

couples. It is caused by the loss of the earned-income tax credit when individuals' incomes are combined.

What happens is, you have two-wage-earner families that, if they were not married, if they were single and filing separately, would qualify for the earned-income tax credit. But if they get married and they earn over this mark, they get penalized again for being married.

Estimates by the CBO indicate that what we can do is double, for two-wage-earner families, the amount of income that can be received and still qualify for the earned-income tax credit. Virtually all the benefits of this adjustment in the earned-income tax credit would go to couples with incomes below \$50,000. There are nearly 3.7 million couples in America today that do not receive the earned-income tax credit that would, if we double the amount that they can make, still qualify for the earned-income tax credit.

I point this out because people struggle mightily to raise families, and the notion that we would tax and then tax again low-income families, keeping them from receiving a benefit because they are married, makes absolutely no policy sense at all.

I don't see how on Earth anybody can argue this is a good idea or this is the right thing to do. I am hopeful the chairman of the Finance Committee has focused on this. We can do this. I hope the President will be willing to work with Members of Congress in both the House and the Senate in crafting a tax package we can all agree with, so the American people can stop overpaying their taxes—which they are currently doing.

The CBO is now projecting an onbudget surplus of \$14 billion in fiscal year 2000, with the surplus growing to \$996 billion over the 10-year period beginning in fiscal year 2000. We have this opportunity to eliminate the marriage penalty tax and to do away with paying the marriage penalty tax on upper-income levels and for those not being given the earned-income tax credit on the lower-income level.

Of course, the surging surplus I was discussing is as a result of payroll tax receipts. I continue to emphasize that.

The majority side wants to put a lockbox around any Social Security surplus and have that maintained only for Social Security. We can do these things. We need to work across the aisle. We need to work with the President. I hope he will be willing to work with Members as we move forward in dealing with the marriage penalty tax, which is a terrible signal to send across society, to send to people across America. We will be working with the chairman of the Finance Committee. I hope this is one tax that can find its death in this round of tax cuts. We will hopefully be going to reconciliation and discussing tax cuts this month. It is a very important topic we will discuss.

I encourage people paying a marriage penalty tax to contact Members re-

garding how the marriage penalty tax has directly impacted your lives. I have had any number of couples write saying: We wanted to get married but we found out we were going to pay this huge tax for getting married and we could not afford to do that; this is money we wanted to use for a downpayment of a house or to get a car that would work.

They were not able to do it because of the pernicious fiscal effect of the marriage penalty tax. It is a terrible signal we are sending across our society.

Senator HUTCHISON from Texas has been a leader on this issue of dealing with the marriage penalty tax. She has come to the floor, as well, to discuss what we can do. Now is the time to eliminate this marriage penalty tax.

I yield the floor.

VISIT TO THE SENATE BY THE HONORABLE JOHN HOWARD, PRIME MINISTER OF AUSTRALIA

Mr. HAGEL. Mr. President, I ask unanimous consent that Members of the Senate greet the Honorable John Howard, Prime Minister of Australia.

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

RECESS

Mr. HAGEL. Mr. President, I ask unanimous consent that the Senate now stand in recess for 5 minutes to greet the Honorable John Howard, Prime Minister of Australia.

There being no objection, the Senate, at 9:45 a.m., recessed until 9:52 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. VOINOVICH).

ORDER OF PROCEDURE

Mrs. HUTCHISON. Mr. President, I wonder how much time do we have remaining, with the added time based upon the Prime Minister's appearance?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mrs. HUTCHISON. Mr. President, then I ask you to notify me at 3½ minutes. I intend to give the other 3½ minutes to Senator ASHCROFT.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. I was very pleased to meet the Prime Minister from Australia. He asked me where I was from, what State I represented. I said, "I represent the State that everyone says is just like Australia." He said, "Texas?" And I said, "Absolutely." I had a wonderful visit with him. He has a wonderful personality. We are pleased to welcome him to the Senate.

TAX CUTS

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank Senator BROWNBAC.

Senator ASHCROFT from Missouri, Senator BROWNBAC, I, and many others have been talking about the marriage penalty tax for two sessions, and even a session before that.

