and the Senator from Oregon (Mr. WYDEN) are necessarily absent.

The PRESIDING OFFICER (Mr. LANKFORD). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 34, as follows:

[Rollcall Vote No. 72 Ex.]

YEAS—53

Alexander	Gillibrand	Murphy
Baldwin	Graham	Murray
Bennet	Grassley	Nelson
Blumenthal	Hatch	Peters
Booker	Heinrich	Portman
Boxer	Heitkamp	Reed
Brown	Hirono	Reid
Cantwell	Kaine	Rubio
Cardin	Kirk	Schatz
Carper	Klobuchar	Schumer
Casey	Leahy	Shaheen
Coats	Manchin	Stabenow
Collins	Markey	Tester
Coons	McCaskill	Udall
Donnelly	McConnell	Warner
Durbin	Menendez	Warren
Feinstein	Merkley	Whitehouse
Franken	Mikulski	

NAYS—34

Ayotte	Ernst	Perdue
Barrasso	Fischer	Risch
Blunt	Gardner	Rounds
Boozman	Heller	Sasse
Burr	Hoeven	Scott
Capito	Inhofe	Sessions
Cassidy	Isakson	Shelby
Cochran	Lankford	Thune
Corker	Lee	Tillis
Cornyn	McCain	Wicker
Crapo	Murkowski	
Daines	Paul	

NOT VOTING—13

Cotton	King	Toomey
Cruz	Moran	Vitter
Enzi	Roberts	Wyden
Flake	Sanders	
Johnson	Sullivan	

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motion to reconsider is considered made and laid upon the table, and the President will be immediately notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

The Senator from Iowa.

INCOME INEQUALITY

Mr. GRASSLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a newspaper article at the conclusion of my remarks.

Income inequality has been a hot topic this campaign season. It has become the rallying cry of the left to support their economic agenda. Whether it is taxing the rich, raising the minimum wage, combating global warming, or any other number of policies. If you listen to Secretary Clinton and Senator SANDERS on the campaign trail, you would get the impression that income inequality is the fault of Republicans. They contend that their preferred policies will close the gap between the rich and the poor. However, the inconvenient fact is that inequality rose considerably more under President Clinton than it did under President Reagan. Further, it has increased more under President Obama than it did under President Bush.

For any of my colleagues wondering how this could be the case, I would encourage them to read Lawrence Lindsey's op-ed that ran in the Wall Street Journal in March.

Mr. Lindsey's article title ''How Progressives Drive Income Inequality'' details how liberal policies have not only failed to reduce income inequality, but may in fact be contributing to it.

For instance, my colleagues on the left all too frequently look to ever richer and more expansive transfer payment programs as the solution. However, too often our existing transfer programs meant to help the less fortunate act as an anchor preventing Americans from climbing up the income ladder.

This risks creating a permanent underclass of citizens that are dependent on the state for their basic needs. That may be the dream of European-style Social Democrats, but it is most certainly not the American Dream.

The Congressional Budget Office looks at this effect in terms of marginal effective tax rates on low and moderate income workers. This refers to how much extra tax or reduction in government benefits is imposed on an—American worker when he or she earns an additional dollar of income.

CBO estimates that in 2016 those under 450% of the federal poverty level will face an average effective tax rate of about 41%. Keep in mind that this is just the average. CBO demonstrates how a substantial number of workers could experience marginal effective rates exceeding 50, 60, or even 80%, which is far higher than the top statutory rate of 39.6% paid by the wealthiest Americans.

The end result is a worker facing these rates may just decide it doesn't make much sense to take on extra hours or put in the effort to learn extra skills to increase their earnings potential. Historically, this has impacted married women in the workforce most of all as they are more likely than men to drop out of the workforce completely as a result.

Discouraging individuals from entering the labor force, taking on more work hours, gaining extra experience, or learning new skills, is a recipe for stagnate incomes and increased income disparity. But, far from seeking to address these work disincentive effects, President Obama has made it worse for millions of workers. Take the premium tax credit enacted as part of the Affordable Care Act for instance. CBO estimates it will raise marginal tax rates by an estimated 12 percentage points for recipients.

