question of suspending the rules and passing the bill, H.R. 811, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 811, as amended, on which the yeas and nays are ordered.

This will be a 5 -minute vote.

The vote was taken by electronic device, and there were—yeas 417, nays 0, not voting 15, as follows:

[Roll No. 64]

YEAS—417

Abercrombie
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Spratt
Stark
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—15

Ackerman
Baldwin
Becerra
Bonior
Chabot
Collins
Deal
Lampson
Moakley
Owens
Rivers
Rothman
Shaw
Sisisky
Stearns

□ 1859

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## FURTHER CONSIDERATION OF CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 2002

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to the order of the House of Thursday, March 22, 2001, and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for further debate on the subject of the concurrent resolution on the budget for fiscal year 2002.

□ 1859

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for further debate on the subject of the concurrent resolution on the budget for fiscal year 2002, with Mrs. BIGGERT (Chairman pro tempore) in the chair.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, the following time remained for debate:

The gentleman from Iowa (Mr. NUSSLE) has 47 minutes remaining; the gentleman from South Carolina (Mr. SPRATT) has 51 minutes remaining; the gentleman from New Jersey (Mr. SAXTON) has 10 minutes remaining; and the gentleman from California (Mr. STARK) has 23½ minutes remaining.

The Chair understands that the time remaining for the gentleman from New Jersey (Mr. SAXTON) is to be yielded to the gentleman from Iowa (Mr. NUSSLE). Without objection, that will be the order. Therefore, the gentleman from Iowa (Mr. NUSSLE) has 57 minutes remaining.

There was no objection.

Mr. NUSSLE. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Arizona (Mr. STUMP), the chairman of the Committee on Armed Services, for the purpose of a colloquy.

Mr. STUMP. Madam Chairman, I understand that the resolution before us contains a provision that would establish a reserve fund for fiscal year 2002 that would permit Congress to consider a possible amended budget request from the President for additional defense spending.

Mr. NUSSLE. Madam Chairman, will the gentleman yield?

Mr. STUMP. I yield to the gentleman from Iowa.

Mr. NUSSLE. Madam Chairman, the gentleman is correct.

Mr. STUMP. Madam Chairman, as the gentleman knows, the Secretary of Defense is engaged in a top down strategic review of the missions, processes and requirements of the military. I expect that this review will lead to an amended budget process for national defense by the President later this spring or early summer.

Could the gentleman clarify the processes by which resources from the strategic reserve fund would be made available to support such an amended budget request and how this process would apply to the annual defense authorization legislation?

Mr. NUSSLE. Madam Chairman, if the gentleman will again yield, the resolution permits the adjustment of the 302(a) allocation aggregates and functional totals to reflect authorization and appropriations legislation reported by July 11 of this year if such legislation exceeds the allocations contained in this concurrent budget resolution. The appropriation totals for the reported bills would be adjusted by the chairman of the Committee on the

Budget not later than July 25, 2001. The allocations could be further adjusted for a conference report considered at a later date as well.

Mr. STUMP. Madam Chairman, reclaiming my time, I appreciate the gentleman's clarification that the adjustment mechanism in the resolution would apply for both authorization and appropriation bills. I remain concerned that the timelines for reporting legislation and making required adjustments may be unsupportable should the administration be late in submitting an amended President's budget by request fiscal year 2002. In order to preclude such a problem, I ask that the gentleman work with me and the gentleman from Alaska (Mr. YOUNG), the chairman of the Committee on Appropriations, during the conference on the budget resolution to ensure that full consideration of the legitimate defense needs of the Nation is not restricted by an artificially imposed calendar deadline.

Mr. NUSSLE. Madam Chairman, if the gentleman will further yield, I am wholeheartedly committed to working with the distinguished chairmen of both the Committee on Armed Services and the Committee on Appropriations to ensure that the process delineated in the budget resolution is sufficiently flexible to give the committees adequate time to consider properly and report out legislation acting on the President's amended budget request.

Mr. STUMP. Madam Chairman, I thank the gentleman from Iowa (Mr. NUSSLE).

Mr. STARK. Madam Chairman, I yield 1½ minutes to the distinguished gentleman from Rhode Island (Mr. KENNEDY), who understands full well, better than many of us, that the very richest in this country are getting an incontrovertibly huge portion of this budget to the detriment of the average people in our districts.

Mr. KENNEDY of Rhode Island. Madam Chairman, like the gentleman from California, I ought to be thrilled about this tax cut, because rich families like mine will have even more money. In fact, I think my dad might be able to buy an extra boat down at the Cape; that might be a good thing, and then we could fit so many more people that we would like to have down there.

This is an absolutely incredible budget in that it reverses the age-old priority of helping working families in this country. The President claims that he wants to leave no child behind. Well, that is not reflected in this budget. This budget, in fact, increases education at less of the rate than the number of students that are going to be enrolling in schools, despite the fact that we have crumbling schools. This budget even makes sure that subsidies are taken away from 50,000 families on child care. I mean, I thought we were family-friendly in this Congress; we wanted to make sure people could go to work and have child care.

So this budget has less affordable housing, fewer child care tax subsidies, fewer dollars to support our aging and crumbling schools, fewer dollars for Medicare and Social Security; and all the while it gives the top 1 percent nearly half of the $1.6 trillion tax cut. I mean, it does not take much more understanding than that. Half of the tax cut goes to the top 1 percent of this country, and who pays for it? All of these programs. That is who pays for it.

Madam Chairman, it is said that actions speak louder than words, and this budget resolution is deafening. It fairly shouts that the single most important thing this government can do is redirect our national wealth to those who are already affluent. Not educate our children, not provide affordable prescription drugs to seniors, not save Social Security, not even give tax relief to the working poor.

This budget is built around a huge tax cut, and to pay for it, the President would raid Medicare and send the bill to working Americans.

Madam Chairman, this budget resolution trashes a century-old priority of helping working class Americans into the economic mainstream. It would slash the Public Housing Capital Fund, making affordable housing even more scarce. It would take child care subsidies away from 50,000 families at a time when only 10 percent of eligible families are receiving them in the first place. It suggests significant cuts to job training programs, making it harder for workers to keep up with the changing economy.

Even on education, which the President supposedly cares so much about, it dramatically cuts the rate of increase and eliminates funding to rebuild crumbling buildings. This despite the fact that the Department of Education anticipates student enrollment to grow by another four and a half million over the next 4 years.

Less affordable housing, fewer child care subsidies, less job training, inadequate support for schools, and of course weakened Medicare and Social Security systems—this is a budget that will stifle economic opportunity for tens of millions of Americans in order to pay for a disastrous tax cut to benefit the very wealthy. We should be taking advantage of this era of unprecedented prosperity to update our social infrastructure for new economic and demographic realities, not squandering it on a cart-before-the-horse tax cut that doesn't help the people who need it most.

Mr. STARK. Madam Chairman, I yield 3 minutes to the gentleman from Washington (Mr. MCDERMOTT), who as a physician understands full well the harm that will be done to the seniors in this country by the inadequacy of the prescription benefit that lies in the Republican budget.

Mr. MCDERMOTT. Madam Chair, during the break I found the symbols of this budget; I found three walnut shells and a pea here. If we watch this budget, we are going to watch these guys play that old country-fair game of moving it around.

I want to talk about the numbers, because we have talked about the principles, all the principles; but let us talk about dollars.

The President says, and we agree, there is $5.6 trillion in surplus. Now, if we take away the Social Security and the Medicare and put it into those trust funds and leave them there to deal with Social Security and Medicare, we are down to $2.5. We take $3 trillion out with those two issues. Now we have $2.5 trillion; we can just spend it any way we want.

So the President says, let us spend $1.6 trillion on a tax break, let us give it back to the people. That sounds good. Everybody in favor of that, all right. But, let us think a minute.

When we change the tax structure, we change the whole tax structure. Right now there are 2 million people who have to figure their taxes twice under the AMT. With the President's changes, there will be 25 million people who will get the pleasure of figuring their taxes twice. If we want to change that and fix the AMT, it costs $300 billion. Ah, and, if we spend this 1.6 trillion and do not pay down the debt, we wind up having to pay another $400 billion in interest. Now, if we add all of that up, that leaves $207 billion to deal with all the needs of this country over the next 10 years.

The President has said he wants to give prescription drugs. That is $153 billion. So we are getting down to $60 billion for 10 years, remember; and then he wants to do something about defense, maybe $5 billion a year for 10 years. That is 50. So we are down to $10 billion, folks, left to do everything this country needs. He says he wants to do something about education. I have to get my walnut shells out here again because that man is going to have to have these to start moving it around. He says he wants to do something about conservation, wants to save the land and the trees and whatever, wants to deal with crime. But the walnut shells must have the answer, because the tax cuts for health care coverage is another issue. There is no money for the President to do what he says he is going to do.

The numbers are right here. All Americans sitting at the kitchen table, take it down, $5.6 trillion minus $2.5 trillion, minus $500 billion, we have $3 trillion gone. That only leaves $2.5 trillion. It is not there. Vote against it.

Mr. STARK. Madam Chairman, I yield 3 minutes to the gentleman from New York (Mr. HINCHEY), who agrees with the statement from the Alliance of Retired Americans that the budget before us could cause Medicare, which has out-performed conventional commercial health systems over the past decade, to go into a financial nose dive and insolvency by the year 2010 or so.

Mr. HINCHEY. Madam Chairman, the budget resolution we have before us is essentially perverse. It is so because the main feature of this budget is a huge tax cut. Now, that tax cut, as was explained to us just a few minutes ago, is much larger than it pretends to be, or the President pretends it to be. When that tax cut over 10 years is fully

implemented, it turns out to be at least $2.5 trillion. That eats up essentially all of the anticipated surplus under the rosiest of circumstances over the next 10 years. That means that there is nothing left for education, there is nothing left for health care, there is nothing left for agriculture, there is nothing left for disasters. Every penny which is anticipated to be in the budget under the rosiest scenario over the next decade is gone. It is wiped out.

Why would anyone do that? Well, I think that there is a lesson here by examining history. This particular President was, for a period of time, the Governor of Texas. While he was Governor of Texas, he inherited a huge surplus from the previous administration, just as he has inherited a huge surplus from the previous Presidential administration here in Washington.

So, in Texas, he engaged in a huge tax cut. He thought that that would be a good thing for the Texas economy. Well, what is the fact of the matter? The fact of the matter is now that the Texas budget is in serious deficit. The Texas economy is in serious decline. That is what this President wants to do to the Nation. When somebody asked him, well, what are you going to do about the situation in Texas, while he was campaigning last year, his response to that question was, well, I hope I am not there to deal with it, and he was not there to deal with it. But we and he and the American people will be there to deal with the perverse consequences of this tax cut if we allow it to happen.

Now, what about Medicare? The President says he wants to have a prescription-drug program under Medicare, but there is no money for it because it is all gone, it is eaten up by his tax cut. So he wants to take money out of the Medicare trust fund and out of Social Security. He wants to take fully $1 trillion out of Social Security and Medicare over the next 10 years.

Think about what that is going to do to the security of people who are relying upon Social Security for at least some part of their retirement. Think of what that is going to do to the health care of aged Americans who are relying upon Medicare to provide their health care during their elderly years. He eats up $1 trillion of Medicare and Social Security, and that is the effect of this budget; and that is why it needs to be defeated.

Mr. STARK. Madam Chairman, I yield 4 minutes to the gentleman from North Carolina (Mr. WATT), who understands that we could take the $50 billion a year that we are going to give away to a few rich Americans in estate tax relief and fund a decent prescription-drug benefit for our seniors with that same money.

(Mr. WATT of North Carolina asked and was given permission to revise and extend his remarks.)

□ 1915

Mr. WATT of North Carolina. Madam Chairman, I do not often come to the floor to speak on budget matters. I tend to leave these debates to the so-called budget experts. But I cannot sit idly by and let what we have worked so hard to accomplish be rolled back and destroyed for political benefit by the so-called experts, who seem to have lost touch with old-fashioned common sense.

Some people have referred to me in my political career as a liberal, but there is one very conservative thing my mama taught me when I was growing up: We simply do not spend money that we do not have. Now, my so-called conservative colleagues seem to be violating my mama's commonsense, conservative rule.

When I was elected in 1992, the annual budget deficit was approaching $200 billion per year, and was projected to grow at over $500 billion per year. If the projections had turned out to be correct, the budget deficit for the last 10 years would have been somewhere between $2 trillion and $5 trillion. Those projections proved to be woefully incorrect. Instead, the Congressional Budget Office now projects that we will have a budget surplus of over $5 trillion over the next 10 years.

What is my point? Am I trying to prove that President Clinton and this Congress did a great job or worked some magic to create the surplus? No. My point is that budget surplus and projections can be in error, and they almost always are.

Consider these facts: In January of 2000, the CBO projected that the budget surplus would be $2.4 trillion less than they projected that it would be 1 year later, in January of 2001. They were 75 percent off in their projections. That is staggering, even compared to the miscalculations they made during the 10 years that I have been in Congress.

The CBO itself says that there is a 1 in 20 chance that the Federal budget will be back in deficit in less than 5 years, even without a tax cut. If we take out the Social Security surplus, CBO says there is a 1 in 5 chance that we will be back in deficit spending. That is with no tax cut, no prescription drug benefit, no hurricanes, no tornadoes, no farm emergencies, and even if we keep the same spending levels, adjusting only for inflation.

So what is up with my so-called conservative colleagues? They obviously did not grow up listening to my mama's conservative philosophy, but I think I am going to stick with my mama's philosophy: We should not spend what we do not have. I think that is still a good philosophy for our households, and it is also a good philosophy for our country. We should stick to it and vote against this budget resolution.

Mr. STARK. Madam Chairman, I ask unanimous consent to yield the remainder of the time that I control to the gentleman from South Carolina (Mr. SPRATT), the distinguished ranking member of the Committee on the Budget.

The CHAIRMAN pro tempore (Mrs. BIGGERT). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. NUSSLE. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would say I wonder where the gentleman's mother was for the last 40 years when we were spending all the money that the Democratic-controlled Congresses were spending that they did not have.

It is great to quote one's mother when it works. I am probably as much at fault for that as anybody, not listening to my mother enough. But we should quote our mothers all the time, not just some of the time.

What we are going to talk about tonight, we are going to talk about the budget that we believe is an important step towards securing America's future. As we wrote this budget in the committee, taking the advice of the President, taking the advice of many years of budgets, we came up with six principles that we felt were important to put into this budget:

No. 1, maximum debt elimination;

No. 2, tax relief for every taxpayer;

No. 3, improved education for our kids;

No. 4, a stronger national defense;

No. 5, health care and Medicare modernization with a prescription drug benefit;

And finally, No. 6, better Social Security for our seniors.

The gentleman from Michigan (Mr. HOEKSTRA) will talk about how we are going to improve education for our children.

Madam Chairman, I yield 3 minutes to the distinguished gentleman from Michigan (Mr. HOEKSTRA).

Mr. HOEKSTRA. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, for a number of years we have been taking a look at the dollars that we spend from Washington on our children. We have determined that the most effective way to spend those dollars is when we empower local school officials and parents to make the decisions for their children.

The direction of President Bush's education reform agenda and this budget reflect the importance that we place on parents and local school officials. The President's education plan calls for increased flexibility so as the dollars go to the local level, they can identify the needs of the particular children in their schools and match the needs to the funding that comes from Washington.

We want to hold States and local school districts accountable, making sure that every child is learning. For those children who are locked into failing schools, we would provide them with a way out.

But the budget is about investment. It is about how we are going to spend

and how much more we are going to invest in America's children. The budget resolution calls for an increase of $4.6 billion, an 11.5 percent increase in program spending. We are going to triple funding and spending on one of our key priorities, which is making sure that every child has the opportunity to learn how to read.

We are going to provide $2.6 billion in increased spending to make sure that there is a qualified teacher in the classroom with all of our children. And as we ask States to hold schools accountable for learning, we will provide the funds to the States to not only develop the tests, but also to administer the tests at the local level.

Over the last number of years, we have identified special education as one of those major mandates on States that we never fully funded. We set aside an additional $1.25 billion to move towards meeting that commitment of full funding for special education.

We increased Pell grant spending by another $1 billion, so more of our children will have an opportunity to access higher education. In addition, we make provisions through the Tax Code, setting up educational savings accounts so more parents and families can prepare for the higher education needs of their children, but also for the K through 12 expenditures that they will incur.

