When that happens—and somebody discovers it, and somebody is honest enough to pay that back—I kind of expect them to pay it back to me. I do not expect them to pay it back to somebody who just happened to walk through the store. That is what we are talking about with some of the proposals that are being put out there.

We need to remember that the surplus is not some magical pot of money created by those in Washington. It is an overpayment of taxes by the American people. It is only fair that we return a portion of that overcharge to those who gave us this surplus in the first place.

My experience has been that if we do not give a large portion of this surplus back, we will see it disappear in the waning days of this Congress, as we feed the unquenchable appetite of the ravenous appropriations bills. How does that affect you? When we are voting on appropriations, we are spending a very small part of the American taxpayer's money on each and every proposal. I think the American taxpayer realizes, if you spend enough quarters, you have used all of their tax money. That is about what they put into a program—25 cents. Some people are more than willing to put 25 cents into a new program. But they ought to be able to pick which programs themselves and not rely on the beneficence or the unique knowledge that 100 of us have here and 435 have on the other end of the building. If they want to give, they should be able to give. They should get credit for giving, but they should be able to select what they want to give. They should be able to select what they want to buy. That is what the tax package does.

We also have a unique opportunity to simplify. Complexity is a tax burden. It is a tax burden for individuals. That is the No. 1 thing the National Taxpayer Advocates have pointed out: Complexity is the No. 1 problem. The No. 2 problem is complexity for small business, where a lot of individuals are trying to earn a living out there.

It is time to ax the tax and cut the burden down to size. We do need tax relief, and we need it now. President Bush's tax proposal is fair, responsible, and will benefit all American taxpayers. This tax plan will create jobs, it will spur economic growth, it will mean jobs for us and our kids, and it will support families in the essential task of raising children.

Let's return the tax overcharge and give the American people tax relief now.

I yield the floor.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER (Mr. ENZI). The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I commend my colleague from Wyoming for his very strong, clear, and forceful statement supporting tax relief for the American people. It was well reasoned. I applaud him for making his statement and associate myself with it.

CORRECTION OF RECORD

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that an editorial I submitted last Thursday be stricken from the CONGRESSIONAL RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX CUTS

Mr. HUTCHINSON. Mr. President, I also applaud President Bush for his leadership on the tax relief issue. He has come forward with a plan that I think will have the support of the American people and will provide them much needed relief.

Senator ENZI very correctly called the huge surplus that is projected over the next 10 years a tax overcharge. That is precisely what it is. The CBO has estimated the Federal surplus will total $5.6 trillion over the next 10 years. Setting aside Social Security surplus revenues, the Federal surplus will total $3.1 trillion. So if you take away the Social Security—put it in that lockbox—you still have $3.1 trillion over that same period.

Our country and our Government has experienced a surplus for the last 3 years running, and we have paid down the national debt now by over $363 billion. It is clear, we have to continue that path of fiscal responsibility. We have paid down the public debt $363 billion.

President Bush has pointed to a very real problem that exists, and that is the increase in personal debt, consumer debt, in this Nation. One of the imperatives for providing tax relief to low- and middle-income working Americans is that that increasing personal debt, consumer debt, in this country can be addressed while we simultaneously address the problem of the national debt.

The Government also has an obligation to the American taxpayer who is now paying more in taxes than the Government is spending every year. The Federal tax burden is the highest ever during our peacetime history. Americans, as Senator ENZI pointed out, pay more in taxes than they spend on food, clothing, and housing.

Instead of growing Government bureaucracies, and devising new Federal programs on which to spend that surplus, it is incumbent on Congress to give taxpayers back some of the money they have overpaid because it is, in fact, their money.

President George W. Bush has proposed that we give back about one-quarter of the projected surplus, which allows us to pay down the national debt, protect Medicare, and ensure the viability of Social Security, and not touch the Social Security trust fund—all at the same time—and give back to the American people one-quarter of the tax overcharge, of the surplus.

I think that is extremely prudent. It is a smaller tax relief package than that which was proposed under President Reagan a number of years ago.

If, in fact, we do not return that money to the American people, the temptation will be so great in Washington, DC, that we will most assuredly spend it; every day politicians are devising means by which we can spend that surplus. So while you will hear those who are opposed to broad-based tax relief, no one will say they are opposed to tax cuts completely. They are all couching it and saying: I favor tax relief, but we want to target it to those who need it most.

