has been dramatically reduced, where inflation is under control, where people have jobs and where some Senators are trying to figure out a way to educate every child in this country who wants it.

So, no, I am not voting for any of this nonsense that would require a two-thirds vote to raise taxes. That is not a democracy. I consider myself just about the luckiest man that ever lived, No. 1, because of my parents and No. 2, because I got elected to the U.S. Senate after serving my State as Governor for 4 years. Why? It is the greatest place in the world to keep faith with humankind, to give other people the same kind of chances you had.

So I am very fortunate to be an American, and I did not begrudge the taxes I paid yesterday, just as I never begrudged the taxes I have paid, and I think most of the Members of the Senate agree with that when they stop and really reflect on it.

I yield the floor.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from Minnesota.

Mr. GRAMS. Madam President, thank you.

TAX DAY AND TAX RELIEF

Mr. GRAMS. Madam President, I would like to talk a little bit about tax day and, of course, the arguments going on here in the last few minutes about taxes and who should pay them, how much should be paid. I find it a little ironic, but perhaps not surprising, that efforts to get a couple of resolutions on the floor to approve or have the Senate go on record that the American taxpayer, the American family, the American working people need tax relief—we tried to get just a resolution approved under a unanimous-consent agreement, but it was denied.

Many talk about tax relief. The only problem is there are many more in this body who talk against tax relief. I have been a strong supporter of family tax relief, and I have been the author and have supported for the last 4 years an effort to get a $500-per-child tax credit across the board. That is not really enough, because when you look at how we support families and children, if we kept pace—and a lot of you just looked at your 1040 forms, 1040EZ forms, and you found out for every dependent you can deduct $2,550. If that had kept pace with inflation from 1955, it would be worth over $9,000. So over the last 20 or 30 years, somehow we have found children or families less worthy of tax relief than we do today.

We talk about other tax relief, like the death tax, the estate tax. In other words, you have worked all your life, you have tried to put something away, as you are encouraged to do, to provide for your family after you are gone, to be able to leave your children or your spouse some money for the means of doing better. But yet, when you die, the Government wants to come in and take the majority of it. I think it was Paul Harvey who went through this the other day on the radio and talked about if you had a $3 million estate, by the time the Government got finished taking money away from you through penalties, et cetera, and the estate tax and everything else, your family would get $400,000, the Government would get $2.6 million of that.

If you had an estate of $1.9 million, the tax on it would be 85 percent that would go to the Government. What kind of a message does this send to anybody? Does it tell you that you should save? ''Why? I'm going to save up all my money so that the day I die, the Government can come in and take 85 percent of it away from my kids.''

We talk about the death tax, and we talk about eliminating the estate tax. You worked all your life, you have already paid your taxes on those dollars. This is after-tax income, and yet, when you die, the Government says, ''That's not enough, we want the bulk of whatever you have in your savings account and cap gains tax.''

There is always talk about how it is only a tax cut for the wealthy. Granted, there are people who have money who are going to benefit from this, but it is capital they are going to reinvest. When we talk about being able to provide an economy for working families in this country, we need to grow, and that needs investments, it needs capital, no matter where it comes from—foreign investors, local, domestic. We need those dollars.

Right now, it is estimated that $7.5 trillion is locked up in old investments; in other words, in companies that maybe are not as efficient as new companies, old products that could be replaced by new, because of penalties of taking your money out of one investment to put into another, and the Government is standing there to grab a majority of it. In other words, people cannot afford to take it out of one investment because the Government is going to confiscate a large part of that. So those investments remain locked up. What we are saying is cap gains would release a flood of new investments into new jobs, new companies, new products; it would expand the economy, it would provide new revenues.

I know my time is going to run out, but let me talk quickly about tax cuts.

We always hear these charges of where did the deficit go wrong, and they all go back and blame it on Ronald Reagan in 1981. He said, ''Let's have some tax relief for Americans,'' and he pushed through a tax relief package. During 1981 to 1990, revenues to the Federal Government nearly doubled. They increased 99.4 percent—99.4 percent—but that was not enough because this Congress spent 112 percent. They spent far exceeding even the growth in the revenues.

