

leader and an even rarer person in this town: a true gentleman who cares more about others than himself. As the Air Force slogan says, "No one comes close."

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. Mr. President, it is my understanding that time has been set aside for Senator THOMAS. I would like to claim 15 minutes of that time.

The PRESIDING OFFICER. Without objection, the Senator from Colorado is recognized.

#### TAX CUTS

Mr. ALLARD. Mr. President, before I say anything about how necessary I believe the President's tax cut is at this time in our Nation's history, I want to also point out to my colleagues on the Senate floor another way we can save dollars, save on Government expenditures, another way we can make money available for tax cuts, another way we can begin to do more to pay down the debt: voluntarism. Senators who are here in this body are going to have a great opportunity on March 7 to volunteer for a very worthwhile project, Habitat for Humanity. Members of the Senate are sponsoring a home, where staffs, spouses, and Members of the Senate can actually go out and help construct a home for a family who is struggling and needs assistance. This is an excellent alternative to a Federal program. I encourage Members of the Senate to participate in this volunteer program.

I am also pleased to join my colleagues in the Senate in calling for tax cuts for all Americans. I support tax cuts for the people who work hard every day. Everyone paying taxes should receive tax relief. I agree with my colleague from Arkansas who earlier spoke very eloquently about the need for tax cuts, that people have a better idea how they would like to spend their dollars than any bureaucrat in Washington or any Member of this Senate. I think it is time we have a tax cut now that we have unprecedented revenues coming into the Federal Government.

Many people I see here on the floor arguing against tax cuts, willingly and excitedly spend more money in the appropriations process. Their argument against tax cuts is that we need to have the money to pay down the debt. But when we get toward the end of the session, we have a spending binge. In the final 6 months of last year, we spent \$561 billion—the biggest tax spending binge in this country's history in peacetime. I don't think we should allow that to happen because in the long-term we are dealing with some very big liabilities. To increase programs and increase spending at this time just means it is going to get worse. We should work to pay down the debt, and we did a good job toward paying down the debt. Ninety percent of our surplus went toward debt repay-

ment last year. I am proud of our efforts in doing that.

I think the other solution is that we need to have a tax cut. We need a plan to pay down the debt, and we need to have a plan to reduce the tax burden on the American people. I happen to agree with what the President recently said, that we need to make tax cuts retroactive. Why not? In the past, Congress has instituted tax increases and made them retroactive. So if we see a need to keep the economy from slowing down too much, or if we have excess surpluses, then I think we ought to go ahead and have tax cuts that are actually retroactive rather than increase spending.

We frequently discuss the budget surplus, and I believe it is actually more accurate—and I want to emphasize this—to talk about it as a tax surplus. The surplus represents an overpayment by taxpayers. These overassessed taxpayers should not have to send the money to Washington in the first place. My colleague from Arkansas pointed out that it gets distributed on the whims and wishes of the bureaucracy and Members of the Congress. I think it is better to empower local taxpayers to spend that money as they see fit. Allowing people to keep their own money makes sense to me. They are in a better position to know what they need. I believe in people's priorities, not Washington priorities.

Rather than addressing the basic question of whom we should trust with the taxpayers' money—the taxpayers or Washington—some have attempted to shift the focus, claiming they can't afford tax cuts. In fact, tax cuts don't jeopardize debt repayment or the Government's other obligations.

I think my record here on the Senate floor is clear. I am known as a budget and debt repayment hawk. I want to see the debt paid down as fast as possible. Federal Reserve Chairman Alan Greenspan said in a recent Budget Committee hearing, which I attended, that based on the current projections, there is room in the surplus for both debt repayment and a tax cut. He stated repeatedly before many different committees that the least desirable option is to use surplus money for new spending—exactly what the Congress did in the final 6 months of the last Congress.

On July 1, 2001, CBO delivered an encouraging fiscal forecast. They saw that the foreseeable budget surplus would allow the Government to return a major portion of the surplus to its rightful owners. That means a tax cut. They saw that the surplus would allow continued efforts to pay down our national debt. It continues to make good on a Republican promise to protect the Social Security surplus.

