

Alan Greenspan, of New York, to be Chairman of the Board of Governors of the Federal Reserve System? The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana (Mr. BURNS), the Senator from Arizona (Mr. MCCAIN), the Senator from Nebraska (Mr. HAGEL), the Senator from Alaska (Mr. STEVENS), and the Senator from Arizona (Mr. KYL) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. BURNS) would vote "yea."

Mr. REID. I announce that the Senator from California (Mrs. BOXER) and the Senator from Rhode Island (Mr. REED) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. REED) would vote "aye."

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

The result was announced—yeas 89, nays 4, as follows:

[Rollcall Vote No. 6 Ex.]

YEAS—89

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

NAYS—4

Dorgan	Reid
Harkin	Wellstone

NOT VOTING—7

Boxer	Kyl	Stevens
Burns	McCain	
Hagel	Reed	

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the President will be notified of the confirmation.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now resume legislative session.

MORNING BUSINESS

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted

to speak therein for up to 10 minutes each, with the exception of myself, and that I be permitted to control up to 30 minutes.

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

The Chair recognizes the Senator from Texas.

THE ALAN GREENSPAN
CONFIRMATION

Mrs. HUTCHISON. Mr. President, I extend my congratulations to Alan Greenspan. I think the Senate has done exactly what it should have done, which is overwhelmingly approve the nomination of the Chairman of the Federal Reserve Board. He has been in that position for 13 years and has guided our country on a very even keel while going through an economy that could have been volatile but because of his leadership has not been. I look forward to continuing this long string of prosperity in the economy we have been able to have under the leadership of Chairman Greenspan.

THE MARRIAGE TAX PENALTY

Mrs. HUTCHISON. Mr. President, today, for the next 30 minutes, we are going to talk about a subject that I think perhaps is the highest priority we have in Congress, and that is to correct a terrible inequity in the tax laws of our country—a penalty that we exact on married couples.

You may ask, penalty on married couples? Are you serious? Well, the fact is, yes, I am serious. The Tax Code, over the years, has not kept up with what has happened in our country demographically, which is that over 64 percent of the married couples in this country today have two incomes; both spouses work outside the home, in addition to working inside the home. The Tax Code has not caught up to treating them fairly when they get married. In fact, what has happened is that we have not increased the standard deduction to be double for a two-income-earning couple; nor have we expanded the tax brackets for a two-income-earning couple. So if you take the example of a schoolteacher and a sheriff's deputy or a policeman, one of whom makes \$27,000 a year, the other of whom makes \$31,000 a year, they will pay an extra \$717 in taxes just because they got married.

Now, generally, this is a young couple who is getting married, who need the extra money now more than ever. It is a couple who want to buy their first home, want to have their first child, want to buy the extra car they will need to fulfill their responsibilities. But, in fact, we take money away from their ability to fulfill their hopes and dreams.

Americans should not have to choose between love and money and, most certainly, the Government should not encourage this. We need to have policies that encourage marriage, encourage families.

I read an interesting article recently pointing out that marriage is one of the key factors in determining poverty. One in three poor families is headed by an unmarried parent. In contrast, 1 in 20 married couples are considered to be in poverty. So being married is one of the factors in people being able to lift themselves out of poverty. So, of course, knowing this, we should be even more attuned to this inequity.

The Congressional Budget Office estimated that 21 million married couples are paying this penalty; that is, 42 million Americans are paying a higher tax because they are married. This tax hits hardest those couples with two incomes. Two-thirds of those married couples, that have two incomes, will pay a tax penalty simply for being married. These couples are paying an average of \$1,400 more; that is \$29 billion in taxes being sent to Washington—money which our Treasury should not be receiving—\$29 billion in money just because people are married and not single.

Why are many people working? In many instances, it is because of the incredibly high tax burden. We have the highest tax burden since World War II on families in this country. Nearly 40 percent of the income families earn goes straight to the tax collector. How can we solve this problem? We can start by increasing the standard deduction for married couples from \$7,200 to \$8,600. This would make it exactly double what is available to single taxpayers.