There is a tax deductibility feature for teachers for classroom expenses. There will be a full tax exemption for all qualified prepaid State tuition plans, and a provision to allow for tax deductibility for certain features for school construction.

This is a comprehensive plan of education reform. It is a comprehensive plan for funding education to meet the priorities of America's children today and in the future. We are moving in the right direction. I encourage my colleagues to support this so we do not leave a single child behind.

Mr. SPRATT. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, in response to what has just been said, let me say if there is a difference between two budgets, it is more distinct on the issue of education than anywhere else.

While the gentleman claims that they have increased education between this year and next year by 11.5 percent, he can only claim that by claiming over $2 billion that we have already appropriated in the last Congress for education. If we back out that money already appropriated, the increase is about 5.6 or 5.7 percent.

If we compare that to last year, the current year, in 2002, that will pale in comparison. In 2001, we have an increase of 18 percent for education. Over the previous 5 years, we have had an increase averaging 13 percent. What they are now bringing to the floor as an education budget pales in comparison to what we have done in the recent past, and it pales in comparison, it is no comparison, to what we are presenting in our budget resolution.

Our budget resolution will take our good fortune, the surpluses we have now, and invest more than $150 billion above the rate of inflation in education, $130 billion in our Democratic budget resolution for education over and above what the Republican resolution provides. So if they say this is a first criterion, then on that score we win hands down.

There is another salient difference between us and them. That is on Social Security and Medicare. All through the 1990s we have been able to foresee the day coming when the baby boomers retire, and when they all retire, Social Security and Medicare, two essential programs, are going to be stretched, possibly to the breaking point.

We did not have in the early and mid-1990s the wherewithal to deal with this problem. Even when we finally got the budget in surplus, it still was not big enough to step up to this huge problem. But now that we have gotten the year-to-year deficits out of the way, we have to face the long-term deficit. We may be sitting on an island of surpluses right now, but we are surrounded by a sea of debt. That debt runs into trillions of dollars for benefits promised but not yet provided Medicare and Social Security beneficiaries in the future.

Given the opportunity, we have got the obligation to do something about it, and our budget does something about it. Our budget will take one-third of the surplus and transfer it in equal shares to the Medicare Trust Fund and the Social Security Trust Fund, extending the solvency of Social Security to 2050 and Medicare to 2040.

The Republican budget resolution does nothing at all for the solvency of those two systems. In fact, it actually takes away from the solvent life of the Medicare system by allowing a new prescription drug benefit to be deducted from the trust fund, diminishing the fund available to run the regular benefits now provided by that program and shortening its solvent life.

We add prescription drugs, but for the additional benefits, we provide additional money out of the general surplus of the Treasury.

Madam Chairman, I yield 9 minutes to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Madam Chairman, I thank the gentleman for yielding time to me.

Let me start by talking about the resolution that is before us today, the Bush Republican budget that is before us today.

I think it is important to note that this budget, even though it is only for fiscal year 2002, this is a budget that is driven by one thing over 10 years, by this $1.6 trillion tax cut, actually a tax cut that is growing by leaps and bounds every day.

The problem with this budget is that in order to get the tax cut funded and to meet the $260 billion of additional spending the President wants, and, in addition, more spending that the President is going to ask for later, he has to offset it somewhere.

Where he offsets it, and our colleagues, our Republican colleagues on the Committee on the Budget did that as well, is they do it through the trust funds. They do it primarily through the Medicare Hospital Insurance Trust Fund, where they take a large portion of it to fund their reserve, and in order to meet the public's demand for prescription drug coverage, they come up with a minimal prescription drug plan that the President campaigned on, the Helping Hand plan, which will not solve the problem. We will talk about that in a second. But in doing so, they shorten the life span of Medicare, and it leads to the following conclusions: either ultimately to cut Medicare benefits, raise payroll taxes, or actually increase debt when we ought to be decreasing debt instead.

□ 1930

At the same time, the Bush budget, which the Republican budget tracks, would use $500 billion to $600 billion of Social Security trust fund monies to privatize Social Security.

We do not know exactly what privatize means, but we do know any time you take trust fund monies, monies that have been obligated to future benefits paid for by FICA taxes, you have to make up that money. That is money that is already obligated, and you have to make it up either through more debt, higher payroll taxes or reduced benefits.

Here is what happened with the Republican plan. With the Republican plan moving at least $150 billion out of the Medicare trust fund, it shortens the life span to Medicare. The actuaries came out the other day and they said Medicare now is good till 2029 or 2028, but under the Republican plan before us tonight, you would actually shorten it to about 2024. It is moving in the wrong direction in trying to ensure Medicare solvency.

On top of that, the Republican plan as it is would affect Social Security, and this is what is in the President's budget. The actuaries the other day said the plan would go to about 2038 or 2039, full benefits paid under Social Security to 2038. Yet under the President's and the Republican's plan, it would shorten the life span of Social Security to as little as about 2027.

Madam Chairman, I do not think that that is what the American people want, given these two very successful programs. And the problem that we have today is the Republican budget, try as it might, the numbers simply do not add up because with a 10-year budget, the numbers are driven solely by

trying to fund the tax cut first and then deal with our obligations to pay down the debt.

Our obligations are to ensure the solvency of Social Security and Medicare, not just for today's beneficiaries, but near-retirees and future beneficiaries and to find a prescription drug program. That is what the American people said they wanted in the last election.

Madam Chairman, I am going to switch and yield to the gentleman from Washington (Mr. MCDERMOTT), my colleague.

Mr. MCDERMOTT. Madam Chairman, I am up here to talk about one issue, the prescription drug benefit that everybody says they want from Medicare. Now, sometimes the Republicans, when they do budgets, tell the truth.

There are some people who actually come out and say what it is. A Republican acknowledged today that the $153 billion that President Bush set aside would not be enough. Let me quote him, he said ''everybody knows that figure is gone. That is what the gentleman from Louisiana (Mr. TAUZIN) said.

He said it was set before the CBO estimated last year's House bill, which he said has already gone to $200 billion. The President put $153 billion in the budget, and the bill we passed last year was $200 billion.

Now the Republicans know that we have $392 billion in surplus in the Medicare plan. People pay their taxes. Everybody gets a pay stub that says HI on it, and that is the Medicare trust fund; that is we have $392 billion more than we needed.

The Republicans say, well, we will keep $239 billion, and we will take $153 billion away and put it into the drug bill. That is the $153 billion, the President says.

We know last year's bill was $200 billion, so we already know they are going to cheat. They are not going to give you what they promised last year. What the Democrats promised is the other one over here, where we add $330 billion out of the surplus in addition to what we put into Medicare.

As I said before, this is a shell game. These walnut shells, you can move them around, but the fact is this is a walnut shell. You cannot get two things out of the same money; and, my friends, if you are counting on a prescription drug benefit, you better hope the Democratic bill passes.

Mr. BENTSEN. Madam Chairman, I yield to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Madam Chairman, in North Carolina, we have a district where we are aging, and we have an out-migration of young people. What this means is the fact that we have larger percentages of older, lower-income people who indeed are paying an ever-increasing amount for prescription drugs. And to that extent, there is not a Medicare model that can effectively provide those resources in my district.

We cannot depend on HMOs for insurance for that. So in our district, it would mean that many of our people will go without the kind of health care they need. If, indeed, this budget goes through, there is very little hope with the proposed amount of money that is in the Republican bill that it would be sufficient to meet the needs of the constituents in my area.

Madam Chairman, there are many other districts in the United States that are very similar to my district. So I think the sensitivity is there. The people know that prescription drugs is a number one issue, but in rural America, where there are larger percentages of lower-income, senior citizens and the lack of insurance models for prescription drugs, we must depend on the Medicare model to have it.

Madam Chairman, I thank the gentleman from Texas for yielding to me.

Mr. BENTSEN. Madam Chairman, reclaiming my time, I want to ask the gentleman from Washington (Mr. MCDERMOTT), the difference between the Democratic plan and the Republican plan as I see it is this: The Republican plan A takes $150 billion to start out of the Medicare trust fund, thus shortening the solvency of the trust fund to pay for its prescription drug plan. The Democratic plan funds a prescription drug program at an adequate number and does not deplete it from the Medicare trust fund thus does not do anything to shorten the solvency of Medicare. In fact, we propose extending the solvency of Medicare.

Madam Chairman, I ask the gentleman from Washington if that would be correct; and I yield to the gentleman from Washington.

Mr. MCDERMOTT. Madam Chairman, what the gentleman is saying is that the President's budget says this, and this is the one he brought up and stood up here and talked about, that Medicare over the next 10 years is going to be $654 billion short. The Republicans's plan puts nothing into that. They put $153 billion into drugs and another a bunch of money, they call it modernization, $239 billion in modernization; whatever that means, I do not know. It does add to the $640 billion.

Mr. NUSSLE. Madam Chairman, I yield myself 1 minute just to respond briefly.

Madam Chairman, of course my colleagues do not know what modernization is because they never proposed it. I mean it should not be a surprise that they come out of the floor now and say they do not know what modernization is. They do not know what reform looks like; of course not.

It has been Republicans that have come to the floor in budget after budget after budget extending the trust fund, extending the solvency.

When we took control of the Congress just 6 years ago, the trust funds were going bankrupt. And now my colleagues run to the floor and say our budget might, our budget could, our budget may, because you have at least some intellectual integrity to suggest that at least under our plan we can get the job done and still be able to provide the kind of reforms and modernization that we claim we can under this particular budget.

Yes, this budget allows for Medicare modernization. We are proud of that. The fact that my colleagues want to come in here and want to scare seniors about Medicare, I say sadly is not all that unusual. But I would ask my colleagues to please curb your rhetoric, because my colleagues know full well, that is not what our budget does.

Madam Chairman, to talk about how we are going to reduce the national debt, I yield 3 minutes to the gentlewoman from Texas (Ms. GRANGER), who is an outstanding member of the Committee on the Budget.

Ms. GRANGER. Madam Chairman, I rise today to speak in support of this budget resolution. I am especially pleased that a key aspect of this responsible budget blueprint is a significant reduction of our national debt.

When the Republicans became this Chamber's majority in 1995, the Congress had become all too familiar with running deficit budgets. That year the deficit was $164 billion. Worse yet, our publicly held debt was $3.8 trillion.

By the end of the fiscal year 2000, there were not deficits. In fact, we celebrated our third consecutive budget surplus, an achievement not seen in 50 years. We will have a surplus again this year, Madam Chairman, and this is a budget we can be proud of.

This year the government is paying down the debt by $262 billion. Since 1997, we have set aside $625 billion for debt repayment. That is a remarkable achievement and a good starting off place. But this budget will pay down an historic $2 trillion of publicly held debt over the next 10 years.

Why should we pay down the national debt? One reason is paying off the debt helps reduce interest rates. If those interest rates permanently fall by just 1/100 of a percent, the Federal Government can save an estimated $300 million per year in interest payments. Saving that money allows us to focus on funding the priorities of this Congress.

How does paying down the debt help the American people? It makes it easier for lending. It helps the average American get a loan for a purchase of a car, open a small business or pay down his credit card debt.

How does it help the American economy? It encourages more private sector investment. Instead of buying government bonds, that money can be used to finance long-term private sector projects, ensuring that we enjoy the strong economy we know is important.

By paying down $2 trillion, the government's publicly held debt will decline to just 7 percent of the gross domestic product by the year 2011. Its lowest level in 80 years.

We are paying down as much debt as we can as fast as we can. So why do not

we just eliminate the public debt? Because the roughly $1 trillion of remaining debt is nonredeemable. It consists of marketable bonds that will not have matured, as well as savings bonds and special bonds for State and local governments.

This budget is committed to responsible debt reduction. By refusing to touch the nonredeemable debt, the government will not pay premiums and penalties for retiring the debt too fast; that could cost the American taxpayer as much as $150 billion.

Madam Chairman, in town hall meeting after town hall meeting, my constituents tell me that they are responsible for providing for their families, for running their business and planning for the future for themselves and their families. Leaving more than $3 trillion for another Congress, another time is not only irresponsible, it is unworthy of us as their elected representatives.

We have an opportunity and an obligation to pay off the maximum amount of debt that we can responsibly pay, and that is what is presented in this budget resolution.

Madam Chairman, I urge my colleagues to support this budget. Debt reduction can be this Congress' most important legacy.

Mr. NUSSLE. Madam Chairman, there was a mention made before about privatizing Social Security in our budget. We do not privatize Social Security in our budget, and the gentleman from New Hampshire will talk about that.

Madam Chairman, I yield 3 minutes to the distinguished gentleman from New Hampshire (Mr. SUNUNU), who is vice chairman of the Committee on the Budget.

(Mr. SUNUNU asked and was given permission to revise and extend his remarks.)

Mr. SUNUNU. Madam Chairman, I want to thank the gentleman from Iowa (Mr. NUSSLE), Chairman of our Committee on the Budget for yielding the time to me.

Madam Chairman, I think it is important that we step back. We have heard a lot of rhetoric here. And as the gentleman from Iowa (Mr. NUSSLE) pointed out, most of it is designed to scare people.

I think that is unfortunate, because we have an historic opportunity to use record budget surpluses to do the right thing for the country; to put together a strong budget; to make the Tax Code more fair. I think we should step back and talk about what is in this budget rather than listening to speculation and scare tactics.

As the gentlewoman from Texas (Ms. GRANGER) indicated, we pay down more debt over the next 10 years than has ever been paid down by any country in the history of the world, over $2 trillion in debt retirement keeping interest rates low.

Of course, we cut taxes. We have heard a lot of speculation that it will be a $2.5 trillion dollar tax cut, and it is very interesting to see Members on the other side advocating for reform of AMT, which is not even part of the President's proposal.

The reason is because they are putting up a strawman that they might debate against, when they know full well the way budgets are written, it allows for $1.6 trillion over the 10-year period and no more.

We improve education, strengthen our national defense, and, of course, we have health care reform, Medicare modernization. For the first time in our country's history, we are creating a reserve fund to support reforms, modernizations for Medicare that were designed 35 years ago. Somehow the minority wants to portray this as being risky. Suddenly it is risky to set up a reserve fund, something we have never done in this country. I think not.

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Of course, Social Security. Let us take a close look at how we are dealing with Social Security in this budget. First and foremost, we are setting aside every penny of the Social Security surplus, something I am sure my colleagues on the other side of the aisle will be pleased to know. It will be the third year in a row that we have done this.

It is important to reflect on the fact that it was the House Committee on the Budget 3 years ago that first proposed the idea of setting aside every penny of the Social Security surplus. We protect that surplus. It is shown very clearly.

We will use much of those revenues that are coming in to do the right thing for the taxpayer and retire a record amount of debt, but we also set up a reserve account for Social Security.

In addition to that reserve for Medicare, we set up a reserve for Social Security in order to pay for a bipartisan bill, reforms, modernization, initiatives that will strengthen that program. We do not prejudge what that fund will or will not be used for. But we know it will be there when we can get a bipartisan bill like the Kolbe-Stenholm bill that has been introduced or some other piece of legislation. We know we will have the funds to strengthen Social Security.

Is there tax relief in this bill? Yes. Right here, $1.6 trillion. Not 2, not 2.5, not 2.8. It is very clearly written in the budget resolution making the Tax Code more fair for all Americans.

Even after we do all this, we still have money left over in a contingency reserve. That is not risky. It is fair, it is balanced, and it makes common sense.

I urge my colleagues to support the resolution.

The CHAIRMAN pro tempore (Mrs. BIGGERT). The gentleman from Iowa (Mr. NUSSLE) has 43½ minutes remaining. The gentleman from South Carolina (Mr. SPRATT) has 50½ minutes remaining.

Mr. SPRATT. Madam Chairman, I yield 1½ minutes to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Madam Chairman, to briefly respond to my dear chairman of the committee, let me say that, when we talked about Medicare in 1995 when the Republicans took control of the House, the first thing they tried to do was to cut Medicare by $270 billion and Medicaid by $107 billion to fund their tax cut. They did not like it in 1965, they did not like it in 1995, and we are not sure that they like it right now. We fought them then, and we stopped them from doing it; and we helped preserve the program.

Let me tell the gentleman from New Hampshire (Mr. SUNUNU), one cannot reserve something that is already obligated for the future. One can only spend it on what it is obligated for, or one has to cut to get there.

Mr. NUSSLE. Madam Chairman, I yield myself 1 minute.

