

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 leader and an even rarer person in this town: a true gentleman who cares more about others than himself. As the Air Force slogan says, "No one comes close."

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. Mr. President, it is my understanding that time has been set aside for Senator THOMAS. I would like to claim 15 minutes of that time.

The PRESIDING OFFICER. Without objection, the Senator from Colorado is recognized.

TAX CUTS

Mr. ALLARD. Mr. President, before I say anything about how necessary I believe the President's tax cut is at this time in our Nation's history, I want to also point out to my colleagues on the Senate floor another way we can save dollars, save on Government expenditures, another way we can make money available for tax cuts, another way we can begin to do more to pay down the debt: voluntarism. Senators who are here in this body are going to have a great opportunity on March 7 to volunteer for a very worthwhile project, Habitat for Humanity. Members of the Senate are sponsoring a home, where staffs, spouses, and Members of the Senate can actually go out and help construct a home for a family who is struggling and needs assistance. This is an excellent alternative to a Federal program. I encourage Members of the Senate to participate in this volunteer program.

I am also pleased to join my colleagues in the Senate in calling for tax cuts for all Americans. I support tax cuts for the people who work hard every day. Everyone paying taxes should receive tax relief. I agree with my colleague from Arkansas who earlier spoke very eloquently about the need for tax cuts, that people have a better idea how they would like to spend their dollars than any bureaucrat in Washington or any Member of this Senate. I think it is time we have a tax cut now that we have unprecedented revenues coming into the Federal Government.

Many people I see here on the floor arguing against tax cuts, willingly and excitedly spend more money in the appropriations process. Their argument against tax cuts is that we need to have the money to pay down the debt. But when we get toward the end of the session, we have a spending binge. In the final 6 months of last year, we spent \$561 billion—the biggest tax spending binge in this country's history in peacetime. I don't think we should allow that to happen because in the long-term we are dealing with some very big liabilities. To increase programs and increase spending at this time just means it is going to get worse. We should work to pay down the debt, and we did a good job toward paying down the debt. Ninety percent of our surplus went toward debt repayment last year. I am proud of our efforts in doing that.

I think the other solution is that we need to have a tax cut. We need a plan to pay down the debt, and we need to have a plan to reduce the tax burden on the American people. I happen to agree with what the President recently said, that we need to make tax cuts retroactive. Why not? In the past, Congress has instituted tax increases and made them retroactive. So if we see a need to keep the economy from slowing down

too much, or if we have excess surpluses, then I think we ought to go ahead and have tax cuts that are actually retroactive rather than increase spending.

We frequently discuss the budget surplus, and I believe it is actually more accurate—and I want to emphasize this—to talk about it as a tax surplus. The surplus represents an overpayment by taxpayers. These overassessed taxpayers should not have to send the money to Washington in the first place. My colleague from Arkansas pointed out that it gets distributed on the whims and wishes of the bureaucracy and Members of the Congress. I think it is better to empower local taxpayers to spend that money as they see fit. Allowing people to keep their own money makes sense to me. They are in a better position to know what they need. I believe in people's priorities, not Washington priorities.

Rather than addressing the basic question of whom we should trust with the taxpayers' money—the taxpayers or Washington—some have attempted to shift the focus, claiming they can't afford tax cuts. In fact, tax cuts don't jeopardize debt repayment or the Government's other obligations.

I think my record here on the Senate floor is clear. I am known as a budget and debt repayment hawk. I want to see the debt paid down as fast as possible. Federal Reserve Chairman Alan Greenspan said in a recent Budget Committee hearing, which I attended, that based on the current projections, there is room in the surplus for both debt repayment and a tax cut. He stated repeatedly before many different committees that the least desirable option is to use surplus money for new spending—exactly what the Congress did in the final 6 months of the last Congress.

On July 1, 2001, CBO delivered an encouraging fiscal forecast. They saw that the foreseeable budget surplus would allow the Government to return a major portion of the surplus to its rightful owners. That means a tax cut. They saw that the surplus would allow continued efforts to pay down our national debt. It continues to make good on a Republican promise to protect the Social Security surplus.

To put it simply, CBO's baseline assumptions for 2001 to 2011 project surpluses large enough to allow the Federal Government to retire all available debt held by the public.

Surpluses from this year through 2011 are projected to approach between \$5.6 trillion and \$6 trillion—nearly four times the amount needed to fund the Bush tax cut.

The Bush tax cut plan is an important first step towards returning the tax surplus by lowering taxes. It will mean on the average \$1,600 more for each American family. That is real money. It can be used for such things