was my staff person for Character Counts during the 106th Congress.

Brian was instrumental in drafting the claims process legislation for the victims of the Cerro Grande fire. From the date that the fire first started to the day that the President signed the bill, complete with the $640 million to pay the claims, was fifty days. It is a good legislative product, and it proved that the delegation and the Congress could be bipartisan and act expeditiously in an emergency.

Brian is a talented lawyer, a caring and hard working member of my staff.

For a young man raised in Virginia, taught the law in Missouri with parents now living in Connecticut, he has made many New Mexico friends, developed a taste for green chile and amassed an understanding of the border. At one point I remarked that his Spanish was as good as any other staff member in my office.

So what is it that such a talented young man would choose to do when leaving Capitol Hill?

Banking legislative assistants and counsels with backgrounds in securities often end up at the Securities and Exchange Commission, the Commodities Futures Trading Commission or at one of the Wall Street firms. However, the typical career path wouldn't do for this untypically talented young lawyer. He is going to New York to work for the first, real sports stock market!

This new sports stock market will list the baseball and other trading cards of today's marquee athletes and major league sports rising stars. Just like any major stock exchange, the exchange is a market maker. Just like E-trade or Ameritrade people will have sports brokerage accounts.

Brian is a baseball fan, former baseball player and a font of knowledge when it comes to sports. As a former minor league baseball player myself, I know baseball and am a fan of most other sports. ESPN was a great invention that adds to most men's enjoyment of life, sports and the pursuit of happiness. Hopefully, this new sports stock exchange will add another dimension to the way we all follow sports.

Many of us share a passion for sports, but very few of us get to take that passion, and merge it with the law, get a impressive title like Assistant General Counsel, receive a pay check and stock options. However, Brian is going to do just that at thePit.com. I wish him and his new company every success.

ECONOMIC ISSUES

Mr. DOMENICI. Mr. President, I open by saying if I have heard it once in the last 2 months, I have heard it 40 times as the other side of the aisle tries to convince us and the American people that what really has made the American economy so strong, with its 22 million new jobs, is the fact that they voted on a tax increase bill in the year 1993 that amounted to $247 billion over 5 years, and it is called the Clinton-Gore plan, in quotation marks; sometimes referred to on the floor as ''the plan.''

Before we are through this evening, we hope we can convince our colleagues that that plan had very little to do with the state of economic well-being, jobs, and confidence of the American people today.

However, there are several subjects I want to touch on quickly, because the other side cannot come to the floor for 15, 20, or 30 minutes without talking about them. The first one is what the plan of the Governor of Texas on Social Security is going to do to our senior citizens. They proceed as if they know, and they don't know.

The distinguished Governor from Texas has given us an idea. The idea is to let every senior who is on Social Security keep their check and the program remain totally intact while we let younger Americans invest a little piece of their Social Security money in a preferred or protected account in the stock market.

They come down here and do some arithmetic gymnastics, which is hard for any one to understand. They support their statements by citing the Secretary of the Treasury, a genius I believe they called him. We all know Secretary Summers. We all know he is rather bright. We all know he was a very young Harvard Ph.D. faculty member. But for him to take to the streets telling Americans he knows what that Bush plan is going to do to senior citizens is absolutely deplorable. I have seen Secretaries of the Treasury come and go. We had a great one before this one. Never have I seen anybody attempt to do this.

I want to tell the American people the truth about the Vice President's plan on Social Security. I would almost say there is no plan because, in fact, the plan he is talking about is accepted by so few in the Congress, despite the fact that it has been around since 1999, in case anybody is interested.

You know, we voted on it a couple times in the Budget Committee. I think perhaps that there was one time when a Democrat voted for it—one member. I think we might have forced a vote on the floor that included that and nobody voted for it.

So what is the Vice President's plan? I will tell you plain and simple. He wants to put some new IOUs in the trust account for senior citizens, and the IOU says we, the American people, promise to pay to the trust fund the face value of these IOUs. He says let's put about $10 billion worth in there. Guess what happens. He puts them in there a few years from now and indicates that that helps make Social Security solvent.

So that the American people might understand an IOU in the parlance of your checkbook, it is a postdated check. Have you ever postdated a check? It used to be illegal. It may still be if you do it with the intent to cheat. But some people postdate a check and say, I won't have the money for 2 months, so will you take my check and it will be good then. That is what an IOU is—except the Congressional Budget Office says 50 years from now, when the IOUs all come due, the total amount that the taxpayers of America will owe to that fund will be $40 trillion—not billion but trillion, $40 trillion.

Who will owe it? Well, of course, the Vice President is not worried about that today; right? It is our children who are going to pay it, I say to the occupant of the chair. Some day down the line, we are going to have to raise taxes generally or raise the Social Security withholding tax so high that it probably will make the program inoperative and ineffective.