Madam Chairman, to the gentleman from Texas (Mr. BENTSEN), my very good friend, in 1965, I was 5 years old. Most of the people here were at least that age. We were not here in 1965. The gentleman was not here in 1965. How old was the gentleman in 1965? My guess is the gentleman probably was not much older than me.

My point is very simple, can we back off of this for just a moment. Both sides want to protect Social Security. Both sides want to protect Medicare and pay down the national debt. Both sides want to provide tax relief. Can we at least agree on that, and talk about real numbers?

If you want to continue to heighten the rhetoric here tonight, we can go toe to toe. That is not what the American people are wanting to tune in to listen to tonight. They want to know what is in your budget. They want to know what is in our budget.

Do not try to scare seniors with this. That is not what this is about. Both sides, both sides, I say very respectfully, want to save Social Security, Medicare, pay down the debt, and provide tax relief. We have a little bit of different approach on all those things. Let us talk about those little bit different approaches, but quit scaring seniors, telling them we are not setting aside this or we are dipping into that. That is not fair. Let us be fair about this debate.

Mr. SPRATT. Madam Chairman, I yield 7 minutes to the gentlewoman from Oregon (Ms. HOOLEY). Going back to the topic of education on which I think we are clearly superior, who better to talk about education than the gentlewoman from Oregon (Ms. HOOLEY), who is a public school teacher. She in turn will recognize and yield to the gentleman from North Carolina (Mr. PRICE), who is a former professor at Duke, and the gentleman from New Jersey (Mr. HOLT), who is a former professor of physics at Princeton.

Ms. HOOLEY of Oregon. Madam Chairman, I yield to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Madam Chairman, I thank the gentlewoman for yielding.

Madam Chairman, the Republican budget deserves a failing grade on education, there is no question about it, because it only increases funding for the Department of Education by $2.4 billion. That is 5.7 percent, 5.7 percent over last year's levels. That is less than half the average increase that Congress has provided for the last 5 years.

Now, to inflate their increase, the Republicans try to claim credit for funding that we already provided for next year. That is not education leadership; that is budget gamesmanship.

Democrats, on the other hand, provide $4.8 billion more for education than the Republicans do for next year. This chart makes the comparison very clearly. Our budget provides $129 billion more over the next 10 years. Under the Democratic budget, our country will be in a much better position to address the challenges we face in education like reducing class size, school construction, recruiting and training teachers, boosting title I aid for disadvantaged students, increasing Pell Grants for college students, meeting the Federal Government's obligations to special-education funding, expanding Head Start.

There is so much that we need to do. Education needs to be a priority item in this budget, and the Democratic budget resolution provides that priority.

Let me ask the gentleman from New Jersey (Mr. HOLT), who has also joined us here, to discuss how the Democratic budget addresses what I consider to be the number one education issue of the next decade, the teacher shortage. We are going to need 2.2 million new teachers in this country in the next 10 years, and I do not think anybody knows where they are coming from. We need to be anticipating this need.

I ask the gentleman from New Jersey (Mr. HOLT) where are we on this question of the recruitment, retention, and professional development of teachers?

Ms. HOOLEY of Oregon. Madam Chairman, I yield to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Madam Chairman, I thank the gentlewoman for yielding to me.

Madam Chairman, the Democratic budget recognizes that, whatever education reforms we are talking about, they will not mean anything unless we have quality teachers in the classroom. Does the Republican budget respond to this need? I would say no.

Over the next 10 years, as the gentleman from North Carolina (Mr. PRICE) points out, we will need 2.2 million new teachers. This is a national problem. It requires national attention. This is not something that a single school district or a single State can take care of.

Many of these teachers will be called on to teach science and math. Many will feel inadequate to do that. We must find ways to recruit and retain quality teachers, including math and science teachers, not only to keep the attrition rate low, but to ensure that the classrooms are not overcrowded.

The Democratic budget recognizes that, when our schools recruit and train new teachers, they are going to need modern classrooms as well.

Madam Chairman, I just want to emphasize that talking about educational reform is not good enough. We have to put something behind it.

Ms. HOOLEY of Oregon. Madam Chairman, reclaiming my time, we have got a problem with school construction. Our schools are bursting at the seams. One cannot go on a school tour anymore without looking at a classroom or closet that has been converted to a classroom or students sitting on the floor, radiators, windowsills because the classroom is overcrowded.

The Republican budget diverts $1.2 billion in school construction that this Congress provided last year and then eliminates construction funds for the next year. This comes at a time when we have a crisis in this country. We have $100 billion worth of projects for new school construction and renovation.

The Democratic budget provides $4.8 billion more than the Republican budget for education and $129 billion over the next 10 years. We have said education is a priority, and we have put our money where our mouth is.

Our budget also provides more than the Republicans for special education, an issue that is near and dear to my heart. The Democratic budget moves our country closer to a promise we made 26 years ago when we first passed the Individuals with Disability Education Act. We said we would pay 40 percent of the excess cost. Well, we need to do that. The Democratic budget does that over a 10-year period, adding $1.5 billion each year.

Since coming to Congress, I have visited every school district, large, small, rural, urban; and despite their geographic and economic differences, every school is struggling to provide the necessary services to children with disabilities.

We have a historic opportunity to meet our Federal commitment to our local schools. It is time that we keep the promise that we made 26 years ago that we invest in education of every child.

Madam Chairman, I yield to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Madam Chairman, I thank the gentlewoman for yielding to me.

Madam Chairman, speaking of promises made, probably everyone in this Chamber remembers that when Candidate George W. Bush promised to raise the maximum Pell Grant award to $5,100 for freshman, it was welcomed with great enthusiasm. Well, President Bush, I am afraid, is not upholding that promise.

The Republicans in this budget have fallen $1.5 billion short of the amount needed to fulfill that promise. The Republicans are only providing enough funding here to raise the maximum award by $150; that is, from $3,750 to $3,900 a year. With $4.8 billion more for education next year, the Democrats' budget does far better for that.

For a final thought, let me turn again to the gentleman from New Jersey (Mr. HOLT), who, as his bumper stickers say, is in fact a rocket scientist, and ask him: Is the Republican budget adequate in terms of critical research funding?

Ms. HOOLEY of Oregon. Madam Chairman, I yield to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Madam Chairman, this is also related to education which we will address shortly. Quite simply, the Republican budget shortchanges scientific research. This is important, not only for producing the new ideas that are necessary to power our economy to lead to productivity growth, but it is also how we train the future educators and the future scientists.

The Republican budget holds NSF flat. It cuts NASA below the level needed to maintain the current purchasing power. Basic scientific research, which is the backbone of our economic success, would suffer under this Republican budget.

The Democratic budget, on the other hand, looks after these interests. The Democrats provide $300 million more than the Republican budget for research and development at NASA, NSF, the Department of Energy. We keep our commitment to doubling the funding for the National Institutes of Health by 2003.

Our increased commitment as a Nation to scientific research is essential. This is important for education as well as for economic benefits to everyone in this country.

Ms. HOOLEY of Oregon. Madam Chairman, reclaiming my time, we need to invest in our future; and we can do that by investing in education.

Mr. NUSSLE. Madam Chairman, I yield 3 minutes to the distinguished gentleman from Kansas (Mr. RYUN) to speak about our commitment to our Nation's defense.

Mr. RYUN of Kansas. Madam Chairman, as my colleagues can see from our budget, some of our priorities are listed; and one of those is a stronger national defense. That is one of the reasons that I support the fiscal year 2002 budget resolution.

Not only have the Republicans once again balanced the budget without dipping into Social Security and Medicare, we have met important priorities that continue to provide for the commitment of our men and women who are willing to stand in harm's way to give us a strong defense.

When I visit the soldiers that are at Fort Riley and Fort Leavenworth and

our guardsmen at Forbes Field in my district, I know we need to do more for them. They have done a great deal to defend us. This budget does provide for that.

After years of neglect and a series of overdeployments under the previous administration that left our defenses stretched thin, the defense budget faced serious shortfalls. For too long we made the motto of the military ''do more with less.''

Between 1997 and 2001, the Republican-led Congress added $34.4 billion to make up for that inadequate funding. I am proud to say that, with this budget, the Republican budget, we are adding another $14.3 billion to fulfill our first duty under the Constitution, and that is to provide for the common defense.

Our military personnel deserve the 4.6 pay raise that we are providing for in this budget. They deserve the $400 million committed to improve military housing, which is a very big issue for them, quality of life issues. They deserve the $2.6 billion down payment on the $20 billion technology program to improve the equipment that they use when they go out on a mission.

More importantly, they deserve to know that, when Secretary of Defense Rumsfeld completes his military-wide, top-to-bottom review, that we stand ready, in the Republican initiative, not in the minority's initiative, that we will provide the necessary resources should there be more money needed to help make sure our troops are best trained and well equipped.

For those who have already served, this budget provides $3.9 billion to expand TriCare benefits for our military retirees from the age of 65 up, and it provides another $1.7 billion increase in veterans' health care, things that we have made commitments to that we are following up on.

Madam Chairman, this is a responsible budget. We are passing the budget on time. It is a budget that meets the priorities, as my colleagues can see from here. It is a budget that allows room for the appropriate adjustments, should they come, for unseen emergencies and for reform.

I encourage all of my colleagues, my friends on the other side as well, to join me to vote for this resolution.

Madam Chairman, I yield back the balance of my time to the gentleman from Iowa (Mr. NUSSLE), chairman of the Committee on the Budget.

Mr. SPRATT. Madam Chairman, I yield 3½ minutes to the gentleman from Florida (Mr. DAVIS).

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Mr. DAVIS of Florida. Madam Chairman, our debate tonight is in part a disagreement as to the size of a tax cut and what our priorities as a Nation should be.

Here are the facts: The Congressional Budget Office projects a $5.6 trillion Federal surplus over the next 10 years. Democrats and Republicans have agreed that we should set aside $3 trillion of that projected surplus that is in the Social Security and Medicare Trust Funds. That leaves a projected surplus of about $2.5 trillion. This projection was made in January of this year based on an assumption that the economy would enjoy a substantial growth rate in excess of 3 percent annually for the next 10 years. That assumption is increasingly questionable.

Over a majority of States now are experiencing their own financial difficulties, and last week two major national financial institutions, Wells Fargo and Merrill Lynch, significantly lowered their projections as to our surplus. In fact, Wells Fargo suggested that the projection for this year will be 20 percent lower than what the CBO had projected.

Based on what we believe is a more conservative approach, the Democratic budget alternative calls for a tax cut of approximately $737 billion, roughly one-third of the projected surplus. This $737 billion tax cut allows us to direct $3.7 trillion to pay down the massive Federal debt, to help keep interest rates low, and to protect Social Security and Medicare for the retirement of the baby boomers.

Our $737 billion tax cut, in contrast to the Republican tax cut, targets tax cuts to those taxpayers at the bottom and the middle who are struggling the most to make ends meet. The Democratic budget plan provides marriage penalty relief by providing a standard deduction for married couples equal to twice the standard deduction for individuals. We provide relief from estate taxes by increasing the estate tax exclusion to $4 million per married couple; that is, $2 million per individual immediately, gradually increasing that exemption to $5 million. Our estate tax reform would repeal the estate tax for over two-thirds of the estates that pay the tax currently.

Our $737 billion tax cut would also allow tax cuts to be focused on what Democrats and Republicans ought to agree is a priority, and that is bolstering worker productivity. Let us invest in the education and training of our citizens, and research and development of technology, which is increasingly a powerful tool in the hands of our skilled workers. Our tax cut can be used for a permanent research and development tax credit, interest-free bonds for school construction, and providing greater deductibility to small- and medium-sized businesses to purchase information technology to enjoy more productivity in their own businesses.

In closing, let me caution my colleagues, both Republican and Democrat, to be careful with these surplus projections. If these projected surpluses do not materialize and we have enacted a massive tax cut, I fear we will once again be saddled with a massive Federal debt, and interest rates will begin to climb again. Let us get our priorities straight, and let us pass a responsible tax cut with relief for all Americans.

Mr. NUSSLE. Madam Chairman, I yield 4 minutes to the gentleman from Ohio (Mr. PORTMAN), a very distinguished member of not only the Committee on the Budget, but also the Committee on Ways and Means, who will talk about tax relief for every taxpayer.

Mr. PORTMAN. Madam Chairman, I thank the gentleman from Iowa (Mr. NUSSLE) and congratulate him on a great budget.

I also want to respond a little bit to some of the points that have been made tonight. Let me start by saying that my colleagues on this side of the aisle have done a good job, I think, in setting out the principles of this budget and making clear that it does, in fact, meet our national priorities.

It increases funding for our public schools, it strengthens our national defense, it protects Medicare and Social Security in ways that we have never done before in this Congress. It truly protects the trust funds.

It does things that I think are necessary in terms of paying back the public debt. We just heard the debt talked about. The fact is this budget retires more public debt than we have ever done before as a Congress. In fact, it pays back all. All of the available public debt is going to be paid down under this budget.

At the end of the day, after all those priorities are met, after the debt is paid down, Social Security and Medicare protected, our national defense strengthened, there is still money left on the table. And that money left on the table those of us on this side of the aisle believe very strongly ought to go back to the hard-working taxpayers that created every dime of that $5.61 trillion budget surplus.

Is it too much to ask that we allow folks who paid every dime of that surplus to keep about 28 percent of it, a little less? That is what we are proposing here tonight. It is about $1.62 trillion that would go back to the folks who created every dime of that surplus. We think everyone ought to get that tax relief. We think every hard-working taxpayer deserves it.

It is interesting to look at the statistics. We now have the highest rate as a percentage of our GDP, our economy, in taxation than we have had in this country since World War II. In fact, if we go back before World War II, we will not find taxes that high. We also have a faltering economy. We have an economy that could use a tax cut to boost economic growth and keep us from going into a recession.

We also need to do some stuff in terms of addressing concerns in our Tax Code. We need to simplify our code and make it fair. These are all things we can do under the budget allocation we have set aside here for tax relief.

I have heard some of my colleagues on the other side of the aisle tonight attack the budget with regard to the tax side, saying it is only tax cuts for the rich. We are going to hear that a

lot. But let us be clear: This debate tonight is not over what kind of tax cut we have or do not have, it is over how much money is left available in the budget for tax cuts. This Congress can then work its will on that. But I want to address that criticism because it is wrong.

If we look at the proposals that have come from the President, the proposals that have come out of the Committee on Ways and Means, those that are likely to come to the floor even later this week, we will see that, in fact, the tax relief we are talking about makes the code fair. It makes the code more progressive, not less progressive. In fact, the wealthiest Americans will pay a higher burden of the taxes in this country, not a lower burden, if we are to pass proposals that have been before the Committee on Ways and Means and that have been proposed by President Bush.

Let me give my colleagues an example. A family making $35,000 a year, under the proposals we have seen from President Bush and reported out of the Committee on Ways and Means, would pay no taxes; 100 percent tax cuts. Those making $35,000 a year, families with two kids would pay no Federal income taxes at all. Those making $50,000 a year would get about a 50 percent Federal income tax cut. Those making over $75,000 would get about a 25 percent tax cut. This is something that I think we need to address tonight. If you look at the Bush proposals and the Committee on Ways and Means proposals, in fact the Tax Code will become more progressive. Taxpayers at the higher end will pay a higher burden of the total taxation than they do today.

Madam Chairman, I want to say that the chairman of the Committee on Budget has done a great job with this. This budget is fair. What is set aside for tax relief is certainly fair. It allows us to double the child credit, it allows us to eliminate the marriage penalty, it allows us to get rid of the death tax and let every American save more for their own retirement.

We have a lot of priorities to address in this Congress, and we do it in this budget. Those priorities ought to make sure that hard-working Americans who created every dime of that surplus get to keep a little more of their hard-earned money. This tax relief makes a lot of sense right now for our economy and for the American taxpayer, the families. It also makes a lot of sense for our government.

I urge my colleagues to support this budget and let Americans keep more of what they earn.

Mr. SPRATT. Madam Chairman, I ask unanimous consent to yield 7 minutes, for purposes of control, to the gentlewoman from North Carolina (Mrs. CLAYTON) to address the agricultural aspects of our budget resolution.

The CHAIRMAN pro tempore (Mrs. BIGGERT). Without objection, the gentlewoman from North Carolina (Mrs. CLAYTON) will control 7 minutes.

There was no objection.