Secretary Clinton and Senator SANDERS also have provided no indication they would reverse this trend. In fact, they appear to only be interested in exacerbating this problem through richer transfer programs, increased costs on employers, and increased payroll taxes.

The scapegoat of the income inequality debate on the left has, of course, been the much-hyped top 1 percent. Here we are told that if we just tax the rich, we can solve all of our problems and address income inequality in one fell swoop.

But, if increased taxes on the wealthy is a solution to income inequality, why—as I pointed out at the start of this speech—did income inequality grow faster under President Clinton than under President Reagan? And why has income inequality grown faster under President Obama than under President Bush?

The fact of the matter is that taxing the wealthy to reduce income inequality at best is a fool's errand and at worst could be a blow to our economy—potentially harming individuals at all income levels.

A recent research paper by the liberal Brookings Institution looked directly into the question of whether substantially increasing taxes on the wealthy would reduce income inequality. To quote their findings, ''An increase in the top tax rate leads to an almost imperceptible reduction in overall income inequality, even if the additional revenue is explicitly redistributed.'' Raising taxes might be successful at generating revenue to fund greater wealth transfer payments. But it does nothing to rectify the ''opportunity gap.''

Soak the rich policies do not create greater opportunity for low-income individuals. In fact, wealth transfer policies often have the perverse effect of trapping their intended beneficiaries in soul-crushing government dependency. Moreover, because of their negative effects on economic growth and capital formation, they can reduce opportunity for all Americans. You do not have to take my word for the anti-growth effects of increasing taxes. Research by Christina Romer, President Obama's former chief economist, found that a tax increase of 1% of GDP reduces economic growth by as much as 3%.

According to this study, tax increases have such a substantial effect on economic growth because of the ''powerful negative effect of tax increases on investment.''

In effect, what those who pursue wealth-destroying redistributionist policies are really saying—to quote Margaret Thatcher—is that they ''would rather that the poor were poorer, provided that the rich were less rich.'' That may result in less differences in wealth between Americans, but the expense of making us all worse off. Our goal must be to create wealth and opportunity for ALL Americans.

We should reject the notion that in order to improve the lot of one individual, someone else must be made worse off. The leadership of other side has become fixated on redistributing the existing economic pie. The better policy is to increase the size of the pie. When this occurs, no one is made better off at the expense of anyone else.

This is best achieved through pro-growth policies aimed at growing the economic pie, not by taking from some and giving to others.

Instead of seeking to reduce inequality by knocking the top down a few pegs on the income ladder, policies should be focused on helping individuals climb upwards by tearing down barriers that stand in their way. We all agree with the need for a sound safety net to protect the most vulnerable among us. But when that safety net begins to act like an anchor holding people back, we need to be brave enough to chart a new course. This is what we sought to do with welfare reforms in 1994 through work requirements and incentives. It is once again time for us to review and reform programs so as to minimize as much as possible the current built-in work disincentives from transfer programs that I discussed earlier.

Another often overlooked issue is the burden overregulation imposes on low-income individuals.

Dr. McLaughlin of the Mercatus Center in testimony before a Senate Judiciary subcommittee hearing earlier this year discussed two negative impacts regulation can have on low-income households.

First, while it is well recognized that regulations can increase transaction costs for businesses, it is equally true that consumers feel the costs in the form of higher prices. Since low-income households tend to spend, rather than save, a much larger share of their income, they are the ones hit hardest by the regulatory costs. In this regard, regulation acts much like a regressive tax on the consumption of those that are the least well off.

A second point made by Dr. McLaughlin is that regulations can often create a barrier to entry. Setting out on one's own to start a business is as American as apple pie. It is an avenue that Americans throughout history have taken to climb from the poor house to the penthouse. But, the cost imposed by entry regulations can too often stand in the way. This directly limits opportunities of lower-income individuals who are the least likely to be able to cut through the red tape and have money on hand to afford the associated costs. Research by Dr. McLaughlin directly links entry regulations with income inequality. His study looked at the relationship between regulation and income inequality across 175 countries and found that stringent entry regulations are correlated with significantly higher levels of income inequality.

