

thoroughly air this constitutional proposal as well as perhaps pass the bill at the same time because clearly we would want to be able to restrict future Congresses' ability to raise taxes.

Mr. President, the bottom line here is, yes, we need to focus on balancing the budget, on pinching pennies, and on saving in every way we can so we are not spending taxpayer dollars unwisely. That has been our focus all this year. We came close to getting a balanced budget agreement, but we did not quite do it. It would still be nice, if we could. Since we have not been able to, I think we have to focus equally on the other side. How do we get the economy growing again, moving forward, providing opportunity for growth, for job creation, for entrepreneurship, and for capital infusion for the economy. And the best way to do that is to follow the recommendations of the Kemp Commission—to give everybody a better opportunity by having a simpler, fairer, single-rate Tax Code.

I look forward to this debate in the ensuing weeks and months. I hope many of my colleagues will join me in sponsorship of the constitutional amendment to require a two-thirds vote to approve any income tax rate increases.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. I ask unanimous consent to be recognized to speak as if in morning business.

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

THE TAX CODE

Mr. INHOFE. Mr. President, first of all, let me stand up and be the first one to officially accept the challenge made by the distinguished Senator from Arizona. He is absolutely correct in his analysis as to what is happening in the country right now. It is refreshing to listen to someone who can look at historical data and come to a decision that is really incontrovertible.

The Senator from Arizona quoted the Kemp report as to what can happen in order to stimulate the economy and actually result in increasing revenues by reducing marginal tax rates. If we think back and look at what happened in 1980, the total revenues derived from our marginal tax rates was \$244 billion. In 1990, it was \$466 billion. And during that 10-year period, we had a greater reduction in marginal rates, including capital gains. Obviously, what happened is exactly what the Senator is suggesting would happen in the future if we would we do this now.

I have heard so many times on this floor people say look what happened in the 1980's when we had a President who was reducing tax rates and the deficit went up. The deficit went up not because revenues were not coming in. Clearly they were coming in at a much more rapid rate as a result of giving the free enterprise system a chance to breathe by reducing marginal rates.

THE MISSILE THREAT

Mr. INHOFE. I wanted to take just a moment, Mr. President, to mention something else that will be very dear to the heart of our previous speaker, Senator JOHN KYL, from Arizona. I am sure, since he was quoted in the article that I am about to quote, that he shares my concern over an article that appeared in the Washington Times yesterday entitled "Missile Threat Report Politicized, GOP Says."

I will just read the first paragraph of this article. It says:

A new intelligence estimate by the Clinton administration which foresees no ballistic missile threat to the United States for at least 15 years enraged GOP lawmakers who want to deploy a defense against a limited missile attack.

This is factual. I am one of those who was enraged because there is a lot of redundancy here. We have stood on this floor. We have tried through talk radio, through every other means possible, to convince the American people that we really do have a very serious threat out there. This estimate was made by the national intelligence estimate which only a year ago stated, as was pointed out by Senator KYL, that there is a risk out there. And it specifically talked about North Korea and the Taepo Dong II missile that would have the capability—this was a year ago—of reaching Hawaii and Alaska by the year 2000 and the Continental United States by the year 2002.

We just had a defense authorization bill that was vetoed by President Clinton. In his veto message he said we did not want to spend that money on a missile defense system to defend Americans against a missile attack. This is something that came not too long after the statement made by James Woolsey, who was the CIA Director appointed by President Clinton, that between 20 and 25 nations either have, or are developing, weapons of mass destruction, either chemical, biological or nuclear, and the missile means to deliver them. We also know that there are countries, as he pointed out, that now have this technology, and what they have they will sell.

This article goes on to report that the new national intelligence estimate indicates that it is very unlikely that any of the countries with this missile technology would sell it. I find that very difficult to believe when you look at such countries as China and North Korea. Then you look at countries in the Middle East that have an abundance of wealth due to their oil holdings—Iraq, Iran, Libya, Syria, any number of countries—and you begin to realize that they could be willing buyers, not to mention in potential nations which could be inclined to fire a missile at the United States.