Ms. CLAYTON. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the Republican budget presented here tonight does not reflect the challenges and difficulties of our American farmers. In fact, it deliberately avoids it. The American farmers are in crisis. When we think of natural disasters here at home, the unfair markets abroad, and energy costs stemming from more of the geopolitical forces than from agricultural foundations, these all put the American farm and the entire fabric of rural America at risk. The response to this budget is nil. In this case, inaction speaks for itself. What it says to the American farmers is that while many love to pay lip service, that is what we would rather do than provide assistance to farmers.

The House Committee on Agriculture has been hearing from many different farm groups lately, and they have been practically unanimous in one belief, that we must be realistic about the level of support necessary to keep the American family farmer in business. They have urged the Committee on Agriculture to work to locate an additional $9 billion for farm relief for this year. My amendment in the Committee on Budget would have done that, plus it would provided $4 billion through the year 2011.

The Democratic alternative provides $46 billion increase to the baseline budget to meet emergencies. That would be $8 billion for year 2002 and $4 billion throughout. Supporting farmers that have supported this Nation for so long is not a matter of politics, but a commitment from both the Democrat and Republican Parties to the American farmer.

The gentleman from Texas (Mr. COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM), have made it clear that we need to increase economic support for farmers. In our recent markup I raised this issue, as well as I have raised it in the Committee on Rules today. I was disappointed that the amendment failed on a partisan vote because I truly believe that the concern of my Republican colleagues for American farmers indeed is genuine. I know that many of my colleagues in the majority will say that we do not need the increase to the budget because we indeed have the existence of a contingency fund. I respectfully say to them this is bad policy, bad policy for farmers and shaky fiscal ground on which to develop a budget.

Madam Chairman, I yield 1 minute to the gentleman from Texas (Mr. STENHOLM), the ranking member of the Committee on Agriculture.

Mr. STENHOLM. Madam Chairman, I thank the gentlewoman from North Carolina (Mrs. CLAYTON) for yielding me this time, and the gentlewoman is totally correct to raise the question about the adequacy of the reserve fund.

The resolution before us provides for a strategic reserve fund for agriculture, defense and other appropriate legislation. In addition, the contingency fund has other reserves for additional prescription drug spending, special education and emergencies.

The contingency fund approximates the on-budget surplus, which is $750 billion for 10 years. To preserve Medicare, this fund is partitioned into a Medicare contingency fund of about $240 billion and a general contingency fund of about $515 billion. It is at this point that the year-by-year amounts available for agriculture, defense, veterans, education, health care and other priorities become more critical.

Although there appears to be ample resources for the $515 billion over 10 years, in reality there is little room to accommodate additional resources for agriculture. In fiscal year 2005 and 2006, the general contingency fund has only $12 billion and $15 billion available. These amounts are barely sufficient to cover the $12 billion requested by agricultural groups as was stated, not to mention additional defense and other appropriate spending. Increased defense expenditures, additional prescription drug coverage and additional tax proposals severely limit funding beyond 2005.

Let me say, Madam Chairman, this budget resolution as it pertains to agriculture literally bets the farm and ranch after this year that the projected surpluses are going to materialize.

Madam Chairman, I would urge my colleagues on both sides of the aisle to look at the Democratic substitute and the Blue Dog budget to see what is really going to be necessary for agriculture and to vote for that. If Members vote for the resolution before us, you are literally betting the farm and ranch on a shaky projected surplus.

Mrs. CLAYTON. Madam Chairman, I yield to the gentleman from Mississippi (Mr. THOMPSON), who cares about water and the black farmers.

Mr. THOMPSON of Mississippi. Madam Chairman, I thank the gentlewoman from North Carolina very much for yielding.

Like my colleague from Texas, I am concerned about the plight of the farmer here in America. Under the Republican plan, there is no contingency plan for the $27 billion that we have had to earmark for emergency funding. In addition to that, the Republican budget resolution eliminates field offices for the Department of Agriculture. Those of us who live in rural America understand that our people need to be able to go to the offices within a reasonable period of time in a reasonable area.

Also the water and infrastructure needs. Many of us represent areas that do not have running water and sewer. Under this Republican budget, the problem of water and sewer in our rural areas is not adequately addressed. So we encourage Members to look at the Democratic alternative and support that for the people of America.

Mrs. CLAYTON. Madam Chairman, I thank the gentleman from Mississippi (Mr. THOMPSON) for his comments.

Madam Chairman, I yield my remaining time to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Madam Chairman, our farmers once again are facing a crisis as they have in the last 3 years. Our farmers are facing a recession, record low prices and rising energy costs. We have the opportunity during the budget markup to show some leadership and commitment to our farmers.

□ 2015

However, this committee dropped the ball. Over the past 3 years, Congress has appropriated emergency funds for our farmers to the tune of $27 billion. We already know we are going to have to provide emergency assistance once again. But where is it in the budget? It is not there. The gentleman from Texas (Mr. COMBEST), the chairman of the Committee on Agriculture, testified before the Committee on the Budget, and I quote, ''We recommend that rather than providing additional assistance on an emergency ad hoc basis the budget allocation for agriculture needs to be permanently increased.''

This budget has left agriculture to compete with what is left of the surplus and to depend on supplemental emergency assistance. This is not how the farmers of this country deserve to be treated.

Mr. NUSSLE. Madam Chairman, I yield myself 1 minute for a brief response.

Madam Chairman, first of all, I appreciate the tone of the gentlewoman's comments. We do have a slight disagreement on how we are going to achieve this goal, but it is a goal that is shared on both sides. As I say, I appreciate the tone in which the gentlewoman made her presentation and I hope that we can continue that tonight because there are, I think, shared goals even though there are differences of opinion on how to reach those goals.

I would just report to the gentlewoman that the American Farm Bureau Federation has recently today sent me a letter endorsing our budget, H. Con. Res. 83, which is the Republican budget, but again there is much work that we are going to have to do in agriculture and a number of other areas, and we share that workload and hopefully can continue to do it in a bipartisan way.

Madam Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. KIRK), a new member to the Committee on the Budget, to discuss our commitment to Medicare and reforming Medicare and modernization with a prescription drug benefit.

(Mr. KIRK asked and was given permission to revise and extend his remarks.)

Mr. KIRK. Madam Chairman, this budget is based on really three key principles of economic growth, fiscal responsibility and protecting those most in need.

We all know the economy has soured. In my own congressional district, Motorola has laid off employees, Outboard Marine has gone bankrupt and so has Montgomery Ward. We know that the best education program and the best health care program and the best Social Security program is parents with a job. This budget does that.

This budget also pays down debt, $2 trillion in debt, leaving us at a level of debt not seen since the Wilson administration in 1917.

This budget also protects those most in need. We increase funding for special education, move towards our goal of doubling the National Institutes of Health and lay the groundwork for saving Social Security and Medicare; saving Social Security and Medicare. Our seniors know that Social Security and Medicare are in trouble over the long-term and even the charts of the other party show that very clearly, with a precipitous drop around 2015. Our seniors know that we will go from 30 million collecting a Medicare benefit and Social Security to 90 million as the baby-boom generation retires. They know that Medicare has an $11 trillion unfunded liability; that Social Security has a $9 trillion unfunded liability, and the way out of this is bipartisan Medicare modernization and reform.

President Bush put his hand out during his speech to the Nation on this, and it is incumbent upon us to make that happen. We know that the Medicare part A fund is solid for the next couple of years, but part B, the part that goes to pay for doctors, is already in debt. For us, I believe the key principle we should abide by is that health care offered to Medicare seniors should be as good as that offered a Congressman.

That is the principle upon which we must make our decisions on this budget.

This budget restarts our economy, making sure that parents have a job and can provide health care. This budget pays down debt and this budget leaves a foundation for bipartisan Medicare reform.

Now my hat goes off to the chairman of the Committee on the Budget, the gentleman from Iowa (Chairman NUSSLE), who has really hit the ground running with this document. I really have to commend our ranking minority member, the gentleman from South Carolina (Mr. SPRATT), who is the epitome of dignity in this process. It is in that spirit that we have to take on the Medicare challenge. When one looks at the number of people who will retire in the coming years, as our baby-boom generation passes from their working years, we need to join together to make sure that we have Medicare modernization that offers a prescription drug benefit, that offers a choice of doctors and that controls spending.

Mr. SPRATT. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I thank the gentleman for his kind compliment, and I pick up on something he said. He said that among the principles of both budgets is the commitment to protecting those in need. In light of that, I would like to point out that our budget resolution makes provision for $18 billion for low-income assistance programs and another $70 billion to enhance and improve access for working families to health care that they do not have because they are not fortunate to work for an employer who provides coverage.

Madam Chairman, I yield 6 minutes to the gentleman from Massachusetts (Mr. CAPUANO), the former mayor of Summerville, Massachusetts, to talk about this aspect of our budget.

Mr. CAPUANO. Madam Chairman, before I talk about that issue I need to go back to the chart we just saw and we have seen already three times tonight by my count, is the six items that the other side is trying to deal with.

I actually agree with everything on that chart, but I want to talk about them for a minute. We talk about maximum debt elimination. I agree, we all want to do that. Surprisingly enough, the Democratic proposal does more.

We want to improve education. We all agree on that. Surprisingly enough, the Democratic proposal does more.

We want to have a stronger national defense. My goodness, surprisingly enough, the Democratic proposal does more.

We want to modernize and stabilize Medicare and Social Security. Again, surprisingly, the Democratic budget does more.

The only thing we do not do more on is tax cuts, but we are being criticized tonight as somehow being against tax cuts because we are only proposing $800 billion in tax cuts, roughly half of what the other side is proposing. The question is, what do we do with the remainder?

What we do is what I am about to talk about. We do more Medicare, defense, all the things we just talked about. We also do more research, more housing, more LIHEAP, more environment, more justice and more agriculture.

To talk about the vulnerable people we are going to help, because I actually think that it is not a bad thing, I can talk about adoption services; I talk about day care services; I can talk about services for people with disabilities, home-based services for the elderly, including Meals on Wheels, which we do more by. But I want to talk about one issue in particular, and that is housing, because it is so important to people in my district and in many parts across this country.

America used to believe that safe, affordable housing was a basic necessity and almost a right for all Americans. For years, for years, this government stood up and helped people attain homes. No one here complains when

the mortgage rates drop, and that is a de facto, quasi governmental agency. Everyone here jumps up to protect the mortgage deduction in the Tax Code. We all do that because we know how important it is.

No matter what we do, no matter what we have done, not every American can afford to buy a home. I am not talking about the lazy takers amongst us. We all know there are some. We know that. That is not who I am talking about. I am talking about people who have played by the rules. They have gotten all the education they can get. They work hard every single day. They try to put money aside, but when they are faced with incredibly skyrocketing rents in many places across this country, paying back their college loan, buying a car, buying insurance for that automobile, trying to raise a family, when they are faced with all of that it is very, very difficult for many Americans to put aside money for a down payment.

As a matter of fact, five and a half million Americans today pay more than 50 percent of their income for housing costs. More than 50 percent of their housing costs represent their income. That is incredible. It is much more, much more an important part of their daily lives than their tax liability, because simply put most of those Americans do not have much tax liability. They do have rental costs. They do have mortgage costs, if they can afford it.

The President's budget, the budget we have before us, the Republican budget before us, cuts almost every single housing program we have. They cut $700 million from capital improvements for public housing. They completely eliminate $310 million for the drug elimination program. They completely eliminate a meager $25 million for the rural housing and economic development program. Never mind those $5.4 million, never mind the three million people who live in public housing. Of those three million, one million of them are children; they are children. Five hundred thousand are seniors. Another 300,000 are veterans. We just do not care. That is why the Democratic proposal puts that money back, and if all the money we are trying to put back into housing alone is totaled up, it totals out to a grand total of 1.5 percent of the tax cut. That is 1½ pennies out of every dollar proposed for their tax cut. That is why we are standing here trying to help the most vulnerable people amongst us. The money is short when one is comparing it to the tax cuts that we are trying to give today for people who already have housing, who already have fuel, who already have food.

Mrs. CLAYTON. Madam Chairman, will the gentleman yield?

Mr. CAPUANO. I yield to the gentlewoman from North Carolina.

Mrs. CLAYTON. Madam Chairman, I thank the gentleman from Massachusetts (Mr. CAPUANO) for yielding.

Madam Chairman, I am delighted he is bringing up the issue of vulnerability, and I want to speak about the vulnerability of many of the people who indeed need food. There are many who would have us to believe that the strength of the economy in the past 10 years has largely eliminated poverty from our midst and that we are now living in the good life for all who desire to quickly reach out and grab it. However, to those who believe there is no economic hardship in this country, I would invite them to let the scales fall from their eyes.

As the ranking member of the Subcommittee on Department Operations, Oversight, Nutrition and Forestry, I know personally about the food stamp and indeed I want to make sure that other people know there is a need for not only revising but increasing it.

Madam Chairman, I support my colleague because he recognizes the very real hardship people have in providing housing, and I want to emphasize indeed the percentage of working families now receiving food stamps, who are lower income, does not represent the low-income people. In fact, we have dropped in the percentage of participation in food stamps far greater than we have reduced poverty. So some of us feel that those of us who are enjoying the good life should also make provisions for those who are vulnerable. I for one want to stand up and speak about food stamp reform and support those who do.

In the Democratic alternative, there is $350 million more for food stamps this year. So that represents an increased amount of opportunity for working families who are lower income to participate in that.

I know my time is short, but I just want to say very briefly we put such a hardship on very poor people. Guess what? We cause all of this headache for food stamp applications, and if I wanted a home I only had to do this.

Mr. NUSSLE. Madam Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. BROWN), a distinguished new member of the Committee on the Budget, to talk about paying down our publicly held debt and our commitment to our Nation's veterans in this budget.

Mr. BROWN of South Carolina. Madam Chairman, I commend the chairman for a great budget. Having chaired the Committee on Ways and Means for South Carolina, I recognize the extreme pressures that the gentleman is under as we try to formulate a budget that would meet the needs of this great Nation and also return back to the taxpayers their due return that they so patiently waited for for so long.

As we campaigned across the land, one of the items that concerned most of the constituents was the ever-increasing debt. I am grateful, Madam Chairman, that that was one of the first items we addressed, is paying down the debt. Congress has paid down some $625 million in public debt since the Republicans took majority control of the House and the Senate.

□ 2030

For 40 years, debt was racked up as far as the eyes could see under deficit spending. Paying down $625 billion is only the beginning. The budget pays down $2.3 trillion more dollars in public debt over the next 10 years. Paying down the debt will mean better interest rates for all Americans, and the citizens of the First Congressional District. Just think how much more purchasing power we would have if college and university loans were at a lower interest rate. The same goes for a mortgage for a house or financing a family car. Lower interest rates will help all Americans.

In 2002, we will eliminate some $213 billion in debt. In 5 years, we will be up to $1.2 trillion; and in 10 years, some $2.34 trillion.

The work is far from over. As we heard tonight from both sides, there are additional items that could be funded if the will was to do so.

This budget, thanks to President Bush, has made it clear that the Federal Government's growth rate should be no larger than 4 percent per year. This is larger than the rate of inflation; it is larger than the rate of most people's wages increase.

I think we can continue to fund important priorities. The budget assumes a $1.7 billion increase in discretionary budget for our veterans over the fiscal year 2001 level, and a $3.9 billion increase in mandatory spending for veterans. This would accommodate a big increase in educational benefits under the Montgomery GI Bill.

Madam Chairman, the average American family knows how to balance its budget. The Federal Government is catching up to the Joneses. Things are looking up for the great business that is conducted in Washington, and all of us will benefit from these prudent decisions to restore fiscal sanity and pay off our bills.

Madam Chairman, I am grateful to be part of this committee.

Mr. SPRATT. Madam Chairman, before yielding to the gentleman from Virginia (Mr. MORAN), I yield myself such time as I may consume to say by explanation that the $5.6 trillion surplus from which we are both working is a projection of the Congressional Budget Office; and in making that projection, they assume that discretionary spending, the money that we appropriate annually every year, will be increased each year by the rate of inflation.

In light of that, we have provided for defense, national defense, which consists of more than half of the so-called discretionary spending budget. We have provided realistically in our budget resolution $115 billion over 10 years to pay for the modernization of our national defenses and for increased pay for our personnel to improve recruitment and retention and for military

housing and other quality-of-life advantages that they justly deserve. That is in budget authority, $48 billion more, than is provided in the Republicans' budget resolution. So it is a significant amount of money. Whether it is enough or not, only the future will tell, but nobody can deny that $115 billion over inflation is a substantial plus-up for the defense budget.

