Now, obviously you cannot do that until you stop increasing the deficits. We have a program now, that will accomplish that by the year 2002.

I yesterday took to the floor and talked about some of the new allies that those of us who really want to do something constructive about eliminating the deficit have, some new allies that are coming along. We are seeing right now responsible but liberal editorial boards throughout America are now saying, ''Look. We have heard enough of this lie that is being perpetrated by the leadership of the Democrats in both the House and the Senate, trying to draw a connection between tax relief and balancing the budget.''

And I suggest to you that the choice is not taking that amount of money that is going to be coming out in tax relief and putting it toward the deficit because we know if we are going to be honest with ourselves all that would do is go to more social programs which this administration wants. They do not want cuts. They do not want freezes. They do not want to control growth. They want to increase the social programs. They want business as usual.

Mr. President, the times are changed now. This is not the way it would have been 2 years ago or 4 years ago or 6 years ago.

Mr. FORD. Mr. President, will the distinguished Senator yield?

Mr. INHOFE. I will not yield yet. We are on a timeframe. There are a couple things I want to cover first. The Senator will have an opportunity to have his 10 minutes.

Mr. FORD. I just want to ask a question.

Mr. INHOFE. With this timeframe we are looking at now, it is so critical that we ignore the demagogs and those who are trying to ignore this problem.

I suggest, as I did yesterday, that one of these newspapers which has always been pro-Democrat, as opposed to Republican, which has been liberal in their editorial policy, the Washington Post, had an editorial just the other day, September 15. This editorial is called ''Medagogues.'' In this editorial, they talk about how the Democrats are trying to draw a relationship between tax relief and balancing the budget.

I suggest that anyone—and it has been suggested in some of these editorials, not this particular one, that if anyone was opposed to the tax increase of the Clinton administration of 1993—this is back when the Democrats controlled the House and the Senate and this was characterized as the largest single tax increase in the history of public finance in America or anyplace in the world, and that was not JIM INHOFE, a conservative Republican talking, that happened to be a Democrat on the floor of the Senate talking, that that was the largest single tax increase in 1993.

What did they do? It was a tax increase on, among other people, the senior citizens, a 50-percent tax increase in Social Security, raising it from 50 to 80 percent. This is something the American people did not want.

So I suggest to you, Mr. President, that if there is anyone out there, including Democrats or Republicans, who opposed that tax increase, they should be for tax relief now. Essentially all we are trying to do is repeal the damage that was done to the American people back in 1993.

''Medagogues'' is the name of the editorial:

> What the Democrats have instead is a lot of expostulation, TV ads and scare talk.

They go on and on.

> But there isn't any evidence that they would ''lose their Medicare'' or lose their choice of doctor under the Republican plan.

This is something that is very critical, because this is an important part of the bill that will be considered.

Ten days later, they came out again, and I think this is the first time probably in the history of the Washington Post that they came out twice on the same subject taking the conservative side of an issue. The last two sentences of this editorial are:

> The Democrats have fabricated the Medicare-tax cut connection because it is useful politically. It allows them to attack and to duck responsibility, both at the same time. We think it's wrong.

I want to conclude, because my time is almost up. I have to be very critical of the Democratic Senatorial Campaign Committee. They are flooding the airwaves throughout America with propaganda such as this one that says: ''Inhofe Feasts on Tax Cut for the Privileged While Children Go to Bed Hungry.''

Just the other day this was sent out to every newspaper in Oklahoma characterizing me as some kind of monster abusing the children, abusing the elderly. All we are trying to do is protect America for the next generation, my grandchildren, which, if we do not do it, will have to spend 82 percent of their lifetime income just to support this monstrous Government.

So, Mr. President, this is what conservatives are going up against. This is the ridicule we have been subjected to. These are the slings and arrows that are happening to us.

I can tell you right now, the American people understand the same as they understood they did not want our health care delivery system turned over to Government, they understand this is the last opportunity we are going to have in America to actually bring this budget under control and, in this case, to eliminate the deficit by the year 2002.

I will conclude by quoting one of my favorite people, Churchill, who said: ''Truth is incontrovertible. Panic may rescind it, ignorance may deride it, malice may destroy it, but there it is.'' And the truth is going to come through. We are going to succeed in this effort. Thank you, Mr. President.

Mr. BUMPERS addressed the Chair.

