

or not?" If the United States says it is not going to promise not to test anymore, then China will say it will not promise not to test either. India and Pakistan will say they are not going to promise to refrain from testing. What do you think will happen in every country, from rogue countries such as Syria, all the way to countries in Africa and Latin America that have the capability to develop nuclear weapons? Do you think they will say: "It is a good idea that we don't attempt ever to gain a nuclear capability, the other big countries are going to do it, but not us?" I think this is crazy.

Let me be clear. The Comprehensive Nuclear Test-Ban Treaty must not be treated as a political football. It is a matter of urgent necessity to our national security. If the Senate should fail to exercise its constitutional responsibility, the very future of nuclear nonproliferation could be at stake.

Two months ago I spoke on the Senate floor about the need for bipartisanship, the need to reach out across the chasm, reach across that aisle. Today I reach out to the Republican leadership that denies the Senate—and the American people—a vote on the Comprehensive Test Ban Treaty.

I was joined on Sunday by the Washington Post, which spoke out in an editorial against what it termed "hijacking the test ban." I will not repeat the editorial comments regarding my friend from North Carolina who chairs the committee. I do call to the attention of my colleagues, however, one salient question from that editorial:

One wonders why his colleagues, of whatever party or test ban persuasion, let him go on.

I have great respect for my friend from North Carolina. He has a deep-seated philosophical disagreement with the Test-Ban Treaty, and I respect that. I respect the majority leader, Mr. LOTT, who has an equally compelling rationale to be against the Test-Ban Treaty. I do not respect their unwillingness to let the whole Senate debate and vote on this in the cold light of day before the American people and all the world.

A poll that was conducted last month will not surprise anybody who follows this issue. But it should serve as a reminder to my colleagues that the American people are not indifferent to what we do here.

The results go beyond party lines. Fully 80 percent of Republicans—and even 79 percent of conservative Republicans—say that they support the Test-Ban Treaty.

And this is considered opinion. In May of last year, the people said that they knew some countries might try to cheat on the test-ban. But they still supported U.S. ratification, by a 73-16 margin. As already announced, today's poll results show even greater support than we had a year ago.

Last year's polls also show a clear view on the public's part of how to deal with the nuclear tests by India and

Pakistan. When asked how to respond to those tests, over 80 percent favored getting India and Pakistan into the Test-Ban Treaty and over 70 percent saw U.S. ratification as a useful response.

By contrast, fewer than 40 percent wanted more spending on U.S. missile defense; and fewer than 25 percent wanted us to resume nuclear testing.

The American people understood something that had escaped the attention of the Republican leadership: that the best response to India and Pakistan's nuclear tests is to rope them in to a test-ban, which requires doing the same for ourselves.

The American people reach similar conclusions today regarding China's possible stealing of U.S. nuclear weapons secrets. When asked about its implications for the Test-Ban Treaty, 17 percent see this as rendering the Treaty irrelevant; but nearly three times as many—48 percent—see it as confirming the importance of the Treaty. Once again, the American people are ahead of the Republican leadership.

The American people see the Test-Ban Treaty as a sensible response to world-wide nuclear threats. In a choice between the Treaty and a return to U.S. nuclear testing, 84 percent chose the Treaty. Only 11 percent would go back to U.S. testing.

Last month's bipartisan poll—conducted jointly by the Melman Group and Wirthlin Worldwide—asked a thousand people "which Senate candidate would you vote for: one who favored CTBT ratification, or one who opposed it?" So as to be completely fair, they even told their respondents the arguments that are advanced against ratification.

By a 2-to-1 margin, the American people said they would vote for the candidate who favors ratifying the Treaty. Even Republicans would vote for that candidate, by a 52-42 margin.

Now, as a Democrat, I like those numbers. The fact remains, however, that both the national interest and the reputation of the United States Senate are on the line in this matter.

The national security implications of the Comprehensive Test-Ban Treaty must be addressed in a responsible manner. There must be debate. There must be a vote.

In sum, the Senate must do its duty—and do it soon—so that America can remain the world's leader on nuclear non-proliferation; so that we can help bring India and Pakistan away from the brink of nuclear disaster; and so that the United States Senate can perform its Constitutional duty in the manner that the Founders intended.

Let me close with some words from a most esteemed former colleague, Senator Mark Hatfield of Oregon, from a statement dated July 20. I ask unanimous consent that his statement be printed in the RECORD after my own statement.

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

(See Exhibit 1.)

Mr. BIDEN. He began:

The time has come for Senate action on the CTBT ratification.

Senator Hatfield adduces some excellent arguments in favor of ratification, which I commend to my colleagues. But I especially want recommend his conclusion, which summarizes our situation with elegant precision:

It is clear to me that ratifying this Treaty would be in the national interest. And it is equally clear that Senators have a responsibility to the world, the nation and their constituents to put partisan politics aside and allow the Senate to consider this Treaty.

