

was coming into the Federal Government, part of this tax surplus, and I determined 2 years ago we ought to be able to pay down this debt within a 20-year period. So I introduced legislation to pay down the debt within 20 years. This year, we are looking at paying down the debt in 10 years and still being able to provide for a \$1.6 trillion tax cut.

The Congress has backed off on what was originally proposed by the President and finally agreed on somewhere between \$1.35 and \$1.4 trillion in tax cuts. Certainly we have allowed ourselves plenty of margin.

The tax bill that is supposed to be coming to the Chamber contain many important provisions. Many of them have been referred to by the President. First, the tax rates are lowered across the board. This will benefit Americans in all categories who pay taxes. This year, taxpayers will get immediate relief when the 15-percent rate is lowered to 10 percent on a significant portion of that income.

The tax bill also lowers the top rate significantly, increases the child tax credit, provides tax relief for education expenses, and eliminates the death tax.

I am particularly pleased to support repeal of the death tax.

The United States retains among the highest estate taxes in the world, and top estate tax rates can reach over 55 percent. This is money that was already taxed when it was earned.

The estate tax can destroy a family business. This is the most disturbing aspect of the tax. No American family should lose its business because of the estate tax.

Similarly, more and more large ranches and farms are facing the prospect of breakup and sale to developers in order to pay the estate tax.

We feel it acutely in Colorado, especially because of the rapid growth and demand for real estate in Colorado.

One change which is not included is a reduction in the capital gains tax. I hope that this can be added to this tax bill or one later in the year. This change would actually increase revenue to the Treasury.

I support a reduction in the top rate from 20 to 14 or 15 percent. I also believe that we should include indexing so that taxes are paid only on real capital gains, not those which result only from inflation.

In 1997 we reduced the capital gains tax from 28 to 20 percent.

Many of you will recall the debate over whether this would raise or lower revenues. We now have the answer—revenues from capital gains increased dramatically after the rate cut.

In fact, in just the 4 years since the rate cut, 1997 through 2000, the Government has received \$200 billion more capital gains revenue than forecast before the rate cut.

That is \$200 billion of added revenue in just 4 years.

I think the Tax Foundation does some very good work. I have been looking at a chart that was put out by the Tax Foundation.

From 1992 until the year 2001, we actually see a large spike in rates of increases for taxes and the total tax revenues that are being paid to the Federal Government.

We see the tax burden days go from April 18 to May 3—within a period of a little less than a decade. I think this is a phenomenal amount of revenue increase that has come from working Americans.

Of the 123 days that America spends laboring for Federal, State, and local taxes, it is interesting how this breaks out. Fifty days of that goes toward individual income taxes, 42 days goes to Federal and State, and for local it is 8 days.

For social insurance taxes, 29 days goes to that category. And all of that is Federal. There is no State or local part in that aspect of the tax.

Of the 123 days, 16 days go toward sales and excise taxes. Three days of that is allocated toward Federal and 13 days is allocated toward State and local. Property taxes—the Federal Government has no property taxes, but State and local governments do. Ten days out of that 123 days goes for property taxes for State and local governments.

Let's look at the corporate box that has been analyzed by the Tax Foundation. Corporate income taxes make up 12 days of the total of 123 days. The Federal part of it is 10 days and the State and local part of it is 2 days.

If we look at other business taxes, there is a total of 3 days put in that category. The Federal Government doesn't have any, but State and local has a total amount of 3 days. For all other taxes is that general category. There are 2 days allocated to that box. One of them is Federal and one is State and local.

I think those are some interesting factors coming out.

Then there are those who say the tax cut is way too much. We know what happens.

If we go with the President's tax cut that he proposed—I remind the Senate that it hasn't gone as much as the President proposed—then basically what you are doing over the next 9 or 10 years is holding the tax burden day on May 3, 2001.

What happens if we don't have any tax cuts? Suppose we didn't go with any tax cut at all? We would see the tax freedom day move out to May 9. This is not a particularly remarkable tax cut, but it is something that certainly is badly needed.

I am looking forward to the debate because I think it is very important that we move forward with the tax cut right now. If my memory serves me correctly, we have raised taxes retro-

actively. I don't see what the problem is with trying to cut taxes retroactively, particularly in light of the fact that we have the surpluses we are facing today.

In summary, Americans are spending more than ever on taxes. In fact, we now pay more taxes than we do for food, shelter, and clothing combined. Since when did the Federal Government become more important than life's essentials? It is time to reverse this trend by cutting taxes across the board. Lower taxes would help our economy and would also help America's families.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

U.S. TRADE POLICY

Mr. HAGEL. Mr. President, last week President Bush laid out an aggressive trade agenda for America. Few policy areas will be more critical to the future prosperity of not only the United States, but the world.

Trade is essential to the continued growth of our economy. U.S. exports totaled more than \$1 trillion last year, an increase of 12 percent from 1999. Those exports accounted for 11 percent of our GDP in 2000.

The impact and importance of trade extends far beyond our borders. The nations of the world live in a global community—underpinned by a global economy. We are all directly affected by the development and growth of markets around the world. Stability, security, economics, markets, communications, trade, and investments are all interconnected.

Taking advantage of the opportunities of this hopeful new world will require vision and leadership—bold Presidential leadership with the vision to see through the haze of the present and into the possibilities of the future. This will require leadership that is wise enough to seize the moment and help move the world forward. Nations of today are not the nations of yesterday. We must rise above past differences and old conflicts. This is not without risk. But the risk must be taken.