It is amazing that the Secretary of the Treasury and the people on that side of the aisle—my friends, the Democrats of the Senate—would talk about the plan of the Governor of Texas when their candidate has a plan before us that would eventually require that we raise taxes—and I left out an option—or dramatically cut programs. They would have to cut American programs to the tune of $40 trillion over this period, or raise new taxes.

Now you would think if you had a plan that was that embarrassing, you would not have the courage to get up and critique other programs that actually do try to reform Social Security. Democratic Senator PAT MOYNIHAN and Senator BOB KERREY of Nebraska have both stressed the need to reform Social Security, which is just what Governor Bush is trying to do.

Now my Democratic colleagues also have another line of argument. They say that what we really should do is pay down the debt. They then say, why are Republicans against that? Well, they know we aren't. We have already paid down $360 billion of debt over the last three years. The greatest threat to debt reduction is the Vice President of the United States' spending proposals. He has asked for 200 new programs and has a complicated tax code proposal. Let me address this latter point briefly. My Democratic colleagues have attacked Governor Bush's tax plan tonight, however, it is based on the very sound principle that everybody who pays income tax should get a break. That's not the case under the Gore plan, where 50 million American taxpayers get no break at all. Why? Because taxpaying Americans don't get a tax break. It is Americans who are selected by the Vice President's plan. If you meet their criterion—if you're the ''right'' kind of person—you get a tax break. But that doesn't mean everybody paying income taxes gets a tax break.

Now let's get back to the size of the Government that Vice President GORE would fund. Let me give you an example of the charades he plays in order to say he is not spending very much money. See, I have estimated the plan, and it spends a lot of money. I ask Senator GRAMM if he knows that the Vice President's Retirement Savings Plus (RSP) plan, the one that is going to help low income Americans save money, which he talks about so much—i.e. if someone saves $500, the government will match this contribution 3:1, thus giving this person an additional $1500 of taxpayer money for deposit to their savings account—do you know when that plan would be fully implemented under his proposal? Nine years from today, assuming he wins. So the centerpiece of his ''tax'' plan would not fully phase-in until after two full Presidential terms and 1 year. If you assume such an unrealistic phase-in, of course, it won't cost very much. But neither should anybody kid themselves that his budget isn't full of those timing gimmicks, in order to give the appearance that he does not spend the Social Security surplus.

There are all kinds of strange dates such as the RSP one. In fact, this major one he speaks about being such a good plan for low-income Americans to save money, I repeat, won't go fully phase-in until 9 years after he is elected, if he is elected. The Vice President has not provided enough information to tell when all of his 200 programs phase-in. But I can tell you that if you just look at the overall programs and add them up cumulatively in your mind, there has not been a bigger increase in American programs since Lyndon Baines Johnson invented the Great Society.

Now what actually happens under the plan of the Governor of Texas is very simple. Of the surplus, he says 50 percent will be saved for Social Security and debt reduction. If you want to go add that up, it looks as though he would pay off the debt entirely by the middle of the next decade. Frankly, if that could happen, what a marvelous thing it would be. If Democrats keep pushing for more spending, we might not do it that fast, although I can tell you the money is there barring that. 50 percent of the projected surpluses is for Social Security and debt reduction under the plan of the Governor of Texas, 25 percent is to be given back to the American people since it is their money to begin with, with every taxpayer getting a tax cut of some type, and 25 percent goes toward new priorities, new things such as increased defense or money we may need to add to the Medicare program to pay for prescription drugs. The ratio is 50, 25, 25.

The other side of the aisle likes to get up and brag about how they are paying down the debt. I submit to you that if you took the litany of Gore programs and what he wants to do in every area to increase things such as prescription drugs for everyone, as he suggests, in the manner he suggests, debt reduction will suffer. His new programs are very costly and we expect the cost estimates to rise the more that people look at them. Let's look at prescription drugs. When that program was first submitted to the Congress by President Clinton, we thought it would cost $120 billion. The last reference we have from the Congressional Budget Office says that plan would cost $430 billion.

So you see, there is no question that there is not going to be very much money left over if you put all those programs the Vice President has in mind into effect and give them to the American people in a reasonable period of time. If you want to delay them incessantly, obviously they won't cost much; but will the American people think they have been fooled if that is the case and he is to get elected? I believe they will wonder, what in the world were they talking about when they told us they were going to give us that?

