the year 2040, absent structural reforms. One line in particular in the report should grab the attention of my colleagues. It reads:

> Projections of future economic growth and fiscal imbalances are quite sensitive to assumptions about what policymakers will do with the budget surplus that are projected to arise over the next decade.

Remember, today's official budget surplus projections assume discretionary spending will grow for the next 10 years at the rate of inflation, which makes the conclusion of a recent Concord Coalition report even more alarming. The report warns ''that if discretionary spending continues to grow at the same rate it has in recent years, two-thirds of the projected 10-year non-Social Security surplus would disappear.'' That will translate into a reduction of the non-Social Security surplus by $1.4 trillion.

While the White House was the chief engineer pushing the spending bonanza, my party, yet again, let pass a golden opportunity to showcase our fiscal discipline and resolute devotion to debt reduction. We could have supported spending bills with no hard-earned taxpayers' money spent at the behest of individual lawmakers without authorization and adequate congressional review, but we did not.

As we are close to the end of this Congress, we must look to the next Congress, indeed the next President, to address many of the pressing problems that plague our Nation. The real question that faces us is whether we will end the Washington partisan gridlock and achieve results for the American people on a range of critical issues, such as prescription drugs, HMO reform, Social Security reform, and military reform.

I strongly submit that to break the gridlock that cripples Washington, we must break the stranglehold of the special interests on our political process.

For example, we have been trying for nearly 2 years to get a decent health care bill of rights passed into law. The purpose of the legislation is to provide every American who is caught in a squeeze play between employers' HMOs and their doctors with some basic rights designed to ensure they get the quality health care they have paid for and deserve. Yet the trial lawyers and the health care industry lobbies have succeeded in derailing any hope of reaching a meaningful compromise. So Americans, average Americans, will go on suffering at the hands of health care bureaucracy decisions often guided more by the bottom line than the best interests of the patients.

We must have courage to say no to the special interests who pay the soft money fee to gain access to the high political councils while the average taxpayer is left out in the cold. It will not be easy breaking our addiction to soft money.

Roll Call newspaper reports that in a recent survey of 300 senior corporate executives conducted by the Tarrance Group:

> Nearly three-quarters said pressure is placed on business leaders to make large political donations, and half of the executives said their colleagues ''fear adverse consequences for themselves or their industry if they turn down requests'' for contributions.

And 79 percent said the campaign finance system is ''broken and should be reformed.''

The PRESIDING OFFICER. The Senator has used 15 minutes.

Mr. McCAIN. I thank the Chair. I will make the rest of my remarks brief.

Such pressure for campaign contributions seems to be paying dividends. According to the Center for Responsive Politics, in 1992, soft money accounted for 18 percent of the political parties' overall fundraising. Today, that figure has more than doubled to ''40 percent of everything the parties raise.''

We are going in the wrong direction, and it is undermining our democracy. That is why I pledge to bring campaign finance reform to the Senate floor when the Senate convenes next year.

Let me be clear; no matter which party prevails in November, our democracy will be the loser unless we clean up our political process. Without real change in how we conduct our politics, cynicism will prevail and continue to eat away at our public square, fueling even lower voter turnout and turning more and more Americans away from public service.

Mr. President, this is too high a price to pay. That is why I am committed to clean up the budget process and the way we fund campaigns. Please join me in this process.

LOW-POWER FM RADIO SERVICE

Mr. McCAIN. Mr. President, there is a great example of the influence of special interests, which I am told has been inserted into the Commerce-State-Justice, the Judiciary, and related agencies appropriations conference report, without a debate on this floor, without a vote on this floor.

Mr. President, I understand that legislation restricting low-power FM services has been added behind closed doors to that appropriations bill. The addition of this rider illustrates, once again, how the special interests of a few are allowed to dominate the voices of the many in the backdoor dealings of the appropriations process.

Low-power FM radio service provides community-based organizations, churches, and other nonprofit groups with a new, affordable opportunity to reach out to the public, helping to promote a greater awareness within our communities, about our communities. As such, low-power FM is supported by the U.S. Conference of Mayors, the National League of Cities, Consumers' Union and many religious organizations, including but not limited to, the U.S. Catholic Conference and the United Church of Christ. These institutions support low-power FM because they see what low-power FM's opponents also know to be true—that these stations will make more programming available to the public, and provide outlets for news and perspectives not currently featured on local radio stations.