We were stunned when we discovered 44 percent of married couples in the middle-income brackets—in the \$40,000 to \$60,000 range—were paying a penalty just for the privilege of being married.

We have introduced legislation to cut the marriage tax penalty. In fact, both the House and Senate have tax cut plans that we will be discussing over the next few months to try to determine what we can give back to the hard-working Americans who have been sending their money to Washington to fund our Government.

When we start talking about how we are going to give people their money back, I think we have to step back and talk about the basic argument, which is: What do we do with the surplus? And are tax cuts the right way to spend the surplus?

I will quote from a Ft. Worth Star-Telegram opinion piece by one of the editorial writers on that newspaper, Bill Thompson, from June 30, 1999.

He says there is only one question to ask about the budget surplus, and that is:

How should we go about giving the money back to its rightful owners?

And the rightful owners, surely even the biggest nitwit in Washington can understand, are the taxpayers of the United States of America.

The federal government is not a private business that can do whatever it wants to with unexpected profits.

Because, in fact, we are more of a cop. We are not a business that is trying to make a profit and then decide what to do with the profits.

. . . [T]here should be no discussion about the fate of the money. . . .

If there is money left over, we give it back to the people who own that money. We in Washington, DC, do not own that money. The people who earned it own it. It is time we start giving them back the money they have earned.

We are doing what we should be doing. We are cutting back Government spending, so people can keep more of the money they earn. If we do not give it back to them, we will be abusing the power we have to tax the people. We are talking about giving the money back to the people who earn it, and the first place we ought to look is to people who are married who pay more taxes just because they are married. If they were each single they would be paying lower taxes, but because they got married the average is \$1,400 in the marriage penalty tax. That is unconscionable.

Since 1969, we have seen the marriage tax penalty get worse and worse and worse. It was not meant to be that way. Congress did not intend to tax married people more. But because more women have gone into the workforce to make ends meet and to do better for

their families, the Tax Code has gotten skewed and the deductions have become unfair. So today we are saying the first priority should be to eliminate the tax that is more on married people than it would be if they were single.

I yield the remainder of my time to Senator ASHCROFT, who is working with me on this very important issue. We will give the taxes that people are paying to the Government back to them because it does not belong to us. It belongs to the people who earn it.

Mr. President, I ask unanimous consent the article by Bill Thompson be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BUDGET SURPLUS: THERE'S ONLY ONE TOPIC THAT NEEDS DISCUSSING

(By Bill Thompson)

Nothing will get the politicians' juices flowing like an avalanche of money. Put large piles of cash in front of a herd of politicians, and the ensuing stampede will crush everything in its path.

Nowhere is this truer than in Washington, D.C., where the latest predictions of burgeoning federal budget surpluses have the president, Congress and everyone in between all but trampling one another in their fervor to dive into those irresistible mountains of money.

Not surprisingly, all the official and semi-official public pronouncements, all the expert analyses and all the wide-eyed speculation about the fate of the extra money seem to arrive at the same conclusion: The politicians will spend it.

In fact, the only question that anyone who's anyone seems to be asking about this "windfall" revenue is: How should we spend it?

Well, call me naive or simple-minded or just plain dumb—many readers do so on a regular basis, after all—but in my humble opinion the deep-thinkers are asking the wrong question. The only legitimate question that anybody should be asking about the federal budget surplus is: How should we go about giving the money back to its rightful owners?

And the rightful owners, surely even the biggest nitwit in Washington can understand, are the taxpayers of the United States of America.

The federal government is not a private business that can do whatever it wants to with unexpected profits. It's not even one of those publicly traded corporations that can choose among options such as reinvesting in the company sharing the profits with employees or distributing the money to stockholders by means of increased dividends.

Government collects money from citizens in the form of taxes and fees for the purpose of providing designated services to those very same citizens. If for some reason the government should happen to collect more money than it needs to provide the designated services, there should be no discussion about the fate of the money: It goes back to the taxpayers who worked it over in the first place.

For politicians and bureaucrats to suggest that they are so much as considering any other use of a budget surplus should be looked upon as the worst sort of fiscal malfeasance.

True enough, the idea of using some of the budget surplus to bail out fiscally endangered programs such as Social Security and

Medicare sounds tempting. But there's a problem—two problems, actually.

