

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

prescription drug benefits for people who are facing true hardships in meeting their medical needs. That will take more money. I hope we can reform the Medicare system so that it does meet the test that all of us want it to meet for quality health care for our senior citizens, and that we can add a prescription drug component. So that will be another area of added spending.

I hope we will be able to have a Social Security reform bill, and all of the money that is now in Social Security surplus will be held for Social Security reform. It will be held for the integrity of the Social Security System that is done in the budget we have passed because we want to reform Social Security to make sure it is secure, not only today and 10 years from now but in the year 2030 when it will go into deficit if we don't do something to make sure it remains solid.

So we passed a very good budget. In that budget, we also allocated \$1.35 trillion for tax relief. I am very proud that our conferees are trying to work that out between the two Houses. The two Houses passed very different bills. The Senate bill was passed this week; the House bill was passed earlier. They are different bills. The rate reduction is different in the two bills, so we are trying to reconcile those rate reductions. We are trying to make some of the reductions earlier in the process, over a 10-year period. Some of the rate reductions take effect later in the 10-year period. We would like to bring all of the reduction into 2002 so that every working American would start feeling some relief by January 1 of this year.

We are trying to give relief from the marriage penalty. When two single people are working—for instance, a policeman and a schoolteacher—when they get married today, they will pay approximately \$1,400 more in taxes just because they got married. You may say, why would they have to pay \$1,400 more in taxes? Why would our Tax Code do that? Well, it is because when they get married, they go into the next bracket; whereas, if they make \$30,000 and \$25,000, respectively, and they are in the 15-percent bracket, when they get married they go into the 28-percent bracket. That is a \$1,400 hit. So we are going to try to relieve that penalty.

In the Senate bill, there was very solid relief—double the standard deduction, double the 15-percent bracket. That is solid relief. It will take place over the 10-year period. Many of us hoped it would take place sooner than the 10-year period, but at least if we can get that relief on the books, we will begin to change our Tax Code so that it does not discriminate against people who get married. We want people not to think of taxes as a factor when they decide to tie the knot and start their family.

So anything in the Tax Code that will have the effect of cutting back on the ability of people to get married and start their families, buy their first home, buy the extra car, whatever it is,

we want them to be able to do it without regard to the Tax Code.

So we are looking at significant rate reductions that will affect every working American. We are talking about significant marriage penalty relief. We are also talking about relief from the death tax. We are talking about trying to keep a family-owned farm or business in the family.

I don't want to continue to see family businesses in our country sold to big businesses and take away the family nature of the business which is important to that family and important to every employee of that family business. I want those family businesses to stay together. I don't want every farm in America to be part of an international conglomerate. I want family farms to make it in America, and I want family ranches and family small businesses. That is the economic engine of this country, and it has been our tradition for over 200 years, valuing family-owned businesses.

If we can pass them through the generations without taxing them and causing them to have to be sold to pay inheritance taxes, then I think we will have maintained one of the very important economic engines of America, and we will have maintained a very strong tradition and a very strong part of the entrepreneurial spirit that has helped build this country. So we address that death tax, and we eliminate it over the 11-year period, and we significantly increase the exemption through the 10-year period.

The fourth area of major tax reduction that we hope will come out of the conference report and was a component of both the House and Senate bills is the child tax credit. We are trying to double the child tax credit over a 10-year period. Today, it is \$500. We hope to increase that to \$1,000.

So the four major parts of our tax relief bill will be a major tax reduction through rate reduction, marriage penalty relief, death tax relief, and the \$500-per-child tax credit doubles for every family.

There are many other important elements; there are many other important tax relief measures I would like to see pass. If we can keep those four strong elements so that everyone will realize relief in a big way, I will be happy.

Hopefully, we will lower the capital gains rate and will increase the IRAs and the pension capabilities. The more people can save, the better off our country will be and the more stability our country will have. Those are all worthy. I hope we can do those at a later time.

There are some very important education deductions in the Senate bill. I hope we can keep some of them. Trying to help people with their education expenses is the most important thing we can do to increase the number of young people who get a solid education, K-12 and college.