Senator ASHCROFT, Senator BROWNBACK, and myself have introduced legislation to do exactly this. That should be our very first step. In fact, that is exactly what the Congress passed last year and sent to the President, but he vetoed it. It was part of a balanced tax package that would have put \$790 billion back in the pockets of the taxpayers of this country. But the President chose to veto that legislation.

This same legislation was introduced this week by Congressman ARCHER, chairman of the Ways and Means Committee on the House side. His legislation would increase the standard deduction in 2001 for married couples to twice the rate applicable to singles.

The second thing we can do is to widen the tax bracket for married couples so that it is twice the size of the corresponding bracket for singles.

Let me give you an example.

A married couple is taxed at the 15-percent rate up to \$43,350 in income. But if two single people make the same salary, they could be taxed at 15 percent on income up to \$50,700. That means \$7,350 is taxed just because people are married.

We need to change this policy. Senator ASHCROFT, Senator BROWNBACK, and myself have introduced a bill that would adjust every bracket so that married couples would not pay a penalty. They would not go into higher tax brackets just because they are married.

If one person makes \$20,000 a year, and another makes \$55,000 a year, they should pay taxes on what they earned, not putting it together and penalizing them by making the entire \$20,000 that is earned by one spouse to be taxed at the higher 28-percent bracket of the other spouse.

This week, Congressman ARCHER introduced legislation that would widen the 15-percent bracket. This is clearly the right direction. But I also want to make sure we don't forget those people in the 28-percent bracket. They get hit hard by the marriage penalty as well. The people who move up to the 28-percent bracket when they are earning the 15-percent bracket salaries should not pay that penalty. That is what we are trying to correct.

Senator ASHCROFT, Senator BROWNBACK, and I have introduced this legislation for 3 straight years. We have tried to get the President to sign tax relief for our married taxpayers.

Yesterday, the House Ways and Means Committee reported legislation out, and it will be considered on the House floor next week. This is a great step forward. It is a step in the right direction. I commend Chairman ARCHER for acting so quickly.

I hope we can pass a balanced tax bill this year. I hope we can make the linchpin of that bill the marriage tax penalty relief.

But that is not the only tax relief that our people in this country deserve, and the working families deserve. They also deserve tax credits for education expenses, and tax credits for caring for elderly parents, which is becoming a bigger problem—a bigger issue—as our population is aging.

We want to make sure small businesses and farmers and ranches don't have to be broken up because of the inheritance tax.

We want to try to make sure we have capital gains tax reductions so that people will be encouraged to invest in our country to help spur our economy forward.

We have a lot of wage earners who will be coming into our economic system. We want to make sure we can absorb them. The way we can do this is by creating new jobs. The way you create new jobs is to invest in capital.

I want a balanced, good tax cut bill. I want to say very clearly that we are not talking about taking the entire surplus and giving it back to the taxpayers of our country. We have bifurcated our surplus. We have said that trillion dollar plus in surplus funds that belongs to Social Security is going to stay in Social Security, so that will always be there. It will be part of a trust fund, and Social Security will be safe forever.

What we are talking about is an income tax withholding surplus. This is the surplus that people have sent to Washington in income taxes—not Social Security taxes. We are talking about taking approximately one-third of the income tax withholding surplus

and giving it back to the people who sent it to Washington because it is very clear that if we don't give it back to the people who sent too much, it will sit here and it will eventually go away. There is nothing like the creativity of the Federal Government when it comes to spending more money.

Mr. President, we want to give people the bonus they have sent to the Federal Government back. We want them to make the decisions for their children about how they are going to spend the money they earned that belongs to them. That is the bonus they deserve.

We are going to make marriage tax penalty relief the linchpin of our balanced tax cut plan, and we are going to put in capital gains tax relief and inheritance tax relief and relief for people who are sending their children to college, or perhaps to a private school that has a huge tuition fee. That is very difficult for the family to absorb.

Sometimes when I talk to my friends and people who I meet in airports and in cities I visit, the second spouse is working for education expenses for their children, or for the expense of caring for an elderly parent. We want to help them.

I think we can get a balanced tax cut for the working people of this country that will give them the relief they deserve because they sent more money to Washington than we need for the services we must cover.