Problem No. 1 is that these breathtaking estimates of budget surpluses totaling trillions of dollars over the next 15 years are just that—estimates. An unexpected downturn in the nation's economy could blow the projections sky high and leave the taxpayers with mind-boggling financial commitments to those programs—and no money to meet them.

Problem No. 2: The commitment of future budget surpluses to these expensive entitlements is a phony solution that distracts attention from the desperate need for fundamental reforms to programs whose escalating costs simply must be brought under control sooner or later.

President Clinton's proposal to dedicate a portion of any budget surplus to pay down the national debt seems reasonable enough at first glance. But consider this: How can Clinton brag about cutting up Washington's credit card when his plan to pay off the card's outstanding balance hinges on projected income?

We should be paying off the debt with actual revenue that would be available for debt reduction if the government would cut expenses instead of constantly seeking new ways to spend the taxpayers' money.

No, this raging debate about how to spend the surplus is the wrong debate. The only question that politicians need to debate is whether to give the money back to the taxpayers in the form of a reduction in income tax rates, or through some sort of tax credit that enables taxpayers to deduct their share of the surplus from their tax bills.

The money belongs to the people. It should be returned to the people.

THE PRESIDING OFFICER (Mr. CRAPO). The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I thank the Senator from Texas for her kind remarks and for allowing me to speak on this important issue.

Americans are now paying taxes at a higher rate than ever before. The burden and cost of the government are more, and the Federal Government is responsible for the overwhelming lion's share. As a matter of fact, we are not just responsible for the Federal taxes, because we have mandated so many programs on State and local governments we are responsible for a lot of what they are taxing people. So we are being taxed at the highest rates in history—at the highest rates in history.

Now we announced, in spite of that, we are paying more in those taxes than it costs to run Government. We are paying more in than it costs to fund the programs we are getting. If you go to a grocery store and you are buying \$8 worth of groceries and you give them a \$10 bill, you are paying more than it costs for the service and they give you a couple of dollars in change.

There is a stunning debate in Washington. We are debating over whether or not to give people the change back. They are paying more than is required for the programs they have requested, and we are debating whether or not we are going to give them the change back. We ought to give the money back. They own it. They have overpaid.

No. 1, we are paying the highest taxes in history. No. 2, those taxes pay for more than what our programs cost;

therefore, we are overpaying. No. 3, we ought to refund that overpayment to the American people.

I submit among those who ought to be the first in line to get money back are those who have been particularly abused, those who have been the subject of discrimination, those who have been the subject of wrongful taking of the money by Government. That is where you come to this class of people who are not normally thought of as being a special class. They are married people. Forty-two percent of all the married people in the United States end up penalized for being married. That is 21 million families. Mr. President, 21 million families pay an average of over \$100 a month—that is \$1,400 a year—because we have what is called the marriage penalty tax.

Before we decide on tax relief for the population generally, let's take some of these gross inequities out of the system, especially inequities that target one of the most important, if not the most important, components of the community we call America—our families. Our families are the most important department of social services, the most important department of education. The most important fundamental component of the culture is the family. It is where we will either succeed or fail in the next century. Our Tax Code has been focusing on those families and has been saying we are going to take from you more than we would take from anybody else.

This idea of penalizing people for being married is a bankrupt idea, and it is time to take the marriage penalty part of this law and administer the death penalty to the marriage tax.

I say it is time for us to end the marriage penalty. This will mean a substantial improvement in income for people who have been suffering discrimination because they are married. It is time for us to end the marriage penalty in the tax law.

THE PRESIDING OFFICER. The time of the Senator has expired.

Mr. ASHCROFT. I thank the Chair.

ORDER OF PROCEDURE

THE PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I yield myself 5 minutes of the allotted 10 minutes, and I yield the remaining 5 minutes to the Senator from Maryland, Ms. MIKULSKI.

THE PRESIDING OFFICER. The Senator is recognized for 5 minutes.

CHILDREN'S HEALTH CARE

Mr. REED. Mr. President, we are engaged in a historic debate about the future of health care in the United States. I have tried very diligently to ensure that children are a large part of this debate.

In conjunction with those activities, yesterday I had the opportunity to visit with pediatricians and pediatric