I want to also say that when it comes to reducing the size of Government—I want to repeat one more time, our friends on the other side always cite the total number of reductions in employees that have occurred since Bill Clinton took office. What they don't tell you is that 96 percent—and I just put it in the RECORD 2 days ago, and it comes from the Office of Management and Budget, not Domenici's staff—OMB says 96 percent of all employee reductions, described as stripping down Government, came from civilians in the Department of Defense. In other words, we started drawing down that Department of Defense so quickly and rapidly, and continued it, so 96 percent of the employee reduction comes from the Department of Defense, and 4 percent comes from all the other civilian programs, which they would lead you to believe have been seriously restrained and many employees have been taken from their ranks. Not true.

I will shortly yield to my friend from Texas for about 20 minutes. However, before I do, I want to point something out. When my Democratic colleagues speak of the Clinton plan for the recovery of the United States, which caused America to have all these 22 million new jobs, new high technology, and breakthroughs in communications—and I say that facetiously—, they ignore the fact that the first plan the President sent to us was a $26 billion stimulus package for American economy, even though the economy had already begun posting strong growth before he took office. Does my friend from Texas recall that?

Standing right back over there was the Senator from the State of Colorado, who is now retired. He came to the floor and told us what was in that $26 billion that we were supposed to spend. He found all kinds of things that were promised to mayors during the election and to all kinds of groups in America by the Governor of Arkansas as he campaigned. I can't remember. Some of them were igloos, and all kinds of strange things—skating rinks for some communities.

The first thing we did was to say we aren't going to do that. The first phase of the recovery plan was a $26 billion stimulus which never occurred. That would have caused more money to be spent, not less.

To lead into what is being said on the other side of the aisle, and by our President and by our Vice President about this plan—the 1993 tax increase of $243 billion—, I would like to hearken back to Alan Greenspan, who coined a phrase. Perhaps my friend from Texas remembers it. He used two words, ''irrational exuberance.'' Do you recall that, Senator GRAMM? Irrational exuberance?

I am going to borrow that phrase today—not to describe the speculative activities in the stock market, as Dr. Greenspan did, but rather to describe my colleagues who have been attributing the 1993 Clinton/Gore tax increase budget plan as the genesis of this long boom we have been experiencing.

I want to talk shortly about what really caused the boom. But I understand my friend from Texas would like to speak for 20 minutes. I yield that off my time, reserving the remainder for myself.

I want to say just before I yield that I have looked at some polls that somebody presented—maybe even some polls that were published.

I am thrilled with the American people because you know they don't believe the irrational exuberance of the other side. They do not believe it.

They come down here and keep on saying it, but the American people just do not believe it.

The primary reason for this boom has been the evenhandedness of the Federal Reserve Board in making sure we do not let inflation go rampant, and controlling interest rates where they could so that the American economy would always grow, and if it was coming down, to have a safe landing.

They put that No. 1.

In terms of who did it, Dr. Alan Greenspan and the Federal Reserve deserve much of the credit.

The American people, no matter how many times the plan is discussed about the 22 million jobs and all the other things, they do not believe it. And they shouldn't.

Who do they put in second position as responsible for this? I didn't think it was going to be the case because we don't do a very good job of talking about it. But they said the Republican Congress which puts some real controls on spending.

When we are finished tonight, we will show you that actually happened when we took over the U.S. Congress.

In third place, in terms of who did it, who brought it, they put the President's plan.

I yield to my friend from Texas.

Mr. GRAMM. Mr. President, first of all, I want to thank Senator DOMENICI. I want to try to add a few things to what he said, and then go on and say what I was going to say.

I want to begin with the Secretary of Treasury, Larry Summers. Let me say that we are both good friends as well as economists. We both used to teach economics.

Yet, I think a lot of people are unhappy in that the Secretary of Treasury injected himself into politics—something that the Secretary of Treasury, the Secretary of State, and the Secretary of Defense have not done in the past. I think that made people unhappy.

But let me say this with regard to AL GORE's plan, a plan which simply adds IOUs to the Social Security trust fund. I believe Larry Summers would have given an ''F'' to any freshman economics student in his class who thought that you could strengthen Social Security by simply printing paper—IOUs; I have a copy of one here—and putting them into a filing cabinet in West Virginia.

Let me give a high authority on this issue, the President of the United States.

Our Vice President said if we would simply print more of these IOUs—you notice, Senator DOMENICI, that they say ''nontransferable''—if we printed more of these IOUs and put them in a metal filing cabinet in West Virginia, which is all the Social Security trust fund is, we could pay benefits with these IOUs.