But, the special interests forces opposed to low-power FM—most notably the National Association of Broadcasters and National Public Radio have mounted a vigorous behind-the-scenes campaign against this service.

Let me repeat—and my dear friend from Nebraska joined me in this effort. Together, we tried to stop the National Association of Broadcasters and National Public Radio. Simply put, they have won again.

I believe the Senator from Nebraska will agree with me there is no way they could have carried that vote on the floor of this Senate. There is no way they could have deprived all of these communities, all of these small business people, all of these religious organizations, all of these minority groups—but they stuck it into an appropriations bill, a piece of legislation that never had a single bit of debate and would never have passed through the Commerce Committee, of which I am the chairman, if it had been put to a vote.

Earlier this year, Senator KERRY and I introduced the Low Power FM Radio Act of 2000, which would have struck a fair balance between allowing low-power radio stations to go forward while at the same time protecting existing full-power stations from actual interference. Under our bill, low-power stations causing interference would be required to stop causing interference—or be shut down—but noninterfering low-power FM stations would be allowed to operate without further delay. The opponents of low-power FM did not support this bill because they want low-power FM to be dead rather than functional.

Congress should not permit the appropriations process to circumvent the normal legislative process.

Mr. President, low-power FM is an opportunity for minorities, churches and others to have a new voice in radio broadcasting. In the Commerce Committee, we constantly lament the fact that minorities, community-based organizations, and religious organizations do not have adequate opportunities to communicate their views. Moreover, over the years, I have often heard many Members of both the Committee and this Senate lament the enormous consolidation that has occurred in the telecommunications sector as a whole and the radio industry specifically. Here, we had a chance to simply get

out of the way, and allow noninterfering low-power radio stations to go forward to help combat these concerns. Instead, we allowed special interests to hide their competitive fears behind the smokescreen of hypothetical interference to severely wound—if not kill—this service in the dead of night.

Mr. President, speaking for my side of the aisle, we are the party of Abraham Lincoln. We constantly endorse the importance of religious speech to American culture. How can we possibly stifle an opportunity for minority and religious organizations to communicate more effectively with their local communities? By permitting special interests to stifle these voices we are truly compromising the most fundamental principles of our party and our Nation.

I stand before these community-based organizations, these religious organizations, these people throughout these small communities all over America and say: I apologize. I apologize to you for this action—behind closed doors—that we are going to deprive you of a voice, of a very small FM radio station. And I will tell you who did it. The National Public Radio and the National Association of Broadcasters—the same organization that got $70 billion worth of free spectrum of public taxpayer-owned property. And, by the way, they are not giving back their analog spectrum, which is the subject for another speech. I say to the National Association of Broadcasters and the National Public Radio, shame on you.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized for up to 30 minutes.

Mr. HARKIN. Mr. President, I listened somewhat tentatively to the comments made by my friend from Arizona. He talked about ending the partisan gridlock. If you want to end the partisan gridlock, take a look at the tax bill that just came over. This package was never considered in the Finance Committee, never considered on the Senate floor. No Democrats were ever invited to any of the meetings to work it out. There was no consultation with any Democrat. No paper was ever shared with any Democrat in putting it together. It was stuffed into an unrelated conference report. It was sent over here for a vote. And the Republicans have said to the Democrats: Take it or leave it, but you have no part in drafting it, debating it, or anything else.

I would say, if you want to end the partisan gridlock, Republicans should start working in a bipartisan fashion around here to fashion.

I hear George Bush out there. He is saying he wants to come to Washington and end this gridlock. I say to Governor Bush: Pick up the phone and call Senator LOTT. Pick up the phone and call Speaker HASTERT. Tell them to quit playing these kinds of games, these partisan games around here, where we get a tax bill on the Senate floor, in the closing days of this year, that we have had absolutely no part in—absolutely none whatsoever.

Mr. KERREY. I would just like to ask the Senator a question. If the Senator wouldn't mind yielding, I think we can do this almost as a colloquy.

Mr. HARKIN. Yes, I would be glad to.

