strategy. And the results of this imbalance—this lack of emphasis in international eradication and interdiction—has been devastating: A decline in cocaine seizures, a decline in the price of cocaine, and an increase in drug use. This alarming trend has to change, and requires leadership here in Washington. While drug education, treatment and domestic law enforcement are efforts done at the federal, state, and local levels, the Federal government is solely responsible to keep drugs from entering our country.

That is our responsibility solely, and it cannot be shared. And if we in Washington fail to do our job outside the country, we're making it far more difficult and far more costly for state and local governments to do their part.

This past July, Congressmen MCCOLLUM and HASTERT, and Senators COVERDELL, GRAHAM, GRASSLEY, and I introduced the Western hemisphere Drug Elimination Act—legislation designed to restore a balanced drug control strategy, and revive our sole responsibility to stop drugs from reaching our borders. This legislation calls for an additional $2.6 billion investment in international counter-narcotic efforts over 3 years. Specifically, the bill calls for a comprehensive eradication, interdiction and crop substitution strategy. The objective is to dramatically reduce the flow of drugs into the United States by driving up the price of drugs and hence reducing drug consumption. I believe that through this legislation, we can accomplish this very important goal.

We have to make it far more difficult for drug lords to bring drugs to our nation, and make drugs far more costly to buy. We need to raise the cost of doing business for drug traffickers.

Our bill would do this. It was passed by the House of Representatives just last week, and I have been working with my fellow cosponsors here in the Senate to increase funding for drug interdiction programs during the current appropriations process.

This effort is one key example of how this Congress has made a huge difference in the lives of America's children.

Mr. President, all of the measures I have just discussed have one thing in common: They are components of an overall vision of what our country can be—the kind of country our children deserve. I am very proud to have been a part of all these efforts, and I look forward to making further progress on these and other issues as we continue to make a positive, lasting difference in the lives of all Americans in the 106th Congress.

Again, I thank my colleague from Idaho for arranging the time, and I congratulate him for the role he has played in all three of these bills and these efforts. I yield the floor.

Mr. CRAIG. Mr. President, I thank my colleague from Ohio for those kind remarks. If it had not been for his leadership in the key areas he mentioned, we would not be dealing with them in the way this Congress is now and should be. These are the kind of programs that directly impact the lives of many of our citizens, and Congress should be aggressively pursuing many of the projects and pieces of legislation that the Senator from Ohio has discussed.

I now turn to Senator GRAMS from Minnesota who, I understand, wants to talk to us about tax cuts.

The PRESIDING OFFICER. The Senator from Minnesota.

TAX CUTS AND THE GOOD GOVERNMENT AMENDMENT

Mr. GRAMS. Mr. President, I rise today to talk a little bit about tax relief and the obligation I feel this Congress has to the American people in the remaining days of this session.

I also compliment the Senator from Alabama, who now occupies the Chair, for talking about the need to be better stewards of the tax money we do collect from Americans today.

Instead of beginning with the American experience, I will start overseas for just a moment, and that is in Japan.

After years of rapid economic growth, which many called an ''economic miracle,'' Japan's economy is now stagnating. To a large degree, the sickening Japanese economy has dragged the world economy down with it.

The U.S. government has been pushing Japan to pursue vigorous reforms to boost the economy again. One of the recommended measures is tax relief. President Clinton and Secretary of the Treasury, Robert Rubin, have repeatedly asked Japan to permanently reduce its income tax. As a result, the Japanese government proposed a tax cut of 7 trillion yen, but it is now suggested that this tax relief is too small and that deeper cuts are needed. I think this is a sound policy and the right approach to helping cure Japan's ills and I commend the administration for such advice. I just wish they would have that same advice for Congress. The question is, if tax relief will work for Japan as it has worked for many other countries, including our own during the Reagan administration, why do we not we pursue that same policy here in this country once again?

Mr. President, what these two events tell us is, first, the Federal tax burden has grown too high, too ridiculous. And second, the best solution to maintaining economic growth in this country is tax relief.

