

and the peaceful transitions of power our Constitution has provided.

I was watching C-SPAN this morning. The topic was "The Greatest Generation." People were talking about what they consider to be our greatest generation. The debate was about whether the greatest generation was the wonderful heroes who went to battle in World War I and especially World War II, because we are talking to them, and in Tom Brokaw's book "The Greatest Generation" being the silent heroes, the people who answered the call of their country and fought bravely and came home and never talked about it, never whined, never complained. They are, indeed, our great heroes.

Then people started talking about the greatest generation being our Founding Fathers and their families, and the sacrifices they made when they declared independence and when they crafted our Constitution that set in place the document that has kept us vibrant and alive today.

Through all of the things that I, personally, have lived, even in my mere 7 years in the Senate, I have seen our Constitution tested and prevail, tested and come through, tested and show the wisdom of the balance our Founding Fathers put in place so we could have changes in power and have them peacefully.

While talking about the greatest generation, it also has come home to me when I have visited foreign countries, foreign countries that have seen the despotism of military rule, of dictatorships, of communism. They are coming out of those totalitarian governments. They are coming into democracy. I thank the Lord, I thank my lucky stars, and I feel so grateful we had Founding Fathers, and families who supported our Founding Fathers, who created a document that is living today, that has given the balance so we have never had a totalitarian government since the democracy we formed in 1776.

I feel very proud, and it came home to me today as I started thinking about the greatest generation. I think our Founding Fathers and their families certainly created generations behind them who also were great in that they answered the call of the time. That is what has happened throughout the 17 or so generations since the founding of our country. Sometimes we have not had to answer a crisis. Sometimes the United States has had a period of peace and prosperity. When we have been tested throughout the 17 or 18 generations, we have met the test. We have met the test because we have learned from our Founding Fathers and their families and we have built on their strengths and the Constitution they created. We have been able to answer every test with success.

I feel very grateful to live in a society where we can debate which were the greatest generations. I don't think we have had a generation that has ever sunk to the lows we have seen in other

countries and other societies where our Government has broken apart or our institutions have broken apart. I think we have perhaps expanded beyond the boundaries, but we have always come back because we have the structure that we do.

I appreciate very much the opportunity to serve in the Senate in this great democracy and hope we will always be able to meet the test of the strength of our Founding Fathers and always be grateful for the Constitution that has been so vibrant throughout the generations.

I yield the floor.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Maine.

Ms. COLLINS. I thank the Chair.

(The remarks of Ms. COLLINS pertaining to the introduction of S. 970 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Ms. COLLINS. Mr. President, I yield the floor and, seeing no one seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INHOFE. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. COLLINS). Without objection, it is so ordered.

TAX RELIEF FOR THE AMERICAN PEOPLE

Mr. INHOFE. Madam President, while I was presiding, something occurred to me. I felt compelled to share it.

Right now, something very significant is taking place. There is a conference committee that is looking at the bill that we passed and the bill that was passed in the House of Representatives. They are going to come out with a product and decide just how to change it because the bills are not exactly the same.

It is a piece of legislation that will do something very significant. It is going to provide tax relief for the American people. It occurred to me—I will use the words "liberal" and "conservative" in a very friendly way, but all too often, people do not know what you are talking about when you call someone a liberal or a moderate or a conservative.

A liberal believes that Government should have a greater involvement in his or her life and really believes that there are more things in which the Government should be involved. I suggest to you that the more things Government gets involved in, the more individual freedoms we lose.

I happen to be a conservative. I agree that Government is involved in too many things. I think that other than national defense, which we need to be more involved in right now, there are many activities taking place in this

country that our Founding Fathers really did not think were the role of the Federal Government.

We are in a very strange time right now. We are in a time when we have surpluses. We are all very gratified for that. But the whole idea of tax relief is offensive to people who fall into the definition I just referred to of a liberal. They want to use that money. They want to start new programs.

Now we have this time of surplus. I want to applaud the President of the United States, George W. Bush, because what he said he wanted to do was, first of all, take everything that could be used to spend down the deficit for the next 10 years and use it.

I have a lot of town meetings in my State of Oklahoma with very wise people, but they are too busy going out to make a living and paying for all this fun we are having in Washington, that they do not really understand that when you have such surpluses that once you use those surpluses to start new Government programs, then the Government programs might work, and the problems that they are addressing might go away but the Government program goes on.

I can remember that one of the greatest speeches made during my career was one that was made many years ago by Ronald Reagan before he even ran for Governor of California. The speech was called "Rendezvous With Destiny." He said: There's nothing closer to immortality on the face of this Earth than a Government agency, once formed.

So if you don't want to increase the size and scope of Government, then you need to address what the President is addressing now. President Bush said: Let's start off by taking all the money to pay down the debt. Most people think, if you had \$5 billion, you go up there and drop it someplace and the debt would be gone. That is not true because you can't pay off something until it comes due. So what this President has suggested to us is, let's pay off everything for the next 10 years that can be paid off on the national debt.

Then let's look at Social Security. Let's make sure the fund is actuarially sound and the money is going to be there for the people when they reach the age that they can draw it out.

Incidentally, Social Security reform doesn't mean that is going to change. That program would continue; the money will be there; but it will give some of the new people who come into the program an option as to what they do with the money they pay into the system.

Then the President said: Let's take Medicare and do the same thing with that. So he proposed actually increasing it by \$153 billion over a period of 6 years—that would take care of that problem—and after that, to put some money in so we can take care of a very serious problem, the most serious problem the Nation is facing right now, and that is the demise of the military over

the last 8 years. Let's build that back up.

