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|---|---|---|
| Velazquez | Watt (NC) | Wise |
| Vento | Waxman | Woolsey |
| Visclosky | Wexler | Wynn |
| Waters | Weygand | |

NOT VOTING—20

| | | |
|---|---|---|
| Bateman | Hefley | Schumer |
| Conyers | Lewis (GA) | Smith (OR) |
| Engel | Martinez | Stark |
| Frank (MA) | McDade | Whitfield |
| Furse | Mollohan | Yates |
| Gonzalez | Reyes | Young (AK) |
| Harman | Ros-Lehtinen | |

□ 2257

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. DREIER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just passed.

The SPEAKER pro tempore (Mr. SUNUNU). Is there objection to the request of the gentleman from California?

There was no objection.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF THE SENATE AMENDMENTS TO H.R. 2709, IRAN MISSILE PROLIFERATION SANCTIONS ACT OF 1997

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 105–566) on the resolution (H. Res. 457) providing for the consideration of the Senate amendments to the bill (H.R. 2709) to impose certain sanctions on foreign persons who transfer items contributing to Iran's efforts to acquire, develop, or produce ballistic missiles, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION PROVIDING FOR FURTHER CONSIDERATION OF H.R. 2183, BIPARTISAN CAMPAIGN INTEGRITY ACT OF 1997

Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 105–567) on the resolution (H. Res. 458) providing for further consideration of the bill (H.R. 2183) to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes, which was referred to the House Calendar and ordered to be printed.

□ 2300

## CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1999

The SPEAKER pro tempore (Mr. SUNUNU). Pursuant to House Resolution 455 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, H.Con. Res. 284.

□ 2300

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 the consideration of the concurrent resolution (H.Con. Res. 284) revising the congressional budget for the United States Government for fiscal year 1998, establishing the congressional budget for the United States Government for fiscal year 1999, and setting forth appropriate budgetary levels for fiscal years 2000, 2001, 2002, and 2003, with Mr. GILCHREST in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the concurrent resolution is considered as having been read the first time.

General debate shall not exceed 3 hours, with 2 hours confined to the congressional budget, equally divided and controlled by the chairman and ranking member of the Committee on the Budget, and 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from New Jersey (Mr. SAXTON) and the gentleman from California (Mr. STARK), or their designees.

The gentleman from Ohio (Mr. KASICH) and the gentleman from South Carolina (Mr. SPRATT) each will control 1 hour of debate on the congressional budget.

The Chair recognizes the gentleman from Ohio (Mr. KASICH).

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

Mr. Chairman, I want to, first of all, begin by talking about the fact that last year we were as a Congress able to reach an historic agreement that is going to be able to achieve for the first time since we walked on the moon a balanced budget. We also anticipate that in the course of this year we will have a surplus. It will be generated primarily from the Social Security taxes as part of the budget. And next year, I am going to predict tonight, we will see a surplus in the general fund.

I think it was a significant accomplishment that we were able to move to do something we have not done since we landed on the moon, but, frankly, maybe I need to let you in open a little secret: Our effort here was really never just to balance the budget. Our effort here was really to transfer power, money and influence from this city back to where people live, in every community and every family in America.

Mr. Chairman, Teddy Roosevelt rode into this century with the idea that he should break the monopolies of the big corporations so that people could be set free to be successful. Well, I believe and the members of the Committee on the Budget believe that we ought to ride into the next century and break the monopolies and trusts of the Federal Government so that people can be set free and that we can begin to run America from the bottom up, rather than from the top down.

Whether it is more choice for parents in education or whether it is to allow communities to set the rules and the standards in public housing and in job training or whether it is ultimately to set Americans free, to be able to invest payroll taxes, to be able to prepare for their retirement years, or whether it is beginning to break down that big money-raising machine called the Federal Tax Code that props up the monopolies of the Federal Government, our efforts are to make this city a lot less important, to make this city and government a lot more efficient and a lot more effective, and to make the budget of government a lot smaller and the budget of the family a heck of a lot bigger.

Now, we reached this historic agreement last year. This budget agreement, historic only from the standpoint we have not achieved this in over 30 years, we viewed that agreement as a ceiling on government; not a floor of the growth of government, but a ceiling on government. The President, however, and many of my colleagues on the other side of the aisle, viewed the agreement last year as a floor on government and not a ceiling.

Now, can you imagine, with an American people, an American electorate that has very little confidence in the fact that we can get a balanced budget, that the President came up here to Capitol Hill and he announced a program that would increase fees and taxes by $130 billion? Think about that. The President of the United States, who declared the era of big government over, within a period of 6 months after we signed an agreement and he declared the end of the era of big government, comes to the House, comes to the House and proposes $130 billion worth of new tax increases. And that was not enough, because the tax increases were going to fund $150 billion worth of new spending.

The President of the United States raises taxes by $130 billion and raises spending by $150 billion. He has 39 new entitlement programs. I hear so many of my friends talk about the need to control entitlement programs. He has 39 new ones.

I never heard a peep, never heard a peep out of the minority when Franklin Raines came up here to present this President's budget. In fact, the budget resolution that the Democrats offer will provide for bigger government, breaking the spending caps, and having a philosophy that ''we like government.''

At the same time that the President proposed $150 billion in new spending and $130 billion in new taxes and 39 new entitlement programs, we also developed 85 new spending schemes. This is the President that said the era of big

government was over. But, you know, he could not really stay with it, because too many people in his party believe in running America from the top down.

There is nothing wrong with somebody that feels that way. I just think that we all know across this country, outside of this Beltway, in most communities, it does not work anymore. What we are really trying to do is to empower people and take power, take power from this city and give it back to people all across this country.

Now, what are we asking to do in this budget resolution? I heard the whole litany, the whole litany of all these things we were going to do.

Mr. Chairman, over the next 5 years, the Federal Government is slated to spend $9.1 trillion. Do you know what we are asking in our budget resolution for the government to strain under the yoke of? Instead of spending $9.1 trillion over the next 5 years, and, by the way, in the last 5 years we spent $7.8 trillion, we are going to go from $7.8 trillion in the last 5 years to $9.1 trillion in the next 5 years, and we are suggesting that we really tighten our belt and we really restrain ourselves and we spend only $9 trillion to run this Federal Government.

Do you know what that works out to? Talk about deja vu all over again. Tim Penny and I came to this floor in a bipartisan effort, the same way the President and I got together on the budget agreement last year, and we proposed that we save 1 penny on every dollar. Do you know why? Because the President raised taxes in 1993, and Tim Penny came to this floor and said we should have some cuts. One penny on every dollar.

Now, I am going to ask a question: Do Members not think they can go home and tell people that the Federal Government cannot become more efficient and more effective and save one penny on every dollar in Federal spending over the next 5 years and cannot live within a budget of $9 trillion, rather than $9.1 trillion?

Because you know what they know about back home? They know about the $800,000 outhouse. You know, the Park Service built an $800,000 outhouse at the Delaware Water Gap National Recreation Area. The Park Service built new employee homes in Yosemite at an average cost of $584,000. At the Grand Canyon, the average was $390,000. More than $8.5 million was spent on planning, design and supervision at housing at both parks.

Approximately 26,000 deceased persons in four States receive food stamps worth a total of $8.5 million, according to the GAO. The X-Files, the Forest Service budgeted $500,000 for a motivational conference to help its employees explore alternative reality. I suppose they were studying Washington. How about $34 million so that the Jerry Springer Show and Baywatch can be close-captioned?

We look at the reports on fraud and waste and so many of these big programs that we have not had the guts to dig in and begin to fix. And what we are asking is we cannot get all of this accomplished this year, to fix all of this, but what we are saying is, we can find a penny out of every dollar. We can live with only $9 trillion in spending. And out of those savings, those savings that every American knows is there, we can eliminate the marriage penalty for the 22 million Americans who get penalized because they decided to get married.

You know, the wife goes out to get a job, and all of a sudden she is paying at the high marginal rate. She is paying at the higher tax rate. She is being punished because her husband may earn more than her.

We want to fix that. Do you know why we want to fix that? We want to fix that because we know that the family is the incubator of everything good that happens in our society. And we look around at the tragedies that we have seen in this country over the period of the last couple of years, and we hold our breath, and you know what we all know? We need better families to provide more love, more hope, more discipline.

But do Members know what? Families are hurting. Tax rates are going to be at the highest level and revenues are going to flow in at the highest level since World War II.

Look, this is just an honest disagreement among some of us about the way we think America ought to work. I do not begrudge the fact that 50 years ago in the middle of the Great Depression that it was necessary for us to send a lot of our power, money and influence to Washington to fix some of the biggest problems, including civil rights and some of the gaps in education.

But do you know what I hear people saying? I hear people saying, I am tired of the country being run from the top down. I want to be involved in solutions that are located in my own community. I want to break the monopolies of government. I want to be set free. I want my power, influence and money back so that I can fix the problems in my family and my community and in the area where I live. And that is what we are trying to do.