Mr. KERREY. The Senator from Iowa has been around here a couple years longer than I have. I wonder if the Senator would agree with me. My experience is that all 100 people in this Senate—every single one of them—are trying to do the best job they can. They have different points of views. The Republicans bring certain things to the arguments sometimes that Democrats don't bring, and Democrats bring things that Republicans don't bring from time to time.

Mr. HARKIN. True.

Mr. KERREY. I wonder if the Senator would agree with that.

Mr. HARKIN. That is true. That is the way the legislative process works. I am not always right. You are not always right. Republicans are not always right. But if we work together in that kind of a spirit, it can be worked out. That is the way it should be done.

Mr. KERREY. I wonder if the Senator from Iowa would yield for a second question.

Mr. HARKIN. Sure.

Mr. KERREY. I heard the Governor of Texas say he does not like the Vice President's tax cut proposal because it is targeted. Doesn't it seem that the tax cut proposal that is being brought to us—though it might be hard for my friends on the other side of the aisle to state that they are saying the Vice President is right—is not an across-the-board tax cut, this is a targeted tax cut? Will my friend from Iowa agree they seem to be saying we should have a targeted tax cut?

Mr. HARKIN. I agree on targeted tax cuts, but I would appreciate the Senator expanding on his point.

Mr. KERREY. Well, their bill does not have across-the-board tax cuts. There has been a debate going on between the Vice President and the Governor of Texas as to whether or not there should be an across-the-board tax cut of $1.6 trillion that the Governor of Texas wants to do, on top of $1.1 trillion of payroll tax cuts, and hundreds of billions of dollars of spending as well.

I said the other day, it reminds me of voodoo economics II. I do not think he would be proposing this, which is essentially the failed policies of the past. We tried that once before. President Bush, in 1990, broke from the failed policies of that.

I heard the Senator from Arizona earlier talk about the budget caps that were in the 1990 budget agreement. That started us on the road of eliminating our deficits. But he has an across-the-board tax cut. He is criticizing the Vice President for targeting tax cuts, and it seems our friends on the other side of the aisle are saying the Vice President is right, we should have a targeted tax cut.

I wonder if my friend from Iowa has also experienced, when you are having discussions, there are some things Democrats bring to the argument, bring to the discussion. I wonder, as I look at this tax bill, if any of the people, the Republicans who are part of this thing, ever asked the question: Now that we are going to target tax cuts, is it fair? Are we being fair here? Are we targeting it to the right group of people?

It seems to me, as I look at least at the early analysis, that that question couldn't have been asked.

Mr. HARKIN. Would the Senator enlighten us a little further?

Mr. KERREY. I don't know. I am certain we will have a chance to look at the precise numbers that CBO and others have done. As I look at the numbers right now, it seems our friends on the other side of the aisle, having put this together without Democrats there —if the American people wonder what they lost by not having Democrats there, it doesn't look as if anybody was there to say: Is this fair?

What they have said is, we are going to target $4 billion a year of tax cuts to Americans who make more than $319,000 a year. A lot of my friends make more than $319,000 a year, but $4 billion total out of what appears to be about $6 or $7 billion a year seems to be a pretty big targeted tax cut for people over $300,000 a year. For Members of Congress on up, we are a little over $130,000. It is $670 million of targeted tax cuts to that group. But for the group of Americans under $40,000 a year, they get about $50 or $60 million total.

I don't know. I guess many of my colleagues felt the same sort of movement of their hearts when they read the stories of the sailors who lost their lives on the U.S.S. *Cole*. We had a chance to read the biographies. It was a very moving thing to think about their lives. I noted that not a single one of those individuals were college graduates. They were all high school graduates. They were all enlisted, save one who was an ensign, just became an ensign after 12 years of enlistment. If you read their stories, their moms and dads are waiters; their moms and dads are nurses; their moms and dads are schoolteachers; their moms and dads are making less than $40,000 a year. That is a majority of the country. Those are the folks who are running our Little League baseball groups. Those are the people who are volunteering at church.

If you decide the Vice President is right—we should not have an across-the-board tax cut; we ought to have a targeted tax cut—it seems to me that we ought to be trying to target it to those folks who are having trouble sending their kids to college, having trouble paying health care, having trouble doing all sorts of other things as well. It seems to me what was missing as they put this thing together was some Democrat raising their hand and saying: Is this fair?