To put it simply, CBO's baseline assumptions for 2001 to 2011 project surpluses large enough to allow the Federal Government to retire all available debt held by the public.

Surpluses from this year through 2011 are projected to approach between \$5.6

trillion and \$6 trillion—nearly four times the amount needed to fund the Bush tax cut.

The Bush tax cut plan is an important first step towards returning the tax surplus by lowering taxes. It will mean on the average \$1,600 more for each American family. That is real money. It can be used for such things as buying a home, paying for a college education, purchasing a computer to help kids in school, buying a car, or paying the energy bill.

I support the Bush tax cut because it offers real tax relief for every American taxpayer.

First, the Bush plan cuts and simplifies the current tax rate structure. Rather than five marginal tax rates President Bush proposes four new, lower rates. In effect, this simplifies the Tax Code and also provides tax relief where it is really needed. I think that all taxpayers should have a tax break. The current tax rate brackets, which run from 15 percent to 39.6 percent, will be replaced by four new brackets at 10 percent, 15 percent, 25 percent, and 33 percent. Those at the lower end will receive the highest percentage of relief. I want to repeat that. Those at the lower end—that is the 10 percent range—will receive the highest percentage of relief. In fact, one in five taxpaying families with children will no longer pay any tax at all. This means 6 million families will receive complete tax relief.

The Bush tax cut will also provide important tax relief for families by reducing the marriage tax penalty.

In meeting with my constituents at town meetings, I have heard repeatedly that the people of Colorado want marriage penalty relief. I am one who takes my responsibilities seriously, and I hold a town meeting in every county in Colorado every year. You can imagine how many people stood up and made that very important statement on behalf of their family.

The statistics show why. In the State of Colorado, over 400,000 couples pay additional, unfair taxes simply because they are married. Nationally, this amounts to more than 21 million couples paying on average another \$1,400 per year in taxes; again, just because they are married.

The Bush tax cut will go a long way towards eliminating this disparity.

The penalty runs counter, in my view, to common sense. Marriage is a practice that should be encouraged rather than discouraged.

This penalty really hits young married couples hard. As chairman of the Subcommittee on Housing, I am constantly reminded of the increasing scarcity of affordable housing for young couples. This tax relief would go a long way towards helping working families afford a home.

President Bush also proposed that the child tax credit be doubled from \$500 per child to \$1,000 per child.

Again, this is money in the pocket of hard-working American families—particularly young American families just

getting started. Undoubtedly, it would be especially helpful to lower income families.

I am particularly pleased to support the provision to eliminate the death tax. I share the President's belief that the tax should be eliminated. I have already introduced legislation to do just that, as have a number of other Members in the Senate.

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. Frankly, the estate tax—or death tax—can destroy a family business. This has been called to my attention a number of times in the State of Colorado. One of the more recent examples happens to be a ranch in the Aspen area—a pretty affluent area experiencing a lot of growth.

A family happened to have an unexpected death. They had to sell off the family ranch to pay the estate tax. As a result, open space will be developed, contrary to what many people in that area wanted to see happen. They wanted to see more open space instead of more development.

Repeal of the estate tax would certainly benefit the economy. Without the estate tax, greater business resources can be put toward productive economic activity.

I think the President's proposal to expand education savings accounts will also give parents more flexibility in determining what is best for their children.

There is a lot more to the President's tax plan. But the fact is that I do think we need to move forward. Americans are spending more than ever on taxes, and we need to reduce that tax burden.

I strongly support the President's comments that we should make it retroactive. In other words, we ought to address the problem now and not wait. I offer my strong endorsement of the President's proposed tax cut, and I look forward to a swift enactment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Thank you, Mr. President.

(The remarks of Ms. COLLINS pertaining to the introduction of S. 253 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Texas.

#### TAX RELIEF

Mrs. HUTCHISON. Mr. President, I rise today to talk about President Bush's tax relief plan and what I hope will be congressional approval of tax relief for hard-working Americans.