We have debated this issue in this Chamber again and again and the conclusion is clear to me: a high tax burden distorts economic behaviors. It discourages work, saving, and investment. It slows productivity and growth and decreases our competitiveness. Tax relief, on the other hand, does just the opposite. It will benefit millions of American families and will keep our economy healthy and strong.

Mr. President, I firmly believe that it is still critical to provide meaningful tax relief for the American people this year. The average American family today spends more on taxes than it does on food, clothing, and housing combined. A typical median-income family can expect to pay nearly 40 percent of its income in Federal, State, and local taxes. This means more than 3 hours of every 8-hour working day are dedicated just to paying taxes. In 1996, an average household with an annual income between $22,500 and $30,000 paid an average of $9,073 for food, clothing, and housing, and paid $11,311 in total taxes. Households with incomes ranging from $45,000 to $60,000 averaged $16,043 for basic necessities, and paid the tax collector $25,276.

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.

When the Government takes more, families get less. Between 1989 and 1995, the typical American family's real income fell by 5.2 percent. Most economists point out that the decreased income was the result of slow economic growth, a direct result of higher Federal taxes.

The American taxpayers desperately demand real tax relief and reform. They ushered in a new congressional majority in 1994 on our pledge that we would provide that relief. While we have delivered on a portion of our promises, much work remains to be done. Reforming the tax system for the taxpayers who sent us here begins with cutting their taxes. Our mission has not yet been completed.

We should 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. We must pass meaningful tax relief this year.

In the next 5 years, for example, the Federal Government will take in more than $9.4 trillion from the pockets of the American people. The Congressional Budget Office has projected that in the next 10 years, we will have a $1.6 trillion budget surplus. Even after excluding the Social Security surplus, we will still have a surplus of $169 billion. The Government has no claim on any surplus because the Government did not generate it—it will be the result of the hard work of the American people, and it therefore should be returned to them in the form of tax relief.

I agree 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 surplus alone will not save Social Security and, therefore, fundamental reform is needed to change it from a pay-as-you-go system to a fully funded one.

What truly bothers me, Mr. President, is Washington's continuation of

its tax-and-spending policies. Despite a shrinking Federal deficit, the Government is getting bigger, not smaller. Total taxation is at an all-time high. So is total Government spending.

The White House and my colleagues have been talking about fencing off the budget surplus to save Social Security, but even as they talk, they continue to spend this budget surplus. Before the surplus even materialized, Washington had already spent $6 billion of it in the last supplemental bill. It is reported that another proposed supplemental bill will spend another $18 to $20 billion of this budget surplus.

Mr. President, when it comes to Federal spending, Washington rarely asks how the American taxpayers can afford to give up more of their income to Government, and how such excessive spending will affect a working family's budget and finances. Equally upsetting is the fact that when it comes to tax relief, Washington is always reluctant to act. Congress even goes so far as to require the tax cut advocates to pay for any tax relief via Washington's PAYGO rule that requires increasing taxes in order to cut taxes. Increase taxes on some Americans so we can get tax relief to others, but that is the only way that the system can work. Nothing is more ridiculous than this requirement of the PAYGO rule. We must repeal it so we can shrink the size of the Government and we can let working families keep more of the money they earn, to spend on their priorities—not Washington priorities.

Washington's tax-and-spend policies have systematically ignored our children's future and severely undermined the basic functions of the family. We must abandon those policies and help restore the family to an economic position capable of fulfilling its vital responsibilities. Therefore, we must provide American families with meaningful tax relief, allowing them to keep more of their hard-earned money.

I commend our colleague in the House, Chairman ARCHER, Chairman of the Ways and Means Committee, for his so-called ''90–10'' plan. The proposed plan includes many good tax relief measures that will help working Americans. I think this is a step in the right direction.

However, there are two things in the proposal that concern me.

First, the proposed $80 billion in tax relief over 5 years is just too small, compared with the possible budget surplus and total government spending.

By the way, an $80 billion surplus, or $80 billion in tax relief, over the next 5 years amounts to about $4 per person per month. That is not real tax relief, that is token tax relief. We need to do more.

It leaves only $30 billion for relief of the $150 billion marriage penalty tax, and this means millions of American couples will continue suffering from this tax injustice. We can and should do better.