Senators, that says it all.

EXHIBIT 1

STATEMENT BY SENATOR MARK O. HATFIELD  
ON CTBT RATIFICATION

The time has come for Senate action on CTBT ratification. Political leaders the world over have recognized that the proliferation of nuclear weapons poses the gravest threat to global peace and stability, a threat that is likely to continue well into the next century. Ratification of the 1996 Comprehensive Nuclear Test Ban Treaty by the United States and its early entry into force would significantly reduce the chances of new states developing advanced nuclear weapons and would strengthen the global nuclear non-proliferation regime for the twenty-first century. Just as the United States led the international community nearly three years ago by being the first to sign the CTB Treaty, which has now been signed by 152 nations, the Senate now has a similar opportunity and responsibility to demonstrate U.S. leadership by ratifying it.

The Treaty enhances U.S. national security and is popular among the American people. Recent bipartisan polling data indicates that support for the Treaty within the United States is strong, consistent, and across the board. It is currently viewed favorably by 82% of the public, nearly the highest level of support in four decades of polling. Only six percentage points separate Democratic and Republican voters, and there is no discernible gender gap on this issue. This confirms the traditional bipartisan nature of support for the CTBT, which dates back four decades to President's Eisenhower's initiation of test ban negotiations and was reaffirmed by passage in 1992 of the Exon-Hatfield-Mitchell legislation on a testing moratorium.

It is clear to me that ratifying this Treaty would be in the national interest. And it is equally clear that Senators have a responsibility to the world, the nation and their constituents to put partisan politics aside and allow the Senate to consider this Treaty.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I ask unanimous consent that I be allowed to speak for 10 minutes in morning business.

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

Mr. THOMAS. I thank the Chair.

#### TAX RELIEF

Mr. THOMAS. Mr. President, I want to visit a little bit a topic that will be coming before the Senate very soon, probably tomorrow, and that is tax relief and the reconciliation bill we will be considering.

To me that is one of the most important things before us, not only as the Senate but before us as American people. We ought to spend our time focusing on that issue.

I have been a little amazed at the comments that have been made this morning. I only heard part of them, but they said this tax relief will certainly damage the economy. I have never heard of anything like that in my entire life. More money in the hands of Americans will probably strengthen the economy. We heard about Alan Greenspan's comments. The fact is, his complete comments were that he would much rather see tax relief than expending those dollars in larger government, which basically is the alternative.

We ought to review again for ourselves and for listeners where we are with respect to the surplus, where we are with respect to the public debt, and with the President's proposal versus tax relief.

We all know we worked a very long time to have a balanced budget. For the first time in 25 years, we have a balanced budget, and we want to be sure the majority of the surplus is Social Security money. This is the first time we have done this in a very long time. It is largely the result, of course, of a strong economy and some efforts on the part of this Congress to have a balanced budget amendment, to have some spending caps to hold down spending.

What can we expect? According to the Congressional Budget Office which released their mid-session review on July 21, the estimates are that the total budget surplus will measure \$1.1 trillion to the year 2004, and to the year 2009 nearly \$3 trillion in surplus will be coming in. The non-Social Security portion of that surplus will measure almost \$300 billion to the year 2004 and nearly \$1 trillion to the year 2009. This is the non-Social Security surplus that comes in to our budget.

The congressional budget resolution which talks about tax relief will leave the publicly held debt level at \$1.6 trillion. The President's, on the other hand, will leave it at \$1.8 trillion. With some tax relief, the reduction in publicly held debt under the tax relief program, the reconciliation program we will be talking about the next several days, will reduce the debt more than the President's plan which plans to spend the money.

These are the facts. It is interesting; the budget chairman was on the floor yesterday indicating that out of the total amount of money that will be in the surplus, less than 25 percent will be used for tax relief and it will still be \$1 trillion.

These are the facts, and it seems to me we ought to give them some consideration.

Another fact that I believe is important in this time of prosperity, in this time of having a balanced budget and having a surplus, is the American people are paying the highest percentage

of gross national product in taxes ever, higher than they did in World War II. Certainly, there is a case to be made for some sort of tax relief. If there are surplus dollars, these dollars ought to go back to the people who paid them. They ought to go back to the American people to spend as they choose.

There will be great debates about this, and there have been great debates about this. There are threats by the White House to veto any substantial tax reductions. Sometimes one begins to wonder, as we address these issues, whether or not it should be what we think is right or whether we have to adjust it to avoid a veto. That is a tough decision. Sometimes we ought to say: All right, if we believe in something, we ought to do what we think is right. If the President chooses to veto it, let him veto it. Otherwise, we compromise less than we think we should. Those are the choices that have to be made.