It is very clear we are going to have a bigger surplus than we ever even dreamed would be possible when we passed the Balanced Budget Act. It is estimated now at \$5.6 trillion. The

President's plan takes approximately 25 percent of this huge surplus and says the people deserve to keep more of their money. This is an income tax surplus. People are sending more to Washington than Washington needs to do its responsibility to cover the costs of Government, to the tune of \$5.6 trillion. Doesn't it make sense to cut back on the amount people have to send to Washington? We think so.

The President's plan gives a tax cut to every American who is paying taxes. It replaces the current five-rate tax structure with four lower rates: 10, 15, 25, and 33. It doubles the child tax credit to \$1,000, reduces the marriage penalty, which we have been trying to do now for 4 years, eliminates the death tax, expands the charitable tax deduction, and makes the research and development tax credit permanent.

What happens when this is passed? Who are the biggest winners? One in five taxpaying families with children will no longer pay any income tax at all. One in every five families who pay taxes and have children will pay no income tax. It will remove 6 million American families from the tax rolls. A family of four making \$35,000 will get a 100-percent Federal income tax cut. A family of four making \$50,000 a year will receive a 50-percent tax cut, receiving at least \$1,600 in tax relief. A family of four making \$75,000 a year will receive a 25-percent tax cut. The marginal income tax rate on low-income families will fall by more than 40 percent. That is the effect this tax relief will have on American families.

The current code is not fair, and it is taking too much. What we need is balance in our system. What this approach will do is pay down the debt, protect Social Security, increase spending for priority needs, and give hard-working Americans more in their pocketbook.

Mr. President, you are going to hear a lot more about this in future months because I believe Congress is going to work with the President to give the tax relief he is seeking. I look forward to the discussion because I cannot think of any reason hard-working Americans should not have the money they earn in their pocketbooks rather than sending it to Washington for a program of which they have never heard.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 11 minutes.

Mr. DURBIN. I thank the Chair.

Mr. President, during the last hour and a half Senators have come to the floor to talk about the President's proposed tax cuts. Of course, we are all interested in finding out what the details are on that tax cut because it is true, the devil is in the details. We need to know exactly what the President is proposing, the impact it will have on our budget, first, certainly on our economy, and on the families of this Nation.

I guess two of the most magic words for politicians are "tax cut." Can you

think of anything more popular to say to an audience? I think we have learned over history that if you just focus on the term "tax cut," and you do not fill in the details, you can find yourself in a pretty terrible predicament.

When President Reagan was elected in 1980, he was dedicated to a tax cut. He said that was the highest single priority. Of course, he enacted that tax cut. We all understand what happened after that tax cut was enacted. We totaled up the biggest run of deficits in the history of the United States. We created such a monster that many of my Republican friends who were faithful supporters of President Reagan came to the floor and said: We are going to have to amend the Constitution now; there is no other way to stop this mess between the President and Congress; we have to give the Federal courts the authority through a constitutional amendment to stop Congress from spending and stop the President from spending.

Thank goodness cooler heads prevailed. Leadership came on the scene that changed the dynamics of this debate dramatically. In 1993, under President Clinton, we passed a deficit budget reduction plan, and several years later we passed a bipartisan plan. Between the two of them, we have finally reached the point in our history where we are no longer laboring with annual deficits adding to the national debt but we are dealing with surpluses.

The obvious question is, What is the responsible thing to do?

First we have to ask ourself this question: How big is the surplus? How much money do we have to spend either on tax cuts or for programs or for some other purpose? I have to say, quite honestly, that is where I have some difficulty with this whole debate.

Let me give one illustration. Seventy percent of all the surplus we are talking about for tax cuts does not appear for 5 years. Thirty percent of it starts to show, but then 70 percent of it is in the last 5 years of the economists' estimates.

Think about that for a second. We are pinning our hopes on statistical projections starting 5 years from now as to what America is going to look like, what the economy is going to look like.

I have a very limited education in economics, and I do not consider myself an expert, but I will tell you, I have worked with some of the real experts on economics here in Washington, and they miss by a country mile trying to guess where we are going to be 5 months from now, let alone 5 years or 10 years from now.

Allow me to use one example. If the 5-year projection is where we really start coming into surpluses, it is reasonable to step back and ask: What were the economists in America saying 5 years ago about today? Let's take a look.

They projected that today in America we would be running a \$320 billion