It will be a great stepping stone to go into the next year if we can pass the

tax cut bill. Right now the conference committee is working. I believe Senators are willing to stay. We thought we would be out for Memorial Day right now. We thought we would be gone. I thought I might be home with my family last night, but I am not. I am here and so is every Senator.

We hope to pass this tax reduction package. If we cannot do it today, we are willing to stay until tomorrow. We will pass it tomorrow if we can get out the tax cut package and certainly we hope we can finish this business because there will be some major changes that are dependent on our passing that tax cut legislation.

There are major changes in the Senate. They are not my first choice for changes, but nevertheless the decision has been made, so we ought to go forward and let people start making concrete plans about how the Senate is going to be organized. It is in everyone's best interest to do that.

The Senate is staying in session. We are going to make every effort to finish this tax relief bill for the American people if we have to work today, tonight, tomorrow, Sunday, Tuesday—whatever. If we can come to an agreement on a tax cut bill that has the general principles I have outlined that were passed in the House and Senate bills, then we will be in very good stead with the American people that we have done our job to the best of our ability in a bipartisan way, and we will then come back and start the business of reorganizing the Senate and continuing to do the people's work.

When we come back from Memorial Day and visiting with our people at home, we are going to start talking about the energy crisis. During Memorial Day weekend, we are going to want to start thinking about how we can address the energy crisis in a meaningful way, hopefully with some short-term relief but, more importantly, for the long term.

We have three major problems with the energy crisis in this country. We have a production problem. We are importing 56 percent of the energy needs of our country from foreign countries, and that is not a good, stable situation. We have a distribution problem in that we do not have enough refineries and pipelines to distribute the energy even if we increase production, and we have a conservation, a consumption problem. We need to encourage people in every way to conserve heating and air-conditioning in their homes, the gasoline they use in their cars.

We can encourage people to conserve. We hope they will do it anyway. With incentives, people will be even more encouraged to conserve.

We have a three-pronged energy problem: production, distribution, and consumption. That is going to be our priority when we return.

Senator MURKOWSKI has been talking about the energy crisis in this country for the last 4 years. I have been privileged to work with him, along with

Senator BREAUX, Senator LANDRIEU, Senator DOMENICI, and Senator THOMAS, on this energy issue in a bipartisan way.

We have been saying for the last 4 years we have an energy crisis in this country. We have not been able to get the rest of the Members of Congress to listen. They are going to listen now, and Senator MURKOWSKI, myself, Senator BREAUX, Senator THOMAS, Senator DOMENICI, Senator LANDRIEU, Senator BINGAMAN—all of us are going to be working on an energy package that will address the three components.

It must be balanced, and we must address all three components.

I hope we can get tax relief on the table, letting people keep more of the money they earn, and send it to the President. I know he is going to sign it because he asked for it. He campaigned on it. He kept his promise; he asked for it and we are going to give it to him. Now we are going to address energy. We are going to address education reform and try to keep doing the people's business.

We have toiled in the fields. We have worked hard. We have a lot to show for that work. We will finish the job the people have asked us to do on tax relief and, hopefully, we will go home, turn a leaf, and start addressing education and energy when we return.

I am proud of the job our President is doing, and I am proud of the job the Senate has done.

I end by saying on a personal note. I am very proud of our leader, Senator TRENT LOTT, the majority leader of the Senate. He has worked very hard to push the President's programs he campaigned to do and was elected to do.

Senator LOTT has the most unfailing sense of humor and optimism of anyone I have ever met. He has been hit with a few blows in the last few weeks. I admire what he has been able to do, working with the Democrats, saying we are going to work in a bipartisan way. Through the filibuster of the tax cut bill, he kept his optimism. He never let down. He let the 50 or so amendments be voted on time after time. He kept his good humor.

Now he is facing becoming the Senate Republican leader rather than the Senate majority leader, and he is already reaching out to Senator DASCHLE, who will be the majority leader in the next couple of weeks. He said: We are going to keep working with you, and we are going to try to work in a bipartisan way to assure the people's business gets done.

My hat is off to Senator LOTT today. I have seen him up close in the last few weeks, and I can tell you he is a leader who is determined to continue to do his job in the best way he can, in the most sincere way he can, never with acrimony, always trying to do the right thing, working with a 50-50 Senate, which has not been the easiest job he has ever been handed but one he has tried to dispatch in a most fair and equitable way.