Madam Chairman, to discuss further the defense budget, I yield 5 minutes to the gentleman from Virginia (Mr. MORAN), who represents, among other things, I believe, the Pentagon.

Mr. MORAN of Virginia. Madam Chairman, I certainly applaud the leadership that has been demonstrated by the gentleman from South Carolina. He is extraordinarily knowledgeable on defense authorization, as well as our priorities for this budget resolution. That is why I oppose this budget resolution, because it makes deep tax cuts at the expense of critically needed programs.

Let me focus primarily on the shortfalls in the Defense Department that this budget resolution will greatly exacerbate.

Just a few months ago, the service chiefs testified that there was a need for an emergency supplemental appropriations bill of $7 billion, just to cover urgent shortfalls in the Defense Department. One of the most critical funding deficiencies expected this year is a shortfall of $1.4 billion in the defense health program. That is responsible for providing health care to all active-duty personnel and military retirees and their family members. Dr. Clinton, the head of health programs for the Defense Department, just testified last week that there is a $1.4 billion shortfall this year, and that money is not provided in this resolution for next year.

Senator DOMENICI wrote on March 15 to Secretary Rumsfeld saying that before the end of this year it may become necessary to truncate day-to-day health care operations and delay implementation of authorized programs for a large number of beneficiaries. The Democratic budget provides for this $7.1 billion defense supplemental and provides $48 billion more for defense over the next 10 years than the Republican budget. Of this amount, the $1.4 billion is for urgently needed funding for health care and $1 billion is for ensuring that the full pay raise Congress authorized last year is provided.

Madam Chairman, it is imperative that we address these shortfalls now. Already the Defense Department has confronted shortages of medical equipment, deteriorating military hospitals, as well as shortfalls in the direct care system and payments for managed care support contracts. We do not have the money in this budget resolution to fulfill our responsibilities to implement the senior pharmacy benefit that is scheduled to go into effect in the next few weeks, and the TRICARE for Life benefit for military retirees over the age of 65. This budget resolution assumes a base that is inadequate in fiscal year 2001 and shows virtually no increase in subsequent years.

Beyond the defense health care problems that we have, we cannot afford to shortchange the defense priorities that are necessary in this complex world; and by that I refer to cyber-terrorism, biological and chemical threats that are posing new dangers to our national security. Modernization requires a continued commitment to research and development and to technologies and equipment that will ensure that our armed services maintain their global dominance.

Developing the next generation of weapons programs will also require difficult decisions involving priorities and capabilities. It is unrealistic for this administration to assume that their top-to-bottom review conducted in an academic manner without thorough consultation with Congress and the armed services will effectively transform our military to meet the challenges of the next century without adequate funding. This budget resolution does not provide that adequate funding. We are not going to cancel procurement of an aircraft carrier or the joint strike fighter program and think that it will generate enough savings to pay for other programs or not meet an unmet security need.

Madam Chairman, investing in our national security should not be a partisan issue. Not addressing the current year's funding deficiencies in this budget resolution provides an unrealistic budget projection from the outset and directly affects our military readiness and the quality of life of our troops and families. Madam Chairwoman, this alone is reason to reject this budget resolution.

Madam Chairman, I yield back my time to the distinguished gentleman from South Carolina (Mr. SPRATT).

Mr. NUSSLE. Madam Chairman, I yield 4 minutes to the gentleman from Georgia (Mr. COLLINS), a distinguished member of the Committee on the Budget and a member of the Committee on Ways and Means.

Mr. COLLINS. Madam Chairman, I thank the gentleman from Iowa for yielding me this time.

Madam Chairman, high energy prices, high interest rates, and finally, excessive taxation are choking this Nation's economy. This budget addresses one of those three factors, and that is the excessive taxation. How do we rein in excessive taxation? Simply by controlling spending. Let no one forget that the reason we have excessive taxation is because we have excessive spending.

The tax burden on the people of this Nation is the highest that taxation has been since World War II. Why is that, Madam Chairman? It is because the Congress over the past 50 years has created an abundance of government programs. Each program well intended, but expensive, expensive because the good intent of each program has been expanded far beyond their means; and as we hear tonight, they are to be expanded even more so by the other side of the aisle.

An example, Madam Chairman, is welfare, and it was only after the Republicans gained the control of Congress that welfare spending was addressed, and successfully, I might add. Another is Medicare. Medicare is a health insurance program which has been very beneficial to millions of seniors, many who would not have had access to health care had it not been more Fed care. But Medicare is facing a real problem over the next 15 years due to the number of people who will be under the Medicare insurance program. We would think by listening to the opponents of this budget that the Republicans are canceling the Medicare insurance. Such is far from the truth. I will remind them, Madam Chairman, that it was the Republican Congress who heard the call of the Medicare trustees in 1995 and 1996 who reported to the Committee on Ways and Means that the Medicare fund would be short of money or broke by this year. And it was the Republicans who made changes in 1997 and extended the Medicare program for another 25-plus years.

Madam Chairman, this budget also gives flexibility to reform the Medicare program and include in that reform prescription drugs and also to ensure that Medicare will be around for many, many years to come. This budget further strengthens the Department of Defense. It flexes funds for education, giving more control at the local level. This budget reduces the public debt from $3.2 trillion that has accrued today down to $818 billion over the next 10 years. That is less than $1 trillion of public debt after 10 years.

This budget sets aside payroll taxes and other trust fund receipts by an amount accruing to over $8 trillion over the next 10 years.

Finally, Madam Chairman, this budget gives Congress $1.6 trillion over the next 10 years to reduce the tax burden on every taxpayer in America. Tax relief will provide over $400 of relief this year for families, and upwards of $1,600 per year over the next 6 years. I urge my colleagues to pass this responsible budget. It is time to stop the runaway spending in this Congress of the people's money, and it is time to stop the overtaxation of the American family.

Madam Chairman, I yield back the remainder of my time.

Mr. NUSSLE. Madam Chairman, I yield 3 minutes to the distinguished gentleman from Florida (Mr. PUTNAM), a new member of the committee.

Mr. PUTNAM. Madam Chairman, I thank the gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) for their hard work in putting together this document.

I hope to take a little different perspective this evening on this budget, a

little bit of a generational perspective. We have a historic opportunity, a once-in-a-lifetime window through our economic prosperity, the surplus opportunities to keep our commitment to seniors, to invest in national priorities and, most importantly, to ensure that future generations do not inherit the type of debt that this generation inherited.

If we observe this chart, we see the rapid trend in the reduction of debt. Babies not even born yet will be born into a world between now and 2007 with massive amounts of debt. This budget, this budget, Madam Chairman, pays down the debt as rapidly as is financially possible, without raiding the safety deposit boxes of America and taking Johnny's and Suzie's U.S. savings bonds that have been given to them or won in the paper editorial contest. Without doing those things, we pay down the debt as fast as is humanly possible.

□ 2045

We keep our commitment to the soldiers and sailors, most of them in their late teens and early twenties, who are charged with the responsibility of giving us the freedom that we all take so for granted each night when we lay down in bed. It keeps our commitment to them by investing in quality-of-life issues and higher pay raises, and it responsibly anticipates a review that will evaluate their needs and allocate resources in the most responsible and appropriate way.

We invest in the future. We invest in education. We make sure that future generations have access to the best teachers, the best classrooms, the best opportunities that this great country can provide.

Madam Chairman, we keep our promise to seniors. Make no mistake about it, those who are on Social Security and Medicare today and those who will be in the near future, their program is intact. Their program will be intact. I would urge them not to fall for the Mediscare tactics that sometimes afflict debates such as this.

But for future generations, we have an obligation, a moral obligation, to fulfill our commitment to providing that safety net, but also ensuring that that program is there. Study after study has shown that without major reform, those programs will not be there for future generations without some responsible, courageous leadership from this body.

Finally, Madam Chairman, after reducing the debt as fast as possible, after investing in education and health care, after investing in defense, there is still money left over. Instead of spending more and more and more that got us into the debt situation we are in today, we return it to the taxpayers.

In this time of precarious economic instability, we give taxpayers, American citizens, the opportunity to have back a portion of their money to invest in college education, to pay down their own personal debt, to pay down their mortgage, to spend it on other things as they see fit. That is the beauty of this budget.

Mr. NUSSLE. Madam Chairman, I yield 3 minutes to the distinguished gentleman from Texas (Mr. CULBERSON).

(Mr. CULBERSON asked and was given permission to revise and extend his remarks.)

Mr. CULBERSON. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, as a newly elected Member of Congress from Texas, I wanted to take this opportunity, and also as a 14-year member of the Texas House of Representatives, to correct the record for the listening public on the economy in Texas and on Governor Bush's record as Governor.

I had the privilege of serving under three Governors in Texas. I was the House Republican whip in Texas, and I personally witnessed the benefits of Governor Bush's visionary leadership, his focus on returning the tax surplus in Texas to the taxpayers of Texas.

I can testify personally that many of the things heard here earlier tonight in the debate are simply not true about the Texas economy. In fact, anyone listening here tonight can simply log onto bidc.state.tx and confirm this for themselves.

As of October 2000, Texas has added over 2.4 million new jobs since January of 1990, and Texas leads all other States in net job creation. In a time when manufacturing jobs nationally have declined, Texas has seen an increase in manufacturing jobs. I can testify further that that is a direct result of Governor Bush's leadership and his consistent vision in understanding that the tax surplus belongs to the taxpayers.

Talking about the last legislative session, the Texas Legislature had $5.6 billion more to budget for the previous budget cycle as a direct result of projected increases in revenue generated by the State's expanding economy. Governor Bush said then and he has said again as President today, ''We have a surplus in Texas because we have been good stewards of tax dollars. During times of plenty, we must not commit our State to programs we cannot afford in the future.''

As Governor, as he has done as President, Mr. Bush prioritizes the needs of the Nation, just as he did the needs of the State. He made his top priority public education. The Texas Legislature, under Governor Bush's leadership, passed a $3.86 billion increase in funding for public education, the largest single increase in the State's history, which resulted in a $3,000 across-the-board pay raise for teachers and a $1.2 billion cut in property tax rates for Texas taxpayers.

In my experience in 14 years in the Texas House, the previous administrations that preceded Governor Bush, the Democrat administration, consistently sought to raise taxes and increase spending. In every session I have served under Governor Bush, he sought to decrease spending, control spending, cut taxes, which led to a tremendous strengthening in the State's economy. We will certainly see the same benefits here nationally.

The budget that the Committee on the Budget has produced, on which I had the privilege of serving, under the leadership of the gentleman from Iowa (Chairman NUSSLE), is very focused and consistent with the priorities that George Bush set out as Governor, focusing first on eliminating more public debt than has ever been eliminated in the history of the United States. This is all the debt that can be paid off without incurring a penalty to taxpayers.

It focuses, secondly, on guaranteeing Social Security and Medicare.

Madam Chairman, I urge passage of the budget resolution.

Mr. NUSSLE. Madam Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. BLUNT), the distinguished chief deputy whip.

Mr. BLUNT. Madam Chairman, I thank the chairman for yielding time to me, and thank the Committee on the Budget for the great debate we are having here tonight and the hard work that has been done on this budget from both sides. Really the topics we are talking about are the kinds of topics that we should be discussing in Washington as we set out a blueprint for this budget year.

The Farm Bureau today has joined in the call that this budget be adopted. Other agricultural groups, now that they have had a chance to look at this budget, are also stepping forward and saying that this budget does meet the needs of agriculture. It addresses the tax overcharge that we have collected in excess of what the government has said over the last several years we would need for the next decade.

I have heard some of my friends on the other side stand up tonight and say that we need a tax cut not in the $1.6 trillion range, but about half of that, about $800 billion.

I would just remind them that when we passed that tax cut of that amount, $792 billion over 10 years on the House floor just 2 years ago, many of the same people who are saying that this amount is too much, it is irresponsible, they were saying that amount was too much, when it is very apparent now that that amount was not too much. If we would have started with that $792 billion tax package that the House narrowly passed 2 years ago, we might not see some of the economic problems we see in the country today, and we would only be 2 years into a 10-year tax cut, 2 years into a tax cut that is the size that everybody now says we should be pursuing.

I think a couple of years from now everybody will see that the tax cut proposed in this budget is equally modest, and is also as positive for the economy

as that one would have been as a good start.

This does set aside the Social Security Trust Fund. It does set aside the Medicare Trust Fund. It pays off all the debt in 10 years that we can pay without a prepayment penalty. It is a great blueprint for this year. I urge my colleagues to adopt this budget.

Mr. SPRATT. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would simply like to show my good friend, the gentleman from Missouri, a chart that we prepared which is our analysis of the gentleman's budget.

If they will look at the bottom line, the gentleman was not here when the gentleman from Texas (Mr. STENHOLM), the ranking member on the Committee on Agriculture, spoke, but it is the bottom line that concerns him.

The truth of the matter is, there is nothing exceptional or extra in this budget for agriculture. The Farm Bureau and farmers on the whole are betting on the come; they are hoping that the Committee on Agriculture can come up with a new farm bill which will allot them some additional money. The gentleman from Iowa (Mr. NUSSLE) will then have the authority to add that money for agriculture and defense.

The problem is, the bottom line is $20 billion. If defense beats agriculture first to the trough, they could easily take $10 billion or $15 billion of that $20 billion. If we follow that bottom line over to the year 2005, it is negative. It is declining every year. It is down to $600 million, $600 million into the Medicare Trust Fund.

So we have a very constrained limit, and that is what the gentleman from Texas (Mr. STENHOLM) was saying just a minute ago.

Let me now turn to debt reduction, because everybody keeps coming back to that. Clearly if that is a good thing, and we both agree that it is, we should be judged by it. If we are judged fairly, our budget resolution provides, by our calculation, $3 trillion, 681 billion in debt reduction. Theirs provides $2 trillion, 766 billion. We are $915 billion better on that score alone.

Madam Chairman, I yield 4 minutes to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE. Madam Chairman, I thank the gentleman for yielding time to me.

I just wanted to respond in part to the gentleman from Missouri when he talks about the taxpayers in this country overpaying their taxes and being entitled to a refund. Certainly they are. There is not an argument about whether there should be a refund. The question is how much.

The question also is about debt reduction. We have placed on our children's and grandchildren's future a $5.7 trillion mortgage, so it is not just all about tax cuts, to the gentleman from Missouri, it is also about equity and fairness to future generations in this country and whether we are going to do the right thing.

I was at the White House about 4 or 5 weeks ago and had a chance to speak to the President. I told him about Governor Graves from Kansas. I said, ''I know you know him, being a former Governor.'' He said, ''Yes, he is a friend of mine.'' I said that Governor Graves was interviewed recently by the Associated Press and was talking about revenue shortfalls and tax cuts, which have happened in Kansas, substantial tax cuts, in the past 3 or 4 years, and about financing education.

Governor Graves said very candidly, ''If I had known then what I know now about the revenue shortfalls, I would have done things differently.'' What he was saying was that they are scrambling now to find revenues to finance education in the State of Kansas, and they do not have sufficient funds to do an adequate job. In fact, Governor Graves has now asked for a tax increase because of revenue shortfalls and projections which went awry. The same thing, according to The New York Times, has happened in 15 other States.

So I caution all of my colleagues in the House to be conservative here. We can always go back and cut taxes more. Let us cut taxes as much as we can afford, but let us not overdo it so we have to come back later and ask for a tax increase.

Mr. MATHESON. Madam Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Utah.

Mr. MATHESON. Madam Chairman, I want to thank the gentleman from Iowa (Chairman NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) for all their work on this budget effort, and I agree with the chairman, who has pointed out that there is really a lot of common ground here. There may be a little question in the difference of approach. There is a lot of common ground. People on both sides want tax reduction, and clearly people on both sides want debt reduction.

We have heard a lot of discussion tonight about the benefits of debt reduction. The problem is, we keep talking about this in the context of a surplus, and we ought to be calling it what it really is, which is a projected surplus. The budget leaves little margin for error in that context.

My concern is, if things do not go as planned, we are going to enact the tax cuts, we are going to enact our spending program, and debt reduction will be the odd man out. It will be what falls off the table.

