

North Dakota we have had a bitterly cold winter, the first 2 months especially, and especially the last few weeks again—it is sticker shock to get bills like that.

Now I want to mention a couple of additional points. I will be very brief. First of all, we need to take some emergency action. We need more money in LIHEAP. We are out of money. We have to do a supplemental at some point, and there has to be money for the low-income energy assistance program.

No. 2, I have suggested, in legislation I have joined others in introducing, a tax credit, an income tax credit to offset about 50 percent of the increase in home heating fuel bills of this year versus last year.

That is a way, it seems to me, to use a tax credit to put some money into people's pockets to offset about 50 percent of these increased bills. That would also be helpful.

Legislation will be introduced today that would deal with weatherization, LIHEAP, conservation grants to States, and increased energy efficiency in the Federal Government. Senator BINGAMAN has been working on that along with others, and I have been working with him, as well. We have a lot of things to do, both in the short term on an emergency basis, and in the long term. We also are investigating potential causes for the natural gas price increases.

But we also need, at the same time, to understand that we have the requirement to not only find more natural gas and oil—we stopped looking when it went to \$10 a barrel—and now it is at \$30 a barrel and there is a great deal of exploration again. I think all the evidence indicates that there is a record amount of drilling, and we will have more natural gas and oil coming on line within 6 months, 12 months, 24 months; but that is not going to solve the problem for the next 3 months, or even 6 months, or a year. So we are doing all of that.

At the same time, we need to be more concerned about the development of both renewable energy and also about conservation. Renewable energy, such as wind and biomass, can contribute a significant amount to this country's energy future. Any energy program that makes sense also must include an element of conservation. That is why I talk about weatherization and other issues.

Most important, I think, this ought to lead us to the question of the deregulation in areas of essential service. We need to be sure we have an adequate supply and demand relationship in areas of essential services for the American people. I don't suggest we re-regulate natural gas supplies, but we ought to have a safe harbor somewhere with respect to production and consumption, so we don't get into a situation where people's natural gas bills spring up two, three, four, five times over what they were previously, for

causes to which they didn't contribute. So I wanted to bring attention to these two letters from two fellows named John who wrote me lengthy letters about their respective experiences.

It is painful and difficult and, in some cases perhaps impossible, for some people to pay these kinds of home heating bills. They don't have the money. We need to do something on an emergency basis to try to be helpful to them. More importantly, this country needs a long-term energy strategy that works. Under both Republicans and Democrats, we have not had an energy strategy. We are far too dependent on the Middle East and on foreign sources of oil. If, God forbid, something should happen to interrupt the pipeline of foreign oil coming into this country, and all industrial countries, we would have an emergency on our hands.

We must do something to try to escape the excessive dependence that now exists on foreign energy, notwithstanding all of the current problems we have with respect to the dislocation between supply and demand. Energy issues are critical, and we must do something about them. It is time to have a national energy policy that works, No. 1, and, No. 2, it is time this Congress understands there is an emergency in parts of this country this winter, with respect to the need for some help to pay home heating fuel bills that are exceeding the ability of some people to pay them. That emergency includes the need to provide more money for low-income energy assistance, weatherization, and other related issues.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Missouri is recognized.

SENATOR CARNAHAN'S MAIDEN SPEECH

Mr. BOND. Mr. President, I rise briefly to welcome and congratulate my colleague, Senator CARNAHAN, the newly elected Senator from Missouri, on her first remarks on the floor. I apologize for not being able to be here when she made the comments. I was in a Health Committee meeting asking questions about Missouri education programs of the Secretary of Education.

I understand Senator CARNAHAN was talking about education on the floor, and I know education and children's issues are going to be areas where we will work together. Yesterday, Senator CARNAHAN joined as a cosponsor on a couple measures that are very important, ensuring 100-percent deductibility on health insurance for the self-employed, which is very important to farmers and small business people in my State, and also providing relief from the draconian cuts enforced by HCFA on home health care agencies, which cost us half the home health care agencies in Missouri.

We have many areas in which we are looking forward to working together. I

tell my colleagues that Senator CARNAHAN has been a long-time friend. She and her family were close associates in Jefferson City. Senator CARNAHAN was best known in Missouri as a very strong helpmate of our late Governor, treasurer, and servant, Mel Carnahan. I got to know her very well when they shared the same public housing in which we had lived, the Governor's mansion in Missouri. She was a very strong champion of the preservation of that mansion and a most gracious hostess for all the people of Missouri who came there.