They say, and we have seen the charts this morning, ''Let's look at where the blame is; the blame is the Reagan-Bush administrations because that is when the deficits went up, and let's give all the credit to President Clinton because this is where the deficit is coming down.''

Let's retrace that. During the Reagan-Bush administrations, who controlled the purse strings? Who was in control of Congress? I don't want to throw stones, but I think everybody knows. It was controlled by Democrats. Who controlled spending? Ronald Reagan suggested and was able to get through tax relief under the premise that for every $1 in tax relief, there would be a $2 reduction in spending. But once the revenues came in, the eyes got big and people just could not resist being the good guy on the block and taking your money and spending it. In fact, they spent it so fast they even outspent a rapidly growing economy.

Who was to blame? It was not Reagan or Bush, it was the democratically controlled Congress spending the dollars.

Let's look at the last 4 years. They say in the last 4 years, deficits have actually gone down. From 1993 to 1995, they went down because Bill Clinton got through the largest tax increase in history. Again, who passed it? It was Congress who passed it, and that was controlled by the Democrats. So we did have deficit reduction but, again, because of tax increases. In fact, this Congress has raised taxes once on average every 22 months.

The last 2 years, under a Republican controlled Congress, deficits continued to go down, but because of reductions in spending.

Here we have a difference in philosophy. We could balance the budget if we take 80 percent of everything you make. We can probably balance the budget and still increase spending, but it would come out of somebody's pocket. I don't know, it does not seem to make sense. In a recent USA/CNN poll, 70 percent of Americans said they wanted tax relief, meaningful tax relief. Not this give-and-take, smoke-and-mirrors, a little bit here, little bit there, targeted what you believe as tax relief, not what they believe you should have but what you believe you should have.

Let's look at 5 years. The Government is going to take $8.6 trillion from you over the next 5 years, and we are asking in tax relief one penny on every dollar. Somehow, you are going to hear from this body that we cannot live with 99 cents on the dollar, but you, as taxpayers, sure can give it all up. Somehow you can make the sacrifice, tighten your belt, spend less on your children, education, food, clothing, shelter, homes, maybe a night out for pizza, but do not let Congress take one penny on the dollar less than what they want to spend. By the way, that would not even be enough.

The support for taxes, I still support—let's look at DC and the budget in DC.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRAMS. I was going to wrap this up by saying the District of Columbia has problems with their budget, and what has been the proposed solution? Give them tax relief. I think the whole country has a serious problem, taxpayers have a problem, just like what is facing Washington, DC, and I think they need tax relief as well.

Thank you, Madam President. I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, first, I wish to compliment and congratulate my colleague from Minnesota for an outstanding statement on really the need for tax relief. Today is tax day. Today is the day that thousands of Americans will be running to the post office trying to make sure they get their taxes filed on time.

In my household, it is not a pleasant time. My wife and I have been married 28-plus years, and this is always the time where we are scrambling around to make sure we find all the charitable contributions, make sure we get all the 1099's, make sure we get all the forms together, and it is not pleasant, it is not easy, it is not something we look forward to.

I heard my friend and colleague from Arkansas say he does not mind one bit the amount of money he pays in taxes. I will say, as a taxpayer, I mind. I will say a lot of taxes are unfair and a lot of taxes are very counterproductive to individual freedom. As a matter of fact, a lot of taxes actually suffocate an individual's ability to expand, to grow, to work for yourself, to take care of your family.

I will give you a couple of examples and one of the reasons why this Senator favors very much balancing the budget but also, likewise, cutting taxes for families, particularly working families, making some changes in estate taxes as outlined by my colleague, Senator GRAMS, and making some changes in capital gains. Let's touch on a couple of examples.

I heard my colleague from Arkansas say, ''Well, they're cutting taxes for the wealthy.'' You do not have to be very wealthy, and all of a sudden you are working for the Government more than you are working for yourself. If you are a self-employed individual and you have a company, maybe you have a painting service or lawn service—I used to have a janitor service when I was in college—if you are self-employed, single, and you have taxable income at $25,000, most people would not categorize you as rich. But according to Government sources, you must be, because the Government wants half of everything you make.