I wonder if the Senator from Iowa would agree with that sort of quick analysis.

Mr. HARKIN. I appreciate the Senator from Nebraska bringing that out because obviously this is a targeted tax cut. As the Senator just said, they have targeted it to the wrong people: not the kind of people and the families whose sons and daughters lost their lives in the Persian Gulf recently, not those, but to those with the highest incomes.

I know the Senator had the aggregate figures, but he mentioned the fact that most of these families make less than $40,000 a year. Under the Republicans' targeted tax cut, if you are a family making $24,000 to $39,300 a year, if you are in that group where average Americans are, you get $94 a year in a tax cut. If, however, you are making more than $319,000 a year, on average, you get 4,158 bucks a year in a tax cut from their targeted tax cut.

So the Senator is right. They have targeted it to those who make more than $319,000 a year. And the Senator is right, you have to ask the question: What is fair about this?

Mr. KERREY. I am very sympathetic to the large amount of taxes that higher income Americans are paying. They have been contributing a substantial amount to deficit reduction since President Bush signed into law an increase in their taxes in 1990 and President Clinton essentially continued that in 1993. And the Republican Congress, to their eternal credit, continued it in 1997. We have been generating a lot, and I am grateful for the income. Indeed, I understand why a group of men and women putting together this tax bill would be more sympathetic to people making over $130,000 a year. That is most of us. In fact, indeed, it is all of us. We tend to hang out with people who make more than $130,000 a year, and we complain about our taxes, too. I understand why we are sympathetic.

It seems to me what was missing in all of this, what I find to be very difficult to support, now that we have decided the Vice President is correct; we should have a targeted tax cut rather than across the board, I don't think it passes the fairness test. As a consequence, the American people are going to end up, if this becomes law—and the President has indicated he is going to veto it, thank goodness, because if it did become law, they would end up having a very difficult time saying, well, yes, it cut taxes in a targeted way, as the Vice President is suggesting, but it doesn't seem to be a fair proposal.

Mr. HARKIN. The Senator is right. It does not pass the fairness test at all. I might ask the Senator one other question. We know that there are a lot of people in this country who lack health insurance. As I understand it, in this tax bill, there is a provision that is supposed to expand coverage. But the way it is drafted, $18,000 in tax benefits are provided for each estimated person who will gain health insurance coverage. I ask the Senator, does this sound like fiscal conservatism?

Mr. KERREY. It seems nobody was in the room to say: Hey, that doesn't seem to be fair. If you look at the average household—Nebraska and Iowa are pretty close to being the same —the average household in Nebraska pays more payroll taxes than they pay income taxes. Income credits very often don't affect them at all. One of the great paradoxes of allowing people to deduct health insurance is the higher your income, the more subsidy you get. We have an awful lot of people in Nebraska who don't have health insurance as a consequence of where they work. And when they go out and try to buy this health insurance, they don't get as much subsidy as somebody who has a higher income. As a consequence, they are not buying it. As a consequence, we now know it is fact that you are going to be less healthy if you don't have health insurance. My friend from Iowa is exactly right again. It doesn't pass the fairness test.

Mr. HARKIN. The Senator points out that most people pay payroll taxes. Especially in the income brackets where they are lacking health insurance, they are paying more in payroll taxes than they are income taxes. That is why you are only getting 600,000 more people with health insurance at a cost of $18,000 in tax incentives per person per year. What a giveaway.

Does the Senator agree that for those income groups that lack a lot of health insurance coverage—and that is low-income people who are working for minimum wage or maybe above minimum wage, or working for small businesses that can't afford to give them health insurance coverage in our small towns and communities —would it not be better or cheaper, fairer to expand the Medicaid program or the CHIP program to cover the kids?

Mr. KERREY. Absolutely. It would be fairer to provide full deductibility for the self-employed. The Senator from Iowa and I both represent a lot of self-employed families, many of whom are farmers, and they are increasingly going into town to get the jobs just to get health insurance. Absolutely, it would be more fair.

I find most Americans want to do things in a fair way. They want us to tell them the truth about the facts. If they see the facts, they see the struggle that is going on.