After the terrible tragedy which befell her family in our State last year, she was strong and gracious and was widely respected and admired by all Missourians. I know colleagues on this side of the aisle who have not had an opportunity to get to know her and work with her will look forward to doing so. I congratulate her and wish her well after making her first speech on the Senate floor. I know there will be many other issues which affect our mutual constituents on which we will be working together.

I thank the Chair and my colleagues for indulging me as I extend a very warm welcome to Senator CARNAHAN.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized.

(The remarks of Mr. HOLLINGS pertaining to the introduction of S. 341 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Mr. ALLARD). Under the previous order, the time until 11:30 a.m. shall be under the control of the Senator from Arizona, Mr. KYL, or his designee.

The Senator from Arizona.

ESTATE TAX

Mr. KYL. Mr. President, I was surprised to read the headlines in the paper this morning—and I actually saw a little bit of this on the news last night—that billionaires in the United States actually support the estate tax and oppose President Bush's plan to repeal the estate tax.

One would think for a moment that is a man-bites-dog story; that is counterintuitive. Upon reflection, it actually makes a lot of sense and makes no sense. I will discuss that today. I will get back to the billionaires in just a moment.

First, to set the stage, we all know President Bush has proposed an important and innovative set of tax relief proposals that will help working American families, will help the economy at this time when it is beginning to falter, and will provide more fairness in our Tax Code. It has three essential features. There may be some other pieces added to this by the Congress.

Primarily, it calls for reduction in marginal income tax rates. That way, everybody who pays taxes receives a tax benefit, tax rate relief.

Second, it repeals the estate tax, one of the most unfair taxes we have ever produced in this country.

Third, it largely does away with what we call the marriage penalty, which actually provides a higher rate of taxes for two people who are married and working than if they were living together without having been married.

Both the repeal of the estate tax and the elimination of the marriage penalty were passed by the Senate and the House last year. We sent those bills to President Clinton and he vetoed them. In the campaign, Governor Bush said: If you send those bill to me, I will sign them. So they represent an important part of his tax relief proposal. Mr. President, I aim to say we will send them to President Bush so he can sign them.

Because there is such momentum behind the repeal of the estate tax, people who fear now that its repeal will actually become a reality have begun to take to the air waves and get their petitions out and to get on television proclaiming that naturally this is a very important and needed tax. The ones who would get the most publicity, of course, are the billionaires who say: Look, we will be paying a lot of this tax. If we can be for it, surely, everybody else can be for it; why would you want its repeal?

It turns out there are two primary reasons. I will summarize first and then go into a little more detail.

The first is that these are the very people who can well afford, A, to pay the taxes; but, B, to pay for the multi-millions of dollars to find the loopholes to avoid paying most of the tax, to do the estate planning. That is the euphemism for the term which means hire accountants and lawyers to try to figure out a way to avoid paying most of the tax—and there are ways you can do this if you are willing to pay enough money to these lawyers. And there are ways, also, if you pay enough money to insurance companies.

By the way, I got a letter from an estate planner in New York. He said: You can't do away with the estate tax. This would hurt my livelihood. I make a living finding ways for people to avoid paying the estate tax.

I didn't do this, but I felt like writing back to him and saying, if we could figure out a way to eliminate death, I would probably get a letter from a mortician saying, you can't put me out of business like this.

These people make a lot of money helping people like George Soros, Bill Gates, Sr., and other people of great wealth. By the way, I admire all of these people for what they have been able to accumulate over their life. But they make a lot of money on these people doing estate planning. Frankly, I think it would be very interesting if all of the billionaires who have signed the petition calling for a continuation of the estate tax would tell us publicly how much money they have spent on estate planning and how much money

they have been able to save as a result of what they have been able to accomplish with their lawyers and accountants. I expect they have been able to save more than most people will ever pay in taxes.

The first point we should realize is with these billionaires, this is chump change. They can pay the lawyers and accountants to figure out a way to save the most money and they are still happy to pay what they have to pay because it doesn't mean that much to them, unlike what it means to most Americans. My first challenge to all of these petition signers: Please come forward and state how much you are going to actually pay in estate taxes versus how much is in your estate. Specifically, is any one of these people willing to pay the entire obligation of the estate tax without any opportunity for estate planning to save money; without taking advantage of any loophole? If they think this is such a great tax, are they willing to pay all that is due without any kind of estate planning to avoid any part of the tax on their part?