Are we getting there all at once? The fact is a penny on a dollar is something that is not very satisfying to me. I would like to do a lot more for people in this country. I would like to let them have a lot more in their pockets. So what we attempt to do with this budget resolution is to say people can get it right at home, that the government can become more efficient, that the government can become more effective, that we can squeeze a penny out of a dollar, that we can live with just $9 trillion in spending, that we can save $100 billion, and we can give some of that money to the family.

Because we believe that at every turn of the road the family budget needs to be bigger, the government budget needs to be smaller, and that we need to transfer power, money and influence from government back into the hands of the American people because we trust them and we believe in them. And we are going to work on this every single day.

To my Republican colleagues, when you go home tonight, I want you to think about why we came to power. I want you to think about the fact that this party has always been committed to reducing the size and scope of the government budget, empowering people at the local level.

□ 2315

I want you to think about coming here tomorrow and supporting this. But I am going to tell you, every single day that I am involved in government and in community activities, I am going to fight the fight to give you the power, the American people the power to solve the problems that they know how to solve best.

I urge support for the resolution and would look forward even to maybe a couple of my friends on the other side of the aisle supporting this resolution.

Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, my good friend, the gentleman from Ohio (Mr. KASICH), the chairman of our committee, is an effective speaker, so effective that, in listening to him, you would hardly perceive how far we have come in the 1990s and particularly since 1993 in coming to grips with what was the most compelling problem facing the Federal Government, a huge, swelling deficit that we seemed not to be able to get our hands around.

Really, the first step we took was in 1990, when Mr. Bush was the President of the United States. He submitted to a budget summit. It was convened at Andrews Air Force Base, and it went on and on and on and finally came to a resolution that fall. We voted on it twice on the House floor.

The first, it was voted down for lack of support on this side of the aisle. We finally mustered the votes to pass a modified version of it. It kept discretionary spending. It raised revenues. It cut entitlements. It was the first serious effort that we had made since we passed Gramm–Rudman, which was barely followed through on, to come to grips with this compelling problem. Its effects were eclipsed by a recession.

But let me not get ahead of myself. When the votes were counted in support of that provision, that budget that Mr. Bush wholeheartedly endorsed, only 47 Republicans voted for it.

In 1993, when Mr. Clinton came to Washington, the deficit the preceding September was $290 billion and headed upward. Indeed, if the President had read the economic report of Mr. Bush dated January 13, 1993, he would have foreseen, and probably did if he looked at it, that the deficit projected by Mr. Bush for fiscal year 1993 was $332 billion. That is where we were 5 years ago.

Today, today, there is a deficit no more. We are looking at a surplus of $43 billion to $63 billion in September of this year. That is considerable, phenomenal progress. It has been made on the watch of Mr. Clinton. It has been made because of the votes we cast in 1990 and the votes we cast in 1993 when only Democrats in the House and only Democrats in the Senate voted for the Deficit Reduction Act of 1993.

They have had a phenomenal impact on the government of the United States. They have radically changed, fundamentally changed our fiscal situation. It is better than it has been in a generation. Those are not my words. They are Alan Greenspan's words. Better than it has been in a generation.

We have got to go back to the 1960s to find numbers such as we have today with respect to unemployment, with respect to inflation, and certainly with respect to deficit reduction. Indeed, we will have the biggest surplus we have experienced in history this September. That is good news. That is good news.

What we are concerned about here is that that discipline that has brought us this far from $300 billion deficits headed upwards to surpluses as far as the eye can now see, the discipline may be dissipated by the budget resolution that the Republicans have proposed, that the gentleman from Ohio (Mr. KASICH) is pushing. Why is that?

Back in 1990, one of the things we passed was something called a Budget Enforcement Act. This is really esoteric, but there were a couple of common-sense rules in that Budget Enforcement Act.

We said, among other things, we are going to cap, numerically cap, put a dollar cap on discretionary spending for 5 fiscal years. We did it in 1990. We renewed it in 1993. We did it again in 1997. It has worked. We have adhered to those limits, and we have reduced discretionary spending, and we are seeing the results on the bottom line in the form of surpluses that will show up.

In addition, we adopted a common-sense rule called a pay-as-you-go rule, which said simply that, before anybody undertakes to do another tax bill such as the one we did in 1981, they have to pay for it. They can cut taxes, but they have got to offset the revenue losses to the Treasury so it will be deficit neutral either by commensurate cut and entitlements, permanent spending, or by some other adjustments in the Tax Code that would increase revenues to offset the decrease in revenues occasioned by the tax cut. Common-sense rule, but it has worked. That discipline has worked.

What the gentleman from Ohio (Mr. KASICH) would propose is a budget that would unrealistically lower discretionary spending. He proposes it as though it were 1 percent cut, but we all know it is not a 1 percent cut. He is not cutting Social Security. He is not cutting national defense. He is not cutting interest on the national debt. It is obligatory. It has to be paid.

About one-quarter of the budget in discretionary spending is left subject to cuts. Bob Reischauer has written a very compelling article in which he analyzes the different components of this account, called Discretionary Spending, and shows that really only about half of it is effectively cut.

In last year's budget agreement, we effectively cut over 5 years' discretionary spending by 11 percent. This year, the gentleman from Ohio (Mr. KASICH) would take another 7 percent. If you consider that it only will actually affect half of discretionary spending, that means the cuts would have to be 35 percent. Does anybody realistically think that will happen? No.

The Republicans have proposed a bill which backloads the cuts. They will not happen this year. We will adopt them now, and on the strength, the promise that they are going to be realized, we will do a big tax cut. That is the third piece of unraveling the discipline that has brought us to where we are. That is why this is a serious debate, and it is a travesty that we are having it at this time of night, at this point in the day, when this should be given the most serious attention we possibly could.

Mr. KASICH. Mr. Chairman, I yield myself whatever time I might consume.

Mr. Chairman, let me tell you about this discretionary spending that we have just heard about and how we are going to devastate it. Again, gang, do you know what? I appreciate the gentleman saying, you know, he is an effective speaker. You are not an effective speaker because you just say things. You are an effective speaker because you say things and people go, you know, that makes a lot of sense.

We are going to go from $7.8 trillion to $9 trillion in spending, and somebody is making the argument that we are devastating programs. Are you kidding me?

Let me tell you a little bit about the growth in discretionary spending. In 1990, we grew the discretionary budget by 17.7 percent. In 1991, we grew it by 11 percent. In 1992, we grew it by 8.9 percent. In 1993, we grew it by 6.7 percent. Last year, we grew it by 6.7 percent.

I mean, to talk about how we have got to scrimp and how we have got to tighten and how we have got to starve ourselves when we are averaging 7 or 8 percent, the American family wishes they can get 7 or 8 percent a year more in their pockets.

Do you know what we are talking about in the area of entitlement savings? We are talking about saving approximately $50 billion out of $5 trillion in spending so that the families can have a little bit more.

See, the problem is, if the American people had a vote, you would not get $9 trillion to spend. You would not get $9 trillion if we went in their homes tonight, at their dinner tables, and we said the Federal Government was going to go from $7.8 trillion to $9 trillion. Do you know what they would say? Why do you not keep it at $7.8 trillion? Why do you not freeze it, is what they would say.

We are not talking about freezing it. We are talking about saving $100 billion. And we strain under that yoke, and we come here and congratulate ourselves.

Let me just suggest another thing to you. I keep hearing about how the Clinton tax increase did so great for our country. Do you know what it did? Slowed the economy down. Drove up interest rates.

Do you know what Alan Greenspan told us? Well, it is a fact. It is a fact. Let me just tell you what Alan Greenspan said. Alan Greenspan came before the Committee on the Budget, and he said, if in fact you can put a budget together that can balance, interest rates will come down.

So what I would argue to the Committee is, it was in 1995, do you remember the President sent us a budget that had deficits as far as the eye could see? He sent us a budget in 1996 and in 1997 that had deficits as far as the eye could see, and we put the plan together to balance the budget and cut taxes, which you said we could not do.

Do you know what happened? Interest rates came down two points. As a result of interest rates coming down two points and as a result of this Republican Congress having some discipline to not just cut spending but also to cut taxes, yeah, we have seen a great spurt of economic growth.

Now to make the argument that if we save more money, that if somehow the Federal Government saves more money, that that is going to have a negative effect on the economy, I ask you to call the Chairman of the Fed tomorrow and ask him what would happen if we would cut Federal spending by $100 billion and live within the strain of only $9 trillion.

Do you know what I get told? Do you know what the Fed Chairman tells me? If we do not spend the surplus and we can learn to control government, interest rates can come down even further. Do you know what that will give us? More sustained economic growth and surpluses that will allow us to transform Social Security for three generations and, at the same time, to put us in a position to be able to have tax cuts out of the general fund surplus that I will anticipate we will have next year.

The fact is what we are proposing in this is just a little bit of savings and a little bit more efficiency out of the way this government works. I believe that we can get it done. I believe that we can achieve it.

Mr. Chairman, I yield 3½ minutes to the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Chairman, I appreciate a chance to address the body.

