

Washington, that will be it. Let's make sure we fully understand the last step we are going to take before we take the first step. It is so easy to get into war; it is so difficult to get out.

There is, obviously, much more to be done in formulating an effective approach to defining the proper guidelines, objectives, and policies for American foreign policy in today's world. We must successfully resolve the debate about NATO's mission statement: Is it going to participate in more offensive operations, or is it going to continue to be a defensive alliance primarily? Are we going to admit more members? Is this a good idea, or a bad idea?

The members of NATO are coming to Washington in a few days. I think we ought to engage in that discussion with NATO, because we have to figure in the relationship with our friends and our allies, because those relationships affect our relationship with other countries.

Our relationship with Russia, for instance—Russia, for all of its troubles, is still the only nation possessing the means to really threaten our physical security. And China? What about China? China, I think, might pose perhaps the greatest policy challenge to us as we enter the 21st century.

Clearly, there is much work to do. But it all starts with the correct articulation of national interests—what is vital to our national interest and what is not, and particularly in terms of the commitment of American young men and women abroad.

For all the challenges and difficulties facing us today, I would like for us to consider the other words spoken by President Kennedy in that 1963 address, on June 10, at American University. He spoke during the height of the cold war. President Kennedy put it this way:

World peace, like community peace, does not require that each man love his neighbor; it requires only that they live together in mutual tolerance, submitting their disputes to a just and peaceful settlement. And history teaches us that enmities between nations, as between individuals, do not last forever. However fixed our likes and dislikes may seem, the tide of time and events will often bring surprising changes in the relations between nations and neighbors. So let us persevere. Peace need not be impracticable and war need not be inevitable. By defining our goal more clearly, by making it seem more manageable and less remote, we can help all peoples to see it, to draw hope from it, and to move irresistibly toward it.

I yield the floor.

Mrs. LINCOLN addressed the Chair.

The PRESIDING OFFICER (Mr. ROBERTS). The distinguished Senator from Arkansas is recognized.

Mrs. LINCOLN. I thank the Chair.

#### MORTGAGE DEDUCTIONS

Mrs. LINCOLN. Mr. President, on tax-filing day, it is customary for Senators to note the many difficulties that taxpayers have complying with a complex and unwieldy tax system. I plan to

highlight some problems with the system later today. But I do think it is important, however, to note that some aspects of our system have worked very well.

Since the Internal Revenue Code was enacted in 1913, the tax system has provided a deduction for mortgage interest. The mortgage interest deduction is one of the simplest, most widely available, and most widely understood of all the provisions in the Code.

What is important about the deduction is the support it provides for a goal that is of paramount importance to all Americans—Homeownership. Just five years ago, the rate of homeownership was declining in our country. Beginning in late 1997, however, the rate of homeownership began to climb, so that now, a record number of American families own their own homes. For the first time in our history, two-thirds of all households own their own homes. Where has the growth in homeownership been most evident? Every age group has expanded its ownership, and, even more importantly for the future of our country, the two categories of homeowners that have seen the greatest rates of growth are first-time homeowners and minorities. It is also notable that within 6 years of naturalization, foreign-born individuals achieve the same rate of homeownership as the nation at large. This is a great achievement that shows that the American Dream is alive and well.

When asked why they want to own their own homes, Americans in all parts of the country note that "Owning my own home is the American dream. That is what it all boils down to, that I own my own home." They do not buy a home to get tax breaks. They buy a home to attain a sense of community. Neighborhoods that have a high rate of homeownership have high rates of voting, participation in schools, and lower crime rates.

It seems that we all complain a great deal about the complexity of the tax system. I think that a great deal of this tax code ridicule is justified. The U.S. Tax Code now consumes more pages than eight Bibles. It is generally too complicated and unfair for most taxpayers. I too believe that the tax code must be streamlined but only while preserving important taxpayer deductions such as the home mortgage deduction. It is important to note that, as far as the tax code goes, one of the easiest steps in the computation process is the mortgage interest deduction. Unlike many more recently created tax breaks, the mortgage interest deduction presents no difficult formulas, calculations, or income limits for taxpayers who utilize the deduction. The lender simply provides the interest and property tax amounts to the homeowner on a Form 1098. The taxpayer then simply transfers these two numbers from the form on to their tax return.