On the campaign trail we have heard Senator SANDERS sing the virtues of Denmark in his crusade against inequality. Interestingly enough, Denmark scores very well in the World Bank's ''ease of doing business'' ranking, which looks at the cost, time, and overall red tape in starting and running a business. In fact, Denmark is ranked third, while the U.S. lags behind in seventh and has been consistently falling backwards since 2008. While Senator SANDERS points to Denmark as a model for the U.S. due to its tax and social welfare policies, it is Denmark's regulatory efficiency that deserves our attention. In addition to reducing unnecessary regulatory barriers and built-in work disincentives, there is no question we need to do a better job ensuring individuals have the skills necessary to compete in the 21 century economy.

There has been considerable research demonstrating that the widening wage gap between skilled and unskilled labor has contributed to the growth in income inequality. I consistently hear from employers in Iowa who cannot find enough skilled workers to fill well-paying jobs. If we are to reduce income inequality, we must first reduce opportunity inequality.

We have an excellent system of community colleges in Iowa that train Iowans for jobs that are available in Iowa, but those who are chronically unemployed tend to lack the so-called ''soft skills'' that are necessary to hold down a job. In order to eliminate opportunity inequality, we must get back to the notion of the inherent dignity of work and ensure that hard work pays off.

These are just a few areas we should be able to work together on to increase opportunities for those least well off among us. Increasing opportunity should be our focus, not pitting American against American based on their socioeconomic status. If we make increased opportunity our focus, no one is required to be made worse off to benefit someone else. In fact, by tearing down barriers standing in the way of hardworking Americans, all Americans will benefit from higher productivity, higher wages, and higher economic growth.

My colleagues on the other side who are truly interested in reducing poverty and inequality should abandon their divisive politics of envy and class warfare Instead, work with Republicans on an agenda focused on economic growth and opportunity to benefit ALL Americans.

I yield the floor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Mar. 4, 2016]

HOW PROGRESSIVES DRIVE INCOME INEQUALITY

(By Lawrence B. Lindsey)

Hillary Clinton and Bernie Sanders are promising all types of programs to make America a more equal country. That's no surprise. But when you look at performance and not rhetoric, the administrations of political progressives have made the distribution of income more unequal than their adversaries, who supposedly favor the wealthy.

The Census Bureau releases annual updates on income distribution in the U.S., publishing three technical statistical measures—the Gini index, the mean logarithmic deviation of income (mean log deviation for short), and the Theil index—each of which represents inequality levels on a scale of 0 to 1 (zero signifies perfect equality and 1 indicates perfect inequality). By all three measures, inequality rose more under Bill Clinton than under Ronald Reagan. And it wasn't even close. While the inequality increase as measured by the Gini index was only slightly more during Clinton's two terms, the Theil index and mean log deviation increased two and three times as much, respectively.

Barack Obama's administration follows this pattern, despite the complaints he and his supporters have made about his predecessor. The mean log deviation increased 37% more under Mr. Obama than under President George W. Bush, although when this statistic was released, Mr. Obama had only six years as president compared with Mr. Bush's eight. The Gini index rose more than three times as much under Mr. Obama than under Mr. Bush. The Theil index increased sharply during the Obama administration, while it fell slightly under Bush 43.

Sure, no president intends to raise inequality. And the spin doctors for Messrs. Clinton and Obama may insist that it wasn't their fault.

But consider their policies. Both Democratic presidents presided over bubble economies fueled by easy monetary policy. There is no better way to make the rich richer than to run policies that push up the price of financial assets. Cheap money is a boon to those who have access to it. Interest rates were also too low under Bush 43, but that bubble was in housing, and the effects were therefore more evenly distributed than under Mr. Clinton's stock-market bubble or Mr. Obama's credit bubble.

Money matters, but so do other policies, such as the long, historic sweep of the expanding welfare state. In 1968, government transfer payments totaled $53 billion or roughly 7% of personal income. By 2014, these had climbed to $2.5 trillion—about 17% of personal income. Despite the redistribution of a sixth of all income, inequality measured by all three of the Census Bureau's indexes is far higher today than in 1968.