We will enter into this discussion again, as we have in the past, with different philosophies among the Members of this body. Of course, it is perfectly legitimate. The basic philosophy of our friends on the other side is more government and more spending. The basic philosophy of Republicans has been to hold down the size of government and have less government spending.

There is more to tax reduction than simply tax relief. It has to do with controlling the size of the Federal Government. If we have surplus money in the budget, you can bet your bottom dollar we are going to have more government and more spending, and to me there is a relationship.

Of course, we need to utilize those funds to fulfill what are the legitimate functions of the Federal Government. It is also true that there is a different view of what are the legitimate functions of the Federal Government. I personally believe the Federal Government ought to be as lean as we can keep it. Constitutionally, it says the Federal Government does certain things and all the rest of the things not outlined in the Constitution are left to the States and to the people. I think that is right. I believe the State, the government closest to the people, is the one that can, in fact, provide the kinds of services that are most needed and that fit the needs of the people who live there.

I come from a small State. I come from a State of low population. The delivery of almost all the services—whether it be health care, whether it be education, whether it be highways—is different in Wyoming than it is in New York and, indeed, it should be. Therefore, the one-size-fits-all things we tend to do at the Federal Government are not applicable, are not appropriate, and we ought to move as many of those decisions as we can to the States so they can be made closest to the people.

We will see that difference of philosophy. There are legitimate arguments.

That is exactly why we are here, to talk about which approach best fits the needs of the American people: whether we want more Federal Government, whether we want more spending, whether we want to enable more growth in the Federal Government, having the Government involved in more regulatory functions or, indeed, whether we want to limit the Government to what we believe are the essential elements with which the Federal Government ought to concern itself, or whether we ought to move to encourage and strengthen the States to do that.

We have on this side of the aisle, of course, our goals, our agenda. They include preserving Social Security. I am one of the sponsors of our Social Security bill which we believe will provide, over time, the same kinds of benefits for young people who are just beginning to pay and will maintain the benefits for those who are now drawing them. We can do that.

We have tried now I think five times to bring to this floor a lockbox amendment to make sure Social Security money is kept aside and is used for that purpose. We hope it will end up with individual accounts where people will have some of their Social Security money put into their own account where they can choose to have it in equities, or they can choose to have it in bonds, or they can choose to have it in a combination of the two. Increased earnings will accrue to their benefit, and, indeed, they will own it. If they are unfortunate enough to pass away before they use it, it becomes part of their estate.

Those are the things that are priorities for us. We want to do something with education. We sought to do that this year, to provide Federal funding of education to the States in the forms of grants so those decisions can be made to fit Cody, WY, as well as they do Long Island, NY, but quite differently.

We have done some military strengthening. We have done that this year. We want to continue to do that. We have not been able to increase the capacity of the military for a number of years. We need to do that. This is not a peaceful world, as my friends talked about.

Those are the choices. We will hear: If you are going to have tax relief, you cannot do these things. That is not true. We will have a considerable amount left over after we do a Social Security set-aside, after we do tax relief, and there will be adequate dollars to do Medicare reform and to do military reform. That is the plan, that is the program, and that is, I believe, what we should be orienting ourselves toward.

I hope that over the next several days we will have the opportunity to fully debate this. I think there will be great differences in how you do tax relief. There are a million ways to do it. Frankly, I hope we not only have tax relief but also that we help simplify

the tax system rather than make it even more complicated than it is. Therefore, I think those will be the issues we should really address.

Mr. President, I yield the floor.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER (Mr. ENZI). The Senator from Illinois.

Mr. DURBIN. I ask unanimous consent to be recognized in morning business.

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

Mr. THOMAS. Would it be possible for me to make a unanimous consent request?

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#### EXTENSION OF MORNING BUSINESS

Mr. THOMAS. I ask unanimous consent that the Senate continue in a period of morning business for 90 minutes, equally divided in the usual form.

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

The PRESIDING OFFICER. The Senator from Illinois.

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#### TAX CUTS

Mr. DURBIN. Mr. President, this morning we devoted most of the morning business to a discussion of an item which will come before us soon, and that is the whole question of how our economy is to look for the next few years. There are two very different visions of that future which will be articulated on the floor—one on the Republican side and another on the Democratic side.

The Senator from Wyoming was kind enough to speak and to tell us earlier about his concerns over taxes. Certainly, his concern is shared by many on both sides of the aisle. He made a point which I think is worth noting and explaining. Yes, it is true that Federal tax receipts are higher than they have ever been from individuals and families, but it is also true the tax rates on individuals and families, in every income category, are at some of the lowest levels they have been in modern memory.

The reason why taxes and tax receipts are higher reflects the fact that the economy is strong, people are working, they are earning money in their workplace, as well as in their investments, and they are paying some tax on it.

