

to get that. I don't know if the votes are here this time, but we certainly recognize that we have an issue, and we are going to do the best we can with my friend, the distinguished senior Senator from Kentucky, to see what we can do to get to a point where we have this war funding over with until sometime next June. If we can't get it done, then we are going to have to worry about what we do in the next month, as he said, but hopefully we can complete it this week.

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. MCCONNELL. Mr. President, one additional word. The process for doing this has been offensive, I know, both in the House and in the Senate. It is my understanding that what will happen later this week is the tree will be filled and cloture will be filed. If any amendments are allowed on the floor of the Senate, it will be because my good friend, the majority leader, decided to let us have a vote. The whole process is one that doesn't immediately engender a great level of cooperation.

Having said that, the underlying legislation is important, and hopefully somehow we will find our way through this process this week, but I think it is pretty safe to say that 49 Republicans of the U.S. Senate are going to insist on being an important part of the process. Hopefully, we will be able to sort all that out and work our way through it and get this important piece of legislation out of the Senate and on the way, at least, back to the House or, hopefully, if we are lucky, back to the President for signature.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to a period for the transaction of morning business until 12 noon, with Senators permitted to speak for up to 10 minutes each, with the first hour equally divided and controlled between the two leaders or their designee, with the Republicans controlling the first 30 minutes and the majority controlling the next 30 minutes.

The Senator from South Dakota is recognized.

CARVING OF THE CRAZY HORSE MEMORIAL

Mr. THUNE. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration and the Senate now proceed to S. Res. 496.

The ACTING PRESIDENT pro tempore. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 496) honoring the 60th anniversary of the commencement of the carving of the Crazy Horse Memorial.

The Senate proceeded to consider the resolution.

Mr. JOHNSON. Mr. President, I wish to speak today about the Crazy Horse Memorial in South Dakota. On June 3, 2008, the Crazy Horse Memorial will celebrate the 60th anniversary of its dedication. Gutzon Borglum, who was the sculptor behind Mount Rushmore, brought Korczak Ziolkowski to South Dakota to work on Mount Rushmore. It was during construction of Mount Rushmore when Lakota Chief Henry Standing Bear contacted Korczak Ziolkowski and stated "My fellow chiefs and I would like the white man to know the red man has great heroes, too." It is believed that this statement led Mr. Ziolkowski to construct this memorial.

On June 3, 1948, this memorial was dedicated and construction has continued ever since. Mr. Ziolkowski worked on this memorial until the conclusion of his own life in 1982, when his wife, Ruth, took up the job that her husband began. The Crazy Horse Memorial Foundation was established and runs entirely on gifts and donations. No government funds have ever been used for construction of this memorial. With no way to predict when completion of this memorial will take place due to cost and weather, construction continues. When it is completed, however, it will be the largest carving on earth, measuring some 641 feet long by 563 feet high. To put that in perspective, it is said that all four heads on Mount Rushmore could fit into Crazy Horse's head.

Today, I wish to honor Korczak Ziolkowski, his wife, and their family for their continued work on this monument. In addition, I would like to honor those involved with the Crazy Horse Memorial Foundation. Most importantly, I wish to honor the memory of the great Lakota warrior to whom this memorial is dedicated, Crazy Horse, as well as all Lakota people for their great many contributions to our history and culture in South Dakota. It is they that this memorial is to honor.

Mr. THUNE. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be laid upon the table.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution (S. Res. 496) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 496

Whereas sculptor Korczak Ziolkowski, who never received any formal art training but nonetheless won 1st place for sculpture at the New York World's Fair in 1939, came to

the Black Hills of South Dakota as an assistant to Gutzon Borglum to help carve Mount Rushmore;

Whereas Lakota Chief Henry Standing Bear contacted Korczak Ziolkowski in 1939 to encourage him to create another mountain memorial, saying in his letter of invitation: "My fellow chiefs and I would like the white man to know the red man has great heroes, too";

Whereas Crazy Horse was remembered by his people as a fierce warrior and visionary leader who was committed to preserving the traditional Lakota way of life;

Whereas Korczak Ziolkowski was inspired to honor the culture, tradition, and living heritage of North American Indians, and thus designed a metaphoric tribute to the spirit of Crazy Horse and his people;

Whereas Korczak Ziolkowski was dedicated as well to helping his country preserve freedom, enlisted in the Army, and was wounded in 1944 at Omaha Beach;