But let me quote from the economic report of the President. This is President Clinton speaking. This is the Fiscal Year 2000 Budget of the President, and on page 337, here is what he says about these paper IOUs. He says:

> These [Social Security trust fund] balances are available to finance future benefit payments and other trust fund expenditures—but only in a bookkeeping sense. These funds are not set up to be pension funds, like the fund of private pension plans. They do not consist of real economic assets that can be drawn down in the future to fund benefits. Instead, they are claims on the Treasury that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing benefits or other expenditures. The existence of large trust fund balances, therefore, does not, by itself, have any impact on the government's ability to pay benefits.

That is Bill Clinton.

So AL GORE's proposal to simply print more IOUs and put them in a file cabinet is deemed as phony—not by PETE DOMENICI, not by PHIL GRAMM, not by the Republican Congress, but by the President of the United States, Bill Clinton. The President's own budget says it very clearly. This is a bookkeeping entry. No benefits can be paid from these IOUs.

The Gore plan means, in essence, raising taxes.

Just one other point to amplify what Senator DOMENICI said. A picture is worth 1,000 words.

This is page D11 of the Washington Post of this past Tuesday. This is a want-ad page. You have used want-ads yourself. So have I when looking for a job.

These are jobs that range from pet groomers, to painters, to data entry, to day labor, to dispatchers, to retail sales jobs, and everything in between.

You might look at this want-ad page in Tuesday's Washington Post and ask yourself, how many people who took these jobs would get an AL GORE tax cut where they could keep part of what they earned and spend it on what they chose to spend it on?

Here are all the jobs from pet groomer, to custodian, and the list goes on and on.

You see all the jobs. They are the people who, if they took those jobs and were married, could get marriage penalty tax relief from Republicans.

I am tempted to go through and read the jobs. But I am not going to denigrate good jobs in America.

But the point is that all of the jobs listed on page D11 in Tuesday's Washington Post want-ad page for jobs, for every one of those jobs, if you took it, you would be to rich to get AL GORE's marriage penalty tax relief.

This is what would be left.

Mr. DOMENICI. The Senator is assuming that each one of those took the job, and they are getting paid and earning income pursuant to the job.

Mr. GRAMM. The question is, if married couples took these jobs, are they too rich for AL GORE's tax cut? All of them are, except that handful—about 89 percent of the jobs on that page are too rich.

Let me get to what I wanted to say.

Some people at home probably wonder why we are talking about the Presidential campaign on the floor of the Senate. I think it is a good question. We weren't doing it. Our colleagues have come out here every day and talked about the Presidential campaign, I guess, because they are losing it in America. They think they might win it on the floor of the Senate.

One of the wonderful stories that has been told is that Bill Clinton was elected President, and he courageously proposed the largest tax increase in American history.

They did everything from proposing to tax your utility bill, to taxing gasoline, to taxing 75 percent of Social Security benefits if you made over $25,000.

Courageously, the Vice President, sitting in that very chair, and Senator DOMENICI was here along with me, when it came down to a tie vote, the Vice President courageously broke the tie in voting to tax gasoline and tax Social Security benefits. And then as if the sky opened and God spoke, interest rates came down, the stock market went up, the economy prospered, and, therefore, our Vice President and the Democrats deserve credit.

Senator DOMENICI, myself, and every other Republican were too ignorant to understand that by taxing gasoline and taxing Social Security and having the largest tax increase in American history, we could produce prosperity.

Mr. DOMENICI. If the Senator will yield, I suggest to the Senator, and I wonder if the Senator concurs, six Democrats voted with Republicans. That is why it was 49–49.

Mr. GRAMM. That is right. They had a majority in both Houses of Congress when Bill Clinton became President, and when they voted they had a substantial majority here, I think 54 or 55 Democrats. Six of them voted with us against this largest tax increase in American history, but there was a tie and AL GORE broke the tie. It was then that the sky opened, interest rates came down, the stock market spiraled, and prosperity ensued.

There are only a couple of problems with that. One, it is totally unbelievable. It makes absolutely no sense. Finally, it is verifiably false.

This is the rest of the story. This is the budget that included this largest tax increase in American history. In this budget, ''A Vision of Change for America,'' Bill Clinton tells us on page 22 that if we raise taxes with the largest tax increase in American history, and 6 years later, if we implement the largest tax increase in American history, 6 years later he states the deficit will be $241 billion. Nowhere in this budget is Bill Clinton promising to balance the Federal budget. His promise is, if you have the largest tax increse in American history—and then they forget or our Democrat colleagues want us to forget the rest of the story—if you spend $26 billion on a new stimulus package, they were going to stimulate the economy. Remember they had ice skating huts in Connecticut, they had Alpine slides, these water slides in Puerto Rico. This was their economic plan. We killed that.

The final part of their proposal that Senator DOMENICI will not have forgotten but our Democrat colleagues want to forget was having the Government take over and run the health care system. That was part of this vision, too. But we killed it deader than Elvis. It never came into reality.