So I would urge caution as my colleague, the gentleman from Kansas, did as well, that we ought to be fiscally responsible. We ought to make sure we take advantage of this one-time opportunity to take a real bite out of the tremendous debt we have built up over the last 20 years.

Mr. MORAN of Virginia. Madam Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Virginia.

Mr. MORAN of Virginia. I thank the gentleman from Kansas for yielding to me, Madam Chairman.

Madam Chairman, our highest, most urgent priority in this budget resolution must be debt reduction. There is $3.7 trillion outstanding of public debt. If we do not pay it off, who does? Our children do. We are paying over $200 billion a year in interest on that debt today. It makes far more sense to make debt reduction our priority, because if these surplus estimates do not get realized over the next decade, then we are not going to be able to pay off the debt.

If we enact the tax cut, we know this Congress is not going to raise taxes again, so what we are going to do is raise Social Security and force our children to pay off the debt as well as pay for our retirement. That is wrong.

The Deputy Undersecretary of the Treasury for Domestic Finance testified before the Senate Committee on the Budget last week that of the $3.7 trillion of public debt outstanding that the gentleman from South Carolina (Mr. SPRATT) referred to, $3 trillion will mature by the end of this decade.

Mr. NUSSLE. Madam Chairman, I yield 4 minutes to the distinguished gentleman from Pennsylvania (Mr. TOOMEY), a member of the committee.

Mr. TOOMEY. Madam Chairman, I thank the gentleman for yielding time to me.

I would like to respond to this issue of the debt, which is hard to do with a completely straight face after decades in which the Democrats were in control of this Chamber and the other body, and routinely, year after year, there were no surpluses. The money was spent. Social Security surpluses were spent. The debt was run up.

Republicans come along, balance the budget, start paying down hundreds of billions of dollars in debt, and put forward a plan which over the next 10 years retires all the available debt, and then we hear that suddenly, somehow, that is not enough.

Let me explain something: There is a limit to how much and how fast we can pay down the debt. The numbers that my colleagues on the other side are talking about, I am sorry to say this, but it is just not possible. I would remind them that we have billions and billions of dollars worth of Treasury securities that extend beyond 10 years. Unless they intend to pass a law that would somehow force people to turn in a debt which they own now, bonds which are in their hands, which we cannot do, it is simply not possible.

Mr. SUNUNU. Madam Chairman, will the gentleman yield?

Mr. TOOMEY. I yield to the gentleman from New Hampshire.

Mr. SUNUNU. Madam Chairman, just to clarify that point, there are over $600 billion worth of 30-year notes out

there, 10-year notes, notes that have not matured. They are being held by foreign banks, for example.

What the gentleman is suggesting is that we would not pass a lot of laws that forced people to redeem those because in doing so we would have to pay a premium. That would come out of the pockets of taxpayers.

Mr. TOOMEY. That is exactly right.

Reclaiming my time, I would further suggest that since they said these bonds are the property of someone else, they could demand any price they choose. They could force the U.S. taxpayer to pay a ridiculous and absurd price, and, frankly, they could choose to offer it at no price whatsoever.

So what we are doing, what the Republican budget does, it says, let us take all the available debt, everything that comes due, and as it matures, that is what we pay off.

Let me go to the fundamental difference between our two plans. Really what it comes down to is the Democratic budget grows government dramatically and provides token tax relief for some, while the Republican plan provides responsible government growth, but meaningful tax relief for all.

Let us remember that before we calculate the first dime of the surplus, we allow for $1 trillion of additional spending over the course of the next 10 years. We take all of the Social Security and surplus, Medicare surplus, and we put that money aside.

As I said earlier, we pay off all the available national debt. It is only after we do all of that that we say, now, with what is still left over, let us provide a little bit of tax relief for the people who created all that money in the first place.

□ 2100

I do not know how we could not provide at least this plan, at least what the President has proposed, at least what the Republican budget proposal calls for. It is a modest tax relief plan. It is small compared to the tax relief Ronald Reagan proposed in the early 1980s. Let us not pretend that the tax relief in the early 1980s led to deficits or debt. The fact is tax relief in 1981 led to a doubling of Federal revenue by 1989. It was out-of-control spending that caused the deficits.

This tax relief plan is not only small compared to the Reagan tax cuts, it is small compared to the Kennedy cuts of the 1960s. I have yet to hear my colleagues say that John F. Kennedy was proposing excess tax relief when in fact he did it when they did not have surplus.

Madam Chairman, the fact is we have an abundance of cash. The surplus is enormous, and it is about time that we provided some tax relief to the people who earned it and created it. We understand that the men and women who earned this money have a right to decide how to spend it. That comes prior to our desires to increase spending which is what the alternative does. We also understand that freedom works. If we lower the tax burden and increase economic freedom, we will increase prosperity and opportunity. Wages will grow. Standards of living will grow. There will be more opportunity for more Americans. That is why it is important that we pass this tax relief measure, and we pass this Republican budget.

Mr. SPRATT. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, in giving the lion's share of this budget to tax reduction, the budget resolution leaves little room for other priorities, including law enforcement. To talk about our budget which provides $19 billion more for law enforcement is the gentleman from Massachusetts (Mr. CAPUANO).

Madam Chairman, I yield 4 minutes to the gentleman from Massachusetts (Mr. CAPUANO), the former mayor of Sommerville, Massachusetts.

Mr. CAPUANO. Madam Chairman, I yield to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY of New York. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I am troubled by the budget resolution's disregard of the funding needs of the Department of Justice. Time and time again I have heard the need to enforce our laws instead of passing new ones. How can we expect law enforcement when this budget cuts funding for the Department of Justice by $1.6 billion in fiscal year 2002. Based upon the budget submitted by President Bush, these cuts are to be largely applied to State and local law enforcement assistance. The highly successful COPS program falls within these targeted cuts.

Although the President's budget proposal does not single out this important program, it does propose to redirect $1.5 billion in State and local grant assistance funding which does in fact fund COPS. Cutting the COPS program would undermine its success and harm local law enforcement throughout the country. Our police officers across this country applaud this program. This is a program that has worked. We have seen crime drop since 1994. We are seeing our police officers going in and having community ties in our schools and working with the community itself. They have built up relationships with our schools and our students, and at this time when we see so much violence going on, especially with the recent shootings, this is not a time to cut these particular programs. This certainly is a time that we should be encouraging these programs. With our particular budget, we increase this.

Madam Chairman, we have done a good job on reducing crime. We should continue with this program. We should guarantee that these programs continue, and we certainly should be supporting our police officers throughout this country.

Mr. CAPUANO. Madam Chairman, as you heard, I was the mayor of my community for 9 years before I came to this honorable body, and during that time the COPS program was passed and implemented. It started getting going in 1996. For a couple of years it was small money, and it really got going in 1996. From 1996 to 1998 in my community, we added eight additional police officers. In that same time period, we reduced crime by 29.2 percent. Maybe that is circumstantial, maybe it just happened to coincide with the COPS program, but I looked at my district which I did not represent then but I do now, and in my district in Massachusetts, we added 58 police officers in that time period, a 2 percent increase, but we reduced crime by 21 percent.

In the Commonwealth of Massachusetts, we added 363 police officers across the State, reduced crime by almost 14 percent. I just happened to look at the State of Texas, they added 9,000 police officers in that time period, a 20 percent increase, and they reduced crime by 7.5 percent.

In the whole country the same period of time, the COPS program helped add 115,097 police officers and crime was reduced 13.6 percent. Is all of this a coincidence? It just happened to be the same time period when the Federal Government got into the crime-fighting business on a local level. I think not.

Madam Chairman, I think the additional police officers on the street with the Federal Government helping us fund them is what turned the tide, and I dare say we will be back here in a few years if we cut this COPS program making sure that we have more police officers on the street in every community in this country.

Mr. NUSSLE. Madam Chairman, I yield 3 minutes to the gentleman from Florida (Mr. CRENSHAW), a new member of the Committee on the Budget.

Mr. CRENSHAW. Madam Chairman, my colleagues have talked about the foundations of this budget, paying down the national debt, letting the taxpayers keep more of what they earn, preserving Social Security and preserving Medicare, and improving education. But as a member of the Committee on Armed Services and a new Member from a district that is largely military oriented, I want to address what this budget does in terms of the military because for the last 8 years, our young men and women in the military have watched as the military has been hollowed out. It has been underfunded and overdeployed.

Madam Chairman, I have talked to so many of those young people, and I decided that I would like to go to Congress to help rebuild our military and make America strong again; and that is exactly what this budget does. It adds almost 5 percent of new money to military spending, $5.6 billion for increase pay, for better housing, for health care for our military men and women. It adds $2.6 billion of new

money for research and development. And that is important. That is a down payment on what is to come because our President has said that he believes, and I believe with all my heart, that we ought to let defense strategy drive defense spending and not the other way around. The President has ordered a top-to-bottom review of our military to decide what is the role of the military. What is our vision. It is a time of testing. It is a time of transition, and there is no sense spending money on technology that we are never going to use.

Madam Chairman, once that review has taken place and our President and our leaders of the military have a clear vision of where they want this country to go, then I am confident that we in this Congress will give them the necessary resources that they need. And so it is on that note that I ask for support for this resolution.

The CHAIRMAN pro tempore (Mrs. BIGGERT). Both gentlemen have 11 minutes remaining.

Mr. SPRATT. Madam Chairman, I yield 2½ minutes to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I thank the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget, for his great leadership and for his fundamental fairness throughout.

Madam Chairman, I stand to express the great support on the Democratic side for fully funding our environmental commitments in this budget. We know that the Republican resolution underfunds the environment and in fact does not fund the commitment, the bipartisan commitment, the landmark commitment made 1 year ago to double our funding for conservation programs, preservation programs and recreation programs in this country.

Many of us in this body supported CARA, legislation that passed overwhelmingly a year ago, the Conservation and Reinvestment Act, which would have tripled funding for these important preservation and conservation programs. We could not win support to pass that legislation into law, but in the interior appropriations bill last year, we struck a bipartisan agreement to double the funding, and that is a good, bipartisan compromise.

Unfortunately, the Republican resolution before us today underfunds that commitment by 25 percent, and the Democrats feel that is unacceptable. We provide the full commitment, over $10 billion over the next 5 years. The Republican resolution underfunds that commitment by $2.7 billion. The Democrats also provide money for brownfield reclamation, $200 million next year, $2 billion over the next 10 years to reclaim and revitalize brownfields, those abandoned, polluted industrial sites across this Nation that should be reused with reinvestment for commercial, residential and retail possibilities. Every time we reclaim a brownfield, we save a greenfield from development. We need to fund those programs.

Madam Chairman, we are very concerned on our side of the aisle with the broken promises from the President regarding the environment. He has blocked the rule that would stop the building of roads and logging in one-third of our national forests. He has revoked the rule to reduce arsenic in our water supply. We permit, under the rule that the President supports for arsenic and water, an amount that is 5 times greater than the standard of the World Health Organization, and that is unacceptable. He has broken his promise to curb carbon dioxide. We want to support the environment. I ask for support for the Democratic alternative.

Mr. NUSSLE. Madam Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. SHAYS), a former member of the Committee on the Budget. We have come to a very critical part of the debate, and that is why we are calling in one of our big guns.

Mr. SHAYS. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I am not a big gun, but I do realize there is life after the Committee on the Budget, but there are pains I still have after 10 years. I just express my admiration for what the Committee on the Budget has done and the camaraderie from both sides of the aisle, but as I listen to this debate, I ask this question: Why would anyone think that they are more fiscally responsible when they want to spend more?

Madam Chairman, I realize this is not a debate about tax cuts versus paying down more debt, this is a debate about spending more money or not. What our side of the aisle wants to do is spend 4 percent more. There are really three things you can do with the surplus. You can spend it, and we are going to spend 4 percent more.

□ 2115

We can pay down debt. We are going to pay down $2.3 trillion worth of debt. We can reduce taxes. This is a debate of spend more or maybe have more in tax cuts.

Now, I think that what has happened in the last so many years, we have had deficits from 1969 to 1998, 29 years of deficits, and those have ended. We have had 35 years of using Social Security reserve funds. We no longer have deficits. We no longer use Social Security reserves for spending. We paid down $500 billion of debt and, by the end of the year, $620 billion.

What scares the heck out of me, though, is this is a steep line of 587 to 635, which was last year; and it seems to me my colleagues on the other side of the aisle think it should remain steep. All I have heard about is more spending. We are going to spend $635 billion now to go up to $661 billion, which is what the President wants, a 4 percent increase in spending. That is a lot of money.

But we also wanted a tax cut, and it is a responsible tax cut. We are taking one-quarter of the surplus, and we are going to have a tax cut with it, one-quarter of the surplus.

Someone said it is not going to the right people, it is going to the people who pay taxes. Five percent of the American people pay 50 percent of the taxes, and 50 percent of the American people pay 95 percent of the taxes; and they are going to get a tax cut with our proposal. I am eager to vote for it.

People have then said, well, this tax cut is irresponsible. Kennedy had a tax cut that was twice as large as ours, and he did not have a real surplus. Reagan had a tax cut which was three times as large, and we had a deficit. We want a tax cut, and we have a surplus, and we only want to take a quarter of it.

So this is the debate I look forward to having in the months to come. I hope that we do not make it smaller than the $1.6 trillion; and I hope it goes to the people who deserve it, the people who pay taxes.

Again, I would like to thank my colleagues on both sides of the aisle. It has been an interesting debate. I am happy we are on the right side on this one.

We do not want more spending, at least not more than 4 percent. We want to return some of it back to the American people because they are the ones who pay the taxes. We do not want to make government larger than it already is. We want to make it consistent with our needs.

Mr. SPRATT. Madam Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. PRICE) to discuss electoral reforms, which we provide $1.5 billion for in our budget resolution.

Mr. PRICE of North Carolina. Madam Chairman I thank the gentleman for yielding me this time.

Madam Chairman, we have a practice in this country of, when we find neighborhoods on the top of toxic waste dumps, we naturally respond to that emergency by buying out the homes to protect the people who live there. When floods wipe out communities, as they did in eastern North Carolina a couple of years ago, we respond by buying out property to protect residents and help them find safe places to live.

Well, we have an emergency situation in our democracy today. It was all too evident in Florida in November. Error-prone voting equipment is an emergency situation that threatens us, and the Democratic budget proposes an immediate and an effective response.

We want to provide emergency funds to buy out the punch-card voting systems that threaten the accuracy of and the faith in our elections, and we want to do it by the time of the 2002 elections. We also want to look at longer-term election reform.

Now our Republican friends at my request have included language in their budget resolution urging Congress to deal with the problem of the replacement of error-prone equipment, but the

Republican budget provides no specific funding for this. By contrast, the Democratic budget addresses this critical issue with a billion dollars this year and $500 million next year.

Madam Chairman, I yield to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON), who can tell us more about why this funding is so critical. We appreciate her leadership on this issue.

Ms. EDDIE BERNICE JOHNSON of Texas. Madam Chairman, I thank the gentleman from North Carolina (Mr. PRICE) for yielding to me.

Madam Chairman, voting is the most fundamental right guaranteed by our Constitution. I came here feeling this term that this would be a high priority for both sides of the aisle.

I have spoken with the President, and I have spoken with other leadership in this House. It is very appalling that there is no evidence of any funding to correct this problem with this Republican resolution.

There is no way that we can stand here and say that we support a strong democracy when we are not willing to fund the whole system that the entire country experienced as a failure this past election.

Just yesterday, I received a letter from someone in Iowa, talking about the difficulties which they had in Wapello County. He said that he was a precinct election committee member, and he had trouble getting up-to-date restoration information from the Iowa Department of Transportation through the Motor Voter Registration Program.

This was not just one place in our country. Our democracy was threatened throughout the Nation. We are standing here tonight talking about this type and size of budget without having given any particular attention to this problem that simply threatens our sovereignty as a Nation. The world is watching, and we have not even attempted to address it.

One cannot address a problem without designating some dollars. The Democratic proposal has $1 billion for 2001 and $500 million for 2002 to replace these outdated machines so that every vote that is cast can be counted.

I see no evidence of that in the Republican resolution, even though I asked the President personally about it. He told me that it would be there.

Mr. PRICE of North Carolina. Madam Chairman, I thank the gentlewoman from Texas. It is important, is it not, that, for the 2002 election, we be able to deal with this. Why should we wait. If we are going to deal with it, not have another election under these conditions, we have surely got to get the funding in this year's budget.