That would be very interesting to find out for these people who think this is such a wonderful tax. And I present that challenge to them today. My guess is that during their lifetime, one reason they accumulated so much wealth was because they knew very well how to manipulate the stock market, how to manipulate the currency market, how to make sound investments, all the while eliminating or reducing to the lowest possible amount taxes they would have to pay.

There is nothing wrong with that. That is how a lot of people make their living. And certainly these very wealthy people have undoubtedly taken advantage of whatever provisions we have in the Tax Code for avoiding the payment of taxes.

The second reason why, even though this seems counterintuitive, and this makes a lot of sense, is many of these same people have as one of their primary goals in life running charitable foundations; in effect, spending other people's money for their charitable giving.

It is very easy to be very charitable when you are using someone else's money. What some of these people have said is, we need the force of Federal law to make people give their money when they die or make the widows and the orphans cough up the money when the breadwinner dies. We need to take 55 percent of their estate so we can put it into our charitable foundations and hand it out and get invited to all kinds of fancy dinners and do good. We are all for the good these charitable groups do.

Let no one make any mistake about that. It is easy to be charitable with someone else's money. The question is, Are you willing to be charitable with your own money? Even if you think other people should also give, would it be better for you to ask them to give from the goodness of their heart to

charity or to use the confiscatory power of government to make them give by saying, we are going to take 55 percent of everything you own when you die?

There is one way to avoid it: If you can give it all away, then you are not passing it on to your heirs.

That is the first great problem with those who defend the estate tax. They say it would prevent the concentration of wealth if we can maintain this tax. That is absolutely, 180 degrees off from the American dream. Generation after generation in this country has said: We want to leave our family better than the previous generation. We want to work hard. We want to save. We want to provide for our kids' education so when we die they have a better chance in life than we did.

What is wrong with that? That is the American dream. These people say no. What is wrong is for one generation to be able to pass wealth on to another generation. Everybody should have to start from exactly the same point in life.

There are those who would manipulate Government, and our very lives, to force equality in fact rather than equality in opportunity. That is, in effect, what these people are saying: We are going to force everybody to be exactly equal because whatever it is you accomplished in life we are going to take away from you at the end of your life so your family, then, has to start all over again.

What incentive is there for most people to save for future generations, to try to help their kids or their grandkids to have a good start in life? I want to be able to put some things away for not just my kids but my grandkids. They mean so much to me. I want to make sure they have a good start in life, that they will be able to get a good education. What is wrong with that incentive to save?

These billionaires, they don't have any problem with that. They could buy half the countries in the world. They do not have to worry about what most of us have to worry about in life, and that is putting enough aside to be able to take care of ourselves in our old age and maybe provide something for our kids and grandkids thereafter. That is the American dream. These people would destroy that dream. That is wrong. I understand it is hard for them to appreciate that problem for many Americans. But it is a very real problem. I am going to get back to that problem in just a moment.

Let me talk about the next myth these people are trying to perpetrate, that actually it will hurt poorer people because if we do away with the estate tax, we are going to have to raise other taxes to make up for the revenue. Have these people been living on another planet? Are they not aware that this Government is going to be running a \$5.6 trillion surplus?

The whole notion President Bush has here, as he said when he was Governor

and running for the Presidency: We are going to have a massive surplus. We will have more than enough to have whatever we need to spend money on—save Social Security and Medicare and have enough left to have tax relief for the people. You don't have to raise taxes. That is what the surplus enables us to do. This is a specious argument. People ought to know better than to make this argument.

For the upcoming fiscal year, fiscal year 2002, the on-budget surplus is estimated to be at \$142 billion, according to the CBO. We can afford, with an overtax payment of that amount, to return some of that money to the American people. And we do not have to then raise taxes somehow to do that.

The last budget of President Clinton projected estate tax revenues at \$34-plus billion. That is for this fiscal year, 2002. That would represent about 1.5 percent of our revenues. So we have to keep this tax in place, a tax that produces only 1.5 percent of our revenues and causes great disruption and consternation in America's families?

Let me get back to what I said before about the problem of this business of creating wealth and the American dream. The fact is, of course, most Americans will not pay the death tax. But they still see something terribly wrong with a system that allows Washington to seize more than half of whatever is left when someone dies, that prevents hard-working Americans from passing the bulk of their nest egg on to their future generations.