Second, I do not have any problem at all returning some of the budget surplus to the taxpayers. In fact, I have argued repeatedly that the budget surplus should be returned to the taxpayers in the form of tax relief, Social Security reform and debt reduction. But what bothers me is that the proposed plan does nothing to reduce Government spending. In fact, we are talking about spending billions of dollars of the surplus in a supplemental spending bill this year. I believe we should cut the Government's wasteful programs and overhead, and let the taxpayers benefit from a more efficient, effective Government.

In the next few weeks, I will work with my colleagues to improve the House tax bill and deliver tax relief at the highest possible levels to America's families.

My final point is that we must pass a contingency plan to avoid a future government shutdown, and we must do it this year.

I have asked both the Senate majority and minority leaders several times to honor the commitment they made during the consideration of last year's disaster relief legislation to support an automatic CR to avoid a Government shutdown. But so far there is little interest in this good Government legislation. We need to pass that.

And here we are again, with just a few weeks left in this session, with only one appropriations bill signed into law. Clearly, we will not have a budget conference report this year, and I sincerely doubt we will complete all the appropriations bills before this fiscal year ends.

So tell me—do you not think we need a contingency plan, something to avoid the end-of-session battles that often result in more government spending?

Different priorities on spending and tax cuts often prevent us from completing all of the appropriations bills. Competing policy differences, particularly during an election year, make our budget and appropriations process more uncertain.

We need a contingency plan to avoid a government shutdown. There are essential functions and services of the federal government we must continue regardless of our differences in budget priorities.

Mr. President, I will wrap this up quickly. I know our time is running out. But let us not hold the American people hostage because of disagreement in Washington. I urge the leadership to support a sizable tax cut this year and take up the good Government legislation that would prevent a shutdown.

Thank you very much. I yield the floor. I thank the Senator from Idaho for securing this time for us to be able to talk this morning.

Mr. CRAIG. Mr. President, I ask unanimous consent that the majority side be allowed to continue until 1:10.

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

Mr. CRAIG. With that, I thank my colleague from Minnesota for that excellent speech. In my opinion, he is right on about the effective use of a surplus to grant tax relief and to shore up the Social Security system to reform it. Clearly, we have to hold down on the issue of supplemental spending.

With that, I now yield to my colleague from Colorado, Senator ALLARD, to wrap up this special order with his observations as to welfare reform—truly one of the great successes of our Republican Congress.

Mr. ALLARD. I thank the Senator from Idaho for yielding to me to make a few comments.

WELFARE REFORM

Mr. ALLARD. Mr. President, today I rise with good news about Americans on welfare. It is clear that the hard labor we put forth during the 104th Congress to enact welfare reform has been paying off with big returns. The system so many had grown to use as a crutch and a burden to self-sufficiency for 62 years was finally removed in July of 1997.

States are now showing that Americans can achieve financial independence when given the right tools. I thought it would be of benefit for the Members of the Senate to hear a review about Colorado's experience with changing the welfare program.

In 1982, I was elected to the State Senate of Colorado and found that one of the first issues I was involved in was the idea that we needed to change welfare. I was approached by one of the counties I represented at the time that had a very frustrating problem. They saw their budget escalating out of control, and there was not anything they could do about it.

So they said to the Colorado legislature at the time, and they said to me also, ''Look, if you will give us some local control, we have some ideas on how we can change the welfare system to make it better and save the taxpayer dollars and actually get people to work and be self-sufficient.''

They had two phases that they wanted to go through. First of all, they wanted to go through a reorganization of their county government. They wanted to consolidate those agencies that dealt with employment and welfare. And they wanted to put these agencies together and under the guidance of one individual. They happened to select Walt Speckman at the time who was in charge of finding jobs for people in Weld County. This was the county that had come to me and was trying to do something about reforming their welfare system.

They were putting him in charge because he was used to looking for jobs instead of putting people in a position where they were becoming put in a position to rely on government. This individual was used to getting them off of government and getting them into a self-sufficient program. And having been prepared to do that type of reorganization, they had to come to the State legislature to get some legislation passed. And I was involved in that.