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

A TAX INCREASE FOR 50 PERCENT OF AMERICAN PEOPLE

Mr. BUMPERS. Mr. President, I never will forget in 1981 how the wind swept through this Senate and accepted Ronald Reagan's promise that if we just pass this massive tax cut, it would generate so much economic activity and so many taxes that we would balance the budget in 3 years, no more than 4 years. That was $4 trillion ago.

I am happy to report I was 1 of 11 Senators that did not buy that for one instant. And, Mr. President, we are getting the same snake oil with this bill.

I applaud a lot of people on both sides of the aisle who have committed themselves to dealing with the problem the American people have said is No. 1. But there is a time to pass tax cuts, and the time to do it is after we balance the budget, not before.

But having said that, Mr. President, let me add that I would not vote for this tax bill if we had a $300 billion surplus this year. I would not vote for this tax bill if you held a gun to my head, because it betrays every value I hold dear about this Nation. The budget resolution that we passed in June said CBO will certify, not project, certify a balanced budget by the year 2002. And that once they certify it, then the Finance Committee can report out a $245 billion tax cut. The problem with that is not only has CBO not certified, they have only projected, but once this tax bill passes—and it is going to pass, Mr. President, make no mistake about that—but once it passes, the money will be gone and unavailable to help meet unexpected obligations like recessions, wars, trade wars, earthquakes, hurricanes, or floods.

A flood 3 years ago cost somewhere between $10 and $20 billion. We are still paying for Hurricane Hugo, which also cost billions.

But here is the reason I would not vote for the tax bill. Look what it does. It has a capital gains provision: 76.3 percent—think of that, 76.3 percent of the capital gains tax cut which costs almost $50 billion goes to people who make over $100,000 or more. That is about 7 percent of the American people, including every single Member of the U.S. Congress.

You think I am going to vote for a bill that gives 6.4 percent to people who make less than $30,000 a year; 4.6 percent if you make $30,000 to $50,000; 6.1 percent if you make $75,000 to $100,000; and 76 percent to people who make over $100,000? I would not vote for that under any circumstances. Those people do not need a tax cut.

I might also say, my friends in the business community in my State say, ''Senator, we don't need a tax cut, we need to get the deficit under control. Balance the budget and then talk about taxes.''

What is even worse—talk about betraying our values—CBO said this bill represents a tax increase on 51 percent of the American people. That is how

many people in America make less than $30,000 a year—51 percent. They get a tax increase out of this when you consider the cuts in the EITC, student loans, and all the others. At the same time, the richest 1 percent of the people in the country get $20,000 in tax cuts. Think of that, 50 percent of the people on the lowest rung of the ladder get a tax increase, and people making $200,000 a year or more get $20,000.

What has happened to the country? Why do we do things like that? It betrays everything I believe in. During the Depression when I was growing up in a family poor as Job's turkey, we looked to the Government to help us, not hurt us. It was the Government we turned to for sewer systems and water systems and paved streets and rural electrification. Today, we are saying, let them eat cake.

Who wants the tax cut? Seventy percent of the people in this country, in a USA Today poll, said reduce the deficit. One-third as many, 24 percent, said give me a tax cut. There is no clamor for it.

On the earned income tax credit, President Reagan, Majority Leader DOLE, Senator DOMENICI, and many others on the Republican side of the aisle have said that is a wonderful program. So what are we going to do? We are going to cut it.

Mr. President, it is not just the tax bill that is so horrendous about this thing. There are all kinds of things in there. We continue to give away western lands to the biggest corporations in America, the mining corporations. And there is $18 million, over a 7-year period, in here against the mining companies. They get off scot-free—essentially scot-free.

And then there is ANWR. Open up ANWR up on the north slope. That is going to be a tough one, Mr. President. That is going to be debated heavily here, because that is the same thing as an asset sale. When you sell an asset—as any businessman will tell you—that is a one-time bonanza for you. If you put that one-time bonanza into your operating budget, you will be in big trouble the next year.

Mr. President, we are selling our petroleum reserve in Elk Hills, our naval petroleum reserves. We are selling 40 million barrels of oil out of our strategic petroleum reserve. We are selling everything in the world we can lay our hands on, with no thought of what you do for an encore, once you sell those assets. Until a few months ago, Congress could not count the sale of an asset as a revenue raiser. Why? Because counting the revenue from an asset sale fails to show the loss of value of the asset. It was only this year that Congress changed the budget law to allow asset scoring and count it toward balancing the budget. Now that we have changed the scoring process, we are selling everything we can get our hands on and counting that against the deficit.