Ms. EDDIE BERNICE JOHNSON of Texas. Madam Chairman, if the gentleman will yield, what else, what else in this year's budget could be more important than preserving our own democracy?

Mr. PRICE of North Carolina. Madam Chairman, I yield to the gentlewoman from Texas (Ms. JACKSON-LEE), who has also been an outspoken advocate of election reform.

Ms. JACKSON-LEE of Texas. Madam Chairman, I thank the distinguished gentleman from North Carolina for yielding to me.

Madam Chairman, it is interesting this last election that the elderly were denied access to vote. Disabled persons who I personally spoke to were indicating they were denied access to the voting polls. Military personnel were denied as well. In addition, students who had registered were denied as well. Inadequate procedures, people being denied the access to democracy.

H. Con. Res. 83 already eliminates 9 percent of the Department of Justice budget. How can we emphasize the value and importance of the right, the fundamental right to vote unless we provide the Democratic alternative that provides $1 billion in 2001.

Might I mind my manners to thank the gentleman from South Carolina (Mr. SPRATT) for his leadership, certainly thank the gentleman from Iowa (Chairman NUSSLE) for this time to debate, and thank the gentleman from North Carolina (Mr. PRICE).

But I think it is important to note that one has to spend money, and there is $1 billion in the Democratic alternative in 2001 and $500 million in 2002.

The most important item, however, is the process of legislation cannot work without funding democracy. We must fund democracy, keeping Social Security and Medicare solvent. The fact that there are people all over the country, California, Texas, Iowa, New York, Florida, there is clearly a case for election reform. One cannot do it without money.

Mr. NUSSLE. Madam Chairman, I yield 4 minutes to the gentleman from New Hampshire (Mr. SUNUNU), the distinguished vice chair of the Committee on the Budget.

(Mr. SUNUNU asked and was given permission to revise and extend his remarks.)

Mr. SUNUNU. Madam Chairman, I think it is important, as we enter the closing minutes of the debate this evening, to review some of the arguments we have heard, review the main points of the budget proposal that is on the floor, because we have heard a lot of claims; and it is important that we have as many facts as possible straight.

This budget pays down, first and foremost, more debt over a 10-year period than we have ever paid down in the United States, over $2 trillion in debt. We heard some discussion about paying down $3 trillion or $3.5 trillion, paying off every penny of the public debt over the 10-year period. The fact is that is simply not possible unless we force every 10-year-old in the country to sell their United States savings bonds and force every foreign bank to give up their 30-year Treasury bonds. That is just not going to happen. To suggest otherwise is being disingenuous about how we deal with our country's finances. So we pay down as much debt as we possibly can, lower the debt as a percentage of the GNP to a level not seen in over 80 years.

We cut taxes for every American. We improve education. And we can manipulate the way we score a particular funding bill one way or another, but the fact is this has more funding for education than ever at the Federal level, an 11 percent increase.

We strengthen national defense. We heard an argument earlier tonight from the minority side arguing that it was not doing enough for defense. How times have changed. The fact of the matter is we put in more funding for our national defense than our former Democrat President proposed when he left office at the end of his term. We have increased funding $5 billion, and we recognize that our President right now is conducting a top-to-bottom review.

Of course we create reserves, funding reserves to modernize and strengthen Social Security and Medicare. We have heard critics on the other side say that somehow this is irresponsible to set aside money to strengthen these programs. How we have turned these arguments on their head.

What is this really about? I venture that it is really about tax cuts. That really should not surprise anyone because the tax cut debate has been in the front of the newspapers: what kind of tax relief will we have, how can we make the Tax Code more fair, and whether or not we will support the President's proposal.

The minority side does not support these tax cuts. They do not want to see Americans' taxes lowered. What is the reason? Well, if we just go back a few years, when I was first elected in 1996, they said, well, we cannot cut taxes until we balance the budget. Well, we balanced the budget. Then the argument was, well, we cannot cut taxes until we set aside every penny of the Social Security surplus. Done. We did that 3 years ago. Then the argument was, well, we cannot support tax cuts until we have set aside every penny of the Medicare surplus as well. Well, we have done that as well.

Then the argument was, well, we cannot cut taxes, of course, because we have not paid down the public debt. Well, we have paid off over $625 billion in debt; and we will pay off another $2 trillion over the next 10 years.

We have balanced the budget, set aside every penny of Social Security, set aside every penny of the Medicare surplus. We are on track to retire $2 trillion in public debt over the next 10 years. And still the call is, well, we cannot support that tax cut.

What is the real excuse? I think we heard it portrayed pretty eloquently from some Members on the minority side. The real reason is because we want to spend it. Because we want to spend it on every program that one can imagine.

We have heard about a lot of programs at the Federal level that are good strong programs delivering benefits and services to those that need them. But if we triple funding for every worthwhile program at the Federal level, we will bankrupt this country. The American people do not want that; Members of Congress do not want that.

We need to recognize that expanding the size of the Federal Government by 4 percent, it is about what the economy will grow, about what the average family budget will grow over the next year. I think that is reasonable.

I think Congress should live within its means. We pay down debt. We set aside for national security, increasing the funding of the NIH and education. But at the end of the day, we need to recognize that we have collected more in money than we need to run government. It is your money, and we should give a piece of it back.

The CHAIRMAN pro tempore (Mrs. BIGGERT). The gentleman from Iowa (Mr. NUSSLE) has 4 minutes remaining. The gentleman from South Carolina (Mr. SPRATT) has 3½ minutes remaining.

Mr. NUSSLE. Madam Chairman, I would just alert the gentleman from South Carolina (Mr. SPRATT) that I have 4 minutes, and I plan to use that to close the debate tonight if that would be appropriate.

Mr. SPRATT. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, just quickly in response to the last gentleman from New Hampshire (Mr. SUNUNU), with respect to taxes, we all came together on a tax cut in the Balanced Budget Agreement in 1997, $270 billion, which I helped negotiate. Our budget resolution on the floor right now provides $910 billion out of the surplus, one-third of the surplus, for tax reduction.

Madam Chairman, I yield 1 minute to the gentleman from New Jersey (Mr. HOLT).

□ 2130

Mr. HOLT. I thank the gentleman for yielding me this time.

Madam Chairman, I call my colleagues' attention once again to the inadequacies of the majority budget in the area of general science research. An increased commitment to scientific research is essential to future economic prosperity. The majority budget includes $22 billion for research. Now, that sounds good, but as this chart shows, that means that while in the past 3 years the NSF funding has increased 6.8 percent, the majority budget offered this year offers no increase above inflation.

The Democratic substitute would add $3 billion through fiscal year 2011. Now, this is not fluff. These are necessary. This is the ingredient of a successful economy. President Bush's science adviser said this is essential to accomplish those things that the Republican majority says they hope to accomplish with their budget. As he puts it: ''No science, no surplus.'' It is that simple.

Mr. SPRATT. Madam Chairman, I yield the balance of my time to the gentlewoman from New Haven, Connecticut (Ms. DELAURO), the assistant minority leader.

The CHAIRMAN pro tempore (Mrs. BIGGERT). The gentlewoman from Connecticut (Ms. DELAURO) is recognized for such time as may remain.

Ms. DELAURO. Madam Chairman, a budget for America should reflect the values of America. It should be realistic. Above all, it should be responsible.

It should balance the need for tax cuts for working and middle-class families against the need to provide a world-class education for our children, a Medicare prescription drug benefit for our seniors, and strengthening our national defense. And most of all, America's budget should do nothing to break faith with millions of seniors who rely on Social Security and Medicare, so that they can grow old with respect and the dignity that they so richly deserve.

But the Republican budget is neither responsible nor balanced. Based on inflated projections for economic growth, it places a nearly $2 trillion tax cut that benefits largely the wealthy ahead of Medicare, Social Security, education, defense and agriculture. In fact, Republicans spend more on a tax cut just for the wealthiest 1 percent than they spend on nearly every other need in the budget. And worst of all, the leadership budget raids Medicare to pay for this unfair tax cut. With accounting gimmicks to mask the fact that the numbers just do not add up, the Republican budget attempts to hide the fact that it raids Medicare to pay for a tax cut. This is just plain wrong.

By dipping into Medicare money to pay for an irresponsible tax cut, the Republicans break faith with millions of our parents and grandparents who rely on Medicare to meet their health care needs. At a time when we should be strengthening Medicare, adding a much-needed prescription drug benefit to it, the Republican budget would shortchange seniors who have paid into Medicare their entire lives.

In the end, what happens if all the budget projections are wrong, as they always have been in the past? We are back in a time of budget deficits, debt, higher interest rates, fewer jobs, less growth and a less secure future for our children.

This is a time for prudence. This is a time to think about our future and not to repeat past mistakes. We should reject the Republican budget. We should support the Democratic alternative. We ought to provide tax cuts for working middle-class families in this country and not crowd out education and prescription drugs.

Mr. NUSSLE. Madam Chairman, I yield myself the balance of my time.

The CHAIRMAN pro tempore. The gentleman from Iowa (Mr. NUSSLE) is recognized for 4 minutes.

Mr. NUSSLE. Madam Chairman, I want to thank my friend from South Carolina for the debate tonight; the spirit of the debate. I think it was a good one. I think we talked about a number of issues that we needed to address.

Again, I would just reiterate the six goals and a little bit of the arguments about them.

Number one is maximum debt eliminations. My good friends and colleagues on the other side say, ''Pay more of the national debt.'' I think it is pretty clear from tonight that we can only pay so much. Chairman Greenspan says that, the Treasury Department says that, and just about every economist has come forward and said, at some point in time 30-year notes do not come due. How do we go out and collect them? We cannot without paying a premium.

We can only pay a certain amount of the debt down. I think that is clear. We have the maximum amount of debt that is responsible to pay down.

Number two is tax relief. We have tax relief for every taxpayer. My friends on the other side say, but, really, if we add this in and we add that in, and then we add this over here and put it all together, and then we multiply by seven, their tax cut is really bigger. Well, but it is not. Read the bill. The bill says $1.6 trillion of tax relief. That is what reconciliation says.

I understand the folks back home sitting around the kitchen counter do not understand reconciliation, but we do. Let us not kid each other. We know the $1.6 is the maximum amount of tax relief we can have under this bill.

Next is education for all of our children. What they say is, we are going to spend more. We can spend more. We can invest more. We will put more tax dollars toward education than the Republicans can. I am sure they can, and they have. And we have tried over the last few years to keep up, and so we have all put more money into education. I grant my colleagues that. The point is nothing has improved. Our kids are not reading any better. Schools have not gotten better. Our programs have not been reformed.

So before we throw one more dollar at all of this, can we not at least talk about some reform? All right, fine, there is some advanced funding in there. The point is that from last year to this year, it will be an 11.5 percent increase. That is a pretty good increase, but with that has got to come needed reform.

Next is defense. A colleague came forward and said they have more money for defense. They are going to put all sorts of money in. What are they going to spend it on? They say, do not spend it on an aircraft carrier. What do we put it in? How are we going to know what to invest in for defense until we do the top-to-bottom review?

And I know my colleagues are cynical about that and are saying that they do not know if they can get it done.

Quite frankly, I do not know if they can get it done either. But the point is somebody has to try, because just having a bidding war toward defense, eventually all we will be doing is shooting pennies at each other, and that will not give us a stronger defense.

Health care reform. My colleagues talk about solvency in Medicare, but they make it a zero sum game. They say if we take a dollar out to reform Medicare, which is what we all voted on when we put the lockbox for Medicare away, we said it could be used for reform, it could be used for modernization, that is what we all voted for, except for a few, in H.R. 2, the Medicare Lockbox, the difference though is that we say it is not a zero sum game. If we take money out of the trust fund for Medicare modernization, that does not necessarily mean the solvency is diminished. It means that with that reform it can be extended into the future.

And that is what we all want. Regardless of the scare tactics that, granted, only a few used tonight, it still, I think, is a shame.

Finally, on Social Security, let me say we are not privatizing Social Security. I defy my colleagues to find the word ''privatized'' in this bill. Find it, then we will talk about it. It is not in there. We do not privatize Social Security in this. What we are saying is we are setting aside all of the Social Security Trust Fund, just as we have in a bipartisan way finally been able to accomplish over the last three budgets. I think that is something we ought to celebrate and not demagogue.

Finally, let me just say that we do recognize that there are some concerns about forecasting into the future, and that is why we put a cushion into this budget. After we set aside all the trust funds, we set aside one additional trust fund, one additional reserve, of $517 billion for that rainy day, for that cushion.

We believe this is a responsible balanced budget, and we urge its adoption.

Mr. STARK. Madam Chairman, the Joint Economic Committee has been granted the authority to control one hour of the budget debate since passage of the Full Employment and Balanced Growth Act of 1978 authored by Senator Hubert Humphrey and Congressman Gus Hawkins. It is our duty to present views on the current state of the U.S. economy and provide input into the budget debate before us.

I am proud to be here today to continue the tradition begun by Senator Humphrey and Congressman Hawkins.

The Budget before us is not one of which those two men would be proud. Rather than leading us down an economic path of balanced growth and full employment, the budget before us today has the real potential to dismantle great strides made in our economy during the past decade.

Each day we anxiously watch stock market fluctuations highlight the fact that this budget is far too dependent upon highly imprecise economic forecasts. If the budget outlook weakens and this bill has already become law, the basic workings of government will be greatly hindered by returning to the days of budget deficits.

My key concerns with the budget before us lie in three areas: (1) The $1.6 trillion in tax cuts are too large, are weighted too heavily toward those with upper incomes, and jeopardize our government's ability to continue necessary funding levels for other important national priorities such as educating our children, defending our borders, and caring for our sick; (2) The budget raids the Medicare Trust Fund. Baby Boomers begin becoming eligible for Medicare in 2011. The time for protecting Medicare's fiscal resources is now. The budget before us fails that test; and (3) Drugs are too integral a part of medical care today for Medicare to continue to serve seniors adequately unless we add a prescription drug benefit. The budget before us fails to dedicate any new dollars to a Medicare prescription drug benefit.

A MATTER OF PRIORITIES: TAX BREAKS FOR THE WEALTHY OVER OTHER NEEDED PRIORITIES

A budget is essentially a statement of priorities and this budget makes abundantly clear that the priority is tax cuts for the wealthy at the expense of needed government spending in other areas.

President Bush and his Congressional followers have crafted a tax plan that on the surface appears to have something for everyone in order to help spur the economy. However, upon closer inspection, it is quite clear that there are many children left behind with the GOP tax cuts, but a generous helping hand offered to workers who earn over $373,000 annually.

First, I would like to dispel any notion that the GOP tax plan will actually help spur the current slowdown in the economy. The tax breaks proposed thus far will only help spur the economy if taxpayers see immediate relief and if the tax breaks are distributed equitably amongst all income groups. This will not happen under the tax plan passed by the Ways & Means Committee. The economic stimulus will happen when the tax cuts are fully phased-in. In order to control the exorbitant cost of the tax package, the Republicans can't allow the tax cuts to take full effect until 2006 or later. Are my colleagues predicting an economic slowdown five years from now?

Even if the tax beaks were to take full effect much sooner, it is highly unlikely that the U.S. would see much economic stimulation. The bulk of the tax package benefits those in the top 1% income group. Workers in the 1% income group receive an average income of $1.1 million annually and will receive an average tax break of $28,608 annually. These folks will account for over thirty percent of the tax revenues lost. Meanwhile, those workers earning less than $27,000 will only see a meager tax break of $239 annually, comprising only six percent of the lost tax revenues. We cannot afford to spend trillions of dollars on a tax benefit that is concentrated on the wealthiest income-earners.

The cost of these tax cuts eat up resources that could otherwise be used for important governmental programs that help many more people. We can and should be increasing our investment in education. President Bush has made education one of his highest rhetorical priorities. Unfortunately, this budget fails to follow through with the resources necessary to make great strides. In fact, it provides less than half the average increase Congress has granted Department of Education appropriations for the last five years.

The budget before us today clearly demonstrates a lack of commitment to our children. Republicans reduce funds for the Child Care Development Block Grant (CCDBG) by $200 million in 2002 and freeze funds after 2002. The child care provided through the CCDBG is important to help poor families move from welfare to work. At the moment, the block grant only has enough money to serve 12 percent of the eligible children. We need more funding in this program, not less. As Secretary of HHS Tommy Thompson said, welfare reform does not come cheap.