If a person has a taxable income at $25,000, their marginal income tax bracket is 28 percent Federal income tax. That individual must also pay Social Security taxes; if self-employed, he pays 15.3 percent. Add that to the 28, and that is 43.3 percent, and that is before they pay any State income tax. In my State that is about 7 percent.

That means that person, that individual with taxable income of $25,000 pays 28 percent Federal income tax, 15.3 percent FICA tax, unemployment tax, Social Security, Medicare tax. You add the two together and get 43.3, add State income tax and, bingo, that person is taxed at over 50 percent, and any additional dollar they make is going to Government.

I think that is too high. I do not think Government is entitled to take over half of what they make. They are the ones creating the work. They are the ones doing the job. They are the ones putting in the labor, the sweat, the equity, the homework, the education necessary to create the job, create the service, and Government is coming in saying they want half of it. If it is a couple and their taxable income is $40,000, they are in the same 50-percent tax bracket.

I think that is too high. I think estate taxes are high. My colleague said that is cutting taxes for the wealthy. You can have a taxable estate of $1 million, and Uncle Sam says they want 39 percent. Why in the world, if a person accumulates a couple of restaurants, maybe two or three restaurants, and they happen to have an estate value of $1.6 million—we have a $600,000 exemption, so he has two or three restaurants and their value is worth, say, $2 million, why should Uncle Sam say it wants 40 percent of it? What did Uncle Sam do to generate those businesses? Why should it be entitled to 40 percent?

Or if you have a taxable estate of $3 million, Uncle Sam wants 55 percent of that estate. Again, it could be a farm, ranch, machine job, it could be a restaurant, it could be any type of business. Why should the Government come in and say, ''We want over half''? What did Government do to create those jobs, that business? I disagree. That tax is unfair. It needs to be changed. I think it is counterproductive. I do not think it raises money.

I think when you get into marginal rates, over half of the people find ways to avoid taxes. They will come up with schemes. They will come up with scams. They will do different scams. They do not want the Government to

get over half of what they make. They work to get it down.

We should change rates. When we change rates, my colleague from Minnesota mentioned, when we lower that tax on transactions, there are more transactions, and the Government makes more money. A lot of people are sitting on a lot of transactions. They would like to sell this land for that, and buy this land, or sell this stock and buy that stock, but they do not want to if Uncle Sam says, ''We want 28 percent for that exchange.'' If you reduce the tax on that exchange, capital gains, you will have a lot more trading, a lot more buying and selling, and Government will make money on the transactions. The Government does not make money if people sit on the assets and do not trade the assets.

The point is, we can reduce the rates and generate more money for the Federal Government, and, I think, create a healthier, more stable economy.

So, Madam President, I make this statement urging my colleagues that this is the year that we can balance the budget and provide tax relief for American families. It should be a done deal. President Clinton campaigned for tax relief in 1992. He did not deliver. Actually he delivered just the opposite. In 1993, he passed the largest tax increase in history. In 1996, President Clinton campaigned for tax relief. Bob Dole, the Republican candidate, campaigned for tax relief. Both said they favored a $500-tax-credit per child. You would think that would be a done deal. We passed that last year in the last Congress. President Clinton, unfortunately, vetoed it. You think it would be a done deal and now it would happen. I am not so sure everybody on the other side is willing to do that. Hopefully the President will.

I want to work with the President. I want it to become law. I do not have an interest in passing a tax bill just to have it vetoed. I want to pass a tax relief package this year that includes relief for American working families, that includes a reduction in capital gains, that includes estate tax relief, that includes incentives to save, IRAs, saving for retirement and education, I want to pass that and have it become law.

We look forward to working with the President and other Members in this body to pass a bipartisan package that can actually reduce taxpayers' taxes this year.

Madam President, I ask unanimous consent for an additional 5 minutes.

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

GENERAL RENO'S ACTIONS UNDER THE INDEPENDENT COUNSEL LAW

Mr. NICKLES. Madam President, Attorney General Janet Reno's refusal to appoint an independent counsel to investigate the Clinton administration's highly questionable fundraising activities is based upon a shocking misinterpretation of the history, purpose, and requirements of the independent counsel law.