Mr. KASICH. Mr. Chairman, will the gentleman yield to me for one second?

Mr. HERGER. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I just want to point out for the record, after the President's 1993 tax bill, a year after the Clinton's 1993 tax hike, long-term Treasury rates moved up from 5.75 percent to 8.25 percent. The trend of real economic growth slowed from 3.3 percent to 1.7 percent. That is what happened 1 year after the President's tax increase.

It was soon after that that the Republicans became a majority in this Congress and put together a plan that balanced the budget that has resulted in lower interest rates for this country to the tune of two points. That is just a fact.

Mr. Chairman, I appreciate the gentleman yielding to me.

Mr. HERGER. Mr. Chairman, I rise to express my strong support for this budget resolution. It is amazing just how far we have come over the past 4 years.

Just prior to the new leadership taking over our Congress 4 years ago, we had the largest tax increase in our Nation's history of $270 billion. I might mention to the gentleman from South Carolina that is why virtually no Republican voted for that bill.

It also was an attempt, a Federal attempt, to take over the health care industry of our Nation, one-seventh of our entire economy. That is also why we did not support it. It had in it a deficit of $203 billion.

In contrast, this last year with the new Congress, we passed a historic budget agreement which placed in law our present steadfast commitment to a balancing for the first time in 30 years the Federal budget. The Congressional Budget Office projects not a $203 billion deficit as it was under the last Congress but a $43 billion to $63 billion surplus this year.

□ 2330

This Congress has also passed the largest tax decrease in 16 years of $95 billion.

While much progress has been made, some still subscribe to the failed budget policies of the past. Mr. Chairman, the President's budget calls for $129 billion in tax increases over 5 years, more than $150 billion in new spending, and 85 new spending programs.

We have a different vision. We know the Federal Government is still too big, too inefficient, and too intrusive in our lives. This budget reduces the rate of growth of government by only one penny out of $1 over the next 5 years. Making the Federal Government tighten its belt for a change will allow us to completely eliminate the marriage penalty, and save 21 million American couples an average of $1,400 each year in taxes.

Mr. Chairman, I urge my colleagues to help build upon our progress, and vote for this budget resolution.

Mr. SPRATT. Mr. Chairman, I yield myself 30 seconds to explain that the gentleman from Illinois (Mr. EVANS) will explain from his vantage point, as the ranking member of the Committee on Veterans' Affairs, a major discrepancy in this bill. Namely, it calls upon the Committee on Veterans' Affairs to reconcile another $10 billion out of veterans' benefits.

Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. EVANS).

Mr. EVANS. Mr. Chairman, I rise to voice my strong objections to the budget recommended by the Committee on the Budget. This is an anti-veterans budget. It represents a direct frontal assault on the benefits and programs which Congress has carefully considered and enacted into law.

This budget proposal assumes the Committee on Veterans Affairs will achieve 5-year savings totaling $10.4 billion, of which $10 billion is to be achieved by prohibiting service-connected disability compensation for tobacco-related illnesses.

Who are we kidding, here? As all of our colleagues know, and as the Committee on the Budget certainly knows, Congress has already spent the savings associated with this provision.

Is there a single Member of this body who does not understand that shortly before the Memorial Day break, Congress included a provision to prohibit service-connected disability compensation for tobacco-related illnesses in H.R. 2400, the Transportation Equity Act for the 21st Century, and the savings associated with that provision have already been spent, to partially pay for the spending authorized by H.R. 2400?

As the chairman of the Committee on the Budget knows, the transportation bill is now awaiting the President's signature. It will become law within a matter of days.

My question to the chairman of the Committee on the Budget is simple and direct: Will he commit to crediting the Committee on Veterans Affairs with achieving this savings directed by House Concurrent Resolution 284, if it reports legislation to prohibit service-connected disability compensation for tobacco-related illnesses? If not, what other veterans' benefits does the gentleman from Ohio, the chairman of the Committee on the Budget, want this committee to reduce or eliminate?

The Committee on Veterans Affairs has always fulfilled its duty to be responsible and meet the reconciliation targets established for it. Since 1986, in fact, reductions in veterans' programs and benefits have resulted in savings to the Federal Government of over $12 billion. That is $12 billion in veterans' benefits savings over 13 years. It is irresponsible to call on veterans to give up another $10.4 billion in benefits this year. America's veterans have already given enough.

I cannot and I will not support this anti-veteran budget being proposed by the Committee on the Budget. I strongly urge the Members of the House to reject House Concurrent Resolution 284.

Mr. SHAYS. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, I would point out that the program that the gentleman was referring to was recommended by the President and endorsed by this side of the aisle.

Mr. SPRATT. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would like to straighten out the record. The highway bill visits a $10 billion hit on the Committee on Veterans Affairs. It extinguishes benefits for smoking-related illnesses that the general counsel's office had announced were the rights of veterans, if they were service-connected. The highway bill takes away that right.

This bill still requires the Committee on Veterans Affairs to yield another $10 billion in reconciliation, give up another $10 billion. What the President recommended, that is, the extinguishment of those benefits, has already been done in the highway bill. Yet, this bill comes back and hits again for another $10 billion in veterans' benefits. It is a fact. It requires reconciliation of $10 billion in savings in veterans' benefits. After they have already paid once, they have to pay again.

Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. OBEY), ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Chairman, I have to hand it to some of our friends on the other side of the aisle. They are really something. They give their poll-driven speeches, they bring cliches and mantras to the floor. Regardless of subject or regardless of content, they utter them with the alacrity that we expect from political slogans in a campaign season.

Their campaign slogans are what passes for thought at 11 o'clock at night in this place, I guess. Then they produce budgets which have virtually nothing whatsoever to do with the rhetoric that they have just expounded.

They pretend they are bringing a 1 percent cut in the budget in discretionary spending to this floor, when in fact, in real dollar terms over the life of this budget resolution we are talking about at least a 18 percent across-the-board cut, and by the time we apply it only to the programs that they expect to cut, we are, as the gentleman from South Carolina (Mr. SPRATT) has told us, really talking about at least a 30 percent cut. So get off this 1 percent baloney. That is exactly what it is, it is baloney. It is a packaging gimmick that has nothing whatsoever to do with what happens to real, live people under the budget.

I would also suggest that, again, the gentleman from Illinois (Mr. EVANS) is absolutely right when he lays out that this budget has a double cut on veterans. It doubles the reduction in veterans' health care benefits that were mandated in the highway bill. For anyone to pretend otherwise in my view is to give hypocrisy a bad name.

I would simply say, there is a very good reason why the Republican leaders in the Senate have already labeled this budget unworkable and extreme. That is because it is. If it were not, we would have the Republicans in the Senate rushing to endorse it, rather than running away from it in their acute embarrassment.

Everyone knows that this is not a program designed to get through the Congress, it is designed to get the Republican Party through the night. They want to vote on this package. At least they want to debate it at 11 o'clock at night when nobody is watching, because they are so embarrassed by it they would not bring it to us in the light of day. That is because the numbers do not work. The numbers clobber real, live Americans.

This is not a 1 percent solution, this is a 35 percent hatchet job, so they can have a campaign slogan that once again involves their mantra of pretend that what they suggest is they are going to cut spending. But if we look at the Kasich budget, it does not cut anything this year. It saves all of the cuts until after the election, so they can package a tax cut before the election. That, too, is enough to give hypocrisy a bad name.

Mr. SPRATT. Mr. Chairman, I yield six minutes to the gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means.

Mr. RANGEL. Mr. Chairman, I thank the ranking member of the Committee on the Budget for yielding time to me.

Mr. Chairman, it is a little shocking how confused the majority is tonight, that they cannot even find speakers to speak up on this budget. I know that the Republican leadership told everyone they could go home because there would be no votes tonight. I know that they made it abundantly clear that there will be no opportunity to discuss the President's budget, or Democratic alternatives, so I would think they would have a lot of pride in the document that they have put together.

Why in God's name, in a document, in a budget that is so important, would we wait until midnight to bring it up before the American people? Why would Members do that? Is there any shame that they would have, with something that is this important, that they would want Members to hear, they would want people to hear, and that we should discuss these things?

I know this is an election year. I know tax cuts are popular. Why can we not talk about where the money comes from for the tax cut, who we have to hurt? If we have to hurt the veterans, stand up and say that they get enough. If the cuts are coming from education, and I think that the chairman of the Committee on the Budget, the gentleman from Ohio (Mr. KASICH), he said the used-to-be days of the Roosevelt days, the days of the Depression, where we needed help, we needed Social Security, we needed pension funds, we needed Medicaid, we needed Medicare, we needed aid for education, but we do not need that now. Ronald Reagan brought us a surplus, or was it Bush? I forgot the rhetoric on the other side. Whatever it is, we got this surplus, so now we have to talk about cuts.

Democrats want to talk about tax cuts, too. The only difference between us and these rascals is that we like to tell the Members where they come from, and they like to say they will tell us in 5 years.