Again, I wonder if anybody who was sitting in this room putting this tax bill together said, hey, did you see the story that says that now a majority of households in America have both mom and dad working? Did you see the story in the newspaper that said of the 270 American corporations surveyed, 70 percent paid less than the 35 percent effective tax rate, and a large number of them didn't pay any taxes at all because they are using stock options to reduce the cost of their taxes?

Did you read the story about Americans with higher incomes saying they don't want to pay any taxes so they will park their accounts down in the Bahamas and get a credit card or a debit card? Did anybody in this room say that is not fair? Maybe we should say to these folks who are down there running their accounts in the Bahamas: The next time you have a fire in your house or need the police force, or need the Navy, why don't you get the Bahamian Navy or the Bahamian police force or the Bahamian firefighters to help you out?

I mean, did anybody in this room say, with all the evidence around, this isn't fair? I have to say to my friend from Iowa, it just doesn't pass the fairness test. I think Americans want our laws to be fair. They want us to write fair laws and regulations. They want us to look at society and say it needs to be the land of opportunity for everybody. There are very few Americans who would not like a tax cut. If we are going to target them, as Vice President GORE has been saying, and the Republicans are going to say, we agree, the Vice President is right; we ought to have a targeted tax credit, it seems we ought to try to apply some standard or test of fairness as we do it.

Mr. HARKIN. I really appreciate the Senator's remarks.

What the Republicans have done is they have given us this tax package without involving any Democrat. So you are right, none of us was in the room to ever ask the question, Is this fair? They have now dropped this on us. What they have done, really, is sort of given lie to their whole campaign theme with Governor Bush, and that is that you need a tax cut—to just shotgun it out there—and they have given us a targeted tax cut. I am grateful to the Senator for pointing that out.

Mr. KERREY. I have one last question. I find myself saying it doesn't hurt me. I wasn't in the room. It didn't hurt me at all. As a matter of fact, because my income is over $130,000, those folks making the decision in that room helped me out. I guess I should sneak over and thank them for giving me a big tax cut. The people who get hurt are not Members of Congress who weren't in the room; they are Americans who either don't get the targeted

benefit or who do get it and say, oh, my gosh, if you are going to do a tax cut, for gosh sakes, help the people who really need it. I think most Americans want our tax laws and the rest of the laws to be as fair as we possibly can make them.

Mr. HARKIN. The Senator is right.

Again, I will just add on top of that, the other unfairness part of this bill is that they didn't what they should have to really expand health insurance coverage in a meaningful way to low-income people. I am talking about people who are working, not people who are on Medicaid and getting coverage. I am talking about low-income people above the poverty line and modest income people who are working hard, making $20,000 a year; they may have a couple kids. They are not in this bill.

Mr. KERREY. I am sure my friend knows this, but one of the problems is this: Let's say you have a mom and dad both on minimum wage. That means they are probably making a $14,000 or $15,000 gross salary—maybe a bit more, maybe $16,000 or $17,000. I can't remember, but I think it is $8,000 that the minimum wage will produce. Say both are working 40 hours a week and generating $18,000 to $20,000 a year. FICA is taking a lot of taxes from them to pay the health insurance of a lot of other people. I have a claim on their income. Every Member of Congress who will get a big tax cut has a claim on their income to pay our health insurance.

Did anybody in that room putting the tax proposal together say, hey, I don't think that is fair? Well, that is why you need Democrats in the room. That is why God created Democrats. We sit in the room and say, Is that fair? Sometimes we do it to a fault. That is why we need Republicans to push back and say, Can we afford it? Some of us have Republican and Democrat in us and go back and forth all the time. This isn't fair. As the Senator said, I represent low-income working families without health insurance subsidizing my health insurance. I have a claim on their income. They have no claim on mine, and I am getting a big tax cut. I just say to my friend, does that seem fair to you?

Mr. HARKIN. This is not fair.

After listening to the Senator, it raises another question in my mind. Sometimes it seems that Republicans don't believe there is anybody in this country who makes $20,000 or $30,000 a year. Maybe they think this is a myth. Sometimes it seems like they don't exist for them.

Mr. KERREY. I think they do understand it. I think they do, but the problem, it seems to me, is you have to step back from time to time and look at the work you are doing, and you have to apply other values, other standards, to it.