That is Washington-speak for those who really don't want to provide tax relief for every taxpayer and who really believe that wisdom resides within the District of Columbia and that we can better decide where those precious resources should be expended than the American people.

The fundamental question is, when it comes to a tax relief package: Whom do you trust more? Do you trust the American people? Do you trust American families or do you believe that it is wiser and smarter for us to collect the tax revenues and then, in our sense of priorities, decide where those revenues will go?

We can prevent the tax relief debate from degenerating into a class warfare debate, and we can keep the focus on: Whom do you really trust, do you want to return the surplus to the American people, or do you want to keep it in Washington where we will divide it up and decide who are the winners and who are the losers and what programs should be started and what programs should be increased? That will be the debate we ought to have before the American people, and on the floor of the Senate.

President Bush has a number of key reforms in the plan with which he has come forward. He replaces the current five-rate tax structure with four lower rates—10, 15, 25, and 33.

I agree with George W. Bush: No American taxpayer should be required to give more than one-third of their income in Federal income taxes.

There was a time, back before Ronald Reagan was elected President, when the top rate for some Americans was 70 percent. That was obscene. Frankly, 33 percent is too high. No American ought to pay more than a third of their income in Federal taxes. President Bush simplifies it by replacing the five-rate tax structure with four lower rates.

The most common complaint about the current Tax Code is its complexity. While this isn't a panacea and it is not going to fix all of the problems in the Tax Code, at least it is a step toward greater simplification. I applaud that. It doubles the child tax credit to $1,000. I was the original sponsor, when I was in the House of Representatives, of the $500-per-child tax credit which eventually was signed into law. President Bush says we must go further; we need to double that $500-per-child tax credit. He is right.

Americans who have the greatest burden from our tax system are those

who are trying to rear their children, trying to pay for their clothes, trying to keep food on the table, and trying to plan for college tuition. Those Americans facing the greatest economic challenges deserve that commitment to the American family that the child tax credit provides.

When the per-child deduction was originally passed and put into the Tax Code, the goal was, the statement was, that our Tax Code was to say families are important. And they are important. But over time, the effects of inflation so eroded tax deduction that it became less than significant. The $500-per-child tax credit is a move in the right direction, and doubling it, as President Bush has proposed, is a big step in providing relief for American families. He reduces the marriage penalty. And he eliminates the death tax altogether.

This has been an effort of Senators and Congress men and women on both sides of the aisle for years. It is a provision in our Tax Code that is widely recognized as being inequitable and anti-American: Penalizing savings, penalizing investments, penalizing the American dream of passing on part of what you accumulate in your life to your children and to your grandchildren. I applaud the fact that that death tax would be pulled up by the roots to no longer be a part of our American tax system.

He expands the charitable tax deduction. This is very much needed as part of the faith-based initiative the President came forward with and will unleash charitable giving in this country.

Contrary to the claims of critics that the Bush plan only benefits the rich, in fact low- and middle-income families will receive the greatest reduction in the amount of taxes they must pay each year relative to their income.

There are going to be a lot of linguistic games played. It is true that those in higher income brackets may see a greater relief in terms of dollars because 5 percent of wage earners in this country pay 40 percent of the taxes. Even though President Bush's plan is highly progressive, it is going to benefit low- and middle-income taxpayers more in percentage terms, in raw dollar terms, because they pay so much more of the tax revenues of this country, they will receive more of the benefit. But every American taxpayer will receive relief. And those in low- and middle-income brackets are going to receive the highest percentage of relief relative to their income.

A family of four making $50,000 a year would receive a 50-percent tax cut, which means an extra $1,600 in their pockets every year, enough money to pay the average monthly mortgage payment, depending upon where you live, or several months' worth of grocery bills for an average family. A family of four making $75,000 a year would receive a 25-percent tax cut, and a family of four making $35,000 a year would have a 100-percent tax reduction.

Yet you will hear time and time again echoed on the floor of this body, as we debate this issue in the coming weeks, that this is a tax cut for the rich. You tell that to the family making $35,000 a year who will owe zero in their Federal tax liability; you tell that to the family of four making $50,000 a year who will see their tax burden cut in half, that this is a tax break for the rich.