Here is my point: we didn't adopt the Clinton plan. They raised taxes, they taxed Social Security benefits, they taxed gasoline. But we killed their $26 billion spending program, and we killed the Government takeover of health care.

Now, their first budget, with the largest tax increase in American history, promised $241 billion of deficits 6 years later. Then, in their midsession review in September of 1993, they discovered we hadn't done the stimulus package. So with their tax increase, we were headed for a $181 billion deficit in 6 years.

Then, in 1995, the President proposed another budget. But in 1995, President Clinton, who now has courageously raised taxes on Social Security and gasoline and most other things, is asked, well, Mr. President, when are you going to balance the budget? Remember that, Senator DOMENICI? This is what he said: In 9 years, 10 years, 8 years, 9 years, 7 years, 7 to 9 years, 7 years, 9 years, 10 years. In other words, 2 years after his tax increase went into effect, our colleagues were asking Bill Clinton when he wants to balance the budget. Two years after his tax hike, he was still saying we are 9, 10, 7 years away from ever balancing the Federal budget.

Now, what happened in 1994? Our colleagues joshed around yesterday saying when they proposed to have the Government take over the health care system, when they proposed this $26 billion of stimulus package, and when they adopted the largest tax increase in American history, I said this is going to cost people their jobs. So they josh around saying: Well, where did it cost jobs?

Let me state what happened: In 1994, 52 Democrats in the House of Representatives lost their jobs. The Speaker of the House lost his job; the first time in 132 years that it ever happened. Three powerful committee chairmen—Rostenkowski, Brooks, and Glickman—lost their jobs. Not one Republican incumbent in Congress was defeated.

Now, supposedly the sky had opened. Everything was wonderful with this tax increase. But guess what. When the new Republican Congress came to Washington, this is the first thing that landed on our desk, and this is Bill Clinton's budget. He is still President. He sends us a new budget. He says that by the end of 1999, if we will adopt his budget, the deficit will be $181 billion.

Now, his tax increase has been the law of the land now for 2 years. Yet he is still saying virtually $200 billion deficits as far as the eye can see.

Let me make a final point that I think takes the cake. In his midsession review, this is in September of 1995, we have a Republican Congress. Bill Clinton says: If you will forget what these Republicans are saying and adopt my budget, if you are willing to cut $927 billion of programs over the next 10 years, then we might have a surplus in 10 years.

We didn't adopt Bill Clinton's budget. His budget said we were going to have a $200 billion deficit from 1994 to the year 2000. Instead, we adopted our own budget. We reformed welfare. Bill Clinton now says the greatest achievement of his administration is welfare reform. He not only had nothing to do with it, he fought it every step of the way. He vetoed it once, then twice, and he has tried to repeal it every day since it has passed.

Republicans reformed welfare and it set into motion—and I have to say as Democrats accused us of not knowing what was going on that I never dreamed it would be as successful as it has been—a 40-percent decline in welfare rolls as people have begun to work and America has prospered.

What happened under the Republican Congress? We started it at a $200 billion deficit, but under the Republican Congress the deficit started to decline. By 1997, we balanced the budget and we have a surplus.

When Bill Clinton signed this heroic tax increase, and this is from his official documents, he gave a statement in signing the bill.

How many times do you think he mentioned balancing the budget when he signed that tax increase? None. How many times do you think he talked about saving and reforming Social Security and Medicare? None. Those things were the furthest thing from his mind.

If you listen to the mythology that we have been forced to listen to here, the mythology runs as follows. They raised taxes, and then interest rates declined and the stock market boomed—right?

The problem is that is wrong. If you look at their numbers, when Bill Clinton became President, 10-year Treasury interest rates were 5.87 percent. He raised taxes, and what do you think happened to interest rates? They went up to 7.9 percent. And if you look at the chart on interest, the big turning point in interest occurred in November of 1994. Why? Because help was on the way. Help was on the way. We elected a Republican Congress, interest rates went down, and that interest rate, which had risen to 7.9 percent on 10-year Treasury bonds is, today, 5.71 percent.

What about this booming stock market? By raising taxes on gasoline and Social Security and the largest tax increase in American history, their mythology is that Bill Clinton set off this boom in the stock market. There is only one problem: It ain't so. When you look at the Dow Jones Industrial Average between 1993 and 1994, over that 2-year period when Bill Clinton's tax increase went into effect, the Dow went up by 13 points, about 6.5 or 7 percent a year—around there. I don't have the exact day of the tax and the day Clinton became President—just looking at the numbers.

What do you think happened when we elected a Republican Congress? What happened was the Dow Jones Industrial Average rose from 4,493 to 10,836, today.