If Members really do not believe that the Federal Government should be involved in educating our young people, providing health care for our kids, for older people, day care for mothers who have to work, why do they not stand up in the daytime and say it?

But no, they just cover things, saying, in the bye and bye we will tell you what we are going to do. It is shameful to have a document like this, with no alternatives allowed, restricting the debate that we have on the floor, and tell us that we can debate it at midnight. I said midnight, and someone says it is not midnight yet, and they look at their watches. That is no way to treat a budget that is going to really affect the lives of Americans.

I know, with the coupon clippers, it just does not make any difference, but not all of America is going through the good times. Some want their kids to get an education, to get a decent job, to be productive, and they need the Federal Government there. Some people do not believe that the Social Security fund is going to to be there for them, but they did not discuss that. No, those are the olden days, the Roosevelt days. Everyone can take care of themselves without government today.

Thank God they have done one thing. No one has to say that all of the Members of Congress are alike, that there is no difference between a Republican and a Democrat. I will tell the Members this, before this is over, a lot of Republicans are going to wake up, when the American people see what they are trying to sneak through in the middle of night on them. When they do, they will be calling on Members before November to ask them to stand up and be counted, and say, yes, we want a tax cut, but you owe it to us to say what you have to cut in order to give this to us.

Mr. LEVIN. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Michigan.

Mr. LEVIN. Mr. Chairman, I applaud the ranking member for his eloquent statement. I want to be very specific, I say to the gentleman from New York (Mr. RANGEL), on what the Republicans are going to do regarding welfare reform.

Any Republican who votes for this budget is voting to undercut welfare reform of 2 years ago. They had $10 billion in cuts in Medicare. They grew nervous, so what did they do? Last night they take $10 billion, instead, out of Function 600.

The heart of that is TANF. They are going to say to us on the Committee on Ways and Means, cut Function 600, and therefore, cut welfare reform, TANF, by 10. It is going to take $20 billion.

This is what State legislators say about this: ''This budget would disproportionately cut State programs, and abrogates a fundamental agreement reached among State legislators, Governors, and Congress in 1996 regarding welfare reform.''

If Members adopt the resolution, ''It will prove that the States cannot trust Congress,'' i.e., you, ''to abide by its word.''

□ 2345

Here is what the governors have to say: ''Your budget resolution is a serious violation of the welfare agreement reached in 1996, and would erode the Federal-State partnership and the future success of welfare reform.''

And they go on to say, ''We urge you in the strongest possible terms to uphold the historic welfare agreement reached in 1996, and reject any cuts in TANF, Medicaid or other welfare-related programs as part of the budget resolution.'' Signed Tom Carper, John Engler, Tommy Thompson, Tom Ridge.

Any Republican from Michigan, from Wisconsin, from Pennsylvania, who votes for this is going to be voting to undercut welfare reform. We are telling the majority this at midnight, and we are going to tell them this tomorrow at 10 o'clock in the morning.

Mr. SHAYS. Mr. Chairman, I yield 5½ minutes to the gentleman from Michigan (Mr. SMITH), who can address the entire Nation, even those in California where it is 15 of 9:00.

Mr. SMITH of Michigan. Mr. Chairman, what is disconcerting is that I think that side of the aisle, I think the Democrats after experiencing success 2 years ago in demagoguing what the Republicans were doing in trying to slow down the growth of the budget, when they realized some success at the polls suggesting that Republicans were taking health care away from the elderly for tax cuts for the rich and taking food out of the mouths of children for tax cuts for the rich, that demagoguery resulted in some Americans believing it.

I think most Americans are now realizing that government is growing much faster than it should and the United States Congress, along with the President, is taking more and more money out of those taxpayers' pockets.

Let me show the chart of what is happening in spending of the Federal Government in the 10 years from 1994 to 2003. In the first five bars of this chart representing the last 5 years of spending, it is going to be a $7.8 trillion expenditure over those 5 years. The last five bars of the chart representing what is in this budget is $9.1 trillion, going from $7.8 trillion to $9.1 trillion. And just imagine for a moment this budget that we are having grows faster than inflation, yet what we are seeing

is the other side of the aisle saying it is not growing fast enough.

So imagine what would happen in the future if we projected this line out for the next 10, 20, 30 years, and imagine how much money is coming out of the pockets of the American taxpayer if we continue to expand Federal Government almost twice as fast as inflation. That is what we do here.

1994, we have a budget of $1.4 trillion; 2003, we have a budget of $1.9 trillion. If we followed the President's recommendation, the President's recommendation was that we have $102 billion of tax increases, that we have $27 billion of fee increases for a total of $129 billion of fee and tax increases. So where would that have left us is with a much steeper rate of expenditures. And in the year 2003, in the year 2003 if the Democrats had their way with the President's budget, we would be spending $67 billion more that year than we are in this particular budget.

Look, this budget goes up pretty steep; and if we project the next few years, one can see that it is going to go all the way to the ceiling. Does anybody here or in America think that this government, that this Congress, that this President cannot make government more efficient and save some of the money we are spending?

I just want to mention briefly Social Security. Social Security in this budget, we do not spend any of the surpluses. That could be as high as 60 or $70 billion this year, could go up to 110, 115 billion next year. We do not spend that surplus. We are saving it for Social Security. This budget says from now on any money we borrow from the Social Security Trust Fund it is going to be in negotiable Treasury bills, not the blank IOUs that has been happening for the last 20 years.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Michigan. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, there are 150 job training programs scattered across 15 Federal agencies; 340 programs in housing, including 18 involving community development, 49 concerning public housing, 8 concerning the homeless and 103 that are enacted. There are 660 programs in education and training, spanning 39 Federal agencies, boards, and commissions.

It is interesting because would it not be a great thing if the people who had the jobs had the power to train the people who needed the jobs, rather than having the job training occur from this town out to where we live?

Mr. SMITH of Michigan. Listen up, Democrats. Listen up, America.

Mr. KASICH. Mr. Chairman, there are a lot of bureaucrats in America who do not know what the time zone is in Ohio, let alone what our job needs are.

When I say we should break the monopoly of the Federal Government, would it not make sense if that computer company or high-tech company that needed that employee that they would have the incentive to train me rather than me marching into a Federal building for job training that has no relation to the jobs located in my community?

Would it not make more sense that instead of dictating all the rules of the way we ought to run public housing in my district in Columbus, Ohio, that we ought to set the standards and the rules for the way in which we want to run public housing in our communities rather than dictate it from a bunch of people down here who do not even know what is going on out in my district?

Mr. SMITH of Michigan. Mr. Chairman, they are not dumb in Columbus, Ohio, or Jackson, Michigan.

Mr. KASICH. Mr. Chairman, do you not think it is time that mothers and fathers have the power to be able to get their kids the best education they can possibly get and that most of the money ought to be put in the classroom?

Those are the kind of things that I think most Americans want. I think they want to be in charge. I think they want to be in control. I think they want to have their job training run at home. I think they want local control of education. I think they want public housing at the local level to reflect local values.

Now, that is the new way. The old way is we run it from here. We train a few people who really do not know what goes on in our community, then they tell us what to do. That makes some people happy, but it does not make most Americans happy. That is why we are winning.

Mr. SPRATT. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, let my give some quick numbers. In the height of the Reagan years, the government was spending 23.3 percent of our GDP, our total economy. The bite of the government was 23 cents out of every dollar. Today it is 19.8 cents under Clinton, down 3.5 percentage points. That much decreased by.

As for discretionary spending, in 1993, when Clinton came to office, in outlays it was $540 billion in 1993. In 1997, it was $548 billion. In 4 to 5 years, it grew $8 billion. I think that answers abundantly the effort, the argument that was just made.

Mr. Chairman, I yield 4 minutes to the gentlewoman from Michigan (Ms. RIVERS).

Ms. RIVERS. Mr. Chairman, there are two issues I want to raise. I want to talk a little bit about the so-called 1 percent solution, but before I do that I want to speak to the issue that was just raised about decisions being made about eliminating programs.

It is interesting when we were in committee in the Committee on the Budget when we asked repeatedly for the specifics of the proposal, what was going to be cut, what was going to be changed, it was very clear that we were not going to get that information. The argument that was put forward was that we really want to leave this to the committee chairs to make those decisions.

Interestingly, tonight the committee chairman has a lot of arguments to make about programs that are not under his jurisdiction, about how many are too many. Now, why is that? Why could we not have some specificity about what we thought was going to be cut and what was bad in committee, but now we have arguments?

Mr. Chairman, if in fact there are far too many training programs, far to many housing programs, far too many programs in general, why have the majority's appropriation people not come forward with those cuts in the 4 years that they have been controlling the procedure? Why did we have to wait until tonight for the chairman of the Committee on Budget to say in fact that the appropriation chairs have been making all of these bad decisions over the last few years? I do not understand.

Now, I want to talk about the 1 percent solution, so-called. It was just said all these things that the public wants, all the things that families want. I can tell my colleagues what families do not want. They do not want to be misled, and the 1 percent proposal is being put out there to lead people into believing that in fact these cuts are going to be spread across all programs and that the burden will be an easy one for all to bear. That, of course, is not true.

