parties and make it impossible for outside groups to criticize us in proximity to an election.

There is no chance the courts would uphold this, but fortunately we are not going to give them a chance to rule on this because we are not going to pass this ill-advised legislation.

Mr. President, how much time is left?

The PRESIDING OFFICER. All time has expired.

I believe the Senator from Illinois wants to speak on a separate subject. The Senator would need to make a unanimous consent request.

Mr. DURBIN. Mr. President, I ask unanimous consent to speak as in morning business.

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

TRIBUTE TO PENNY SEVERNS OF ILLINOIS

Mr. DURBIN. Mr. President, on Saturday morning, in the early morning hours, my wife and I received a telephone call that was a shock to us. A dear friend and close political ally of ours, State Senator Penny Severns of Decatur, IL, had succumbed to cancer in the early morning hours.

I have literally known Penny Severns for over 25 years, since she was a college student. I followed her political career. We had become close and fast friends. The outpouring of genuine warmth and affection for Penny that we have heard over the last few days since the announcement of her death has been amazing.

Penny Severns was 46 years old. A little over 3½ years ago, she was running for Lieutenant Governor in the State of Illinois, and she discovered during the course of the campaign that she had breast cancer. I think most people, upon hearing that they had cancer, would stop in their tracks, would not take another day on the job, would head for the hospital and the doctor and say that the rest of this could wait. But not Penny Severns. She announced that she was going through the chemotherapy and radiation and then would return to the campaign trail. And she did.

I will tell you, in doing that, she inspired so many of us because her strength, her caring, her spirit, were just so obvious. She finished that campaign and was reelected to the State Senate and announced last year she was going to run for secretary of state in our State of Illinois. She filed her petitions, and within a week or so it was discovered she had another cancerous tumor, and in December she went into the hospital to have it removed. She went through the radiation and chemotherapy afterwards and had a very tough time. Unfortunately, she succumbed to the cancer in the early morning hours last Saturday.

It is amazing to me how a young Democratic State Senator like this could attract the kind of friends she did in politics. Penny was not wishy-washy; when she believed in something, she stood up for it. Yet, if you listened to Republicans and Democrats alike who have come forward to praise her for her career, you understand that something unique is happening here.

There is so much empty praise in politics. We call one another ''honorable'' when we are not even sure that we are. But in this case, people are coming forward to praise State Senator Penny Severns because she truly was unique, not just because she fought on so many important political issues and gave all of her strength in doing that, but because of her last fight, which was her personal fight against cancer, and the fact that she just would not give up and would not give in.

Breast cancer has taken a toll on her family. She lost a younger sister to breast cancer a few years ago, and her twin sister is in remission from breast cancer today. Penny dedicated herself, in the closing years of her service, to arguing for more medical research when it came to breast cancer—not just for her family, but for everybody. That is part of her legacy. She will be remembered for that good fight and so many others.

I have to be honest with the Presiding Officer and the other Members. I would rather not be here at this moment. I would rather be in Decatur, IL, because in just a few hours there will be a memorial service for Penny Severns. My wife will be there, and I wish I could be there, too. But if there is one person in Illinois who would understand why I had to be here on the campaign finance reform debate, it was Penny Severns. I am going to miss her and so will a lot of people in Illinois.

Thank you, Mr. President.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota, Mr. GRAMS, is recognized.

Mr. GRAMS. I ask unanimous consent to speak up to 10 minutes as in morning business.

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

WHY WE MUST RETURN ANY BUDGET SURPLUS TO THE TAXPAYERS

Mr. GRAMS. Mr. President, I rise today to express my strong disappointment as my colleagues waffle on our commitment to allow working Americans to keep a little more of their own money.

I rise as well, Mr. President, to make the case for returning any potential budget surplus to the taxpayers.

Mr. President, I was shocked to pick up the Washington Times on February 18 and find the headline ''Senate GOP leaders give up on tax cuts.''

Having been elected on a pledge to reduce taxes for the working families of my state, the idea that we would so quickly abandon a core principle of the Republican Party is a folly of considerable proportions, one I believe would abandon good public policy.

In all the legislative dust that is kicked up in Washington, someone has to consider the impact of high taxes and spending, and speak up for the people who pay the bills: the taxpayers.

When the Republican Conference met on February 11 to outline our budget priorities for the coming year, I joined many of my colleagues in stressing the need for continued tax relief. I did not leave the room with the belief that we had abandoned the taxpayers.

Yet that is precisely what the Conference's ''Outline of Basic Principles and Objectives'' does, because under the Conference guidelines, tax relief for hard-working Americans would be nearly impossible to achieve.