I am very proud that I have two cosponsors who have worked so diligently with me to try to keep this issue in the forefront of issues the Senate will address. Senator ASHCROFT from Missouri and Senator BROWNBACK from Kansas have been cosponsors of my legislation every time we have tried to push it through. Last year, we won. But the President said no. We are coming back until we win this for the married couples of this country so they get the money they earned in their pocketbooks to decide what is best for their families—not somebody in Washington, DC, they have never met making that decision for them.

I am proud Senator BROWNBACK is here to talk about how this affects families in Kansas, his home State. And later I am hoping Senator ASHCROFT will be able to also come and talk about the legislation we have tried so hard to push through, and which I hope this year will be the one that we see the victory for the hard-working people of our country.

Thank you, Mr. President. The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, thank you.

Mr. President, I am delighted to join my colleague from Texas, Senator HUTCHISON, in this effort yet again. We are going to keep pushing this ball up the hill until we get it over. I think this is the year we will get that done—to finally do away with this marriage penalty that impacts nearly 21 million

American families in a very adverse and a terrible way—and an awful signal it sends to the married couples: Well, if you are going to get married, that is fine, but we are going to tax you for it.

I think if there is one thing we ought to try to figure out, it is how not to tax the institution of marriage, which is in so much trouble. And there is so much pressure in this country already. The last thing it needs is more pressure by the taxation system, the Tax Code.

This is the year for us to be able to get this done.

I hope at the end of the day we can put together the marriage penalty and the estate tax, which is another family tax—particularly in my State with family farmers and small businesses—and pass a family tax cut bill of those two items, send it through, pass it by the House, and put it on the President's desk and ask him: Mr. President, please sign this on behalf of the working families of this country to be able to maintain these businesses, farms, and these marriages—that all of us ought to be strongly supporting and working with.

It is interesting that the marriage penalty currently affects almost 50 percent of America's families. Fifty percent of America's families are impacted negatively by the marriage penalty today. On average—this is an old figure. People have heard this one but it is true, and it is so stark—they pay an additional \$1,400 in taxes. You have 50 percent of married couples in America impacted by this tax and on average paying \$1,400 a year more for the pleasure and the privilege in America to be married. It is a terrible signal and bad policy. This is the year to do away with it.

It is critically important that during this second session of the 106th Congress we take the steps finally to eliminate the marriage penalty and alleviate its impact on our working families in this country.

I applaud the work of Chairman ARCHER over in the House in advance of his proposal to double the standard deduction and widen the 15-percent bracket and to adjust the earned-income tax credit in order to alleviate the impact of the marriage penalty for America's working families. His proposal is an important first step in our effort to rid our Tax Code of this onerous penalty to our families.

The Congressional Budget Office has announced that the expected on-budget surplus—I want to make this clear; it is the on-budget surplus; it is not Social Security—for this fiscal year is \$233 billion. Clearly, we have the funds available on budget to do this tax cut and to start it this year. We need to begin by making an investment in America's families. Using the on-budget surplus to rid the Tax Code of this unfair tax is one way to make such an investment. We clearly have the funds to do this for both the marriage penalty and the estate tax, starting this year and phasing that out over a period of 5 years.

The Government should not use the coercive power of the Tax Code to erode the foundation of our society—working families. We should quit incentivizing that erosion resulting from this taxation. Normally in the Tax Code we try to encourage work; we try to encourage families; we try to encourage good things. Yet these are two areas where we are discouraging two of our greatest things. One is the creation of families—good, strong, healthy families that are absolutely critical for vibrant societies. The second is working families, so they do not have what they labor for stolen from them by the taxation system upon death, so they can pass it on to their heirs, so they can hold the farm together.

Some years ago I was an extension specialist for Kansas State University, and I worked with farm couples who were facing two facts of life at that point in time. One I was hoping we could get rid of. One was that they were all going to die. The second was they were very fearful they would have to break the farm up, rather than being able to pass it on to a son or daughter to farm as an intact unit; they were going to have to break it up to pay a portion of the estate taxes.