Ms. Reno states that the act ''does not permit'' invoking the independent counsel provisions unless there is ''specific and credible evidence that a crime may have been committed by'' a person covered by the law. In fact, the law requires that it be invoked whenever there is ''information sufficient to constitute grounds to investigate'' whether any person covered by the law may have violated Federal law. In short, even though General Reno acknowledges that there are ''sufficient grounds to investigate,'' and even though that investigation is ongoing as I speak, she insists on controlling the investigation herself.

There remains no conceivable room for doubt that the Clinton administration, the Clinton-Gore campaign, and the Democratic National Committee engaged in fundraising practices that must be investigated. Virtually every editorial page in the Nation, from the Wall Street Journal to the New York Times, have demanded an investigation. Indeed, even the highest officials at the DNC have acknowledged that their practices were questionable and have agreed to return over $3 million in contributions from foreign nationals, persons who gave contributions in the names of others, and contributions that may have come from foreign governments. And serious questions exist as to the use of Government property to solicit contributions and reward contributors.

The Vice President has admitted that he made numerous telephone calls from his official office using a Clinton-Gore campaign card to raise funds for the purpose of furthering the Clinton-Gore reelection campaign. Several of the recipients of those calls said that they felt pressured to contribute because they had ongoing business with the Government. Other telephone call recipients perceived these calls as constituting a shakedown. When a charge was recently aired that a prominent Member of Congress had pressured a potential contributor, a Federal grand jury investigation was launched within days of the allegation. Shouldn't the Vice President, or the President, who had pointedly not denied making fundraising calls from his office, be investigated as well?

The purpose of the independent counsel law is to entrust the investigation of these matters to someone who is not a subordinate of the official or officials being investigated. Yet General Reno refuses to invoke the independent counsel law until she is satisfied that laws have, in fact, been broken. That decision is not hers to make. That interpretation stands the law on its head.

It is impossible to defend the proposition, as the Attorney General attempts to do, that covered persons are not implicated in the investigation that she is presently conducting and which should be conducted by an independent person. Documents released by the White House prove conclusively that the fundraising by the President's reelection campaign and by the DNC was run, on a day-to-day, hands-on basis by the President, himself, and his direct subordinate, Deputy Chief of Staff Harold Ickes. The DNC took orders directly from the President through Mr. Ickes. And the President and the Vice President and the First Lady were directly and substantially involved in all fundraising activities by the Clinton-Gore campaign and by the DNC, which was raising not soft money, but money that was raised for the purpose and used directly to fuel the President's reelection drive.

The Attorney General seems to feel that some of the laws implicated by these practices may not or should not be prosecuted. But that prosecutorial decision must not be made by someone who owes her position in Government to the official who may have possibly violated those laws. It does not answer this concern for the Attorney General to state that she is relying on career officials in the Department of Justice. As long as they are reporting to her, they are reporting to the President. She may not independently investigate the conduct of President Clinton any more than Attorney General Mitchell could investigate President Nixon or Attorney General Meese could investigate President Reagan.

I am not prejudging the results of the investigation which must be conducted into these matters. But I know that the practices that must be investigated may have violated Federal criminal laws, and that those violations may have been encouraged, inspired, directed, or condoned by the President or his immediate subordinates. The people of the United States are entitled to a prompt, full, fair, and independent investigation of these matters, and that investigation cannot be controlled by a person who serves at the pleasure of the President.

TAX RELIEF, TAX REFORM, AND IRS REFORM

Mr. CRAIG. Mr. President, an estimated 30 million taxpayers will file their Federal income tax returns today. They will be among the more than 100 million households filing returns so far this year.

Most of these households do not have charitable feelings about the process to which their Government has just subjected them.

Today, tax day, is the right day to call for tax relief, tax reform, and reform of the Internal Revenue Service.

The Tax Foundation has announced today that tax freedom day for 1997 will be May 9—128 days into the year and later than it has ever been in our taxpaying history.

Mr. President, our colleague, the senior Senator from West Virginia [Mr. BYRD], is a student of classical history. I read recently that subjects in some of