Mr. President, I love a lot of things in this country. I give to charity. I love my country. But I think I love my kids and grandkids and my wife more than anything else in the world, and with this tax the Government says we cannot benefit them. We are going to force you to give that money to somebody else or to the U.S. Government. You cannot pass it on.

Most Americans see that as unfair, even if they are not going to have to pay for the tax and even if they don't have to pay a lot of money to try to avoid paying the tax through estate planning. A McLaughlin Associates poll conducted from January 26-27, just a week or so ago, found 89 percent of the people surveyed believed:

... it was not fair for Government to tax a person's earnings while it is being earned and then tax it again after a person dies.

Let's understand: All the money you earned is taxed. We have an income tax in this country. So it is taxed. Then you invest it and do whatever, and you die and it is taxed again. So it is not as if this money has not already been taxed at least once.

Mr. President, 79 percent of the people in this survey approve the idea of abolishing the estate tax—79 percent. Most of them will never see any direct benefit from that, but they understand it is unfair. Most Americans are not envious. Most Americans do not want to squash everybody else down as a way of making themselves feel good.

They aspire to earn more and to be able to save and maybe even have to worry about the estate tax.

Other polls have reached the same conclusion. I found one very interesting, a Gallup poll of last year, which found that 60 percent of the people supported repeal at that time, even though about three-fourths of them did not think they would ever have to pay the death tax themselves. They still favored its repeal because they are good, fair people. And fairness is what the effort to repeal the death tax is all about.

Edward J. McCaffrey—I think he would characterize himself as a liberal—a professor of law at the University of Southern California, said this:

Polls and practices show that we like sin taxes, such as on alcohol and cigarettes. The estate tax is an anti-sin, or virtue tax. It is a tax on work and savings without consumption, on thrift, on long-term savings.

He is exactly right. It is a tax on virtue. It punishes savings. It punishes saving something and trying to pass it on to your kids. It basically says: Spend it all because you can't take it with you. That is a lifestyle that some have, perhaps, lived in this "me" generation, but it is not the right lifestyle for most Americans.

By the way, it is pretty hard to calibrate anyway. Spend it all because you can't take it with you; that is the idea here. What if you live a little longer than your bank account lasts? Then you turn to the Government to take care of you for the rest of the years of your life.

Being able to save also means being able to take care of yourself and your family, another virtue. This is a tax on virtue. The professor is correct.

Economists Henry Aaron and Alicia Munnell reached similar conclusions in a 1992 study in which they said death taxes:

... have failed to achieve their intended purposes. They raise little revenue. They impose large excess burdens. They are unfair.

The next myth is that the estate tax is necessary to prevent the accumulation of wealth. A lot of people have noted that after about three generations the wealth seems to dissipate. But apart from that—and I don't know of any study that can quantify that—I can at least with an anecdote tell you what happens in most cases. These are not the George Soros kinds of cases but the average case.

A family in Arizona—and I am going to mention the man's name because he is a real hero to me. He was one of the best, big-hearted givers in Phoenix, AZ, for many years. His name is Jerry Wisotsky. Jerry moved out from New York to start a printing company by himself. He gradually added employees. He couldn't say no. Every charity in town went to him. He contributed. He has boys and girls clubs named after him. I won't get into his charitable contributions. He was a mainstay for our community and supported it. He had a very successful business that

could support it. He had over 200 employees when he died.

His family tried mightily to plan around that death and to avoid having to sell the business. His daughter and son-in-law wanted to continue to run the business. After 2 or 3 years, they realized it was futile. The estate tax was simply too much. They had to sell the business to pay the estate tax.

Two things happened. First of all, they sold, I think, to a big German conglomerate. So much for preventing the accumulation of wealth. This little family-owned business that turned into a very good income producer, but which was still a small business, was sold to a giant company from another country. As I say, so much for the estate tax preventing the accumulation of wealth. But it did have the intended effect of making his family less able to give, to follow in his footsteps.

So we now no longer have Jerry Wisotsky or his daughter, Pearl Marr, being able to contribute to their community as he used to do.

That gets to another myth, that we have to have the estate tax in order to force charitable giving. Apart from the lunacy of that concept—it reminds me of the Woody Allen movie "Take The Money And Run" where Woody Allen plays this inept crook and his parents are seen with masks on saying: We tried to beat religion into that kid. Of course, it doesn't work.