I yield the floor.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from Rhode Island.

CONGRATULATIONS, GENERAL LENNOX

Mr. REED. Madam President, last evening, the Senate of the United States confirmed MG William J. Lennox, Jr., of the U.S. Army, to be the 56th Superintendent of the United States Military Academy at West Point.

General Lennox is an extraordinary officer and gentleman. I have known him for a long time. In July of 1967, we entered West Point together. He proceeded through West Point and for 30 years he has been an extraordinary soldier. He represents the very best of what our Army is all about. He is a soldier and he is a scholar, but he is a soldier first.

He was commissioned in field artillery and served in various demanding assignments from platoon leader, battery commander, executive officer of the 2d Battalion, 41st Field Artillery in Germany; Deputy Commanding General to the U.S. Army Field Artillery Center and School at Fort Sill; Chief of Staff, III Corps at Fort Hood; and Assistant Chief Of Staff, United Nations Command for the United States Forces Korea. In his most recent assignment, General Lennox was the liaison for the Department of the Army to Congress.

He has performed all of these duties in extraordinary fashion. Bill Lennox understands our Army is composed of the greatest soldiers in the world. He respects these soldiers. He has committed himself to lead these magnificent men and women with the same dedication, the same professionalism, the same fidelity to duty and country that these soldiers demonstrate every day.

He is a great soldier, but he is also a distinguished scholar. Bill was assigned to the Department of English at the Military Academy after receiving a master's degree from Princeton University. He accomplished a remarkable feat while teaching English at West Point. While being active as an officer and professor at the Military Academy, he also obtained his Ph.D. from Princeton University in English.

He is a rare combination of a great soldier and a real scholar. In fact, typical of the Army life, nothing is very easy. The day Bill was scheduled to take his final Ph.D. examination and present his oral defense was also the day that his family was moving from West Point to his next assignment. So as Bill was taking these exams, and after spending the week preparing not only for a demanding analysis of English literature but also a move, fortunately, his wife and his partner, Anne, had to pack up the house and get them moving.

It illustrates something else that General Lennox brings to West Point.

He has an extraordinary family. His wife Anne has not only played a large part in his life, but also a large role in his career. Their sons are extraordinarily talented young men. Together, Bill and Anne will represent to a whole generation of cadets, both male and female, the exemplar of what an Army family should be: committed, patriotic, and dedicated. They will ensure that cadets are conscious not only of their role as a professional members of the military service but also of their role as people and neighbors.

Bill is following a distinguished predecessor, LTG Dan Christman. The United States Military Academy today has compiled a remarkable record. Dan has reinvigorated the Academy in terms of academic performance, physical infrastructure, and commitment to basic values that make our Military Academy and our Army a very special one indeed.

I am confident that Bill Lennox can meet the very high standards established by Dan Christman and a whole succession of predecessors: people such as William Westmoreland, Douglas MacArthur, and Robert E. Lee. West Point has a very storied tradition and great legacy. Bill Lennox brings to that great tradition the character of a soldier and something else: Bill understands and appreciates that he is helping to train the leaders of the army of democracy; that unlike other countries around the world, we do not have a separate military caste. The men and women who lead our Army, the soldiers who man our Army come from every walk of life. They understand that they defend this great democracy, with all its contradictions, with all its unmet, untidy, and messy proceedings. They do it with great faith and great fidelity, with great competency and great patriotism.

I am delighted and honored to be able to say a few words about my friend and the next Superintendent of the United States Military Academy. I am pleased to commend Bill Lennox for his career and to celebrate his new appointment. But I am also honored to convey to my colleagues not only deep respect and affection for Bill, but also the sense that our Army is producing and promoting an individual who recognizes what we do here is very important. As Superintendent of the United States Military Academy, he will ensure that this democracy will continue.

Ultimately, it is not our weapons, but it is the brave men and women who wear the uniform of the United States that allows this experiment in freedom and democracy to continue day in and day out. He will instill in a generation of cadets a deep devotion to the credo and core values of the Military Academy: duty, honor, country. He will do that because he has lived his life according to that credo of duty, Army, country.

To Bill and Anne, good luck, Godspeed, go forward, and lead a right institution into this new century.