Mr. President, since its very beginnings in the 1850s, the Republican Party has dedicated itself to the pursuit of individual and states' rights and a restricted role of government in economic and social life.

In 1856, the slogan of the new party was ''Free Soil, Free Labor, Free Speech, Free Man.'' It is still our firm belief that a person owns himself, his labor, and the fruit of his labor, and the right of individuals to achieve the best that is within themselves as long as they respect the rights of others.

The fundamental goal of the Republican Party is to keep government from becoming too big, too intrusive, to keep it from growing too far out of control.

We constantly strive to make it smaller, waste less, and deliver more, believing that the government cannot do everything for everyone; it cannot ensure ''social justice'' through the redistribution of private income.

These two different approaches of governance are indeed a choice of two futures: A choice between small government and big government; a choice between fiscal discipline and irresponsibility; a choice between individual freedom and servitude; a choice between personal responsibility and dependency; a choice between the preservation of traditional American values versus the intervention of government into our family life; a choice of long-term economic prosperity and short-term benefits for special interest groups, at the expense of the insolvency of the nation.

I think history has proven that whenever we have stuck to Republican principles, the people and the nation prosper, freedom and liberty flourish; whenever we abandon these principles for short-term political gains, it makes matters far worse for both our Party and our country.

Here are two examples. Facing a $2 billion deficit and economic recession in 1932, the Hoover Administration approved a plan to drastically raise individual and corporate income taxes.

Personal exemptions were sharply reduced and the maximum tax rate increased from 25 percent to 63 percent. The estate tax was doubled, and the gift tax was restored. Yet the federal revenue declined and the nation was deeply in recession.

President Reagan took the opposite approach in 1981 when he enacted a 25 percent across-the-board tax, and again in 1986 when he signed a landmark piece of legislation to reduce the marginal tax rate to a simple, two-rate income tax system: 15 percent and 28 percent.

What resulted was nothing short of an economic miracle. Our nation experienced the longest peacetime economic expansion in American history, the benefits of which we are still enjoying today.

Over eight years, real economic growth averaged 3.2 percent and real median family income grew by $4,000, 20 million new jobs were created, unemployment sank to record lows, all classes of people did better, and in spite of lower rates, tax revenues increased dramatically.

Mr. President, let us not forget the fact that the Republicans gained control of Congress in 1994 because we were the champions of the taxpayers—the American people trusted us to carry out our promise when we said, ''Elect a Republican majority and we will work to let you keep more of the money you earned.''

The taxpayers elected us with the expectation that Republicans would seize every opportunity to lessen the tax burden on America's families.

They certainly did not elect Republicans thinking we would be a collaborator of the President's tax-and-spend policies—that we wouldd build a bigger, more expensive government at the first chance we got and completely abandon our promise of tax relief for them.

Is this the same Republican majority that arrived in Washington in January of 1995, ready to create fundamental change in a government that had enslaved so many working families for so many years?

Is this the same Republican majority that promised the American people that there was no turning back to the era of big government and higher taxes? Is this the same Republican majority that I was so proud to be part of?

It has been tremendously disappointing to me, and I believe the majority of taxpayers, to read the recent comments from those who have endorsed the President Clinton's ''save Social Security first'' gimmicks and are seeking to eliminate meaningful, achievable tax cuts from the next fiscal year's budget.

As I said before on this floor, if we do not carry out the taxpayers' agenda, we may as well pack up our bags and go home, because we will have failed. And the price of that failure will fall on the backs of those we were elected to represent. I believe any retreat from that promise would be a terrible mistake.

Tax relief is still critical for America for two basic reasons—moral and economic.

First, there is a moral case to be made for continuing tax cuts.

The robust American economy and working Americans, not government action, have produced this unprecedented revenue windfall. These unexpected dollars have come directly from working Americans—taxes paid by consumers, individual labor, and investment income. This money belongs to the American people.

Washington should not be allowed to stand first in line to take that away from American families, workers, and job creators. It is moral and fair that they keep it.

We have also heard the argument that we already had a large tax cut last year, so there is no need for more tax cuts. Let me set the record straight.

Last year, after spending $225 billion unexpected revenue windfall and busting the 1993 budget spending caps to do it, the Republican Party delivered tax relief only one-third as large as what we would promised in 1994.

Those tiny tax cuts—no more than slivers, really—amounted to less than one cent of every dollar the federal government takes from the taxpayers. Is one cent worth of tax relief too much? I do not really think so.

And the President today wants to increase spending by $123 billion and increase taxes $115 billion, wiping out entirely—and more—the tax reduction of 1997.