Transfer payments under Mr. Obama increased by $560 billion. By contrast private-sector wages and salaries grew by $1.1 trillion. So for every $2 in extra wages, about $1 was paid out in extra transfer payments—lowering the relative reward to work. Forty-five million people received food stamps in mid–2015, an increase of 46% since the end of 2008. Similarly, 71.6 million individuals were enrolled in Medicaid and the Children's Health Insurance Program, an increase of 13.3 million since October 2013.

In 2008, during the deepest recession in 75 years, 13.2% of Americans lived below the government's official poverty line. The Great Recession officially ended in June 2009, but in 2014, after five years of economic expansion, 14.8% of Americans were still in poverty. The economy was better, and there were a lot more handouts, but still poverty rose.

The structure of American households shows how this happened. From 2008 through 2014, the most recent year for which we have data, the number of two-earner households declined. These two-earner households have become the backbone of the American middle class.

Research by the Hamilton Project and the Urban Institute show that when families with children making between $20,000 and $50,000 attempt to have a second earner go back to work, the effective tax rate on the extra earnings—including lost government benefits such as food stamps, the earned-income tax credit, and medical support payments—is between 50% and 80%. This phase-out of the ever increasing array of benefits has created a ''working-class trap'' instead of a ''poverty trap'' that is increasing inequality and keeping the income of these households lower than they might otherwise be.

While the number of two-earner households declined during the first six years of the

Obama presidency, the number of single-earner households rose by 2.6 million and the number of households with no earners rose by almost five million. In other words, two thirds of the increase in the number of families under Mr. Obama was accounted for by households with no one working. This is the reason the middle class has shrunk, and the reason inequality has increased. And unless we increase the number of people wanting to work and the number of jobs through economic growth, inequality will only increase.

The flip side of the progressive agenda to redistribute income to those with less is to raise taxes on the ''rich.'' The data show that it is also an ineffective way to reduce inequality.

President Clinton increased the top tax rate on higher earners—yet inequality rose during his administration, and faster than under the tax-cutting Ronald Reagan. The same happened under President Obama. Tax rates went up on upper-income earners. Inequality rose too, and more than under his tax-cutting predecessor.

A recent Brookings Institution study—whose authors include Peter Orszag, President Obama's director of the Office of Management and Budget—found that boosting the top tax rates even more, as Sen. Sanders suggests, would have little or no effect on inequality. The paper explored the effects of raising the highest marginal income-tax rate to 50% from 39.6%. Assuming no behavioral effects, the expected revenue was then distributed directly (and in theory costlessly) to the bottom 20% of income earners.

The $95 billion in extra taxes and transfers reduced the Gini Coefficient by only 0.003. To put that in perspective, that reversed only one fifth of the increase in inequality during the Obama presidency.

There was a catch. When the authors assumed that there might be a behavioral response by higher income taxpayers, inequality fell—but for the wrong reasons. Less work, saving, investing and more tax sheltering reduced the taxable income of higher earners and therefore meant less revenue to redistribute So the rich got poorer, by their own choice, but the poor got less in benefits. A true lose-lose situation.

None of this should really be surprising. If the socialist ideal of ''from each according to his ability, to each according to his need'' worked in practice, the Berlin Wall might still be standing. Of course, one of the reasons it came down is that a new ruling class emerged to take from the productive and give to those in need, siphoning off a cut of the swag along the way. Ruling classes always have sticky fingers.

Redistribution through the political process is not costless—even in a perfect world there would be a large bureaucracy to feed. Special-interest elites also emerge when so much money is being moved around. They take their cut, introducing even more inefficiency into the system.

Presidential contenders who boast of their plans to reduce inequality might ponder the fact that providing more free things is not the answer. Even free college and free health care are paid with taxes that discourage people from increasing their work, savings and entrepreneurship.

Attacking the rich and running against inequality may be a sensible political strategy. But in the end the programs to implement this strategy make the problem worse. Yet advocates come back and demand the same programs. That is perilously close to the definition of insanity attributed to Einstein: doing the same thing over and over again and expecting different results.

The repeated failure of political promises has another downside—increasing voter alienation and cynicism. The appeal of redistribution is understandable, but voters who think the progressives running today are going to reduce inequality are falling into the same trap as people entering fifth or sixth marriages—the triumph of hope over experience.

The PRESIDING OFFICER. The Senator from Maine.

TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS ACT, 2016

Ms. COLLINS. Mr. President, what is the pending business?

The PRESIDING OFFICER. H.R. 2577 is the pending business, which the clerk will report.

The senior assistant legislative clerk read as follows:

A bill (H.R. 2577) making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2016, and for other purposes.

Pending:

Collins amendment No. 3896, in the nature of a substitute.

McConnell (for Lee) amendment No. 3897 (to amendment No. 3896), to prohibit the use of funds to carry out a rule and notice of the Department of Housing and Urban Development.

McConnell (for Nelson/Rubio) amendment No. 3898 (to amendment No. 3896), making supplemental appropriations for fiscal year 2016 to respond to Zika virus.

McConnell (for Cornyn/Johnson) amendment No. 3899 (to amendment No. 3896), making emergency supplemental appropriations for the fiscal year ending September 30, 2016.

McConnell (for Blunt) amendment No. 3900 (to amendment No. 3896), Zika response and preparedness.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, we are working very hard on both sides of the aisle. Senator REED and I have been discussing a package of amendments which we ultimately hope to approve by unanimous consent. We are making sure that it is a balanced package, reflecting both Republican and Democratic initiatives. These are amendments that are acceptable to both of us as managers of the bill, but we are waiting for the process to work its way through. My hope is that we might be able to do it this evening, but if not this evening, then perhaps we will be able to turn to it first thing in the morning.

I thank the Presiding Officer and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENTS NOS. 3903; 3909; 3917; 3919; 3922; AND 3921, AS MODIFIED, TO AMENDMENT NO. 3896

Ms. COLLINS. Mr. President, I ask unanimous consent that the following amendments be called up en bloc and reported by number: Heitkamp No. 3903; Barrasso No. 3909; Ayotte No. 3917; Mikulski-Shelby No. 3919; Feinstein-Portman No. 3922; and Franken-Tillis No. 3921, as modified.

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

The clerk will report the amendments by number.

The senior assistant legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS], for others, proposes amendments numbered 3903; 3909; 3917; 3919; 3922; and 3921, as modified, en bloc to amendment No. 3896.

The amendments are as follows:

AMENDMENT NO. 3903

(Purpose: To require a report on the economic and infrastructure effects on airports of collegiate aviation flight training operations)

On page 26, after line 21, add the following:

SEC. 119J. (a) Not later than one year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress a report assessing the importance of collegiate aviation flight training operations and the effect of such operations on the economy and infrastructure of airports in the National Plan of Integrated Airport Systems.

(b) In the report required by subsection (a), the Comptroller General shall include the following:

(1) An assessment of the total capacity of collegiate aviation flight training programs in the United States to meet the needs of the United States to train commercial pilots.

(2) An assessment of the footprint of collegiate aviation flight training operations at the airports in the United States.

(3) An assessment of whether infrastructure beyond that necessary for operations of commercial air carriers is needed at airports at which collegiate aviation flight training operations are conducted.

(4) If such infrastructure is needed, an estimate of the cost of such infrastructure.

(5) An identification of funding sources, available before the date of the enactment of this Act or that may become available after such date of enactment, that may be used to construct such infrastructure.

(6) Recommendations for improving technical and financial assistance to airports to construct such infrastructure.

AMENDMENT NO. 3909

(Purpose: To allow Indian tribes to use certain funds to construct housing for certain skilled workers)

On page 103, line 18, insert ''and, notwithstanding title I of that Act (42 U.S.C. 5301 et seq.), eligible Indian tribes may use funds made available under this paragraph for the construction of housing for law enforcement, health care, educational, technical, and other skilled workers'' after ''title)''.

AMENDMENT NO. 3917

(Purpose: To prohibit the use of funds for the Continuum of Care program of the Department of Housing and Urban Development unless the program allows for zero-tolerance recovery housing)

In the matter under the heading ''HOMELESS ASSISTANCE GRANTS'' under the heading ''COMMUNITY PLANNING AND DEVELOPMENT'' in title II of division A, insert before the period at the end the following: '': *Provided further*, That none of the funds provided under this heading shall be available for the continuum of care program unless the Secretary ensures that zero-tolerance recovery housing programs are eligible to receive funds under the continuum of care program''.