So the problem with their story which they are trying to tell the American people is that it is not believable, it does not make sense, and it is verifiably false. When they raised taxes, none of their budgets showed these tax increases ever balancing the Federal budget. When they raised taxes, there was no decline in interest rates. Interest rates went up, not down. When they raised taxes, the stock market was relatively flat. All of that changed when we elected a Republican Congress in 1994. All of that changed.

So basically the point I want to make—how much time have I left in the 20 minutes?

The PRESIDING OFFICER. The Senator has 2 minutes 15 seconds.

Mr. GRAMM. The point I want to make is: Look, there is plenty of credit to go around for the good things that have happened in America. I am not trying to deny the President some of the credit. I do believe a lot of credit goes to the Federal Reserve Bank. But the idea that by imposing the largest tax increase in American history, by taxing gasoline, by taxing Social Security benefits, and that somehow this produced a balanced budget and set off this economic boom is laughable from a logical point of view. It is not borne out by the facts. The truth is, these good things that started happening largely started happening in November of 1994.

It was a good story. Maybe somebody believes it, but they should not. If they look at the facts, they will see that basically that story is not true.

The final point I want to make: We are now coming to the end of this session. In the waning hours of this Congress, the President is saying: If you don't spend more money, I am not going to let the Congress go home. If you do not further inflate an already inflated budget, I am going to veto these bills and not allow us to go home. He is saying to us: If you do not grant amnesty to people who violated the laws of America by coming to the country illegally, I am going to veto the Commerce-Justice-State bill and potentially shut down the FBI, the DEA, the criminal justice system, and the courts.

We are at the end of the Clinton administration, not at the beginning. President Clinton had his opportunity. He raised taxes. He tried to implement a $26 billion stimulus package. He tried to have the Government take over and run the health care business. He had his chance.

We ought to have this election and let people decide. Do they want to spend this surplus? If they do, they will know how to vote. If they do not——

The PRESIDING OFFICER. The time yielded the Senator from Texas has expired.

Mr. GRAMM. We ought to let them vote before we do.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. If the Senator will hold up the health care plan again, I say to Senator GRAMM, I want to make a statement about it. I made a mistake. If you look at the President's FY 1995 budget and health plan, it would have increased outlays by $1.4 trillion—I said billion. Billions are gone; they are not in our vocabulary. The $1.4 trillion is the additional outlays that the President's budget and health plan would have generated if we'd adopted his plan versus the outlays that the government actually recorded over the five years covered by his budget.

You heard Senator GRAMM describe one of the most significant indicators of prosperity—the 30-year Treasury bond yield. Here is the chart that describes precisely what he spoke of. Here is 1993. You see shortly after that, yields drop a little bit. But then look at what happens in the middle of 1993. It goes to its highest rate on this chart. Yields only begin to fall again after 1995 and the election of a Republican Congress. After that, yields come back down on a sustained basis.

I want to just insert a comment, since there is so much talk about us doing nothing here. This is sort of extraneous, but I think it is terribly relevant to our discussion. This is a late-this-evening quote from the President of the United States:

> Again, we have accomplished so much in this session of Congress in a bipartisan fashion. It has been one of the most productive sessions.

He goes on and asks for more. But for all those who have been listening, again, to the ''mythology,'' to borrow one of Senator GRAMM's words, that we have not had a very productive Congress, let me say the President of the United States spoke today and that is what he said.

Let me say to the American people, to all the investors who took risks, to all of the people who invested in new technology since 1993—we will just use that date—to all the millions of Americans who get up every day and work hard and raise their standard of living: You know that it was not ''the plan'' that caused America to achieve again and grow again. Let me suggest we have had one of the most remarkable productivity increases during the last five years of this recovery that we have had ever in American history. We had a period right after the Second World War that rivaled this in productivity.

Did the productivity of the investors, risk takers, American workers, the banks with new technology, the new computers—did all that happen because we had a plan to raise taxes $243 billion? Of course not. Of course not. Did that $243 billion tax increase reduce inflation and cause it to stay down? Of course not. Productivity did, and international trade did, and the Federal Reserve Board did. That is the kind of thing that made America's prosperity so significant in the past decade.

Did that tax increase reduce regulatory burden, which all American companies will tell you started falling under Ronald Reagan, and has continued up to the recent telecommunications deregulation? That was not a result of the ''plan,'' that $243 billion tax increase. Deregulation was part of giving American business more freedom to achieve, expand, and to do things in the most efficient way rather than the most burdensome way.

Did it help business become more efficient in managing its inventories? Of course not. The 1993 budget plan had nothing to do with it. Just-in-time inventory management had a lot to do with it, making firms' profits go up and their efficiency increase.