Trade connects people. Increased commerce and the bridges it builds has broad implications for human rights, democracy and increased stability and freedom around the world.

Trade binds nations together in strategic and political alliances. Throughout history trade and commerce have been key instruments that have helped break down totalitarian governments and dictatorships, and opened the doors to democracy and higher standards of living for all people—improved health, better diets, and hope for the future. Trade and international investment have helped pave the way for peace in many areas of the world. Trade and democracy are interconnected. Trade and

investment lead to political and economic stability.

The key to this is a strong trade agenda that pursues our interests while balancing them with other priorities.

First and most important is the granting of Trade Promotion Authority to the President. Every day that goes by without this authority is another day of wasted opportunity. We cannot afford for America to stand idle while other nations negotiate trade agreements that give an advantage to the competitors of American goods and services. Congress needs to get this done, and get it done quickly.

We have many other challenges that lie ahead. We need to move the Jordan and Vietnam Trade Agreements through Congress.

We also should look to our own hemisphere. Canada and Mexico are our largest trading partners. American exports to Western Hemisphere nations comprised more than one-third of all U.S. exports in 2000. We must strengthen our ties to our Western Hemisphere neighbors.

This is good for all peoples in this hemisphere. We need to move on renewing the Andean Trade Preference Act this year. And we should pursue a trade agreement with Chile, and a free trade agreement for all the Americas.

We will face another hurdle in again granting normal trade relations to China. Establishing a stable trade relationship with China is in our best interest.

Turning our backs on China will not improve human rights in China, promote greater freedom, or improve the stability in Asia—rather, it would have a dangerous and negative impact on all these important efforts.

This year we must help lead efforts to launch another round of World Trade Organization negotiations.

The challenges are many, and they are great, but so are the opportunities. President Bush has laid out a strong, forward-looking agenda on trade. He has an excellent team in Ambassador Zoellick, Secretary Evans, and those charged with moving this agenda forward.

I look forward to working with the President and his team on America's trade agenda. It is fundamental to our future.

Trade and investment are building blocks for the world's mutual interests. We have the opportunity to make the world more stable, more secure, more prosperous, and more democratic. Let's not squander this very historic and unique opportunity.

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

The PRESIDING OFFICER (Mr. NELSON of Florida). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, the hour of 2 having arrived, are we now back on the education bill?

The PRESIDING OFFICER. We will be momentarily.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is now closed.

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1, which the clerk will report.

The bill clerk read as follows:

A bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

Pending:

Jeffords amendment No. 358, in the nature of a substitute.

Kennedy (for Murray) amendment No. 378 (to amendment No. 358), to provide for class size reduction programs.

Kennedy (for Dodd) amendment No. 382 (to amendment No. 358), to remove the 21st century community learning center program from the list of programs covered by performance agreements.

Cleland amendment No. 376 (to amendment No. 358), to provide for school safety enhancement, including the establishment of the National Center for School and Youth Safety.

Biden amendment No. 386 (to amendment No. 358), to establish school-based partnerships between local law enforcement agencies and local school systems, by providing school resource officers who operate in and around elementary and secondary schools.

Specter modified amendment No. 388 (to amendment No. 378), to provide for class size reduction.

Voinovich amendment No. 389 (to amendment No. 358), to modify provisions relating to State applications and plans and school improvement to provide for the input of the Governor of the State involved.

Carnahan amendment No. 374 (to amendment No. 358), to improve the quality of education in our Nation's classrooms.

Reed amendment No. 425 (to amendment No. 358), to revise provisions regarding the Reading First Program.

The PRESIDING OFFICER. Under the previous order, the Senator from Nevada is recognized to call up his amendment No. 460.

Mr. REID. Mr. President, I ask unanimous consent that the time not run on this amendment. I will wait until the manager of the bill arrives. I ask unanimous consent that that be part of the order, and pending that, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 460 TO AMENDMENT NO. 358

Mr. REID. Mr. President, pursuant to order, I send an amendment to the desk. It is at the desk. I ask the amendment be read at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada (Mr. REID) proposes an amendment numbered 460.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide assistance to entities that emphasize language and life skills programs for limited English proficient students)

On page 254, line 21, insert before the period the following: "(including organizations and entities that carry out projects described in section 1609(d))".

On page 257, between lines 18 and 19, insert the following:

"(d) AFTER SCHOOL SERVICES.—Grant funds awarded under this part may be used by organizations or entities to implement programs to provide after school services for limited English proficient students that emphasize language and life skills.

Mr. REID. Mr. President, in the State of Nevada in Las Vegas, there is a very innovative teacher. Her name is Priscilla Rocha. She is a wonderful woman who has been a friend of mine for many years. She is also a member of the State board of education. She teaches the fourth grade, and she has had almost 20 years of experience. She has taught in Texas. As I indicated, she now teaches in Las Vegas.

About 3 years ago, she started an afterschool program in her classroom in response to the many struggles she saw with children who had limited English proficiency. She observed that the parents were not equipped with English skills or the academic background to help these children with their homework. Children were going home in some instances with no supervision because both parents worked. She found that these children kept falling further and further behind in their academic work, and she recognized that it was only a matter of time until the children dropped out of school.

What she calls her homework center operates as follows: Children in grades 1-5 are referred to the program by teachers and school counselors. Parents are first notified, and they have to sign a consent that the children can enter into this afterschool homework program. She has found it easy to get college students to help by tutoring the children on a one-to-one basis. She has also found that some children need to stay in the program only for a matter of weeks. Others need to spend a matter of years in the program.