After that has been done, all of that is behind us, then let's take this surplus that remains and return it to the American people as an overpayment because they paid too much. It is like buying a car and you find out when you get back home, you read the sticker price and think, wait a minute, I paid too much. You go back to the dealer and you expect to get the money back. He would say: I gave it to my mother-in-law. That is kind of what happens in this case.

So we have the opportunity to return to those who paid it an amount of money. We should be looking at a much larger tax reduction than they are negotiating right now. What they are negotiating right now, if you put it in as a percentage of GDP, would be about 1 percent. Yet our other two major reductions in this century were far greater than that.

The liberals are missing a bet. If they really want to get more money into the system, they should be supporting larger tax cuts because history has shown us, when you reduce the marginal rates, it has the effect of increasing revenues.

Going back to World War I, the President, after World War I, said: The war effort is behind us now so we will go ahead and reduce these marginal income tax rates. And they did. To their shock, they found out that it didn't reduce revenues. It massively increased revenues.

I am a conservative Republican. I look back wistfully at the days when we had a President, a Democrat, who realized that this concept works every time. It was President Kennedy in the 1960s who said, we need to expand the role of Government and get into a lot of programs—perhaps such as the dental program the Presiding Officer discussed—and the best way to do this—this is a direct quote from President Kennedy—to increase revenues, is “to reduce the marginal rates so that the economy will expand.” For each 1-percent expansion in the economy, that produces about \$46 billion in new revenue.

Sure enough, it happened. In fact, it almost doubled the revenue in the 6 years after that massive cut. Remember how big that cut was? It went from 91 percent down to 78 percent. It was a huge cut, much greater than we are talking about doing today. So that worked and some of these programs were funded.

Then along came Ronald Reagan. The decade of the 1980s, from 1980 to 1990, saw the largest tax reduction in the history of this Nation. President Reagan was elected and the first thing he did was sign the tax reduction. He took that 78-percent rate and brought it all the way down to, I think, 28 percent. The result was great increases, massive increases in revenues.

To document that, the total amount of revenue that came in from all mar-

ginal rates in 1980 was \$244 billion. In 1990, it was \$466 billion after all the reductions that had taken place, the largest reductions in any 10-year period in the Nation's history.

You hear the liberals saying: Look at all the deficits that came about during that 10-year period. That wasn't a result of the President. That was a result of a very liberal, big-spending, Democrat-controlled House and Senate that increased the spending.

You cannot blame that on the President because he was the one who reduced the taxes and was responsible for doubling the revenues at that time.

We should stand back and look at this. We had one of the financial advisers to President Clinton, when he was President when he first came in, who made the statement that there was no relationship between the level of taxes the Nation pays and its productivity. Theoretically, that means if you pay 100-percent taxes, you will be just as motivated to work hard and to expand the economy as if you were paying no taxes. Obviously, that doesn't make sense.

It is time the American people realize what we are trying to do and what this President is trying to do and that we get the best conference report out and that this can be a very historic time because sometime, maybe today, that conference report will come out. It will incorporate some tax reduction, not great tax reduction—the top rate may be going down from 39 to 35 percent—and actually eliminating some taxes down at the lower income level. I think we have an opportunity to pass this thing out today. This will go down as probably a great legacy, not just for the President of the United States but for the House and the Senate which are working on this.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

A MOMENTOUS WEEK

Mrs. HUTCHISON. Mr. President, I rise today to talk about some of the activities that are going on right now. We have had a momentous week in the Senate. We passed a tax relief bill so that every working American would get relief from the burden of taxation. We passed a budget that is responsible stewardship of the people's money.

I stress people's money because one of the things I think is very important is that we remember the money people work so hard to earn is not the Government's money. It is what people send to the Government to do the functions of Government and that we have the

responsibility to assure it is wisely spent and what isn't necessary for the functions of Government is sent back to the people who earn the money. We believe that people can choose how to spend their money better than a big Government program can do.

So we have passed the budget resolution that provides for tax relief for hard-working Americans. It would be \$1.35 trillion over a 10-year period. It would pay down the debt to the maximum extent possible without paying a premium for early payment of outstanding Treasury issues. And I think that is a very important component because paying down the debt frees up more money that is going to go to interest payments, and that is money that can either go into the spending that is necessary to cover the costs of Government or more can be sent back to the people who earn the money.

We also do provide in the budget that was passed at least a \$500 billion cushion—a rainy day fund—which we think is very important for meeting the emergencies we might face in the next 10 years. It is also important for the added spending that we know we are going to face. We have set a 5-percent limit on the increase in spending for the next year. A 5-percent increase is more than most families are going to increase their spending in the next year, so I certainly think it is the most we should go beyond this year's spending of the Government money.

With that 5-percent increase and the \$500 billion rainy day fund, we will be able to spend more in the priority areas such as national defense. We know we have fallen behind in the last few years in keeping up our strong national defense. We also know we are going to have to meet some future technology tests in order to maintain our superiority and security. So that means we are going to be looking at the next generation of airplane, the next generation of ship, the next generation of land-based vehicle, and the next generation of missile defense.

We must perfect our theater missile defense, so that when our troops are in any theater in the world, they will have the protection of a missile defense system, such as the PAC 3, which is a hit-to-kill missile—a missile that can hit a missile. That has been tested and it works. It is going to be the most successful theater defense system we have ever had in our country.

We are also looking at a longer range missile defense system, possibly a sea-based system and, later down the road, an intercontinental ballistic missile defense system. This is because we want to make sure that our shores are totally secure from any kind of incoming ballistic missile and that our people, wherever they may be in the world defending our interests, will also be secure. So that is going to take more money and we are going to put more money into it.

In addition to more defense spending, we are going to have to deal with prescription drug options in Medicare and