These were good, hard-working people who worked all of their lives. Because they were frugal and saved and poured the money back into the farm, bought farmland, bought equipment, didn't go out and live luxuriously and take lots of vacations—they stayed there and worked and saved, all of which are laudable things for which we should be applauding them—here were people I was working with, couple after couple, saying: We just really want to have our son be able to farm, or our daughter and son-in-law be able to farm, but if we break this farm up they are not going to be able to have an economical-size unit. They are going to have to work in town and subsidize the farm because farming is a very capital intensive operation; it takes a lot of capital and there is very little return on the investment. We are afraid we will have to break the farm up to pay the estate taxes, so our son or daughter will not be able to farm.

They worked hard and saved and we are going to tax them so they have to break up the farm.

I worked with a whole bunch of other family farmers who said they would organize around this estate tax. They would go and work setting up a trust, a limited partnership, starting a gifting program here. So we have organized five different units to be able to break the assets up so they could get it to the next generation with a minimal amount of tax.

That is a very uneconomical thing to do. Lawyers make money; accountants make money doing that. For farming, it is a bad thing to do because you are breaking your economical unit up into five and trying to figure it out, focusing so much on avoiding taxes rather than the profitability of the farm. It is

ridiculous but it is the policy of the United States.

We now have people basically paying as much to get around paying estate taxes as they pay in estate taxes. But that is only the apparent, on-the-surface costs. It says nothing about the economic cost—what happens to that farm and small business by focusing so much time on tax reduction rather than how do I run this business. How do I try to remain profitable when we have wheat prices the way they are today? Instead, I am focusing on how do I hold my capital together.

It is a very counterproductive tax. We have the opportunity, the resources, the wherewithal, and the will this year to do two things: eliminate the marriage penalty and eliminate the estate tax. We should put them together as a family tax cut package and get it done. It sends good signals to our families; they need a good signal. Marriage in America has enough difficulty without the penalty from the Federal Government.

I wish to give you a statistic from Rutgers University, a study they did about marriage being in the state of decline it is today. From 1960 to 1996, the annual number of marriages per 1,000 adult women declined by almost 43 percent, a precipitous falloff in the number of people getting married in a period of about 36 years. At the same time that fewer adults are getting married, far more young adults are cohabiting. In fact, between 1960 and 1998, virtually the same period, the number of unwed cohabiting couples increased by 1,000 percent. We gave them a tax subsidy for doing that. We taxed the married people. Is that the proper signal for Government to send?

When marriage as an institution breaks down, children suffer. The past few decades have seen a huge increase in out-of-wedlock births—we are at nearly 30 percent of our population born to single mothers—and divorce, the combination of which has substantially undermined the well-being of children in virtually all areas of life: physical and psychological health, socialization, academic achievement, and even in the likelihood of suffering physical abuse.

That is not to say some single parents do not struggle heroically to raise children. They do, and many get it done. It is simply to say it is far more difficult, and the numbers are bearing that out for us as a society that this is a very difficult thing to do, and has an enormous social cost in the aggregate associated with it.

Study after study has shown that children do best when they grow up in a stable home, raised by two parents who are committed to each other through marriage. It should not take studies to tell us that. That is basic common sense and the experience we have. Newlyweds face enough challenges without paying punitive damages in the form of a marriage tax. Think of that. It really is basically pu-

nitive damages. If you get married, we are going to sock you with punitive damages in the amount of \$1,400 a year. The last thing the Federal Government should do is penalize the institution that is the foundation of a civil society. We must eliminate the marriage penalty.

The surging surplus is a result of nonpayroll tax receipts. In other words, the surplus is really a tax overpayment to the Government—personal income and capital gains taxes. We must give the American people the growth rebate they deserve and return this overpayment in the form of the marriage penalty elimination and the estate tax elimination. We can. We should start now. I believe we must do it for a healthy society, for a healthy married society, for a healthy family society, for a healthy economical society, for small businesses and family farms. To rid the American people of the marriage tax penalty and the estate tax is something we can and we should do this year.

I am delighted Senator HUTCHISON from Texas continues this fight; that Senator ASHCROFT from Missouri has been one of the leaders in this fight. You can start to taste victory. It is going to be a tough fight. Clearly, there is not an excuse not to do it this year. We are starting early. We have the resources. The American people want us to do this. We need to send this signal to a society which is asking us: Where are the values in society? Where is the morality?

We need to rebuild the civil society. These are enormously positive messages and notes we can send by doing this.