Whereas Korczak Ziolkowski returned to South Dakota after World War II in order to find a suitable mountain to carve in order to honor Crazy Horse and his people;

Whereas Korczak Ziolkowski and Chief Standing Bear dedicated the Crazy Horse Memorial on June 3, 1948;

Whereas Korczak Ziolkowski worked until his death in 1982, and his wife, Ruth, and their family have dedicated their lives to carving the mountain and continuing the mission of the Crazy Horse Memorial;

Whereas there is no way to predict when the mountain carving will be completed, owing to the uncertainty of weather, the availability of private funding, and the challenges of mountain engineering;

Whereas, when completed, the Crazy Horse mountain carving will be the largest carving in the world, at 641 feet long by 563 feet high;

Whereas Korczak Ziolkowski's parting words to his wife were, "You must work on the mountain—but go slowly so you do it right";

Whereas the Ziolkowski family and the Crazy Horse Memorial Foundation have continued to do it right, have proceeded without government financial support, and remain dedicated to making steady progress on the Memorial's humanitarian goals; and

Whereas the Crazy Horse Memorial will celebrate the 60th anniversary of the dedication of the mountain carving on June 3, 2008: Now, therefore, be it

Resolved, That the Senate, on the 60th anniversary of the commencement of the mountain carving of the Crazy Horse Memorial, honors sculptor Korczak Ziolkowski, the Ziolkowski family, and the Crazy Horse Memorial Foundation for their dedication to honoring the culture, tradition, and living heritage of North American Indians and the spirit of Crazy Horse and his people.

Mr. THUNE. Mr. President, the resolution that was adopted by the Senate is S. Res. 496, which I introduced on April 2, 2008, along with my colleague from South Dakota, Senator TIM JOHNSON. The resolution honors the 60th anniversary of the Crazy Horse Memorial.

The Crazy Horse Memorial, located in the Black Hills of South Dakota, honors the culture, the tradition, and the living heritage of Native Americans. Once completed, the memorial will stand more than 22 stories high and be the largest mountain sculpture in the world. Every year, there is an event called the Volksmarch, in which people start at the base and walk up to the very top of the monument. You cannot appreciate the size and the dimension of this great monument from

a distance. It is only when you get up close that the true dimensions of this monument come into full view. I have had that opportunity on the Volksmarch, with my family, to walk up and stand next to this monument and to have an appreciation for its true dimension and for what it means to my State of South Dakota and to the Native American culture.

The sculptor of this monument, Korczak Ziolkowski, had no formal training and originally came to South Dakota to assist Gutzon Borglum in the carving of Mount Rushmore. In 1939, Chief Henry Standing Bear invited him to construct another mountain monument, this one to honor a great Native American hero. However, it was not until June 3, in 1948, that the project was officially dedicated.

Crazy Horse, a great Lakota chief, was selected as the Native American hero worthy of the mountain monument because of his courage in battle, his visionary leadership, and his commitment to the preservation of the traditional Lakota way of life. The memorial was placed in the Black Hills of South Dakota because they are sacred to the Lakota people. While Crazy Horse was never photographed, the completed monument will feature a likeness of him riding a horse and pointing with his left hand out toward the Black Hills.

Ziolkowski, who worked tirelessly and without salary on the Crazy Horse Memorial until his death in 1982, believed in individual initiative and private enterprise and worked to build the memorial without any Federal funding. As my colleagues can see from the photo we have here, the face of Crazy Horse is complete, the rest of the mountain has been roughly blocked out, and efforts are currently focused on carving the horse's head.

While there is no way to predict the date of completion because of weather, financing, and the challenges of carving a mountain, Ziolkowski's wife Ruth, who is an amazingly determined woman, and his family, along with the help of thousands of donors and visitors, continues Ziolkowski's mission of honoring Native Americans through the construction of this monument.

Therefore, today I rise to honor the 60th anniversary of the Crazy Horse Memorial and send my best wishes to all those working to make Korczak Ziolkowski's vision a reality.

I thank the Senate for its adoption of the resolution, and I yield the floor.

The ACTING PRESIDENT pro tempore. The Republican whip is recognized.

TAX POLICY

Mr. KYL. Mr. President, every now and then there is an article or an op-ed in the newspaper that you find compelling by its clear logic and you want to share it with your colleagues. I wish to do that today and at the conclusion of my remarks put the full text of this op-ed in the record.