When we look at facts, we find that all programs will not share this burden; and that, in fact, more than two-thirds of the budget will not be available to be a part of this reduction.

Let me go through what these are. These numbers are beyond the agreement that was made as part of the balanced budget agreement:

International affairs, beyond the balanced budget agreement, would be cut 21.2 percent. 21.2 percent in an increasingly perilous world. Natural resources and the environment, 8.5 percent. Commerce and housing credit, the chairman just made comments about that, 30.5 percent. That is Section 8 housing for low-income people.

Rural housing, FHA, the Patent Office and the Census Bureau also within this function, 30 percent. A third of every dollar spent in that function would be eliminated. Transportation, we just as a Congress affirmed overwhelmingly increased spending in transportation. This budget says 22.7 percent reduction. Community and regional development, 16.3 percent reduction. Not 1 percent, 16 percent.

The gentleman from New York (Mr. SOLOMON) argued passionately for us to be responsive to the needs of our communities just a couple of hours ago. Apparently, this is not much of a concern to him.

12.1 percent, not 1 percent, 12.1 percent reduction in administration of

justice. That is law enforcement. That is the judiciary. That is prisons. 12.1 percent. Not 1 percent.

Even education programs take a 4 percent hit. Now this is argued that it is a penny on the dollar. Something that families can understand. Let us put it in terms that families can understand. Let us say that our families decide we have to make a 10 percent cut in our spending. Seems reasonable. But then they sit down and look at their budget and say, well, we cannot stop paying our mortgage. We cannot do that. Cannot stop paying our child care cost because we are going to keep working. Cannot put aside our credit card debt or paying our health insurance. We do not want to cut our contributions to our children's college fund. Okay, we are going to make a 10 percent cut, and it is all going to come out of our grocery money.

It does not feel like 10 percent anymore when it is 1 percent of something you need. This is not a 1 percent cut. You know it, and the public will know it once the information gets out. And to say it is 1 percent and it does not hurt is not right.

Mr. SHAYS. Mr. Chairman, I reserve the balance of my time.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Chairman, we are headed down the same road we were in 1995: Cut services for the elderly and the poor and give tax breaks to the rich.

Let me take one specific. When we went into the Committee on the Budget we said, give us the specifics. They would not. But if we look in the budget document they put out, there is $10 billion in cuts in Medicare.

Now, we start talking about that. There is $12 billion cuts in Medicaid. That is $22 billion of the $100 billion in tax cuts coming right out of health care. That is out of the same place that we took $115 billion last year in Medicare and untold billions also out of Medicaid. So they are going right back to the same well.

Now they got nervous about that and last night about 9:30 or 10 o'clock up in the Committee on Rules they said, oh, my goodness, we better get this Medicare stuff out of here. Let us shift it all over into Medicaid or unspecified health care cuts.

□ 2400

What are the unspecified health care cuts? The children's plan we put in last year, $16 billion, most of it has not been spent yet, and they are now going to cut $10 billion out of the children's program that they will be on the campaign trail in about three months saying, ''We did this great program for children.'' Meanwhile they are going to gut it with this particular proposal.

Why are they getting this money? Well, it is for the marriage tax penalty. I offered that amendment in the Committee on Ways and Means and in the Committee on the Budget and in the Committee on Rules, and every single one of those committees, every single Republican Member voted against it last year. I guess maybe a miracle has occurred or an epiphany, I do not know what it is.

The problem is, mine was a little tax cut for families below $50,000 who really need the benefit. But if you are going to use $100 billion in a tax cut for a marriage penalty, it is going to people above $50,000, most of it above. It is a bad, bad budget.

Mr. SHAYS. Mr. Chairman, I yield myself 10 seconds to just say that only in Washington when you spend more do people call it a cut. That is the line that the gentleman from Washington is getting into. We are going to spend $1.3 trillion on Medicare in the next five years. The last five years we spent about $900 million.

Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Chairman, the last speaker said it is just like 1995. It is just like 1995. We have, again, on the other side folks saying we are cutting spending to give tax cuts to the rich. Neither is true.

The gentleman from Washington (Mr. MCDERMOTT) may not like the idea of eliminating the marriage penalty but that is something that actually will benefit middle income families, and he may not like the idea of not spending as much as we would otherwise would have spent, but that does not make it a cut.

The gentleman from Connecticut (Mr. SHAYS) specifically talked about the Medicare numbers. Those numbers apply to the entire budget. We are talking about spending a little less than we would otherwise have spent. This is where we are.

Last year we all got together and we passed a balanced budget agreement to balance the budget over five years. The American people, through their hard work and productivity, did it quicker than that, but there was a lot of pain, a lot of agony. We gave. The Democrats gave. The Clinton administration and the House Democrats and Senate Democrats gave, and we ended up with this common ground balanced budget agreement.

It is only natural that this year we Republicans would come back and we would say, okay, we gave a little, now we are going to get back to our fundamentals. We are going to roll up our sleeves and we are going to spend a little bit less than the $9.1 trillion that was agreed to. We are going to spend 1 percent less, and we are going to give some of that back in terms of tax cuts because we are actually spending, as a percentage of GDP, more in taxes every year as Americans than we have historically in this country, so we have a relatively high tax burden right now even with the good economy.

It is also natural Democrats would do the same thing. They are back this year saying they want to go beyond the balanced budget agreement that was agreed to last year also, but they are saying that they want to spend more. The President's budget, 85 new spending programs, 39 new entitlement programs, over $150 billion in new spending, over $150 billion in new spending over five years. $129 billion in tax increases over 5 years is how it is paid for, largely, again, from the same President who in 1993 put in place the largest tax increase in our history.

So that is where we are, and I would just say I would cast my lot with those who believe we can do more. I would cast my lot with those who think we can do a little better. Yes, the chairman gave some examples earlier in response to the gentlewoman from Michigan. She criticized the chairman.

Today on a partisan basis in this House we voted to reform the SSDI program. We improved the program and we saved $40 million to the American taxpayer. There is darn good example. Yes, we can streamline. Yes, we can consolidate. Yes, it takes rolling up our sleeves and looking anew and thinking outside the box on some of these Federal programs, but sure we can do that. Instead of spending $9.1 trillion, we are going to spend $9 trillion over the next five years. And remember, we only spent $7.8 trillion over the last five years.

So I thank the chairman for putting together this good budget, and the Committee on the Budget. I wholeheartedly endorse it.

Mr. SPRATT. Mr. Chairman, I yield myself 30 seconds to remind him that the President's budget, which he misconstrued, is not on the floor. Our resolution is. It does not increase spending. It is in complete sync with the balanced budget agreement and it calls for $30 billion in tax relief paid for within the Tax Code itself.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Hawaii (Mrs. MINK).

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, my constituents are listening to this debate, even though it is midnight, because it is only 6:00 p.m. in Hawaii. I thank the majority for the courtesy extended to my constituents.

I think the whole matter of our legislating has at its kernel the idea of conveying confidence to the American people that they should be able to rely on the promises and the agreements that we make with respect to the programs that we enact.

Less than 2 years ago this Congress enacted the welfare reform bill, and it was hard fought. And one of the ingredients in that welfare reform bill was an agreement that was struck with the governors. There was a commitment made to the States that there would be even funding over the length of that program, 5, 6 years. And the governors went and made this agreement with

the Congress in the assumption that we would keep our word, that we would not go back on this deal.

Sometime around 9:00 last night the majority decided that they would breach that agreement that was struck with the governors. Today we have a letter sent to us by the National Governors Association, signed by 10 governors, expressing their dismay that the Congress is being asked by the Republican Party to renege on their agreement.

What they did in the Committee on Rules was to take $10 billion additional from the TANF program, the welfare program that we just enacted. They said cut the function 600 program, which is the income security item. But if we look in it, all that is vulnerable for a cut, for a raid, is the TANF program, and it completely decimates the agreement that the governors are relying on. So they have asked this Congress to reject this resolution, and so have the National Conference of the State Legislators.

I ask my colleagues here tonight, is our word good or are we going to go back on it?

Mr. Chairman, I rise today in strong opposition to the Kasich Budget Resolution, which sets this nation on a budgetary course that will end in disaster.

At a time when our nation is experiencing its greatest economic boom in decades we should be asking ourselves what can we do for the people of America, not what can we take away from them. This budget resolution proposes to take away $100 billion from programs critical to the overall health and well-being of this nation. The American public will not stand for cuts in Medicare, Medicaid, education, health care, health research, and social services. Even programs that have strong bipartisan support, like Head Start and WIC will not receive enough funds to maintain current services under this budget.

Hasn't the Majority learned by now that we can balance the budget, and still address the most pressing needs of our people. The budget before us today is a shift back to the draconian cuts and radical proposals that forced a budget showdown and government shut down.