We could go on. Did global trade, which essentially kept inflation under control and opened new horizons to American business—was that impacted by the $243 billion ''plan'' which we hear regularly? No. It is only ''irrational exuberance'' that would cause my Democratic colleagues to claim that the 1993 tax hike generated today's marvelous economy.

I am not sure that ''irrational exuberance'' is even an adequate word with which to describe the day-after-day trek to the floor of the Senate Democrats to remind us that all good things came from that day, that day when a difficult vote was taken to increase taxes dramatically. I think the American people understand that the 1993 budget plan had little to do with where we are and where we are going to end up. It is because we have a free economy and we have made it freer.

Frankly, let the people judge whether we are more apt to keep this economy going if we have a tax reform measure that gives everybody some of their money back to spend as they see fit. I believe they will say that that gives this economy a much better chance than 200 new programs that the Government is going to run which we do not have today, and we estimate—and I think this is a modest estimate—that we could not administer with less than 20,000 new employees.

Americans understand their prosperity does not come from the size of our National Government. Maybe it is inverse to the size of our National Government. I believe that might be a fairer estimate of America and the world. Maybe the smaller our National Government gets, the better we will compete and that is very important in the global economy.

I do say the President of the United States deserves credit on trade. Had some Democrats said that votes to further free trade were an important reason behind our strong growth, I would have agreed with them on that point. Trade has been an important positive in the chain of things that have happened to make economic life better in these United States.

I have time remaining. If there are any Senators on our side who want to speak——

Mr. SESSIONS. Will the distinguished Senator yield for a question?

Mr. DOMENICI. I will be pleased to yield.

Mr. SESSIONS. Looking at the chart, I joined this body in 1997, and at that time we had a very tough battle on this side to produce a modest tax reduction, the $500-per-child tax credit and reduce capital gains from 28 to 20 percent and even lower for lower income people. They told us that was going to run up the debt; we were going to have more debt. Looking at that chart, interest rates appear to have gone down and, in fact, our surpluses have occurred since then; is that correct?

Mr. DOMENICI. I say to my good friend from Alabama, that is absolutely true, and he probably heard me on the floor today. I mentioned enough subjects, but capital gains was also on my list because we've gotten some very unexpected returns to the Treasury from this source. Clearly, the 1997 capital gains reduction—which we accomplished and the President signed although it wasn't high on his list—has been one important factor behind this surplus that is now carrying us into this better period with a lot more flexibility on what we can do in the future.

Mr. SESSIONS. Actually reducing tax rates on capital gains increased income to the Government; is that fair to say?

Mr. DOMENICI. All indications are that it did. There are several things which have combined to get these tremendous new revenue increases. One of them clearly is capital gains. Another is that real incomes have increased for all Americans in all income quintiles. They are paying a lot more taxes, and when you have more Americans paying income taxes because they are working, obviously you collect more revenue and you make Social Security more solid. All of those are positive things that occur when the American economy is flourishing, when it is booming, when more and more people are working.

Capital gains is very instrumental in that regard. I think there are many in this body who think in the near future we ought to think seriously about reducing capital gains further. In my opinion, it is very helpful for the stock market, government fiscal position and the economy. Higher stock values—particularly in the Nasdaq have greatly contributed to investment in new technology, everything from computers to telecommunications, and everything in between. This is good for the economy, since it boosts productivity and keeps inflation down. The higher the productivity, even when you get less and less unemployment, you do not get inflation. Americans do not appreciate low inflation yet. Most all other things can be cured in the American economy if you keep inflation low.

Does the Senator have a further observation?

Mr. SESSIONS. I have remarks which I will give if the Senator is finished. I enjoyed so much hearing his analysis.

Mr. DOMENICI. I yield those 5 minutes to Senator SESSIONS. I yield the floor.

Mr. SESSIONS. Mr. President, to follow up on the marvelous remarks that have gone before, I remember the first hearings I attended of the Joint Economic Committee. I tell this story about who gets the credit for the economy. Alan Greenspan was the witness that day. I am not a trained economist. I have been interested in these issues, but I am not a trained economist.

We started the discussion, and the chairman made a joke about who deserved credit for the economy: Was it Mr. Greenspan or was it President Clinton? Members on both sides joked about that and laughed a little bit, and we went on with the hearing.

I had an article from USA Today, not a great economic journal, but it was an interesting article, and it interviewed businessmen from Germany, Japan and England, asking them why the U.S. economy was doing so much better than theirs. They had double-digit unemployment of 12 and 13 percent, higher inflation, and less growth than we were having. They asked them why. They all agreed. They said it was because the United States, even though our taxes are high, had less taxes, less regulation, and a greater commitment to the free market.