It really doesn't work to force people to give to charity either. In fact, there are some interesting statistics. It is a specious argument that we have to have the estate tax in order to support charitable giving. But I think it is especially interesting because of these billionaires now supporting the tax.

There are also some studies that demonstrate the elimination of the estate tax would actually encourage the wealthy to give more during their lifetimes but less just before they die or in their bequeath—in their wills.

A study by David Joulfaian, a former Treasury Department economist for the National Bureau of Economic Research at the Brookings Institution, found that the estate tax has an important effect on the timing of charitable gifts. It encourages the very wealthy to bunch gifts at death rather than over their lifetime. He noted that the very wealthy give much less to charity during their lifetimes than the less wealthy, and considerably more through their estate and wills and bequeaths. This suggests that the elimination of the estate tax will encourage the wealthy to give more during their lifetime and less at death but not necessarily reduce the total amount of lifetime giving.

Another study shows that the bulk of charitable giving is made by people who can't deduct such gifts from their income taxes at all. According to Giving USA, total charitable giving in 1992 amounted to \$190-plus billion, and only \$15-plus billion—about 8 percent—came

from bequeaths. If the goal is to encourage charitable giving, then Congress should consider an above-the-line deduction for all charitable gifts—for those who itemize as well as those taxpayers who don't itemize—rather than to continue to impose a punitive, confiscatory estate tax at the time of death when families can least afford to deal with it.

We also find charitable giving is strongly related to income and wealth. Simply put, the more income and wealth the people have, the more they tend to give charity.

William Randolph, an economist for the Congressional Budget Office, concluded from his research that charitable giving responds much less to changes in tax rates than permanent changes in income.

It is quite specious to argue that we have to have this tax for charitable giving in this country. Eight percent of the gifts come as bequeaths; the rest does not.

I also think the story today by the Los Angeles Times about the petition signed by all of these billionaires is very interesting. They say it was signed by men whose foundations "rely heavily on charitable donations." This is laid bare. Basically, this is a special interest group. People who have these foundations need to have money constantly pouring in so they can force taxes from people in order to play that game. Again, I am sure that in their hands very good things come to pass. But in someone else's hands, this same charitable giving could do just as much good. I find it offensive that these people—basically special interests in this country—would use the U.S. Government to extract taxpayer dollars from people and have the threat of that kind of 5-percent rate forcing people to give in their wills to these charitable foundations. If they can't persuade people to do it on the merits from the goodness of their heart, they ought not be in the business. That is the way I look at it.

There is another myth that the wealthy don't need another tax break. Of course, a lot of wealthy don't need a tax break. Of course, these are people who invest, which is exactly what our economy needs at this time.

But I would say something else; that is, we are not talking about just these billionaires. Sure, they don't need it. I stipulate that. But there are a lot of small businesspeople and farmers and others who do need to be able to maintain what they are doing. They don't want to have to sell the family farm. They don't want to have to sell the small business that I talked about a moment ago. They would like to be able to continue the operation generation after generation.

The point here about these very wealthy people is that the way we passed the bill last year they are going to be taxed anyway. They are not going to be taxed 55 percent when they die, but they are going to be taxed on the

capital gains if and when the asset is sold. Eventually all assets are disposed of. Their heirs are not going to have to pay 55 percent of the estate in taxes. But when their heirs turn around and sell those assets under the bill that we passed last year—and I suspect the bill we will put forward this year—they are going to have to pay a capital gains tax on the sale. Importantly, they are going to have to pay that without a step-up in basis, except for an exemption which is equal to a little bit larger than the exemption we provide today—about a \$5 million exemption.

So nobody who is exempt today would have to pay under this legislation. Except for that exemption, we do away with the step-up in basis so just as Mr. Gates, Sr., would have to pay a capital gains tax on the original cost of his investment if he sells that asset when he eventually dies and leaves that estate to his heirs, when they sell it they are going to have to pay a tax on the gain going back to his original basis. That means their tax is much less expensive, if you are interested in that. It is going to cost the Treasury a lot less money than some people think it will, but it doesn't let these people off the hook. They will be taxed under this proposal, but at least they have the choice of when they are taxed.

Instead of having to figure out how to pay this tax right after the breadwinner in the family dies and being faced with the possibility of perhaps having to dispose of the assets right then, they can wait until they want to make the economic decision to do so knowing full well they are going to pay a tax but they can understand the economics of paying the tax at that time.