Bringing forth this proposal, which even Senate Republicans agree is too radical, only proves that the Majority can't keep a promise. They can't keep the promise made in last year's balanced budget agreement and they can't keep the promise made in the 1996 welfare law.

I am outraged to find out that at the last minute in the wee hours of the night this resolution was changed to cut $10 billion of the welfare program (TANF). This cut is on top of cuts already in the bill which totally eliminate programs to move families from welfare-to-work.

Some may argue that the $10 billion is not specified to come from TANF, but it is a cut required in the Income Security Function which includes TANF. Well, let's look at some of the other programs in the Income Security Function that would have to take the cut—unemployment compensation, SSI, Child Support, Child Care, the EITC, and Foster Care. I don't think anyone is willing to take a $10 billion chunk out of any of these programs.

Certainly, states cannot live up to the mandate of moving welfare recipients to work, if their funds are cut by $10 billion.

During the debate on welfare reform in 1995 and 1996, the Majority constantly preached the ethic of work and championed the idea that welfare mothers must work. Now, they seek to eliminate the very programs that help these disadvantaged women find jobs.

The Resolution eliminates $1.5 billion dedicated for welfare-to-work programs. The elimination of these funds would result in direct loss of funds to 44 states and jeopardize the job training and job placement of 300,000 welfare recipients.

And with an additional cut of $10 billion from the TANF program, there will be virtually no federal training funds dedicated to moving families from welfare to work. The 1996 Welfare law becomes an unfunded mandate under this Resolution.

The Resolution compounds the problem by eliminating the employment and training money under the Food Stamp program. The 1996 welfare reform law limits Food Stamp benefits to able-bodied adults with no children between the ages of 18 to 50 to 3 months unless they are working or in a training program. The Resolution eliminates funding states use to help train and employ these individuals so that they can achieve self-sufficiency or meet the work rule under the Food Stamp program.

This Budget Resolution unfairly targets the most vulnerable in our nation—families that are struggling to make ends meet and striving for self-sufficiency.

The Democrats in great contrast seek to lift up those who are struggling in our society, by helping to ease their every day burdens. Nothing signifies this more than the huge investment the Clinton Administration and the Democrats have proposed in expanding the availability of child care in this nation.

Currently the federal government spends about $9.4 billion (FY 1998) on child care programs including after-school and child care nutrition programs. We propose the President's child care initiative unveiled earlier this year, which adds a $16 billion investment over five years in child care and early childhood education programs. This includes the expansion of existing programs such as the Child Care Development Block Grant and Head Start.

In 1996, we passed a Welfare Law which requires welfare mothers to work, but it fell short $1.4 billion short of the funding necessary to provide child care for those welfare parents. The President's child care initiative would allow us to take care of the working welfare families as well as low-income working parents who are not receiving public assistance.

It also includes $3 billion over five years for a new Early Learning Fund to improve the quality and safety of services to children ages 0 to 5 years. In the past year we have all heard about the ground breaking research which revealed the significant capacity for learning in the first three years of a child's life. Assuring quality child care and early childhood education is critical in those early learning years and important to the future success of our nation's children, and indeed our entire nation.

$800 million over five years would go to expand after-school programs. This funding would support an estimated 4,000 programs serving half a million children. After-school activities are a way to keep children in a safe place, to provide additional learning experiences and tutoring and most importantly, it keep children off the streets and involved in productive activities rather than destructive or delinquent activities.

Unfortunately, the Majority not only rejects these much needed child care programs, but freezes the current child care programs so that they won't be able to keep up with inflation. The Child Care Development Block grant will lose $107 million over five years, the Head Start program will lose $536 million over five years, and the Title X Social Service Block Grant will be cut by $3.1 billion.

Mr. Chairman, I oppose this Resolution also because it is clearly an attempt to undermine federal education programs in the Budget Resolution. The Chairman's May 12th draft clearly stated the intention to turn the Title I program for disadvantaged students into a voucher program, and to block grant other education programs.

During the Committee debate, the Chairman was unclear about his intentions but made specific references to block granting Title I and other education programs.

Whether it is a block grant proposal or a voucher proposal, it is clear that the Majority is once again attacking federal education programs that send billions of dollars to our states and local school districts.

I am deeply concerned about any effort which would virtually eliminate the Title I program and replace it with a voucher program. Title I was enacted in 1965 to assist low income communities in educating their most educationally disadvantaged. It was an attempt to equalize educational opportunities for our most needy students.

Based on current funding levels, individual Title I vouchers are likely to be about $700 dollars per student, hardly enough for parents to pay for private education as intended by the proponents of this proposal.

Title I dollars helps to raise the individual achievement of disadvantaged children, but also, it helps the overall educational opportunities within the school. Taking the dollars away from these most needy schools through a voucher system, will do nothing but leave the school with less resources and at a greater disadvantage.

Criticism about Title I during Committee debate focused on the ineffectiveness of some programs and how the federal bureaucracy was to blame. This criticism is really not about the federal government, but a complaint against state and local school districts which manages the Title I program. Only .1% of the Title I funds stay at the federal level, for evaluation and administrative costs. That means that states and locals have responsibility for $99.9% of the money. So when the Republicans complain about how that money is being spent, they are criticizing the states and local school districts.

What is ironic is that Majority's criticizes the state and local management of the Title I, yet at the same time they propose to block grant even more federal programs, with less accountability to the very same people they contend are running ineffective Title I programs.

While there is always room for improvement, the reality is that in the vast majority of school districts throughout the nation Title I is making a significant difference in the lives of

disadvantaged students. To eliminate the Title I program as we know it today is a terrible mistake that would have serious consequences in many low-income communities throughout the country.

In my estimation, education should be this nation's highest priority, and the Majority's budget, block grant and voucher programs fall far short of what is necessary to improve education in this nation.

Finally, Mr. Chairman, I need to mention the elimination of the Native Hawaiian Health Care program, assumed under this budget. It is clear that the Majority lacks the understanding of special relationship between the Native Hawaiian people and the federal government, much like the relationships forged between Native American Tribes and the federal government. Programs like the Native Hawaiian Health Care Act were specifically enacted to acknowledge the federal government's responsibility and relationship with the Native Hawaiian people. Elimination of this program would mean the end of valuable services which address the significant health needs of the Native Hawaiian population and it abrogates the federal government's responsibility to assist in improving the overall well-being of the Native Hawaiian people.

Mr. Chairman, this budget fails the American people. It fails to set forth a vision for our nation worthy of our economic prosperity; it fails to invest in our most precious resource—our human capital; and it fails to address the needs of the most disadvantaged in our society.

I urge my colleagues to reject this radical budget, which turns away from the balance budget agreement and the welfare law of 1996. We can do better, we must do better.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. MILLER).

Mr. MILLER of Florida. Mr. Chairman, I rise in strong support of the budget resolution we are debating here tonight of the gentleman from Ohio (Mr. KASICH). This is my sixth year on the Committee on the Budget. The first 2 years was as we were part of the minority and then 4 years as majority now.

In our budget, in each of the budgets we have had the same philosophy of reducing the size and scope of the government and shifting power, money and responsibility back to the States, and this budget continues that philosophy. It shows the real difference with the Democratic philosophy.

Back in 1993 when the President proposed a budget to increase taxes, the largest tax increase ever, more spending programs and more new programs that we had to take responsibility for here in Washington, the Republicans had cut spending first, and we showed how we really can reduce the size and scope of the government. And the voters back in 1994 said, ''That is what we want to do,'' and so starting in 1995 we have had great success in moving this country to fiscal responsibility.

This year we are going to have the first balanced budget since 1969, a tremendous accomplishment. We are going to have a surplus for the first time. One of the most important things is the issue that we have reformed entitlements. The previous speaker talked about, oh, my gosh, we are hurting the entitlement programs. We have had major change in the welfare program.

Let me tell my colleagues what happened. Welfare case loads have declined by 30 percent nationally since 1994. In 1997, States spent only 72 percent of their available welfare funds because case loads have declined and more welfare families have entered the work force.

Six States have turned down welfare-to-work grants enacted by the balanced budget agreement because they did not need the money and they objected to the red tape required to get the grants. Welfare reform has worked. It is saving money. But more important, it is helping those people that have been trapped in a cycle of poverty.

On the discretionary spending side we have had great success. While defense spending has been kept fairly level for the past decade, the Democrats kept increasing discretionary nondefense spending, the domestic spending side.

□ 0010

Our first time in control of the House of Representatives in 1995 and 1996, we actually had in real dollars a reduction in domestic discretionary spending. That was our promise to the American people. We got rid of 300 programs in the Federal Government. But then important programs that we thought were important, for example, like National Institutes of Health, have gotten larger increases under a Republican Congress than they received under the Democratic Congress. In fact, last year they got a 7.1 percent increase whereas President Clinton only asked for a 2.6 percent increase.

