

Senate plan, a \$150 billion tax cut. With the \$18 billion in interest that would cost, it would be a total of \$168 billion.

On the House side, you can see their plan: \$223 billion, a tax cut of \$150 billion, plus they have a \$50 billion reserve for a tax cut, plus the \$23 billion of interest costs that would be entailed in that plan, for a total of \$223 billion.

You see that the problem with the plan is they use more than the surplus than is available. Where is the money going to come from? I think we all know what will happen. They will be right back to the bad old days of raiding the Social Security trust funds. That is what they will do. That would be a profound mistake. We can't let them do it.

That is why these votes that are to come are so important.

It is one reason you see these headlines that the Republicans have avoided the vote on the Bush tax cut. They avoided it in the House, and they avoided it in the Senate because they know the Bush plan is even more skewed than the plans they have passed. The Bush plan has a much larger tax cut. There can be no question that his plan must raid Social Security in order to add up. There is no money left over under his plan for further reduction of the debt. There is no money under his plan to extend the solvency of Medicare. There is no money under his plan for other high priority domestic needs because he is taking all the money and all the non-Social Security surplus and much more and giving it in a tax cut to the wealthiest among us.

That is the question before us as a people. What are we going to do with these forecasts of surpluses?

Let's remember their projections are over an extended period of time—5 years. Many of us believe these projections will change and that they are not something on which we can count.

We look at the plan Mr. Bush has put before all of us as a people. We can see that over 5 years he proposes \$483 billion in tax cuts. But we only have \$171 billion available in non-Social Security surpluses. Where is the rest of the money going to come from? It can only come from one place: He is going to have to raid Social Security. He is going to have to go back to the bad old days of dipping in the till on Social Security. That is a profound mistake. It is no wonder they have avoided votes on that tax cut plan on both the House and Senate sides.

Beyond that, the Bush proposal is unfair because he is saying take 60 percent of the benefit of his massive tax cut and give it to the wealthiest 10 percent in the country. That is his plan. Senator McCain said it very well during his campaign. He said over and over again that 60 percent of the benefit in the Bush tax cut goes to the wealthiest 10 percent. I even heard Senator

McCain make the statement that 36 percent of the benefit goes to the wealthiest 1 percent. Mr. Bush has made the point over and over that these surpluses belong to the American people. They do not belong to the Government. He is exactly right about that.

These surpluses belong to the American people. The question is, What do we do with them? Do we give them to the wealthiest among us, or do we put the highest priority on taking a significant chunk of those funds and pay down the people's debt? I submit to you the better approach is to take the significant majority of these funds and pay down our national debt. That is what we ought to do. That is in the best interests of the American people—not take the big chunk of this non-Social Security surplus—in fact, under the Bush plan take more than there is in the surplus—and hand it out to the wealthiest among us. It is much better to pay down the people's debt.

If we look back and remember the history of what occurred, if we go back to the 1980s when we had those massive deficits, the blue line shows the outlays, the expenditures of the Federal Government. The red line shows the revenue of the Federal Government. It is not hard to figure out why we had massive deficits. The spending line was much higher than the revenue line.

It wasn't until 1993—we passed a 5-year plan that took down the spending line and raised the revenue line—that we were able to balance the budget. That is the history of what has worked. We should stay on this course. We shouldn't go out and go on a big new spending binge. We shouldn't go out and have a massive, risky tax scheme that threatens this economic expansion and this economic success story. Why would we do that? We have a plan that is working. We have a plan that is producing results for this country.

As we look ahead, some say because the revenue line has gone up that we have the highest taxes in our country's history; not true. We have the highest tax revenue. We don't have the highest taxes. I know that seems odd to people. How can that be? How can you have high revenue but not high taxes? The reason is this economic boom has generated dramatic revenue. We are in a virtuous cycle where good fiscal policy and good monetary policy have helped this economy grow. And the genius of the American people has developed the circumstance in which our economic expansion is extraordinary. Because we have this revenue, we are in a situation that has allowed us to actually reduce taxes on individual taxpayers.

That is not just KENT CONRAD's statement. That is a review of the Federal tax system that shows that the Federal tax level falls for most people. The studies show the burden now less than 10 percent. In fact, as this newspaper

story says, for all but the wealthiest Americans, the Federal income tax burden has "shrunk" to the lowest level in four decades.

Those who come out here and say we have the highest tax ever—no, no. We have the best tax revenues ever. We have the most income ever. We don't have the highest taxes ever. Tax rates for individual American taxpayers have gone down. That is not the result of some study by some liberal think tank. This is a result of the work of the Congressional Budget Office. This is the work of the Treasury Department. This is the work of the conservative Tax Foundation. These are their conclusions—that tax rates have actually gone down.

Let's look at what those studies reveal. This is for a family of four earning \$39,000 in 1999. This is according to the Congressional Budget Office. This is their total tax burden for Federal income taxes. You can see their Federal income taxes have gone down from 8.3 percent to 5.4 percent from 1981 to 1999. It is not just a family earning \$39,000, but this is what happened to the income tax burden for a median-income family earning \$68,000 in 1999. Their tax burden has gone from 10.4 percent in 1957 to 8.9 percent in 1998. This is according to the very conservative Tax Foundation.

Mr. President and colleagues, this is the history. This is how we have gotten to where we are today—by getting our fiscal house in order; by cutting spending; yes, by raising revenue on the wealthiest 1 percent in this country and lowering taxes on the vast majority of the American people through expansion of the earned-income tax; by the \$500 child care credit; lowering taxes on the vast majority of the American people; and now we are in this position of being able to actually retire the publicly held debt by the year 2013.

Virtually every economist that has come before us on the Budget Committee and on the Finance Committee said this is exactly what you should do—make the priority paying down the debt.

Alan Greenspan, the head of the Federal Reserve, says pay down debt first.

"The best use of surplus is to reduce red ink, the Fed chief says."

RECESS

The PRESIDING OFFICER. The time is 12:30. The agreement is the Senate will go into recess at 12:30.

Mr. LAUTENBERG. I ask unanimous consent the time be extended because there are Senators who want to speak.

The PRESIDING OFFICER. In my capacity as a Senator from Colorado, I object.

Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.