Today's Wall Street Journal carried an op-ed by David Ranson called "You Can't Soak the Rich." I find it compelling because of the proposals by some that we should raise the marginal income tax rates and thereby theoretically increase revenues to the Treasury. What Ranson points out is it is essentially a law of economics that raising tax rates not only does not bring in more revenue to the Treasury based on the historic record, but it can have precisely the opposite effect because it can harm the economy and, in fact, it is the growth in the economy that produces more revenue to the Federal Treasury.

Let me quote a couple of comments from his op-ed. He said:

No matter what the tax rates have been, in postwar America tax revenues have remained at about 19.5 percent of GDP.

Now, there is another measure. If you go back somewhat less distance, the measure is about 1 percent less than that as a percentage of GDP, but the ratio remains the same and the point he is making remains the same, which is that raising tax rates does not raise revenue. In fact, raising tax rates can hurt the economy, which then reduces tax revenue.

There is a chart in this op-ed that makes the point. The Federal tax yield, which is revenues divided by the gross domestic product, has remained close to 19.5 percent, even as the top tax bracket was brought down from 91 percent to the present 35 percent. One would think that the difference between a 91-percent top marginal rate and 35 percent would represent a dramatic difference in revenues collected. In point of fact, it has not been. He points out why a little bit later in his op-ed. He says:

The data show that the tax yield has been independent of marginal tax rates over this period, but tax revenue is directly proportional to GDP.

In other words, the strength of the economy.

He goes on:

So if we want to increase tax revenue, we need to increase GDP.

What happens if we instead raise tax rates? Economists of all persuasions accept that a tax rate hike will reduce GDP, in which case Hauser's Law—

The law he is citing here—

says it will also lower tax revenue. That's a highly inconvenient truth for redistributive tax policy, and it flies in the face of deeply felt beliefs about social justice. It would surely be unpopular today with those presidential candidates who plan to raise tax rates on the rich—if they knew about it.

He goes on to answer the question I posed earlier: What makes this law work? I am quoting now:

As Mr. Hauser said: "Raising taxes encourages taxpayers to shift, hide and underreport income. . . . Higher taxes reduce the incentives to work, produce, invest and save, thereby dampening overall economic activity and job creation."

Putting it a different way, capital migrates away from regimes in which it is treated harshly, and toward regimes in

which it is free to be invested profitably and safely. In this regard, the capital controlled by our richest citizens is especially tax-intolerant.

The point he is making is that if you are wealthy, you have the ability to move your income around, to hire accountants and tax lawyers to find ways to shield your income, and the bottom line is the Government never gets any more of it than if the rate remained at a lower level.

In fact, he points out that revenue collections by the Government have remained almost constant over this 40-year period and that their ratio to the GDP has remained almost constant; the point being that the revenue collected by the Government is most in relation to the state of the economy. It is mostly dependent upon the economy. As the economy grows, revenues to the Federal Treasury grow. As the economy slows, tax revenues slow, and that is exactly what we are seeing right now.

So we should take two important lessons from this. No. 1, in a time of economic downturn, which is what we are in right now, the last thing you would want to do is to raise tax rates because you are going to hurt the economy and you are not going to bring in any additional revenue. Secondly, this speaks to the point my colleague from Arizona, Senator MCCAIN, has been making, which is that, in the long term, what you want to do is reduce tax rates if you can—at least leave them where they are but not raise them—if you want to be fair both to the American family and help the economy grow and get us out of this economic downturn. Incidentally, that is what will produce the most revenue for the Federal Treasury to pay for all that the Congress and the President end up passing in legislation and passing on to American taxpayers.

So I ask unanimous consent to place this op-ed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 20, 2008]

YOU CAN'T SOAK THE RICH

(By David Ranson)

Kurt Hauser is a San Francisco investment economist who, 15 years ago, published fresh and eye-opening data about the federal tax system. His findings imply that there are draconian constraints on the ability of tax-rate increases to generate fresh revenues. I think his discovery deserves to be called Hauser's Law, because it is as central to the economics of taxation as Boyle's Law is to the physics of gases. Yet economists and policy makers are barely aware of it.

Like science, economics advances as verifiable patterns are recognized and codified. But economics is in a far earlier stage of evolution than physics. Unfortunately, it is often poisoned by political wishful thinking, just as medieval science was poisoned by religious doctrine. Taxation is an important example.

The interactions among the myriad participants in a tax system are as impossible to unravel as are those of the molecules in a gas, and the effects of tax policies are speculative and highly contentious. Will increasing tax rates on the rich increase revenues,