I just don't, in this case, look at this proposal—and I am not able to reach the conclusion that I am going to target a tax cut, as the Vice President has been calling for, that somebody was in that room saying, gee, we have to make sure it is fair. It just didn't get there.

I appreciate very much the Senator answering the questions I have asked of him. I look forward, in fact, to a time when we have our friends on the other side of the aisle engaging in this dialog.

Maybe there is an answer here. Maybe somebody was asking the question over and over: Is this fair? I watched with great interest as the Texas Governor talked about compassionate conservatism. I wonder if my friend noticed that some of his Republican friends were saying: Hey, knock that compassion stuff off. You are sounding too much like a Democrat there, let alone acting compassionately. If you use that word too much, you might not get enough people to come out and vote for you.

I understand and appreciate when my friends on the other side come and say: You want to make it fair, but we have to afford it. God bless them. Senator McCAIN earlier was talking about it. God bless Senator McCAIN for bringing that up. We have to pay attention to the need to keep the economy growing.

Mr. HARKIN. Sometimes they ask can we afford it. I ask: can we afford to add 600,000 additional individuals under their bill by giving a tax incentive for health insurance that costs $18,000 per person per year that gains coverage, how can we afford that? Can we afford it when there are so many ways that far more people could acquire health insurance with a far smaller incentive, but one that was properly designed for the purpose.

Mr. KERREY. It does seem a little pricey.

Mr. HARKIN. I thank the Senator from Nebraska. We are going to have the debate tomorrow. We will be talking more tomorrow on the tax bill.

TRIBUTE TO SENATOR BOB KERREY

Mr. HARKIN. Mr. President, I enjoyed the exchange I just had with my good friend of longstanding, Senator BOB KERREY from Nebraska. I just want to talk a little about my friend BOB KERREY as he seeks to retire from the Senate to start a new career.

BOB KERREY is what I have often referred to as two dying breeds all rolled into one: He is a true American war hero, the likes of which this body hasn't seen for over a century, and he is a public servant who speaks his mind and the truth regardless of the political costs. Around here, that is refreshing, as we just heard.

We all know that, as a young man, BOB volunteered for duty, was accepted into the elite Navy Seals—believe me, I was in the Navy, and that is tough duty. He served in Vietnam. Three months into his service, in a very daring night mission, a grenade exploded at his feet that was thrown by the enemy. He lost his right leg below the knee. Although he was in unbearable pain from that and from other wounds on other parts of his body—his arms and hands—barely conscious, he continued to direct his men until they were able to escape.

He won the Congressional Medal of Honor—the highest American decoration—for his courage. He is the only current Member of Congress with this distinction and only the fifth Member of the Senate to win this medal. The other four won theirs during the Civil War. So BOB KERREY is the first Member of the Senate to win the Congressional Medal of Honor since the Civil War. That is why we haven't seen his likes around here in over a century.

Senator KERREY will never tell you all this. It is funny how those who have done the most in battle talk about it the least, and those who have done the least, who have used money and family connections to skirt military service, are always the loudest supporters of more military spending.

Well, Senator KERREY and I go back a long way—back to when he first ran for Governor and won in 1982. I had been in Congress for three or four terms by then. I remember going from my district border, the Missouri River—right across the Missouri River from Omaha. And since I was somewhat known in Omaha, I went across the river to campaign for this guy I had heard so much about. In spite of my having campaigned for him, he won the governorship. Since then, we have campaigned for each other in almost every election. He has either come over to campaign with me, or I have gone over to campaign with him in Nebraska. The exception, of course, was the Presidential race of 1992 when we both sought the nomination. So I suppose looking back on how things turned out, we might as well have campaigned for each other that year.

Throughout his service as Governor of Nebraska and as that State's Senator, BOB KERREY has never been afraid to let his colleagues, his constituents, and the American public know what is on his mind. He is not afraid to learn and grow and modify his opinions when issues become more clear and convincing and when other views come into play. In this way, BOB KERREY is a model legislator—not so rigid that he is mired in constancy and not so drifting that he has lost his anger.

Senator KERREY has brought his honesty and clear thinking to a host of important issues. Throughout his career, he has worked to improve education in America. He has been a staunch advocate for Head Start, youth and family mentoring, and vocational education.