We have established priorities, programs that are important, like biomedical research, and we have said we do not need some programs and we have cut out many programs. This budget that we have this year is a continuation of that philosophy and a clear contrast with what President Clinton has proposed. President Clinton's budget proposed 85 new programs, $150 billion in more spending over 5 years, $129 billion in more taxes. What does this budget have? No new spending programs, $100 billion of tax cuts, and just a 1 percent cut in spending. Support this budget.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I find it so curious that the majority refuses to discuss their budget tonight and instead want to discuss a budget that is not even on the floor. I have been on the Committee on the Budget for 6 years and I have never seen such a fiasco in all my life. Usually the budget is when a party lays forward their plan, their vision of government.

What have you done tonight? Brought this to the floor after midnight, not that the press who is not here, the American people who are long asleep are missing much, because you have not had the integrity, the courage, to tell the American people what your plan is. You do not specify the cuts. You get up here and make lofty language, and you do not specify the cuts. What is more, this plan changes all the time.

Take Social Security, what I think is the most vital function of government. In the Committee on the Budget we debated, one of the highlights of the chairman's bill, a plan to take all the surplus out of Social Security, embark on a new venture, no more Social Security, a new venture of private accounts. We debated. Every one of you voted for it. Your colleagues would not stand for it apparently.

You go to the Committee on Rules, the bill comes out, and there is no aspect of that dimension of this budget. Where did it go? We have all this debate, you are going to end Social Security as we know it and it comes out of the Committee on Rules and we are just supposed to be left with an ''oops, never mind''? This is ridiculous.

I would feel comfortable if Social Security was secure. But of course it is not secure. Because you take revenue out of the Federal Government without telling us how we are going to match in spending reductions.

You have done this before. This was a David Stockman technique in the early 1980s. It produced deficits then. Now it will produce spending the surplus. That is why the Washington Post called this a triple fraud, and I quote, an election year tax cut on the strength of unlikely spending cuts to be named later, all the while preaching fiscal responsibility.

What happens when you do not come up with the spending cuts you are so afraid to talk about tonight is that they do not get made, and this surplus that we so need to reform Social Security is dissipated. And you do not even lay out the plan to the American people.

This budget is a failure. One of the things about the chairman, like him or not, like his ideas, do not like his ideas, he would always tell you where he was going, he would always be square with you about the details. This plan tonight is such a disappointment in that respect.

You fail to lay out the details of your plan. You fail to advance a budget that makes sense. Most important to me, you fail to fundamentally protect the Social Security surplus until we can come up with a comprehensive overhaul plan for Social Security. You have failed with this budget, and that is why I think there is a fighting chance your own colleagues will reject it with us in the vote tomorrow.

Mr. SHAYS. Mr. Chairman, I yield 3½ minutes to the gentleman from New Hampshire (Mr. SUNUNU).

Mr. SUNUNU. Mr. Chairman, I thank the gentleman from Connecticut for yielding me this time.

Mr. Chairman, I will begin by emphasizing that the colleague who just spoke was correct in one regard, and that is a simple point that the President's budget is not on the floor tonight. It is not on the floor tonight because nobody on the other side had the guts to bring it to the floor tonight. Even the ranking member of the Committee on the Budget refused to bring the President's budget to the floor, because it raises taxes $130 billion, it raises spending $150 billion, it creates new entitlements, it creates new programs, and not a single Member on the other side was willing to bring that sham to the floor. Instead we are talking about a Republican budget plan.

Perhaps the problem is that it is too simple a vision for some on the other side to understand. It does three principal things. It pays down public debt. It reduces the amount of debt held by the public by taking surpluses and using it for that important cause. It shrinks the rate of growth of government by 1 percent. And it uses that controlling the size of government to eliminate the marriage penalty.

I do not know what the other side is opposed to. Maybe they are opposed to paying down the debt. Maybe they are opposed to eliminating the marriage penalty. And we have heard that they certainly may be opposed to reducing the size of the government from $9.1 trillion to $9 trillion. Maybe $9 trillion just is not enough. Maybe they need $10 trillion or $11 or $12 or $15 trillion. But the fact is we have spent $7.8 trillion over the past 5 years and under this budget we spend $9 trillion.

Government will grow at greater than the rate of inflation. Maybe it is not enough for some on this side of the aisle. Maybe government has to get bigger and bigger and bigger. But what we are trying to do is just control the rate of growth. Three goals, pay down the debt, control the rate of growth of government, and eliminate the marriage penalty.

Paying down debt, why is it important? It is important because it brings down interest rates. We reduce public borrowing, we let the private sector borrow more and we reduce interest rates, lower cost of home mortgages, lower student loans, lower cost of auto loans.

We heard what happened with the President's tax increase in 1993. Interest rates shot up. Over the next year they shot up 2 percent, from 6 percent all the way up to 8 percent. That is tens of thousands of dollars more in home mortgage costs, thousands of dollars more in student loan costs or automobile loan costs, right out of the pockets of the American consumer.

Today interest rates are low. If we continue to pay down debt with these surpluses, they will go even lower; 1, 2 percent less if you talk to Alan Greenspan. Paying down debt keeps money in the pockets of the average American family.

Second, controlling the rate of growth of government. We talked about that. From $9.1 trillion to $9 trillion. Earlier this evening, much earlier this evening, not at midnight or 11 o'clock or 10 o'clock, but around 9 o'clock or 8 o'clock, we saw a nine foot belt out here and said, can we not just take a nine foot belt and bring it in one notch, from $9.1 trillion to $9 trillion. We can reduce the rate of growth.

And finally, eliminate the marriage penalty. Bring tax relief to the American people, more money in their pockets, take a little bit of power away from Washington, and give it back to the American people. I think any time we take power away from Washington and give it back to Americans, we are doing right thing. I urge my colleagues to support this resolution.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY).

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Chairman, in last year's balanced budget, we had a bipartisan agreement to protect the environment. But this year the Republicans in their budget proposal throw away that commitment, out the window.

The Democratic alternative, however, does restore the vital environmental funding that we know as Members of Congress we have a responsibility to fund. We must fund projects to ensure clean air and clean water, to ensure that our public lands are preserved, and that our toxic and hazardous sites are cleaned up.

The Democratic budget provides funding for water quality improvement, because 40 percent of our Nation's waterways are too polluted to swim or fish in. The Democratic budget provides assistance to States and communities to reduce non-point pollution, clean up streams and improve coastal water quality.

The Democratic budget provides vital funding for our Superfund cleanup sites. One in four children under the age of 12 live within four miles of a Superfund site. It is time, time for Republicans to join us and clean up the toxic waste dumps near our schools, our parks and in our neighborhoods.

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The Democratic budget includes funding to enhance national parks, national forests and other public lands.

The final and crucial environmental area addressed by the Democratic budget provides funding for water infrastructure improvements. These improvements give localities greater ability for compliance and construction of much needed wastewater and other facilities.

Mr. Chairman, as we consider this budget resolution this year, we must also protect our environment. But as usual, when it comes to our children's future, the Republican budget is way off course. By supporting the Democratic alternative we create a budget that moves this country forward without leaving our environment and our children behind. I urge my colleagues to support the Democratic budget alternative.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. ROYBAL-ALLARD).

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise in opposition to the Republican resolution and in support of the Democratic alternative. The Republican plan unravels last year's budget deal by cutting over $100 billion from important programs like education, veterans' benefits and crime prevention. The Democratic alternative, however, builds on the balanced budget agreement, and it invests in the future of our country and in the priorities of our people by protecting Social Security, allowing for a reasonable tax cut to end the marriage penalty, and by making a real investment in the education of our children.

An example of this commitment to education is the school construction initiative in the Democratic budget. This initiative is critical because our schools are in worse shape today than any part of our nation's infrastructure. As a result, millions of our children in urban, suburban and rural districts are forced to attend schools in desperate need of repair. Also, thousands of our schools are tragically overcrowded. It is estimated that we need to build 6,000 new schools over the next 10 years just to maintain our current class size.

These appalling conditions are not merely annoyances and inconveniences, they are barriers to learning, and sadly these conditions serve to diminish the self-esteem of children who must attend these run-down and overcrowded schools.

Mr. Chairman, the Republican budget ignores this crisis. The Democratic budget, however, creates a tax credit to help States and localities build new schools and to make desperately needed repairs. The Democratic plan sends a clear message that the education of our children is a top priority vital to our Nation's future.

I urge my colleagues to reject the failed Republican budget and to vote in favor of the Democratic alternative.

Mr. SHAYS. Mr. Chairman, I yield 2½ minutes to the gentleman from Michigan (Mr. HOEKSTRA).

Mr. HOEKSTRA. Mr. Chairman, I thank my colleague for yielding this time to me.

For the last 18 months we have had the opportunity to go around America and we have had hearings in 17 States about what works and what does not work in education. We have also had an opportunity to take a look at education and what education means in Washington, and we have found that in Washington education means hundreds of programs, and we say ''Hallelujah, at least they're all in the Education Department,'' and it is kind of like, no, they are spread over 39 agencies, and we say, ''Well, at least they're effective

and efficient which means that we're going to get those dollars down to kids,'' and it is like, no, that is not true either because for every time we take a dollar out of a local community and send it to Washington, we only get about 65 cents back to a child and back to a classroom.

