

year 2006. That is why the President said let's bring that reduction forward 3 years and provide this benefit immediately.

There is another benefit for small business that has not been talked about much. The President's proposal would increase from \$25,000 to \$75,000 the amount that small businesses may expense each year, that is to say that they can write off in their income taxes. There is broad bipartisan agreement that allowing small businesses to expense a larger amount of their investment in equipment will provide a strong incentive for small business to expand. As I said, these are the businesses that provide most of the new jobs in our country.

Let me conclude by talking about this class warfare. The previous speaker said he didn't want to talk about class warfare but immediately got into the same argument about who benefits. He also acknowledged something that is very true. John Kennedy is famous for saying, back in 1963 when he was proposing a capital gains tax reduction and people pointed out that there were not very many people who had capital gains, President Kennedy said:

But a rising tide lifts all boats.

If some taxpayers benefit, in the long run all taxpayers benefit. That is an acknowledged principle of economics.

One ought not be asking why do you get a \$3,000 benefit from President Bush's tax proposal and I only get a \$1,500 benefit? But rather, they should say, I am glad I got the \$1,500 benefit and I am glad you got the \$3,000 benefit, because for all of it is going to make the economy healthier and in the long run it will make us all wealthier. That is the attitude, fortunately, most Americans have.

According to the IRS data from 2000, the top 5 percent of tax filers paid more than 50 percent of all income taxes, and the top half of all tax filers were responsible for nearly all of our taxes, 96 percent.

Who ends up paying a higher percentage or lower percentage after all of the Bush tax plan is put into effect? It turns out that the wealthier people end up paying an even higher percentage of taxes and the people in the lower brackets pay an even smaller percentage of taxes. So it does not help the wealthy at the expense of the poor. In fact, if you want to just measure it by that measure, the wealthy pay even more of the taxes than they do today.

If your income is over \$200,000, you are going to be paying 45.4 percent of all of the Federal income taxes. Currently, they pay 44.8 percent. So that is an increase in the amount of taxes that are going to be paid by people who make \$200,000 or more. If you are making above \$100,000 and less than \$200,000, you are going to be paying 27.9 percent of all Federal income taxes. Currently, you pay 27.6 percent—an increase.

Under the Bush plan, families with incomes of over \$100,000 would end up paying 73 percent of all Federal income taxes.

By the way, it takes 3.8 million low-income taxpayers off the tax rolls completely, the Bush plan does. So it is not even an effective rebuttal to say it benefits the rich at the expense of the poor.

I have gone through all the different arguments. We talked about where is the alternative. We talked about the benefits to the States. We talked about the benefits to families. I haven't even talked here about the child tax credit or the marriage penalty elimination. All of these features of the Bush plan are designed in one way or another to help different parts of our economy, different types of families in America, so at the end of the day everybody benefits.

It is possible to pick out one little segment of the tax cuts proposed by the President and say that does not benefit everybody. Of course. If you don't have any children, the child tax credit isn't going to help you. But for those families with children, it is going to help a lot. Same thing if you are two single people; ending the marriage penalty might not help you. If you are a married couple, you might get the benefit of that. But you put it all together and end up with a mosaic that provides not only help to all Americans but an economic long-term growth package that can sustain the kind of living we want in this country, while providing the kind of revenues to State and local governments as well as the Federal Government.

That is the philosophy of the Bush tax plan. It is a good philosophy, and I look forward to a robust debate with my colleagues who may disagree with portions of that plan. It is a very defensible plan, and I am proud to support what the President has proposed here.

I hope we will have plenty of opportunity to debate this in the near future so we can enact all of the President's proposal as soon as we possibly can for the benefit of the American economy but, more importantly, all American families.

#### EXTENSION OF MORNING BUSINESS

Mr. KYL. Madam President, I ask unanimous consent that morning business be extended until 6 p.m., with the time equally divided between the two leaders or their designees.

Mr. REID. Reserving the right to object, Madam President.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I understand the leader wants to go out at around 6 o'clock tonight. As far as the Democratic time is concerned, I would like 25 minutes allotted to Senator BYRD, who wishes to speak now, but during the remainder of the time, without any specific designation as to when it starts, I would ask unanimous consent that 20 minutes of our time be given to Senator KENNEDY, 7½ minutes to Senator SCHUMER, and 7½ minutes to Senator FEINSTEIN.

The PRESIDING OFFICER. Does the Senator modify his request?

Mr. KYL. I revise my unanimous consent request to incorporate what Senator REID has just requested.

The PRESIDING OFFICER. Is there objection to the modified request?

Without objection, it is so ordered.

Mr. KYL. I thank the Chair.

Mr. REID. I appreciate the courtesy of my friend from Arizona.

Mr. BYRD. Madam President, has the able Senator from Arizona relinquished the floor?

Mr. KYL. I have indeed.

Mr. BYRD. I thank the Senator.

The PRESIDING OFFICER (Mr. CORNYN). The Senator from West Virginia.

#### IRAQ

Mr. BYRD. Mr. President, President Bush last night warned the American people to brace for war with Iraq. In his State of the Union Address, he vowed that if Saddam Hussein does not disarm, the United States will "lead a coalition" to disarm him.

Although the President stopped short of a declaration of war, his message was clear: In his view, Saddam Hussein constitutes an imminent danger to peace and security in the world, and the United States is prepared to wage war, with or without the support of the United Nations, to remove him from power. The chain of events that President Bush set into motion last year when he inducted Iraq into what he called the "axis of evil" appears on the verge of spilling over into battle and bloodshed.

The President's remarks come amid a firestorm of protest from some of our closest allies in Europe and the Middle East over the apparent willingness of the United States to ride roughshod over the United Nations and dictate to the rest of the world the terms of Iraq's disarmament. The President in his State of the Union speech once again made clear that Iraq will be dealt with on his timetable, at his hands, according to his agenda.

Mr. President, I am fully cognizant of the danger presented by the possibility of chemical, biological, or nuclear weapons in the hands of a ruthless dictator like Saddam Hussein. I am fully cognizant of, and frustrated by, the fact that Iraq has consistently flouted the United Nations mandates to disarm, and has apparently shown only token cooperation with the current inspection regime. Iraq has much to answer for, and the President is correct in demanding that Iraq respond to the United Nations.

What concerns me greatly, however, is that this President appears to place himself above the international mandates of the United Nations. He has turned a deaf ear to the concerns of other nations and has vowed that the United States will lead an assault on Iraq regardless of the judgment of the United Nations. President Bush has