With that, I call on my colleagues, all, to vote for these proposals. Do it together in a family tax cut and eliminate these two taxes.

I yield the floor to my good friend and colleague from the State of Missouri. He has been a leader for many years on rebuilding civil society. Here is one more area and effort he is leading, in working for the elimination of this marriage penalty.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I am delighted to have the opportunity to commend the House for beginning to move through its process, specifically the House Ways and Means Committee, the Marriage Tax Penalty Relief Act of the year 2000.

I am delighted that my colleagues in the Senate, including Senator BROWNBACK of Kansas and Senator HUTCHISON of Texas, have been so aggressive in talking about what this tax means to America.

Almost all of us realize that if you tax something, you get less of it, and if you give something a subsidy, you get more of it. It occurs to me that we do not need less marriage, less family, and fewer intact households in America. We need strong, durable, lasting families

that reflect the kind of commitments for which marriage really stands.

It is possible for people to be committed to each other without the formal institution of marriage, but the data indicates that possibility does not find its way into reality very often. Marriage is not something that is against the interests of America. Marriage is something that is advancing the interests of America because it is in our homes and in our durable, lasting, persistent relationships, loving relationships, that we teach the fundamental values so important to this culture—values of responsibility, values of work and, yes, values of caring. We learn that we have responsibility and duty to each other. If someone in our family is in trouble, our first turn is not outside the family to get help; we first turn toward each other to help. One of the greatest values any culture can have is learning how to care one for another, and it happens in our families.

I plan to talk for a few minutes today about a real problem we have in this country, and that is that our Tax Code is at war with some of the fundamental values and attributes and characteristics in our culture. I think it is wrong for our Government to be attacking the very institution in society which provides the best support for what we otherwise achieve governmentally. Someone far more wise than I said it first when they said the family is the best department of social services, the family is the best department of education, the family is the best department of health and welfare. One would think if the family were doing this job and doing it well and relieving Government of its backstopping responsibility in these places, we would want to encourage the family; we would want to support it; we would want to sustain it; we would want to provide incentives for it rather than a penalty.

That is the thing that confounds us—that we are providing a penalty. Some great industrialist once said: Your system is perfectly designed to give you what you are getting, basically saying if you are not getting what you want, you should change your system.

Senator BROWNBACK eloquently cited the data. We are not getting what we want. We are getting fewer marriages instead of more marriages. We are getting less durability in these relationships instead of more. Look at the reason for the family breakups we have, and almost every sociological study says at the heart of it is the financial stress in the family.

What is Government doing in regard to marriage and stress that financially threatens and sometimes disrupts those marriages? It is adding to the stress instead of relieving the stress. Forty-two percent of all married couples suffer a marriage penalty, meaning the Government taxes them more for being married than they would be paying if they were not married.

We have already heard the data, and I do not think it is important to have

the data, but it is there: About \$1,400 per couple per year on average for the 21 million couples who suffer this \$29 billion a year disadvantage imposed by Government against the very institution that should carry us into this next century.

When the House Ways and Means Committee marked up the Marriage Tax Penalty Relief Act, they were simply saying it is time for us to start peace negotiations; stop the war between Government and families; let's start having incentives for helping families. At least let us have a neutral environment so we do not have a situation where families are discriminated against by the Tax Code of the United States.

In my home State of Missouri, there are 1 million potential marriage tax victims because of family standing. According to the Treasury Department, 42 percent—over 4 out of every 10 married couples—pay a penalty for being married. I find that to be a tragedy.

According to the Tax Foundation, an American family spends more of its family budget on taxes than on health care, food, clothing, and shelter combined. When you say this is the kind of tax bite the American family is paying—it pays more for Government than health care, food, clothing, and shelter combined—Government is taking a big bite. It is taking a big bite from every citizen. Then add to that a Government penalty, a financial stigma imposed, saying we are going to tax you more because you are married than you would pay otherwise. This is wrong. It is simply that we have found a way, unfortunately, to get additional resources for Government at the expense of resources to the family.

In some measure, this really calls upon us to ask ourselves where our faith is for the future of America. What do we believe will sustain America in the future? Is it going to be big Government or will it be strong families? Will it be a culture that teaches responsibility, duty, compassion, and caring, one for another, or will it be a massive Government? If we really believe families are irrelevant, we should take more and more of their money and pour it into the bureaucracy. But I do not believe bureaucracies are the hope of America or of the world tomorrow.