I think this is the beauty of the approach of what we passed last year, which President Clinton vetoed and which I hope President Bush will include in his estate tax repeal. Remember there is another benefit to this.

I will close with this notion: It is very difficult to try to come up with an amount of exemption that is fair around the country. Some people said: Let's not repeal the tax; let's just create a much larger exemption.

I was talking to one of my colleagues from California yesterday who said the problem with that is that property values in California are now so high, and getting so much larger, that what is a taxable estate in California wouldn't even begin to qualify as a taxable estate in another State—let's say in a Midwest or Southern State. But in California, just because of the value of the property, even if that is all you own, you could easily be kicked up into the bracket where you have to pay a capital gains tax.

There is another problem that people are finding more and more. Again, this is happening in California. There is an environmental problem there. As people find they have to sell their property in order to pay the estate taxes, we are talking about environmentally sensitive land that could be held but is

now having to be sold for development. And there are always plenty of developers hanging around ready to buy this good land and develop it.

What we are finding is that more and more native habitats are being destroyed as a result. With that in mind, Michael Bean of the Nature Conservancy, observed that the death tax "is highly regressive in the sense that it encourages the destruction of ecologically important land." It represents a real and present threat to endangered and threatened species and habitats. And because it tends to encourage development and sprawl, a lot of environmental organizations have joined in urging this repeal. Among those are the Izaak Walton League, the Wildlife Society, Quail Unlimited, the Wildlife Management Institute, and the International Association of Fish and Wildlife Agencies.

We see there are a lot of myths about the estate tax. That is exactly what they are, myths.

Second, we see that many Americans won't benefit directly from its repeal. There is very strong support for its repeal because Americans are fair people. They understand what will help our economy, and they understand what is fair to working families.

I think there are two motivations for retaining the tax. One of them is envy—that nobody should have more than I have. But it turns out that very few Americans support that. The other is this special interest notion that having the death tax is the only way we can make people contribute to a charity. They are going to force them to be charitable. Apart from whether or not that is a moral point of view, it certainly isn't or ought not to be the function of Government. As I said, if we want to use the power of Government to encourage charitable giving, there are much better ways to provide a deduction for charitable giving for both those who itemize and those who don't.

There are other things we can do as well. At the bottom of the day, it is not surprising that these billionaires would say: Let's keep the death tax. To them it doesn't matter. I renew my challenge. Are you willing to pay 100 percent of the death tax you owe or have you spent a lot of money to try to do estate planning to get around this? I think that would be a very interesting thing to find out. Most Americans cannot afford to do that. That is why this tax needs to be repealed.

I join President Bush in urging my colleagues to ensure that when his tax package passes, that it has the repeal of the death tax as one of its key components.

The PRESIDING OFFICER. Under the previous order, the time until 12 noon shall be under the control of the Senator from Wyoming, Mr. THOMAS, or his designee.

The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I appreciate what the Senator from Arizona has just been discussing; and that

is very important tax relief for hard-working American families. That is something that will be a high priority for our Congress. I appreciate his leadership in that effort.

NATIONAL SECURITY AND OUR ARMED FORCES

Mrs. HUTCHISON. Mr. President, another high priority for our Congress is our national security, making sure the men and women in the military have the tools they need to do their job, because their job is protecting our freedom. They are laying their lives on the line every day to do that. I think they deserve the respect, attention and the tools they need to be successful.

Ten years ago, President Bush, Secretary CHENEY, and General Powell, developed a plan to downsize the military while keeping it strong and ready. Their plan envisioned a leaner force, consisting of fewer troops, ships, and aircraft, but one that was 100-percent manned and supported. This is not the force we have today.

Today's military has been cut in half since 1991, but the half is not whole. Our services are struggling to recruit and to retain personnel. We are cannibalizing ships, aircraft, and other weapons systems to support deployed units. The military is completing the missions today on the backs of our overworked and overextended troops. As they have done in the past, they are spending an extraordinary amount of time and effort doing whatever it takes to get by.

Congress and the administration must work together to help our men and women in uniform. They deserve it; and America requires it. We could easily throw money at the problems and feel as if we are doing something, but the military requires more than money. It requires a national strategy and leadership from the top. In today's new world, we need to assess what we are doing, why we are doing it, and provide the assets to successfully achieve our mission.

In the future, we must ensure that our military is used wisely, not wastefully. This requires an immediate review of overseas deployments and missions. We must focus our military commitments and we must focus our objectives. Before we deploy our forces into harm's way, we must know what it is we expect to accomplish, we must define success, and we must have an exit strategy.