President Bush's tax plan would use approximately one-fourth of the surplus for tax relief while reserving a portion for debt reduction, Medicare, and for Social Security preservation. The Bush plan would decrease total Federal revenue by no more than 6.2 percent each year.

By comparison, President Reagan's tax plan reduced Federal revenues by over 18 percent. My favorite Democrat, President Kennedy's tax proposal would have cut Federal revenue by over 12 percent. He saw the value of what tax relief would mean not only to the American people but to the economy itself.

President Bush is proposing fair and responsible tax relief. The surplus doesn't belong to the Federal Government; it belongs to the hard-working Americans who pay taxes every year. I wholeheartedly support the President's plan and look forward to seeing it passed very much intact.

May I inquire, how much time do we have remaining?

The PRESIDING OFFICER. The Senator spoke for 11 and a half minutes. The time until 12:30 is under the control of the Senator from Wyoming, Mr. THOMAS.

TRIBUTE FOR SECRETARY OF THE AIR FORCE PETERS

Mr. HUTCHINSON. Mr. President, I rise to take a few minutes to recognize the contributions of a patriot, a leader, and a good friend of this institution who has departed Government service to return to life as a private citizen.

During, his 4-year tenure as Under Secretary, Acting Secretary, and Secretary of the Air Force, F. Whitten Peters had led his service to new heights of achievement, and the world is better for it. At a time when the global security environment became less predictable with each passing day, Whit Peters understood the need for the Air Force to become more responsive, more versatile, and more powerful—all at the same time. With boundless energy and enthusiasm, he set out to help the U.S. Air Force do those things and more.

As the leading architect of aerospace power, Whit Peters drove a fundamental re-examination of the relationship between air, space, and information systems. As a result, the cold war Air Force he inherited is well on its way to becoming a modern, integrated aerospace force, designed to meet the challenges of a new millennium.

During Secretary Peters' tenure, in the troubled skies over Serbia, a war was won using the strengths of our military—and we did it without losing a single American to enemy action.

Today, despots and dictators hesitate to act because they know America's Air Force can bring power to bear at the point of decision in a matter of minutes or hours. And, millions of people, the world over, live better lives because of the humanitarian missions undertaken by our U.S. Air Force in the last 4 years.

While busy guiding the evolution of the Air Force's operational capabilities, Secretary Peters also directed significant improvements in acquisition, logistics, and sustainment programs to ensure the best possible use of defense resources. He presided over the development of the Evolved Expendable Launch Vehicle—a revolutionary pairing of Russian propulsion technology with the best United States commercial space-launch capabilities—which will drastically lower the cost of placing commercial and defense payloads in earth orbit. He led the consolidation of five Air Force aircraft depots into three, reducing depot over-capacity by 40 percent and saving the taxpayers over $377 million a year. And, he arrested a 10-year drop in aircraft readiness rates by putting 2 billion dollars' worth of additional spares on the shelf where they will be useful to aircraft maintainers. He was instrumental on an issue critical to my home State of Arkansas—his commitment secured Little Rock Air Force Base as the Nation's C–130 schoolhouse and the Center of Excellence for future generations.

Most important, Whit Peters took care of his people. As every Member of this body knows, he fought hard for improved pay, housing, and medical benefits for every member of America's Air Force. He fought for better re-enlistment bonuses for people in hard-to-fill skills such as air traffic control, computer network administration, and over a hundred others. He pushed relentlessly for better child-care facilities to meet the demands of working families, and today 95 percent of all Air Force child care centers meet federal accreditation standards, compared to just 10 percent of child care facilities nationwide.

No wonder the enlisted men and women of the Air Force honored him with their most prestigious recognition: Induction into the Air Force Order of the Sword. In the 53-year history of America's youngest service, no other Air Force Secretary has even been so honored. Nor has any service secretary been so respected by the men and women he leads.

Like the men and women of the Total Air Force—the Air National Guard, the Air Force Reserve, and the Regular Air Force—we hate to see Whit Peters go, and I know my colleagues will join me in wishing him the fondest of farewells. I have rarely known someone with greater commitment, greater work ethic, or a greater zeal for life than Whit Peters displayed. He is a rare