Responsible citizenship, the kinds of values that are engendered in families, these are the elements of America's future. These are the bright lights that allow us to believe the best is yet to come, and we should stop eroding the funding for families by giving it all to Government.

If our faith is in families, we should help families. How do we help families? The first thing we do is let them keep some of the money they earn. Penalizing families is the wrong way to go about that. Unfortunately, Treasury Secretary Larry Summers announced on Tuesday that he will advise the President to oppose the House bill, less

than 1 week after the President announced his support for marriage penalty tax relief.

The marriage penalty may actually contribute to one of society's most serious and enduring problems. There are now twice as many single-parent households in America as there were when this penalty was first enacted. I cannot say it is a cause, but it is hard to believe it is not a contributor. In our Government policies, we should not be intensifying the problems; we should be eliminating the problems and mitigate the damages they cause.

Our Government should uphold the basic values that give strength and vitality to our communities and to our culture. Sound families do that, and the science which supports that proposition is sound and complete and uncontradicted. Marriage and family are a cornerstone of who we are and what we stand for as a civilization, but the heavy hand of Government which imposes a penalty against marriage distorts the system and lacks the fairness we want in the tax system, and, frankly, it undermines our potential for the kind of future that good families, allowed to reserve some of their resources for their own use and development, could provide.

It is with that in mind that I commend the House for its action, and I look forward to the day when we in the Senate can do what we almost got done last year. We did it in the Senate. We had a major tax relief for the American family through the abolition or mitigation of the marriage penalty tax, sponsored by Senator HUTCHISON of Texas, Senator BROWNBACK of Kansas, and I was privileged to be a cosponsor. It went to the President and was vetoed in the overall tax package.

This concept the President has endorsed, which I think America understands, to bring parity to families so they are not discriminated against, because they are a part of the enduring, lasting, persistent, valuable relationship of marriage, is a concept whose time has come.

I am grateful for the action taken by the House and look forward to the opportunity of implementing, otherwise enhancing, that relief for American families in the Senate.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the distinguished Senator from Missouri and the distinguished Senator from Kansas for joining me today to talk about this very important issue.

The House is getting ready to take action. We have spoken once on this issue. We have taken the lead to give relief to the hard-working taxpayers of our country. We do not think people should have to choose between having the money they earn to spend for their families or sending it to Washington, when it is already in excess because we have income tax withholding surpluses.

I appreciate the leadership of Senators ASHCROFT and BROWNBACK on this

issue. We will not give up. We will not walk away from this issue. Before we leave the Senate, the married people of this country will be treated equally by the IRS Code across the board. It is our responsibility, and we will not walk away from it.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GREGG). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. BUNNING). Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. HARKIN. I understand, Mr. President, we are in morning business.

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Mr. President, are there time limits on how long we may talk in morning business?

The PRESIDING OFFICER. Ten minutes.

Mr. HARKIN. Ten minutes.

Mr. President, I see my colleague from Minnesota has arrived on the floor. I want to take this time today to talk a little bit about—

Mr. WELLSTONE. Could I ask my colleague to yield for one second?

Mr. HARKIN. I am delighted to yield.

Mr. WELLSTONE. I thank the Senator.

I have a group of students outside. I would like to follow the Senator. I ask unanimous consent that I be allowed to follow Senator HARKIN in morning business.

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

Mr. WELLSTONE. I thank the Chair. We are each allowed 10 minutes; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. WELLSTONE. I have never heard Senator HARKIN speak for only 10 minutes. I ask Senator HARKIN, can you make your statement in 10 minutes?

Mr. HARKIN. I am sorry.

Mr. WELLSTONE. I said, I have never heard you be able to make an argument in 10 minutes.

Mr. HARKIN. I may ask unanimous consent to extend my morning business remarks.

The PRESIDING OFFICER. The Senator from Iowa.

THE ADMINISTRATION'S FARM SAFETY NET PROPOSAL

Mr. HARKIN. Mr. President, I want to talk on the issue of agriculture and rural America, and the administration's proposal announced by Secretary Glickman yesterday for improving the farm safety net.