I asked Mr. Greenspan if he agreed with that. He looked up at me and said: ''I absolutely agree with that.'' Less taxes, less regulation, and a greater commitment to the free market. ''Absolutely,'' he said, that is the basis for the sound American economy.

I think our taxes are still too high, but they are less than Europe. Our regulations are less, and we are more committed to letting free market forces allocate our resources than having the Government do it as they do in the European countries. I believe that is the basis for being successful.

I thought later what I really should have said at that time was that Ronald Reagan deserves credit for this economy because that is what he fought for and that is the direction we moved.

We have had substantial increases in taxes that have burdened Americans substantially.

There is one thing that troubles me about this economy, and that is the rising cost of fuel in America. If there is one thing that threatens our economic growth, it is the increase in energy prices. I have been talking with businessmen in my State. They tell me their concerns. Their profits are down.

I traveled with a truck driver from Birmingham to Clinton to Montgomery. He told me he is paying $800 more a month for fuel. I talked to businesspeople about their fuel costs. Families that were paying $100 a month this time last year for gasoline for their clunkers and all that they have their families driving around in, are now paying $160 a month for that fuel. That is $60 a month taken out of their family's budget that they could be spending for things in the marketplace. They will not be spending it in the marketplace because it is going to pay for energy costs. That is a threat to us. We need to break that cycle.

It occurred not so much because of economic forces but because of political actions by the OPEC nations when they got together and withheld supplies and drove up energy prices and sat there and collected billions of dollars from America. The OPEC politicians beat our politicians. They outsmarted us. They took advantage of our lack of production of American industry. We got even more and more indebted to them for our energy, and they drove up the price. We had no choice but to pay it.

We are paying 20 cents more, 60 cents more per gallon of gasoline and most of that is going straight to those countries. If we tax gasoline in America 50 cents a gallon, which is not too far from what we do, at least that money goes to the State of Alabama or to the Federal Government and is spent in the United States. In effect, OPEC has taxed us. Every time you go to the gas pump and pay for that gasoline, much of it is going straight out of our country. It is a huge transfer of American wealth. It has the potential to not only damage the family budget but to damage our economy. I think we have to do something about it.

The long-term solution is to get serious and start increasing production. We have the capacity to increase production in the United States.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SESSIONS. Mr. President, I ask unanimous consent to have 1 additional minute.

Mr. LOTT addressed the Chair.

Mr. SESSIONS. I yield to the majority leader.

Mr. LOTT. Go ahead.

Mr. President, I will withhold.

Mr. SESSIONS. I will simply say this. In this election—since we are talking about elections here on the other side—the American people have a choice: Will they elect a President who, with his deepest core beliefs, would be a no-growth, no-production kind of President or will we elect a President who understands America's critical need for energy and who will help create policies that are environmentally sound, that will allow us to remove ourselves from under this yoke of the OPEC cartel?

Mr. President, I yield the floor.

THE EXPORT ADMINISTRATION MODIFICATION AND CLARIFICATION ACT

Mr. GRAMM. Mr. President, as the Chairman of the Senate Committee on Banking, Housing, and Urban Affairs, I wanted to take a moment to discuss H.R. 5239, the Export Administration Modification and Clarification Act. The Senate approved H.R. 5239 with a substitute amendment on October 11, and the House took up and passed the bill, as amended, earlier this afternoon.

Since 1994 our export control system has been maintained under a regulatory framework pursuant to the International Emergency Economic Powers Act based on the provisions of the Export Administration Act of 1979. The Bureau of Export Administration (BXA), which administers our export controls, recently has faced court challenges regarding the integrity of that framework. Specifically, the courts have questioned BXA's authority—known as 12(c) authority—to maintain the confidentiality of sensitive information submitted by industry pursuant to our export control rules.

While comprehensive review and updating of the Export Administration Act will be early on the agenda of the Senate Banking Committee next year, we are undertaking a simple extension of the 1979 Act at this time to set the stage for that review. It is important to note, however, that replacing the 1994 expiration date with a 2001 expiration date will make clear that BXA's authority to apply the 12(c) confidentiality provision of the 1979 act is to be considered as covering any information regarding license applications obtained during that time period, as if there had been no interruption of authority.

VICTIMS OF GUN VIOLENCE

Mr. DURBIN. Mr. President, it has been more than a year since the Columbine tragedy, but still this Republican Congress refuses to act on sensible gun legislation.

Since Columbine, thousands of Americans have been killed by gunfire. Until we act, Democrats in the Senate will read the names of some of those who have lost their lives to gun violence in the past year, and we will continue to do so every day that the Senate is in session.

In the name of those who died, we will continue this fight. Following are the names of some of the people who were killed by gunfire one year ago today.