If you look at the dynamic growth in taxation on American families, you will find it is not from Washington but, rather, from State capitals and local sources, local units of government. That, to me, is an important point to make as we get into a question of whether we should cut Federal taxes.

I, for one, believe we can cut Federal taxes and do it particularly for the lower and middle-income families and really enhance our economy—if they are targeted; if they are contained. Because people who get up and go to work every day, and sweat out the payroll

tax, which is usually higher than their Federal income tax liability, are the folks who need a helping hand.

Sadly, the Republican proposal before us, which will be about a \$1 trillion tax cut over the next 10 years, does not focus on the lower and middle-income families. It reverts to the favorite group of the Republican Party time and again in tax policy—those at the higher income levels. So we see dramatic tax cuts for the wealthiest American families and “chump change,” if you will, for working families.

That in and of itself is an injustice. The Republican Senator who spoke before me made the statement that he could not see why giving more money back to people to spend could possibly hurt the economy. In fact, it is a source of concern.

You notice that about once a month, or once every other month, we wait expectantly for news from the Federal Reserve Board as to whether they are going to raise interest rates. It is an important issue and topic for many Americans. If you have a mortgage with an adjustable rate on it, the decision by Chairman Greenspan of the Federal Reserve to raise interest rates will hit you right in the pocketbook. Your mortgage rate will go up. The payment on your home will go up.

Most people think this is a decision to be made looking at the overall economy. I suggest most American families look at interest rate decisions based on their own family. What will it do to my mortgage rate? What will it do, if I am a small businessperson, to the cost of capital for me to continue doing business? These are real-life decisions.

If the Republicans have their way this week and pass a tax break, primarily for wealthy people, injecting money into the economy, it will increase economic activity. It is expected, then, that some people will buy more. It may mean Donald Trump will buy another yacht or Bill Gates will buy something else.

That money spent in the economy creates the kind of economic movement which the Federal Reserve watches carefully. If that movement seems to be going too quickly, they step in and slow it down. How do they slow it down? They raise interest rates.

So the Republican plan, the tax break for wealthy people, the \$1 trillion approach, is one which runs the risk of heating up an economy, which is already running at a very high rate of speed, to the point where the Federal Reserve has to step in. And once stepping in and raising interest rates, the losers turn out to be the same working families who really do deserve a break.

It has been suggested that if we, instead, take our surplus and pay down the national debt, it not only is a good thing intuitively that we would be retiring this debt, but it has very positive consequences for this economy.

Consider for a moment that in the entire history of the United States,

from President George Washington through President Jimmy Carter, we had accumulated \$1 trillion in debt. That means every Congress, every President, each year, who overspent, spent more Federal money than they brought in in taxes, accumulated a debt which over the course of 200 years of history, came to \$1 trillion, a huge sum of money, no doubt.

But after the Carter administration, as we went into the Reagan years, the Bush years, and the early Clinton years, that debt just skyrocketed. It is now over \$5 trillion. That is America's mortgage. We have to pay interest on our mortgage as every American family pays interest on their home mortgage. What does it cost us? It costs us \$1 billion a day in interest to borrow the money, to pay off our national debt—\$1 billion a day collected from workers through payroll taxes, from businesses and others just to service the debt.

So the question before us is whether or not a high priority should be reducing that debt. Frankly, I think it should be one of the highest priorities. You know who ends up paying that interest forever? The young children in our gallery here watching this Senate debate: Thank you, mom. Thank you, dad. Thanks for everything. Thanks for the national debt, and thanks for the fact that we are going to have to pay for it.

We have some alternative news for them that may be welcome. We have a chance now to help you out. We have a chance to take whatever surplus comes into the Federal Government because of our strong economy and use it to retire the national debt, to bring it down.

That is the proposal from the Democratic side, from President Clinton, and most of my fellow Senators who share the floor with me on this side of the aisle. It is a conservative approach but a sensible one.

The alternative, if we do not do it, I am afraid, is to continue to pay this \$1 billion a day in interest on the debt and not bring it down.

If we stick to a disciplined, conservative approach, we can bring down this debt.

Chairman Alan Greenspan said last week: Yes, that is the highest priority. You want this economy to keep moving? You want to keep creating jobs and businesses, people building homes, starting new small businesses, and keeping inflation under control? He said the worst thing you can do is create new programs and spend it, going back to the deficit days. The second worst thing you can do, as the Republican proposal suggests, is give tax breaks to wealthy people. The best thing he said to do is to retire the national debt.

It is eminently sensible on its face. We step forward and say bringing down that debt is good for the economy, will not overheat it, will not raise interest rates. You see, if we can have interest rates continuing to come down, it helps families. How does that happen?