At the outset, I am pleased that the administration has recognized that the

Freedom to Farm bill has failed. The proposal the administration came up with is an impetus for change, and I think it will do a good deal to remedy the shortcomings of the Freedom to Farm bill.

I think the administration proposals of yesterday are a good step forward. I will go through a number of those. However, I want to forewarn my colleagues, while I think there is a lot in the administration's proposal that is good and positive and moves us ahead, I believe there are some shortcomings in it also.

First, on the conservation end, I believe the administration's proposal is a good step forward. It has some very positive features. The administration is proposing, for example, that we extend the conservation reserve program by 3.6 million acres up to 40 million acres. I believe that is a good proposal. That will do a lot to help conserve land and water and take some land out of production. It will help our wildlife. I think this is a good step.

There is a proposal for \$600 million for the conservation security program. This is a program that is designed after a bill I authored to set up a conservation security program whereby farmers and ranchers could, on a voluntary basis, carry out certain conservation measures on their land, and then they would receive payments for doing so. This program would be administered by the Natural Resources Conservation Service. Again, this is fully voluntary, but it is another means whereby farmers could, by engaging in certain conservation practices, shore up their income.

The wetland reserve program has a cap right now of 975,000 acres. The administration would enroll an additional 210,000 acres in 2001 and another 250,000 acres in each subsequent year—again, a very positive step forward, to enroll land in the wetland reserve program.

There are several other conservation proposals: new funding for the farmland protection program, the wildlife habitat incentives program, and the environmental quality incentives program. All of these are extremely good measures that will both help conservation but also improve farm income.

The risk management provisions are positive. The administration is proposing about \$640 million for a premium discount program for farmers and ranchers who take buy-up levels of crop insurance. That would help them reduce the cost and get better coverage. The administration also is proposing \$100 million annually to develop a policy that covers multiyear losses. In places such as North Dakota, South Dakota, some parts of Minnesota, and others, we have had areas where they have had 3, 4, 5 years of drought, floods, crop disease or other damaging conditions. We need a risk management program that covers those multiyear losses. I am glad to see the administration taking a step to address this problem in the budget.

The administration is also proposing to establish a pilot program for insuring livestock. Currently there is no such insurance program. I hear a lot from livestock producers in Iowa that there should be some form of a risk management program, an insurance program for livestock production. Half of all our farm receipts come from livestock or livestock products. The administration is proposing a pilot program of \$100 million annually to provide livestock producers with some form of price protection. I believe that is another good provision in the administration's proposal.

There is another area I am very pleased to see the administration addressing. That is using \$130 million in the next couple of years to establish new cooperative development programs to provide equity capital for new livestock and other processing cooperatives. This proposal would address concerns about market concentration by encouraging new entrants into the livestock processing market. It would also provide an additional source of income for farmers through the ownership of value-added processing. This is key. We have to help farmers to form more cooperatives, both for the marketing of their grains and livestock and also to develop value-added processing plants and enterprises that would help farmers obtain more of the value added to the livestock and crops they produce. Again, this is a good proposal.

The administration is proposing to develop a new bioenergy program to encourage greater use of farm products for production of biofuels. Again, by supporting ethanol and other bioenergy feedstocks, we can use some of our land, perhaps even some of our conservation land, to produce energy sources such as switch grass, which can then be used to generate energy. We have a project ongoing in Iowa right now that will do that so we can use land set aside in the conservation reserve program. We can grow products such as switch grass. We can cut that switch grass and burn it for energy. So we get conservation, plus the farmer will get some additional income, plus it will cut down on our need for imported energy into this country. I am delighted the administration is moving ahead on that.

Lastly, the area I am concerned about with the administration's proposal is sort of the heart and soul of it, which is farm income support. Again, the administration recognizes that we need some kind of countercyclical type of support. That is true. That is what we need. That is what Freedom to Farm does not provide. It does not provide an adequate safety net. It does not provide for countercyclical help. Nevertheless, the administration proposal misses the mark. They are proposing that under this program they are going to have supplemental government payments, in addition to the AMTA payments under Freedom to Farm, to eligible producers if projected gross income for the crop falls below 92 percent