The Republicans let Temporary Assistance for Needy Families Supplemental Grants expire in 2001. Even worse, the Republican budget encourages states to divert the remaining federal funds to pay for state income tax credits for charitable contributions. These funds would otherwise provide critical welfare-to-work services. Democrats Boost Title XX Social Services Block Grant Funding in the Democratic budget would allow an increase to at least $2 billion in 2002.

And those are only a few examples of important domestic spending arenas where this budget falls far short.

PROTECTING MEDICARE

Measurements of the solvency of the Part A Trust Fund have been the long-standing mechanism by which we've measured the healthy of the Medicare program. Today, the Part A Trust Fund enjoys the longest solvency time period in the history of Medicare with insolvency now at 2029.

That should not be interpreted to mean all is well with Medicare. We all know that is not the case. In fact, starting in 2011, the baby boom generation will begin becoming eligible for Medicare benefits. That begins a major demographic shift with far fewer workers supporting far greater numbers of seniors on Medicare. Today the ratio is approximately 3.4 workers per Medicare beneficiary. According to the Medicare actuary, that number is predicted drop to about 2.1 workers per beneficiary by 2029. All of this cries out for protecting every cent that we have in the Medicare Trust Fund and making changes to law to ensure that more funds go into the Trust Fund in the future. But, the budget before us does the opposite.

Rather than protect the Trust Fund for the future, this budget takes $153 billion—and maybe more—directly out of the Medicare surplus and allows those dollars to be spent on a Medicare prescription drug benefit.

There are those on the other side of the aisle who will argue that we've always dipped into the Medicare Trust Fund in order to finance current government spending and that this budget is no different. They are wrong. When we have used Medicare's surplus as a funding source in the past, we have always used surplus dollars on a loan basis—and paid back those dollars with interest to the Trust Fund. What the budget before us today would do is use those dollars to fund a Medicare prescription drug benefit—meaning that those dollars will forever disappear from their intended purpose of funding hospital care for future Medicare beneficiaries.

America's hospitals are concerned about this Medicare raid as well. In a letter dated

March 16, the American Hospital Association, the Association of American Medical Colleges, the Catholic Health Association, the Federation of American Hospitals, the National Association of Public Hospitals and Health Systems, Premier, Inc., and VHA, Inc. all joined together to send a letter to Congress stating:

While there is broad consensus that Medicare should include a prescription drug benefit, we believe that this benefit should be adequately funded; should not be financed through trust fund reserves; and should not be combined with a cap on the use of general revenue. Doing so will not only accelerate the insolvency of the Medicare Part A Trust Fund, but will also jeopardize the ability of health care providers to meet a rapidly increasing demand for services.

Make no mistake about it. The dollars being diverted from the Medicare Trust Fund in the budget before us today will NEVER be returned to the Trust Fund. They are being spent elsewhere. And, that means that there are fewer resources dedicated to Medicare's future. No ifs, ands, or buts about it.

MEDICARE PRESCRIPTION DRUG COVERAGE

The Congressional Budget Office estimates that Medicare beneficiaries will spend $1.5 trillion on prescription drugs over the next ten years. Medicare does not cover outpatient prescription drugs. None of us would belong to a health insurance plan that didn't include prescription drug coverage, but we continue to leave the seniors without any Medicare coverage of these necessary medical costs.

It is past time for us to add a prescription drug benefit to Medicare. However, the budget before us today provides no new dollars for a Medicare prescription drug benefit. Instead, it diverts needed dollars from the Part A Trust Fund into an account which is being labeled for use on a Medicare prescription drug benefit by the Majority.

The Majority only makes $153 billion available over a ten-year period for a Medicare prescription drug benefit. Most estimates indicate that an adequate prescription drug benefit could cost upward of $30 billion a year—and a good benefit would cost much more—$153 billion over ten is only a drop in the bucket. It is less than 1/10th the amount of money they are willing to ''invest'' in tax breaks which will have at best a questionable impact on the economy and less than 1/10th of the what CBO predicts will be spent on drugs for Medicare beneficiaries over the next 10 years. But, we know full well that lack of prescription drug coverage in Medicare is causing millions of seniors to choose between needed medications and heat for their homes, and that failure to cover these drugs also means increased health care costs as people forgo the most appropriate drug treatment because they cannot afford it.

A portion of the $153 billion is dedicated to the President's ''Immediate Helping Hand'' program. Unfortunately, that program is neither immediate or much help. It would provide grants to the states to enable them to cover prescription drugs for low-income seniors. However, the need for prescription drug coverage is not just a low-income problem—it is a middle class problem. And, states have made abundantly clear that they do not want to take on the burden of covering prescription drugs for seniors. The National Governors Association states point blank that, ''if Congress decides to expand prescription drug coverage to seniors, it should not shift that responsibility or its costs to the states.'' The Immediate Helping Hand program has not been warmly received by Congress either. To consider it the method for moving forward on prescription drugs in the budget just simply doesn't make sense.

Again, it comes down to priorities. If we were to delete the estate tax provisions in the budget before us, new estimates from the Joint Committee on Taxation indicate we would have more than $600 billion that could be dedicated to a Medicare prescription drug benefit and other important priorities. The Republican estate tax proposal helps some 43,000 decedents of wealthy people. A Medicare prescription drug benefit would help 40 million seniors and disabled people. Over 90% of the beneficiaries of the estate tax cut make over $190,000 a year. The median income of Medicare beneficiaries is $14,500. Who needs more help?

For all of the reasons outlined above—and many more I have not had time to elucidate—I oppose this budget before us today. It fails to appropriately prioritize the needs of our nation and could put us back in the economic ditch that the Reagan tax package created in the 1980's, and from which we only recently emerged. During this time of unprecedented surplus, we should be shoring up the federal programs that people rely on, we should be increasing our investment in education, we should be improving the quality and availability of child care in our nation, we should be covering prescription drugs through Medicare, and doing much, much more. Instead, this budget squanders projected resources on tax cuts that disproportionately benefit the most well-off and puts at risk our ability to finance important government priorities now and in the future. I urge my colleagues to vote no on the budget before us.

Mr. RAHALL. Madam Chairman, I rise in my capacity as the Ranking Democratic Member on the Resources Committee to point out that among the many worthy and valid reasons why this budget resolution should be defeated is the fact that it runs roughshod over last year's landmark bipartisan agreement on conservation program funding.

This agreement, often referred to as ''CARA light'' but more formally as the Land Conservation, Preservation and Infrastructure Improvement Program was enacted as part of the fiscal year 2001 Interior Appropriations measure.

It seeks, in part, to keep faith with the original purpose of the Land and Water Conservation Fund by providing for a dedicated stream of funds for federal land acquisition as well as for State land and water conservation grants.

But it does more than that. Other eligible programs for the $12 billion set-aside are those which support historic preservation, the Youth Conservation Corps, Payments In Lieu of Taxes, the Forest Legacy Program, and State Wildlife Grants among others.

The pending budget resolution, as does the Bush Blueprint, would skim $2.7 billion from the $12 billion agreed to only late last year to help pay for tax cuts for the wealthy.

These are not touchy feely programs we are talking about here. These are programs that are extremely important to America and to Americans. They are endeavors that are part of our birthright and our destiny.

For by investing in America, and out natural resource heritage, we are fulfilling what I believe is an obligation we have to future generations. And that obligation is that this generation, the current generation, will not consume everything and leave nothing to our children and our children's children.

This budget resolution fails to meet that obligation. It fails to meet our obligations to this country in many other respects as well. So again, I urge the defeat of the pending resolution.

Mr. DINGELL. Madam Chairman, I wish I could say I was shocked and dismayed at the budget proposal the Republicans have put before us today. Unfortunately, I am not shocked. It is a typical Republican budget which slashes funding for programs that help the elderly, women, children and the public interest in order to give a fat tax cut to their fat-cat buddies.

Allow me, if you will, to give a brief synopsis of this draconian document:

Cuts funding for land conservation; Cuts the budget for environmental protection; Cuts funding for the Department of Agriculture, including the field offices which are there to help our farmers, the engine of America's prosperity since founding of our Republic. This budget also fails to provide any emergency income assistance for farmers; Cuts funding for NASA; Cuts funding for renewable and alternative energy research and development. This is the very research and development that could hold the answers to today's energy shortage; Cuts funding for the Army Corps of Engineers, the builders of America's infrastructure; Cuts Federal support for the railroads; Cuts funding for the Small Business Administration; Cuts funding for Community Development Block Grants; Cuts funding for the Department of Justice, the agency charged with enforcing our laws; Cuts funding for the Legal Services Corporation; and Cuts funding for the Equal Employment Opportunity Commission.

Though that is the end of this year's cuts, it is not the end of the rascality

Republican CHRISTOPHER SMITH, Chairman of the Veterans Affairs Committee, and Republican LANE EVANS, Ranking Democrat on the Veterans Affairs Committee, have stated that, ''$2.1 billion is the minimum needed to keep the promises made to care for those who risked their lives and answered this country's call in its hour of need.'' This budget falls $1 billion short of this minimum.

The Budget only designates $135 billion for a prescription drug benefit and Medicare reform. I would note to you that Representative BILLY TAUZIN said, ''everybody knows that figure is gone.'' Additionally, CBO estimates that last years Republican prescription drug bill would cost well over $200 billion today.

Now that I have told you what this scandalous budget does not do, I will tell you what it does do.

Raids Medicare Part A's trust fund

Threatens the solvency of Social Security and Medicare

Mortgages our future based on a riverboat gamble. Make no mistake, the projected surplus is only a prediction 10 years into the future.

This disgrace of a budget grossly underfunds programs which deserve full funding and which the American people have told us time and again are important to them.

You may ask why the Republicans have created a budget which does not reflect America's priorities, why they have produced such

a dim-witted ''financial plan.'' I will be happy to tell you why. Because they are determined to give a massive and fiscally irresponsible tax cut to their fat-cat buddies. Do not be fooled, it is not working families who would benefit from this tax cut, it is the top 1 percent.

I would ask you to vote against this outrageous plan.

Mr. KLECZKA. Madam Chairman, I rise today in opposition to the Republican Budget Resolution and to urge my colleagues to support the more sensible Democratic alternative.

The Republican Budget Resolution before us calls for a massive $1.62 trillion tax cut. I am troubled by this for a number of reasons. First, the House is already on track to exceed this figure.

The Ways and Means Committee has already reported out two bills that cut taxes by almost $1.4 trillion. The Committee has yet to consider the remaining pieces of the President's tax cut plan, most notably the estate tax repeal—which the Wall Street Journal today reported would cost an astonishing $662.2 billion if made effective immediately.

This brings the price tag to over $2 trillion without providing funds for making the Research and Development tax credit permanent or allowing non-itemizers to deduct charitable contributions—both of which are included in the President's plan.

Secondly, I have serious concerns about pinning such a large tax cut on a budget surplus that may never materialize. Predicting so far into the future is fraught with uncertainties, especially in an economic downturn like we are currently experiencing. Would any reasonable person plan a vacation relying on a weather forecast for year 2009 or 2011?

Furthermore, the American people have been told that the tax cuts are necessary to stimulate our economy right now.

Well, Madam Chairman, your budget plan totally fails in this regard. Taxes are cut by $5.8 billion this year, or 50 cents per day per taxpayer—hardly a drop in the bucket of a $10 trillion dollar economy. This budget resolution directs that two-thirds of the benefits be withheld for 5 years.

An economic stimulus plan has been developed by our colleagues in the other body which calls for an immediate $60 billion tax cut for this year. This plan would achieve the goal of pumping up the economy.

Finally, I would like to call attention to a serious flaw contained within the Republican Budget Resolution. This budget diverts $153 billion away from the Medicare Hospital Insurance fund under the guise of a yet-to-be-determined prescription drug benefit. However, this money is being raised to pay hospital costs for current and future beneficiaries—it can't be spent twice. The resolution also earmarks another $240 billion in Medicare HI surpluses to a contingent fund. We cannot allow the Medicare Trust Fund to be used for other purposes because it will dramatically shorten the solvency of the Medicare Trust Fund. Our Democratic Budget locks away the current surpluses in both the Medicare and Social Security.

Madam Chairman, Congress must be prudent and cautious when developing budgets based on less-than certain surplus estimates. We have the resources to give a responsible tax cut to the American people and the Democratic plan does just that. I urge Members to reject the Republican Budget Resolution and support the Democratic substitute.

Mr. BLUMENAUER. Madam Chairman, today, Congress is debating the Fiscal Year 2002 Budget Resolution, a document that is sadly, fraudulent.

Common sense dictates that budget forecasting should be realistic and conservative. The document before us today is neither. The projections used in this document are not only widely optimistic, but also prone to extreme error. If the Congressional Budget Office used the same economic assumptions that the Social Security Trustees use when forecasting the future financial solvency of Social Security and Medicare, the two largest government programs, there would be no surplus. Despite this fact, the majority has pressed ahead with a financial plan that leaves no room for error, leading us down a fiscally dangerous path.

The Majority has based spending decisions on unrealistic spending assumptions. Four years ago, I watched this Congress engage in much backslapping and self-congratulating after passing the last Balanced Budget Act of 1997. Almost immediately, Congress began to wink and nod at spending limits imposed in that bill, tortuously bending and breaking the rules in order to claim spending limits had been honored. Two years ago, Congress dropped the charade, shattering spending limits and effectively giving up on the 1997 act. Now we are again holding down spending to unrealistic levels. Even the Republican Chairman of the Senate Budget Committee has already stated that the spending limits in the legislation are not feasible.

The document before us today drastically underfunds critical health, environment, and veterans programs. As our country is facing what the President and GOP claim is an energy crisis, they have proposed cutting funding for the Department of Energy by 7 percent. Energy conservation programs, the only truly feasible solutions for helping us address the short-term energy problems, are cut by nearly 10 percent. President Bush has repeatedly called for improved spending on America's veterans, yet he under funds VA programs by one billion dollars. Finally, this budget resolution cuts funding for environmental programs by 11 percent. While this is consistent with the Administration's anti-environmental actions, it threatens the important progress we've made in environmental policy over the last decade.

The budget resolution before us is not a financial blueprint, but rather a tax cut dressed up as a budget outline. All of the optimistic surplus assumptions and draconian cuts in needed programs are simply a charade to allow the President and my Republican colleagues to claim they can cut taxes and balance the budget. But they can not. This document does not protect the Medicare trust fund and triple counts the Social Security Trust fund in order to fit the President''s tax proposal. The tax cuts described in this resolution are heavily tilted to those who need help the least and premised on questionable economic forecasts.

Since coming to Congress in 19996, I have based my fiscal policies on five basic principles:

1. Fair tax relief for working Americans.
2. Honoring our promises to Social Security and Medicare.
3. Paying down our $6 trillion national debt.
4. Avoiding future funding shortfalls.
5. Funding commitments to our children, seniors, veterans, and the environment.

I believe these are important goals that most of my colleagues share. Unfortunately, the document we are debating today accomplishes none of these principles. Oregonians have repeatedly told me they want to see budget and tax policies that are fiscally prudent and deal with for the challenges our country faces. This resolution doesn't and I oppose it.

The CHAIRMAN pro tempore. All time for general debate has expired. Pursuant to the order of the House of Thursday, March 22, 2001, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. NUSSLE) having assumed the chair, Mrs. BIGGERT, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the subject of the concurrent resolution on the budget for fiscal year 2002, had come to no resolution thereon.

## CONGRATULATIONS TO SARA ABERNATHY

(Mr. SPRATT asked and was given permission to address the House for 1 minute.)

Mr. SPRATT. Madam Speaker, at the appropriate time we will, on both sides, recognize our staffs, because although we do the talking, they do the arduous work that goes into this enormous task of putting together a budget.

We have one particular staffer that I want to recognize tonight. Late last week, as we were working another night well past midnight, I looked at Sara Abernathy and I said, ''When are you due?'' She said, ''Next Wednesday.'' I said, ''For goodness sake, get yourself home.''

Well, the baby was not born Wednesday, it was born March 26 at 10:30 p.m. It is a Democrat. And I would simply like to say to Sara Abernathy, who has worked arduously in putting this budget together for us and for the good of everybody, ''Congratulations on the birth and arrival of Nicholas Colum Butler on March 26.''

## PERIODIC REPORT ON NATIONAL EMERGENCY WITH RESPECT TO UNITA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mrs. BIGGERT). The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations:

*To the Congress of the United States:*

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to the