A recent Tax Foundation study shows that 1997's tax cuts came too late to stem the rising tax burden on the American families.

The study finds that Federal, State and local taxes claimed an astonishing 38.2 percent of the income of a median two-income family making $55,000—up from 37.3 percent in 1996. That is about a 1 percent increase.

When we ask the Government to take a small cut of 1 percent across the board they say it's impossible. But nobody asked the taxpayers how they were going to manage to pay another percent more of their income in taxes. They either had to reduce their spending or make do without. But the Federal Government doesn't have to do that. Federal taxes under President Clinton consumed 20 percent of America's entire gross domestic product in 1997. That is the highest level since 1945, when taxes were raised to finance the enormous expenses of the Second World War.

The average American family today spends more on taxes than it does on food, clothing, and housing combined. If the ''hidden taxes'' that result from the high cost of government regulations are factored in, a family today gives up more than 50 percent of its annual income to the government. At a time when the combination of federal income and payroll taxes, State and local taxes, and hidden taxes consumes over half of a working family's budget, the taxpayers are in desperate need of relief.

Thanks to the Clinton Administration, the Democratic minority, and the Republicans of this Congress, big government is alive and well. In fact, the Government is getting bigger, not smaller. Total taxation is at an all-time high. So is total Government spending. Annual Government spending has grown from just $100 billion in 1962 to $1.73 trillion today, an increase of more than 17 times. Even after adjustment for inflation, Government spending today is still more than three times bigger than it was 35 years ago. It will continue to grow to $1.95 trillion by 2003 nearly $2 trillion a year. In the next 5 years, the government will spend $9.7 trillion, much of it going toward wasteful or unnecessary government programs. Tax relief is the right solution because it takes power out of the hands of Washington's wasteful spenders and puts it back where it can do the most good: with families.

There is also an economic case for cutting taxes for working Americans. Lower tax rates increase incentives to work, save, and invest. They help to maximize the increase in family income and improvements in standards of living. Beyond the direct benefits to families, tax cuts can have a substantial, positive impact on the economy as a whole. It was John F. Kennedy who observed that:

> an economy hampered with high tax rates will never produce enough revenue to balance the budget just as it will never produce enough output and enough jobs.

President Kennedy was able to put his theories to work in the early 1960s, when he enacted significant tax cuts that encouraged one of the few periods of sustained growth we have experienced since the Second World War. Twenty years later, President Ronald Reagan cut taxes once again. The reinvigorated economy responded enthusiastically.

Mr. President, should we save Social Security first or provide tax cuts first? My answer is that we must do both in tandem. We had a very similar debate last year about whether we should balance the budget first and provide tax cuts later. The truth is we can absolutely do both at the same time, as long as we have the political will to enact sound fiscal policies.

I agree with the Conference leadership that reforming the Social Security and Medicare programs to ensure their solvency is vitally important. Any projected budget surplus should be used partly for that purpose. Yet, I believe strongly that the Congress owes it to the taxpayers to dedicate a good share of the surplus for tax relief. After all, the Government has no claim on any surplus because the Government did not generate it—it will have been borne of the sweat and hard work of the American people, and it therefore should be returned to the people in the form of tax relief.

Our Social Security system is in serious financial trouble, a fiscal disaster-in-the-making that is not sustainable in its present form. Simply funneling money back into it will not help fix the problem. It will not build the real assets of the funds for current and future

beneficiaries and it does not address the flaws of the current pay-as-you-go finance mechanism. Without fundamental reform, using the general revenue to pay for Social Security equals a stealth payroll tax increase on American workers. I believe using part of the budget surpluses to build real assets by changing the system from pay-go to pre-funded is the right way to go.

The President is maintaining that not one penny of the surplus would be used for spending increases or tax cuts. To that, I must say Mr. Clinton is not being at all truthful to the American people. In his FY 1997 budget, he proposes $150 billion in new spending, which is well above the spending caps he agreed on last year. In the next five years, he will raid over $400 billion from the Social Security trust funds to pay for his Government programs. If Mr. Clinton is serious about saving Social Security, he should stop looting the Social Security surplus to fund general government programs, return the borrowed surplus to the trust funds, and withdraw his new spending initiatives—only then will he be qualified to talk about saving Social Security.

Wrapping up, Republicans should not allow Mr. Clinton to hold any budget surplus hostage. We should continue pursuing our ''taxpayers' agenda'' and do what is right for working Americans. It is clear to me that returning part of the budget surplus to the taxpayers in the form of tax relief is the right thing to do. But how should we do it? In my view, the best way is to have an across-the-board marginal tax rate cut and eliminate the capital gains and estate taxes. This will help to improve American competitiveness in the global economy and increase national savings.