We also need to encourage our allies to take a broader role where they can, allowing our forces to contribute in areas where the United States has significant advantages in command and control and logistics. Leadership means convincing our allies to do their share in their own backyards and not simply accepting their threats to leave Bosnia or Kosovo unless we remain with them on the ground. We must be able to convince our allies that if they will step up to the plate, if they will

exercise their responsibility, that we will be a backstop for them if an emergency occurs.

Today's military requires better pay, better treatment, and better training. In order to recruit and retain military personnel, we must improve their pay. We can no longer allow fast food restaurants to compete with the military for pay and benefits. That is hardly the standard that we should have.

Our military deserve pay commensurate with their skills. They demand highly educated recruits to operate the sophisticated weapons systems that are used today and that will be used in the future. We cannot attract our young men and women unless we provide a competitive standard of living and quality of life.

The President's initiative to add \$1.4 billion in pay and bonuses will help close the gap between military and civilian pay. In addition, we must treat our military personnel and their families better. There is an old saying that we recruit the soldier, but we retain the family.

In my years in the Senate, I have focused on improving three areas in the quality of life of our military: improved military housing, including barracks and family housing; access to quality medical care; and increased support for quality schools for military children.

On Monday President Bush proposed adding \$400 million to upgrade sub-standard housing and \$3.9 billion to improve military health care. This is so important to our military personnel, especially the ones deployed overseas without their families.

I have visited with our military people on the ground in places such as Saudi Arabia, Kuwait, Bosnia, and Kosovo. I can tell you, the No. 1 item on their agenda is quality health care for their families who are back home. They need to have decent housing, access to quality medical care, and good schools when they are away. Nothing is more frustrating, nothing will drive the soldier out of the Army faster, than to call home and have to contend with medical care problems from a phone booth in Bosnia.

Finally, for too long, we have neglected the facilities where our troops work and train. Forcing people to work in 60-year-old frame buildings with little heat and no air-conditioning, and attempting to maintain sophisticated aircraft and systems when hangers are leaking around them, is certainly not conducive to retaining good people.

Our current ranges and training facilities are also a national treasure, but they need to be upgraded. Improved training facilities also affect quality of life by allowing troops to effectively and efficiently train and then return home.

Taking care of our people also involves taking care of their equipment and buying the weapons they need to win if they are called upon to go. We need to modernize existing weapons. At

the same time, we need to look ahead and use America's lead in technology to build our future weapons systems. American technology has been a force multiplier in the past and will be even more important in the future. We cannot allow potential enemies to gain a technology advantage while we spend our time and money on incremental improvements.

The President has said he intends to earmark \$2.6 billion of the military procurement budget for research and development. We will use technology to reduce the risk to our forces and overwhelm any enemy quickly.

The military of the 21st century must be agile, lethal, readily deployable, and require minimal logistical support. Many of our adversaries will not confront our forces directly, therefore we must be prepared for both threats posed by terrorists or blackmail by rogue nations.

Our Army and Marine Corps must be light enough to quickly deploy but heavy enough to win. Our Navy must be able to fight at sea as well as affect the fight over land, and our Air Force must have a global reach. Our defense strategy should be prepared to defend rather than react. This is why deploying an anti-ballistic missile system is so important to American security.

Missile defense is not a threat against responsible nations. Rather, it is an insurance policy that would provide doubt in the mind of a rogue state, protect our Nation, help our allies, and increase the options available to the President.

I applaud the President for sticking by his guns in saying we are going to deploy a missile defense system, and I especially appreciate what Senator THAD COCHRAN has done year after year after year to move missile defense forward.

Taking care of our military includes taking care of our veterans. We must keep the promises we make or why would anyone trust us? We must renew our commitment to our veterans. We must keep our promises to these past defenders of freedom by providing quality medical and educational benefits.

I will soon introduce a bill regarding gulf war illness. Thousands of our gulf war veterans are affected by a chronic disability. One in seven have come back from Desert Storm with a disability they did not have when they left. These men and women served our Nation honorably and deserve the care to which they are entitled.

Our veterans also deserve educational benefits second to none. Veteran education pays a high yield on our investment. The veterans of World War II became our most educated segment of society upon their return home. These men and women went on to become our leaders in business and government. Veteran education has always provided a big incentive to volunteer for service. We must renew our commitment by improving and increasing these benefits.