

SENATE—Monday, March 8, 1999

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Merciful God, we want to live our lives in grateful response to Your goodness. May Your goodness bind our hearts to You. There is no limit to what we are able to accomplish when love is our motivation. Help us to live this entire day as an expression of our love for You, for all the grace You have lavished upon us. Rather than living by obligation or oughts, may we do our work today as our way of telling You how much we love You. We are so thankful for Your care, for the privilege of living in this free land, for our families and friends, and for the opportunity to serve You in the formulation of public policy for the welfare and prosperity of all people. Our goal is to enjoy this day to the fullest. Through our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, the Senator from Minnesota, is recognized.

Mr. GRAMS. I thank the Chair.

SCHEDULE

Mr. GRAMS. Today the Senate will be in a period of morning business until 2 p.m. Following morning business, the Senate will resume consideration of S. 280, the education flexibility partnership bill. Under a previous order, the Senate will vote on the motion to invoke cloture on the Jeffords substitute amendment at 5 p.m. this evening. Therefore, Members have until 4 p.m. today to file second-degree amendments to the Jeffords amendment. As a reminder, a second cloture motion was filed last Friday, and therefore a cloture vote will occur tomorrow unless an agreement can be reached between the two sides on how to proceed expeditiously with this bill.

Mr. President, also under rule XXII, Members must file first-degree amendments today to qualify for the second cloture vote tomorrow. I thank my colleagues for their attention.

Mr. President, I believe, under a previous order, I have control of the floor for the next 30 minutes or until 12:30.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. SESSIONS). Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2 p.m. The time between 12 noon and 12:30 p.m. shall be under the control of the Senator from Minnesota, Mr. GRAMS, or his designee.

The Senator from Minnesota is recognized.

Mr. GRAMS. I thank the Chair. I also expect to be joined in a few minutes by Senator TIM HUTCHINSON of Arkansas and also Senator ROBERT SMITH of New Hampshire, and I will yield time to them as they come to the floor this morning.

THE INCOME TAX ANNIVERSARY

Mr. GRAMS. I wanted to take a few moments this morning to talk a little bit about birthdays and anniversaries. As we know, basically they are happy remembrances of events we should celebrate. Eighty-six years ago today, the Internal Revenue Service began to levy and collect a personal income tax on the American people.

I believe this is nothing to celebrate. To borrow a phrase from Ronald Reagan, you will excuse the taxpayers if they don't celebrate the daily mugging that we call the Tax Code.

As we note the sad occasion, I rise to call upon Congress to take immediate action to end the Federal Tax Code as we know it and replace it with a new system that is fairer, simpler, and friendlier to the taxpayers. I also call upon Congress to take immediate action to reduce the ever-increasing tax burden by providing meaningful tax relief for every working American. Now, that, Mr. President, would be something to celebrate.

This great Nation was born out of a tax revolt. The revolt didn't come about because our Founding Fathers were selfish but because they didn't want to be shackled by Government regulations, intrusive bureaucracies, abusive taxing powers, and the unjust policies of their homeland. They didn't want to send their hard-earned money to an English Parliament that wasted every penny of it without any respect for those who earned it.

The Boston Tea Party was the result of a one-half of 1 percent tax that was levied on the Colonies. Put that in terms of today's tax burden.

This tax revolt was about freedom; it was about liberty; it was about a person being able to own more of the fruits of his labor rather than being strangled by the albatross of taxation.

Our Founding Fathers understood well that low taxes and freedom were directly related. To protect individual liberty from future abuses, they crafted clause 4 of article I, section 9 of the U.S. Constitution, that is, rejecting all direct income taxes that were not appropriated by each State by its population.

This clause, as originally adopted in the Constitution, reflected the genius, the wisdom, and the experience of our Founding Fathers—protecting individual liberty by limiting the Government's power to tax.

For more than 100 years following the founding of this Nation, the American people enjoyed tax freedom and did not pay any income taxes. The Supreme Court defended this freedom and held the income tax to be unconstitutional. Unfortunately, under the direct influence of the rise of socialism in Europe at that time, on February 3, 1913, the 16th amendment to the Constitution was ratified, giving the Government unlimited power to tax. And then on March 8, 1913, the IRS began collecting personal income tax. The ratification of the 16th amendment and the enactment of the first Tax Code fundamentally eroded our individual liberty. Initially, less than 1 percent of all Americans paid any kind of income tax. Only 5 percent of Americans paid any income tax as late as 1939 before the beginning of World War II.

Times, as we know, have changed dramatically. Today, the Federal tax burden is at a historic high. Federal taxes now consume nearly 21 percent of national income. A typical American family pays \$9,000 a year in Federal tax. A median-income family can expect to give up nearly 40 percent of all of its income in Federal, State and local taxes. And that is more than it spends on food, clothing, transportation and housing combined.

Mr. President, every year the tax system pushes more and more Americans into higher and higher tax brackets, and that is to meet the demands of ever-increasing Government spending. It is an old saying, but it has never been more true, that "Government is in endless pursuit of new ways to tax."

The tax system has created a monstrous bureaucracy—the intrusive, abusive Internal Revenue Service. More than \$7 billion in taxpayers' money annually goes to support the operations of the Internal Revenue Service. Those dollars have built a tax system that is extremely complicated and difficult for anyone to try to understand. The Tax Code originally was only 14 pages when it was first enacted, but today it has