However, tax cuts will not solve the problems once and for all. The origin of this evil is the tax code itself. We must end the tax code as we know it and replace it with a simpler, fairer and more taxpayer-friendly tax system.

By creating a tax system that is more friendly to working Americans and more conducive to economic growth—one based on pro-family, pro-growth tax relief—Congress and the President can make our economy more dynamic, our businesses more competitive, and our families more prosperous as we approach the 21st century.

Again, to omit tax cuts from this year's budget resolution is totally unacceptable to Republicans seeking to deliver on our commitment to return money to the taxpayers. I will not walk away from our obligation to the American taxpayers to pursue a Federal Government that serves with accountability and leaves working families a little more of their own money at the end of the day. I intend to make good on my promise to the taxpayers, and I urge my fellow Republicans, especially our leadership, in the strongest terms possible, to honor your commitment as well by considering meaningful tax relief in the budget resolution.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15.

Thereupon, at 12:52 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

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

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

PAYCHECK PROTECTION ACT

The Senate continued with the consideration of the bill.

Mr. FEINGOLD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The time is occurring equally divided on the bill until 4 p.m.

Mr. FEINGOLD. Mr. President, I ask to yield 5 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator has that right. The Senator from Rhode Island.

Mr. REED. Thank you, Mr. President.

Mr. President, today I rise in strong support of the bipartisan compromise amendment offered by Senators MCCAIN and FEINGOLD. This would be reasonable but limited reform of our campaign finance system, reform that is long overdue.

This legislation would effectively change two very important issues with respect to campaign finance reform. First, it would ban soft money, those unlimited, unregulated gifts by corporations, wealthy individuals, and unions to political parties. The soft money issue has created a great crisis within the electoral system of the United States.

Second, the bill would require those who run broadcasts which expressly advocate the election or defeat of a candidate within a certain window, 30 days of a primary or 60 days of a general election, to play by the same rules applying to candidates and others who participate in political campaigns. Thus, organizations funding such broadcasts would have to disclose the individuals and political action committees which fund their advertisements.

This would curtail what has become an explosion throughout our American political system. Phony issue advertisements are unconstrained, cropping up suddenly, without attribution, to strike at candidates.

These are two very important reforms which must be implemented to preserve the integrity of our political system by inspiring within the American people confidence that we, in fact, are conducting elections and not auctions for public offices. I believe these provisions are very, very important.

Again, I commend both Senators MCCAIN and FEINGOLD for their efforts. I also commend my colleagues from the States of Vermont and Maine. Senator JEFFORDS and Senator SNOWE are proposing another amendment which would help break the current gridlock we have on this legislation. The Snowe-Jeffords proposal also addresses the issue of phony advertising through better disclosure of those who are participating in campaigns. I think their efforts are commendable.

Frankly I prefer a much more robust form of campaign finance reform. I believe that at the heart of our problem is the Supreme Court decision of Buckley v. Valeo, which more than 20 years ago held that political campaign expenditures could not be limited. Frankly, I think the decision is wrong. Justice White, who dissented from that opinion and, by the way, was the only Member of that Court with any practical political experience, declared quite clearly that Congress has not only the ability but the obligation to protect the Republic from two great enemies—open violence and insidious corruption.

Indeed, the Court in Buckley did accept part of that reasoning by outlawing unlimited contributions to political campaigns, but they maintained that unlimited expenditures were constitutionally permissible.

I believe that we should go further than this bill proposes today. Indeed, we have practical examples within the United States of systems that do constrain contributions and expenditures in political campaigns.

I was interested to note that in Albuquerque, NM, since 1974, the mayor's campaign has been limited to an expenditure of $80,000, equivalent to the salary of the mayor. I know as I go around my home State of Rhode Island, people often ask why a candidate would spend more money in a campaign than he or she would receive in salary to hold that office. In Albuquerque, they took the rather interesting step of capping expenditures to the pay of the mayor.

It turns out that for the last 23 years, the Albuquerque system worked well. Unfortunately, last year the Albuquerque law was challenged in court under the Buckley v. Valeo theory. Up until last year, the municipal law was a model of not only good campaign finance practice but of also good electoral politics. A former mayor, who held the position during the challenge said, ''No one's speech was curtailed, no candidates were excluded, the system worked well.''

I hope we can adopt on another day robust campaign finance reform that would begin to revise the Buckley v. Valeo decision. But today we are here