Let me go back to the earned income tax credit for a moment. The EITC helps reduce the poverty rate. Look at this chart. In 1993, 15.1 percent of the people lived in poverty. By 1994, the poverty rate had dropped to 14.5 percent. And if you consider the actual number of persons living in poverty, it was down almost one million people. So what are we going to do? Cut the earned-income tax credit, even as the program is working. There is the proof.

The other day at this Million Man March, the point was made over and over again that fewer and fewer black people are enrolling in college. So what are we going to do? We are going to cut education funds by 30 percent—the most massive cut in the history of the country in education. It is going to make it much more difficult to get a loan, and then more difficult to pay it off.

We are torpedoing all the programs that are working. Mind you, there are some programs that we need to torpedo, but the EITC and educational loans are not among them. I stood on this floor and I fought the B–2 bomber, I fought the space station, and I fought the super collider. I fought so many fights trying to save money to get spending under control here, and I lost most of them. Do you know why? Because the companies who make those big-ticket items dominate. We are not going to solve our spending problems until we reform campaign financing. The space station is made in 36 States, and that guarantees that it will continue. It is the most horrendous, outrageous waste of money in the history of man, and you cannot stop it. But you can sure stop payments to old people, who depend on Medicare for their health care.

You think of it. A $270 billion cut in Medicare. A $182 billion cut in Medicaid, health care for the poorest of the poor. I ask for 1 additional minute.

Mr. THOMAS. Mr. President, I object. We were set up for 10 minutes.

The PRESIDING OFFICER. Objection has been heard. The Senator has spoken for 10 minutes.

Mr. BUMPERS. I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

BALANCING THE BUDGET

Mr. THOMAS. Mr. President, when we have an arrangement to speak for 10 minutes, it seems to me that is what we should do.

I want to talk a little bit about the opportunity and the time that we now have to come to a decision. We have been talking this whole year about budgets, about balanced budgets. We started out in the beginning of the year with a vote on balanced budgets, which lost by one vote. We have worked the whole year long, and now we are down to the place where it begins to count. We are down to where we are going to make a decision as to what we do.

Mr. President, I listened to my colleague on the other side, and I have heard that speech for 25 years. For 25 years, we have not balanced the budget in this place. Every year we have the same litany of reasons why we cannot do that. For the first time in that period of time, we have a dedication to doing it. For the first time, we have a pattern to do that. We can balance the budget.

The real question is, is it reasonable, is it morally and fiscally responsible to go for 25 years without balancing the amount of money you take in with the amount of money you take out? How long could you do that in your family or in your business? We are beginning to have the same repercussions that you would have there—the repercussion being that we have a $5 trillion debt, and we will have to vote on that this month, or early next month; that the interest on that debt will now amount to probably the largest single-line item in the budget. So we hear, year after year, the same litany of reasons why we cannot do this, basically, frankly, from the same people who have been here for 25 years. I do not mean to be critical. It is a tough decision. But people sent us here, this year particularly, to deal with that issue. It is time to do that. We hear the talk about the Reagan years, when we reduced taxes and the promise that it would increase the economy. It did in fact increase the economy markedly. The problem was, we did not reduce or hold down spending. The constitutional responsibility for doing that lies right here in this Congress. Right here. It is our responsibility to do that.

We hear about capital gains tax cuts. These are tax cuts that provide an opportunity for investment to create jobs, that give us a prosperous economy and give us a chance for people to work and take care of their families. That is what that is about. The earned income tax credit. That will continue to grow. It has been the fastest growing program in the entire budget. It started out, I believe, at about $1.5 billion. It has gone to $25 billion in less than 10 years and is scheduled to go to $32 billion. That is a cut? Give me a break. It is not a cut. It is also one of the programs that has been most filled with inconsistencies, and indeed fraud in many cases, payments going to people that did not qualify for them.

So, Mr. President, it is really time that we take a little look at what we are doing here. If we do not balance the budget, what happens? If we do not do something about Medicare, what happens? Medicare in the trust fund, in part A, goes broke in 2002. That is the way it is. So we have to do something about it. A child born today owes $187,000 in interest on the Federal debt. That is where we are. That is why we have to do something about it. By the year 2015, all of our spending will be on entitlements and the national debt interest. All of our tax revenues will be taken for that reason.