Among the taxpayers who itemize their deductions, 28 million used the

mortgage interest deduction in 1995, the most recent year for which statistics were available. In that group, 71% had incomes below \$75,000, and 42% had incomes below \$50,000. Clearly, the mortgage interest deduction is a significant benefit for middle class taxpayers.

Homeownership is a cornerstone of American life. The tax code has always supported that goal and facilitated the great achievements we have made. The stability and simplicity of the tax policies supporting homeownership have played a crucial role in the progress we have made in keeping the American Dream alive.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

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

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

#### EXTENSION OF CERTAIN TAX BENEFITS

The PRESIDING OFFICER. Under the previous order, the clerk will report.

The legislative assistant read as follows:

A bill (H.R. 1376) to extend the tax benefits available with respect to services performed in a combat zone to services performed in the Federal Republic of Yugoslavia (Serbia/Montenegro) and certain other areas, and for other purposes.

The Senate proceeded to consider the bill.

Mrs. BOXER. Mr. President, I rise in support of the military tax-filing fairness bill that passed the Senate earlier today. This is an important signal of support to send to our troops in the Balkans as they fight against the forces of ethnic cleansing, mass murder, and genocide. All Americans should be proud of the dedication and professionalism shown by our military personnel in the ongoing NATO operation.

While I am very pleased that we were able to pass this legislation, I am disappointed that I was unable to offer an amendment that would call on Secretary Cohen to do everything in his power to ensure that both parents in dual military couples are not deployed into a combat area.

As the number of United States personnel slated for the Balkans increases—and as there is an increased possibility of a Reserve call-up—I am concerned that situations may arise where children will have to watch both of their parents deployed in combat. It is difficult enough for children to watch one parent go off to war. It is unacceptable that they should have to see both of their parents put in harm's way.

I hope that we will have the opportunity to discuss this matter further

and to come up with a solution that protects our children while maintaining our military effectiveness.

Mr. McCAIN. Mr. President, I ask for the yeas and nays on the pending legislation.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was read a third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? On this question, the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arkansas (Mr. HUTCHINSON) and the Senator from Colorado (Mr. CAMPBELL) are necessarily absent.

Mr. REID. I announce that the Senator from California (Mrs. BOXER) and the Senator from Vermont (Mr. LEAHY) are necessarily absent.

I also announce that the Senator from New York (Mr. MOYNIHAN) is absent due to surgery.

I further announce that, if present and voting, the Senator from Vermont (Mr. LEAHY) and the Senator from New York (Mr. MOYNIHAN) would each vote "aye."

The PRESIDING OFFICER (Mr. SANTORUM). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 87 Leg.]

YEAS—95

Abraham	Feingold	Mack
Akaka	Feinstein	McCain
Allard	Fitzgerald	McConnell
Ashcroft	Frist	Mikulski
Baucus	Gorton	Murkowski
Bayh	Graham	Murray
Bennett	Gramm	Nickles
Biden	Grams	Reed
Bingaman	Grassley	Reid
Bond	Gregg	Robb
Breaux	Hagel	Roberts
Brownback	Harkin	Rockefeller
Bryan	Hatch	Roth
Bunning	Helms	Santorum
Burns	Hollings	Sarbanes
Byrd	Hutchison	Schumer
Chafee	Inhofe	Sessions
Cleland	Inouye	Shelby
Cochran	Jeffords	Smith (NH)
Collins	Johnson	Smith (OR)
Conrad	Kennedy	Snowe
Coverdell	Kerrey	Specter
Craig	Kerry	Stevens
Crapo	Kohl	Thomas
Daschle	Kyl	Thompson
DeWine	Landrieu	Thurmond
Dodd	Lautenberg	Torricelli
Domenici	Levin	Voinovich
Dorgan	Lieberman	Warner
Durbin	Lincoln	Wellstone
Edwards	Lott	Wyden
Enzi	Lugar	

NOT VOTING—5

Boxer	Hutchinson	Moynihan
Campbell	Leahy	

The bill (H.R. 1376) was passed.