I have to say this. I hesitate to stand on the floor of the Senate and make this statement, but I tend to think that this national intelligence estimate was dramatically influenced by the White House.

It was just a week ago that we heard the State of the Union Message when the President of the United States made a statement that seemingly went unnoticed when he said that we are changing the role of our military from defense to peacemaking. Earlier, in vetoing the defense authorization bill, he talked about the fact that there is a linkage between the START II arms limitation agreement that was supported and ratified by this body a couple of days ago and the 1972 ABM Treaty.

Well, I have questioned that linkage, but since the President believes it is there, I have to go back and talk about it and see how that relates to this article that came out just yesterday. The ABM Treaty was put together, it was a philosophy that was articulated for national defense to defend our strategic interests by the Nixon administration, by Dr. Henry Kissinger.

Back at that time, they formulated a plan that was called MAD, mutually assured destruction, and what we were talking about at that time was we only had two superpowers in the world. We had the U.S.S.R. and the United States of America. They said, "Well, I tell you what. You don't defend yourselves; we won't defend ourselves. If somebody shoots at us, we'll shoot back and we all die." That was fine. That was the policy. I did not agree with it at that time, but at least it was predicated on the assumption there were two superpowers in the world, and at that time it was true, the U.S.S.R. and the United States of America.

Now, in light of the statement of James Woolsey and of what our intelligence has reported to us, there are probably 25 countries now that have this power. So we are not talking about just two.

In a way, I think things were more secure back during the cold war; at least then we could identify a singular enemy. Now we do not know where it is coming from. So if the President has his way and we are to accept his idea of continuing a policy that was articulated and established back in 1972 of mutually assured destruction—assuming, of course, that Russia, which is the other party of this policy, this being the START II Treaty, if they do what they say they will do—and their performance is not very good in the past in their arms reduction commitment—but assuming that they do, then you have Russia and the United States reducing our nuclear capability at the same time there are 24 other nations out there that are not reducing theirs; they are raising theirs.

That is the situation, the environment that we find ourselves in today. I felt we could win this argument on the debate because the American people are intelligent people. There are a lot of ways of getting to the American people and getting the truth that is not filtered through the Washington, DC, media, and that is going straight on talk radio and other means.

Now, all of a sudden, as reported in yesterday's paper, we are confronted with this dramatic conversion in the national intelligence estimate from one that only a year ago said we were under a threat of nuclear attack within 5 years to one that now says there is no problem for the next 15 years. This is very disturbing because to most people, it is surely an implausible conclusion.

If you look at the hits that have been taken on the budget that Senator KYL was talking about, the only real reduction that we have had during this administration is in our military capability. We have consistently, time and time again each year for 10 consecutive years, reduced our military spending while all other spending has gone up.

The Senator from Arizona quoted President Kennedy. The more I hear quotes of President Kennedy, the more he sounds like a present-day Republican. He did make the statements that Senator KYL mentioned. But he also recognized back in 1961, when he developed his first budget, that we had to have a strong national defense. And the first budget under President Kennedy had 50 percent for military and 30 percent for human resources. Today, in the budget we have, only 17 percent is for military and defense and 60 percent is for human resources. So it is just reversed, and yet we are saying this at a time when some would like to lull the American people into believing that there is no threat out there when, in fact, we know that there is. So it may be only a handful of us in the Senate who are going to do our very best to keep America strong. And, again, I would reiterate my concern about what was reported in the article that just came out in yesterday's paper. I am personally outraged that this critically important estimate of the threat to our national security has been totally reversed from previous estimates seemingly just to support a position that the President is holding.

I yield the floor.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I ask unanimous consent to speak as if in morning business.

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

POTENTIAL THREAT OF NUCLEAR MISSILES

Mr. KYL. Mr. President, I compliment the Senator from Oklahoma for his remarks on the report in the Washington Times concerning the potential threat of ballistic missiles from not only North Korea but other nations around the world, and the apparent modification of the threat estimate from our security agencies.

Both of us sit on the Intelligence Committee and are well aware of the work that goes into our national intelligence estimates, well aware of the difficulty in gathering information and

analyzing it, and the difficulty really of discussing the analysis in a way that does not compromise our ability to gather that information.

The public does need to know that the factual information acquired over the years about the potential threat specifically from North Korea led to some conclusions in 1995 that were very disturbing. The Senator from Oklahoma just reiterated several of them.

I would add that Admiral Studeman, then the acting Director, testified publicly a year ago that the North Koreans could be expected to deploy a missile within 3 to 5 years and that that missile could reach the United States of America. Why this is important is that some Members of the Congress have used a revision in the intelligence estimate to say there is no problem and therefore we do not need to fund ballistic missile defense.

A year ago, the national intelligence estimate clearly would have led anybody to the conclusion that we needed to move forward with ballistic missile defense. Now, a year later, the estimate is that that is not necessarily required because countries like North Korea may not be in a position to deploy a missile that could harm the United States as early as we thought. But the facts have not changed, and that is what disturbs Senator INHOFE; it is what disturbs me. If the facts have not changed, what has changed? Has there been a change in the methodology of the assessment? If so, I am not aware of it. I intend to find out. Might there be other considerations for reaching a different conclusion based on the same information?

I know the newspaper article speculated that politics could be involved. I would find it very hard to believe that the Central Intelligence Agency would permit that to happen. But something happened. And I think we have to find out because in this matter we are talking about the most serious possible consequences. It is literally a potential life and death situation.

If, in fact, according to our intelligence estimates, countries that are unfriendly to the United States are going to develop capabilities that they could use against us in the very near future, we have to be prepared to deal with that, period. If, on the other hand, that threat is further away than we originally thought, we have a little bit more flexibility in determining when and how to respond. But it is important that the information be real and that it not be subjected to rose-colored filters of some kind either based upon hope or based upon politics.

As I said, I cannot believe that anybody in the administration would skew the analysis of such an important matter just in order to cause the Congress not to move forward robustly with the ballistic missile defense system. That is why Senator INHOFE and I and others are going to get to the bottom of this and determine whether or not there is a reason for the change in the estimate.

But the interesting part of this, Mr. President, is that it probably does not matter one way or the other in the sense that, if we began today to get on with the job of developing and deploying an effective ballistic missile defense system, it still would not be ready by the time the threat is said to exist.

Mr. INHOFE. Would the Senator yield?

Mr. KYL. We need to move forward as robustly as we can.

I would be glad to.

Mr. INHOFE. I was hoping it would come out that the Defense authorization bill would have put us in the position to deploy a system, a very crude system, a very basic system, by the year 2003. The estimates are that this would actually be 2 years beyond the time when the threat would exist, so we would still have 2 years of vulnerability. I believe I am correct when I say that.

Mr. KYL. The Senator is absolutely correct, which is why it makes it so important for the Senator from Oklahoma to have brought this to the Senate floor today. Even if you assume the most conservative estimate—or I should say the most liberal estimate—of the time that the threat will be there, we are still not moving forward to meet that threat.

Mr. INHOFE. If the Senator would yield further, it is also very important, any time a discussion or debate takes place like this, to remind the American people and ourselves in this body that we have a system that is about 80 to 85 percent paid for right now. We have approximately \$40 billion already invested in the Navy's Aegis system that we are merely trying to upgrade to reach into the upper tier.

I would have to say that what offends me more than anything else, because I watch it at work, are the liberals who do not want to invest any money at all in a national defense system, referring to it as star wars because what you get in your head when you hear "star wars" is that it is some kind of an image of something from Buck Rogers—some of you may not remember that—or science fiction, when in fact anyone who was watching CNN during the Persian Gulf war knows the technology is there. This is something for which the technology is here.

We are almost there. It is a matter of spending a little more, about 10 percent more than what we have already spent to be able to defend ourselves against missile attack.

I did not really become wrapped up in this issue, Mr. President, until the bombing took place in my State of Oklahoma. I saw all the disaster surrounding that. I watched and heard the stories, and I knew people who were in there, people later found to be dead. I looked at that and I thought, that bomb was equal to 1 ton of TNT. The smallest nuclear warhead that we know of today is 1,000 times that size.

If you multiply the disaster that the whole world grieved over in Oklahoma