• Mr. HUTCHINSON. Mr. President, if today I were not in my home state of Arkansas, I would surely be on the floor of the Senate casting an affirmative vote for H.R. 1376. I believe this

Congress should pass this important legislation unanimously, so that it can be quickly sent to the President for enrollment into public law.

Any time the men and women of our great country choose to wear our nation's uniform, they are making a statement. They are saying that principles like duty, honor and freedom are more important than personal gain and personal comfort. Any reasonable action the Congress can undertake to ease the Federal burden weighing on our soldiers, sailors, airmen and marines is one that should be considered and acted upon quickly.

Recognizing the area around Kosovo, where our military is deployed under orders from the President, as a hazardous duty area for Internal Revenue code purposes will grant service members a small degree of relief. Allowing service members an additional 180 days to file their federal income tax return, and exempting a portion of their income from taxation may be only a small gesture of support, but it is one that has already been earned.

I will continue to keep the men and women participating in Operation Allied Force in my thoughts and prayers, and I look forward to their safe and speedy return.●

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Minnesota is recognized.

Mr. GRAMS. Mr. President, may I ask the order of business on the floor?

The PRESIDING OFFICER. The Senator has 60 minutes.

Mr. GRAMS. Thank you, very much.

TAX DAY, APRIL 15

Mr. GRAMS. Mr. President, I just want to take a little time to talk today, because today is, of course, the infamous April 15 tax day. I know a lot of Americans are out there still working at the kitchen table at this time, working the pencils, trying to wade through thousands of pages, or at least dozens of pages, or all of the forms that they have trying to figure out their income tax by tonight. There are going to be long lines as people use every last minute to try to get this tax that they owe to the Federal Government in order. So that is the day that I think most Americans dread. That is April 15.

For many American taxpayers, it is this usual routine. By this time there are only a few hours left to complete their tax form before midnight. They are going to be rushing to the Post Office. They are going to find themselves on the late night news as their local TV stations are showing footage of all these last-minute filers dropping the envelope into the mail slot to at least meet the filing deadline and finally be done with this.

But even for those who file early, those who aren't going through all of this turmoil tonight, tax season, of course, is full of stress. Not only do we

wade through endless paperwork but we also come face to face with the reality of just how big a bite Uncle Sam takes from us every year.

Mr. President, have we ever really stopped to wonder why it needs to be this way? Do we stop to consider better alternatives to the current tax system? It sure doesn't make a lot of sense to me, because our current Tax Code is outdated. It makes our tax system among the least efficient. It makes our tax system among the most oppressive in the world. Everyone knows this. And, yet, it seems to get worse every year, and we don't do anything about it.

When we have tried to give a little tax relief, or reform some of the Tax Code, what we have done is made it more complicated and added hundreds of pages. So we have made the tax system even worse in an effort to try to reform it and make it better.

Congress, of course, is the first in line to blame because of this. Thanks to a Government that does not know when to stop spending, tax collections have grown faster than our economy has grown in the past 5 years. And tax collections have grown twice as fast as the income of working Americans. So the Government is growing faster than Americans' working income. Hikes in the personal income tax—and particularly the increase in the effective tax rates—have propelled this increase in revenue.

As Americans are working harder to try to earn a little bit more money, our tax system is taking more away from them in doing so because our tax system pushes more of them into the higher tax brackets.

Since 1993, just 6 years ago, Federal taxes have increased for average workers 54 percent, which for the average taxpayer translates into about a \$2,000 per year tax increase. So, if you look back at what you were paying on average in 1993 compared to what you are paying in taxes to the Federal Government today, the Federal Government is taking \$2,000 a year more in taxes. As a result, Americans today have the largest tax burden, even more than in World War II, and it is still growing.

Federal taxes now consume nearly 21 percent of the national income. Twenty-one percent of everything produced in this country goes to Federal taxes. That is compared to just over 18 percent in 1992. So, again, over the last 6 years, Government has taken 3 percent more of national income than in 1992.

A typical American family today, when we say they are at the highest tax rate in history—even more than paying off and fighting in World War II—the typical American family today is paying 40 percent of its total income in taxes, more than the family spends on food, clothing, transportation, and housing combined. So they are spending more to support Uncle Sam than they are supporting their families with the necessities. And compare that to the average tax rate of only 2.75 percent in 1916 when Congress first got the