That is not very good, and that is not helping kids.

Going around and spending time at local school districts, we find out what has worked. What works is when we leave control at the local level, when we leave the money at a local school district and do not take it to Washington and siphon off 30 to 40 cents, when we leave control at the local level, and we do not get people at the local level begging for money from Washington and getting the money back with a whole lot of rules and regulations. What works is when we focus on basic academics, and what works is when we empower parents.

Now is not the time to come up with a whole new range of education programs in Washington that move control away from parents and away from the local level and move it to Washington.

What is the mantra in Washington? Where have we gotten to today?

Where we are moving to in Washington is we say, ''We want to build your schools, we want to put in your technology, we want to hire your teachers, we want to determine your class size, we want to teach your kids about sex, we want to teach your kids about drugs, we want to feed them breakfast, we want to feed them lunch, we want to feed them snacks, and other than that they are your local schools.''

Let us keep control with parents.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentlewoman from Michigan (Ms. RIVERS).

Ms. RIVERS. Mr. Chairman, I will take just a brief amount of time to point out that in the committee meeting I did put forward a proposal to do what several of the Republicans on the committee as well as other members of the party have suggested, which is to send back 40 percent of all special education dollars to the States, to local school districts. Made a very strong case for that.

The majority declined to do that, and instead substituted for my motion a motion to make it a sense of the Congress. So the gentleman from Michigan (Mr. HOEKSTRA), along with others on the committee who were given an opportunity to make a very clear and concrete statement to send dollars back to schools, declined to do so.

Mr. SPRATT. Mr. Chairman, I yield 2½ minutes to the gentleman from Texas (Mr. BENTSEN).

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

Mr. BENTSEN. Mr. Chairman, it is really kind of a joke that we are here at 12:30 in the morning Eastern time debating this. We heard about families sitting around the dining room table and what they could end up cutting. None of the traditional families in my district in Texas, I believe, are sitting around the dining room table at this time, and I doubt they are in Columbus, Ohio either, but I do not know a lot about Columbus. And if this is the best my colleague can do, he probably ought to try and keep the job he has got.

But, Mr. Chairman, this is not a blueprint for the Nation's fiscal policy. This is a testament to the continuing inability of the Republicans to govern the House.

The truth be known, the budget process has already been hijacked by the Committee on Appropriations and the Committee on Transportation and Infrastructure. Last week, 2 weeks ago, we were racing to get out of here so we could pass a highway bill that everybody could pave up their State, that busted the budget by $22 billion. We forgot all about the Balanced Budget Act of 1997. Democrats and Republicans were in a real big hurry to spend as much money as possible. We gutted the veterans' program by somewhere between $11 billion to $17 billion, depending on what committee and whose numbers are used, and then we found out that it was not done properly. So we race back in here quietly on Tuesday, and when no one was looking we passed by voice vote a correction of that.

That is what Republican control has been all about. They stuck it to the veterans, they stuck it to the budget process, and now at 12:30 in the morning we are going to debate this grand budget resolution. They cannot even get the senior team down here to debate the bill.

□ 0030

This is just ridiculous. And then you think that after the fact we are going to have to, under the Balanced Budget Act of 1997, have to continue to make reductions in discretionary spending, both defense and non-defense, we are going to continue to make reductions in that, and then you want to go in and make another $100 billion of reduction, $50 billion approximately in non-defense. And you talk about waste. You could not find one dollar, not one dollar of waste in defense. What happened to those ashtrays and the toilet seats that we were paying all that extra money for?

But you really think those cuts are going to be made, and then you are going to go spend the money on the tax cut. What you are going to do is end up spending the surplus, just like you are trying to do with the transportation bill, and running up the debt.

You know what that is going to do in the end? It is going to make the Social Security problem worse, and then you are going to come around and try to privatize it and do away with the safety net. That is why you are doing it at 12:30 in the morning, because you know this is a joke.

Mr. Chairman, the Republican budget resolution is both hollow and meaningless because it doesn't recognize reality and responsible fiscal policy. Rather than provide a blueprint for the nation's fiscal policy, this is a testament to the continuing inability of the Republicans to govern. Truth be known, the budget process has already been hijacked by the Appropriations Committee and the Transportation Committee.

This budget resolution is a sham. It proposes $100 billion in budget cuts beyond the Balanced Budget Agreement we approved last July, but it doesn't tell us where to cut and postpones the tough choices for a future Congress. It ignores the reality that Congress just approved a highway bill that exceeds the budget agreement by $22 billion. And in its latest incarnation, it plays games with the projected budget surplus to hide the fact that the majority would rather use the surplus to pay for tax cuts than to buy down the $5.4 trillion federal debt and strengthen Social Security.

Not only does this budget resolution renege on the good faith, bipartisan agreement reached last year to balance the budget, but it goes even further by destroying our hard work to achieve that agreement. Last year's hard work has given way to magic asterisks, false hopes, and irresponsible promises. It's only now that we are finally balancing the budget and escaping the pit of red ink that has quadrupled our national debt and made interest payments the third largest federal program. It's the height of irresponsibility that the majority would now propose that we go down that road again.

The ''one percent plan'' is a pithy slogan, but it's the biggest sham of all. The truth is that this budget doesn't cut just one percent. By exempting three-fifths of the budget and failing to take the highway bill into account, this bill would actually cut some domestic programs by as much as 19 percent below a freeze. That means deep cuts in education, social services, environmental protection and other vital programs, and leave our nation unable to increase vital investments such as medical research. Despite what the majority may say today, it also means draconian cuts in Medicare and Medicaid, and even in the newly enacted Children's Health Insurance Program that we worked so hard to create just nine months ago.

Most prominently, the budget resolution neglects that fact that we have a $5.4 trillion debt and that we spend $250 billion on interest annually. that's about three percent of GDP. By sticking to the 1998 Balanced Budget Agreement, interest payments on the debt would fall to just one and a half percent of GDP by 2008. Paying down the debt yields ample rewards because interest payments on the debt would fall. This would free up private and public investment. Long term interest rates would fall further as well. Then, a responsible tax cut or even greater investment in education, children's health care, and research become possible. These productive investments help keep our economy growing.

If we abandon fiscal discipline, by the early 2040s, CBO projects that federal debt will exceed 100 percent of GDP. That is nearly twice as high as the current ratio and is a level previously reached only at the end of World War II.

Included in the $5.4 trillion debt is $600 billion of Treasury bonds owned by the Social

Security trust fund that will have to be retired after 2013. The budget resolution should give serious attention to paying down the debt to reduce interest and principal costs to ultimately strengthen the Social Security Trust Fund. Raiding the surplus to pay for tax cuts will put us in worse shape. In fact, if only half the surplus was spent, interest payments would rise $12 billion over the next five years. According to the CBO, spending the annual surplus would cause the fiscal gap, which is the size of the permanent tax increase or spending cut needed to keep the ratio of federal debt to GDP at or below its current level, to increase to 2.3 percent of GDP from 1.6 percent of GDP. This translates into an estimated $200 billion tax increase or spending cut.

Additionally, some on the other side of the aisle might argue that the surplus is scandalous because it's expected to grow to $1.34 trillion over the next five years and that money should be returned to the American people in the form of a tax cut. But, that money is essentially today's profit that needs to repay yesterday's debt. No business would carry such a debt much less make no effort to repay it. Enacting a tax cut this year would like a business that carries significant debt, has a great year, and then pays out its new profits in dividends instead of paying down its debt. Companies know that paying down debt is the only way to increase its value in the long term, which would make more money for investors. So both tax cuts and personal savings accounts are irresponsible before paying down the debt.

So before we start tinkering with half-baked notions of privatization, it is important that we begin a debate on Social Security with a clear understanding of what Social Security is and why it was created before we begin proposing radical solutions. And we must not confuse problems while trying to solve them.

First and foremost, we must remember that Social Security is a safety net below which no American will fall. It is a retirement security program, it is a disability insurance program and it is a survivor insurance program. It is not a 401(k) or an individual retirement account. It is also an income transfer program whereby higher income workers support lower and moderate income workers through the establishment of the safety net. Without the cross-subsidy the net is pierced. Any reform must not destroy the safety net, or it will destroy the essence of the program.

If we squander the surplus without beginning to retire the national debt to a more manageable level, in the long run, we may have to borrow more to pay off bonds as they come due, including the Social Security, and we will be shortchanging the American people. Without maintaining a course of fiscal discipline, the Congress' hard work since 1990 will be compromised. Federal budget surpluses will be short lived and we will return to deficit spending. Given the impending retirement boom and the economic and political uncertainty brought on by the Asian economic debacle, that's not a direction we want to move.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. EHRLICH).

Mr. ERHLICH. Mr. Chairman, I thank the gentleman for yielding me time.

I guess there are some first-teamers still around here. I see some first-teamers behind me.

Mr. Chairman, I rise in support of the Kasich budget. There are four relatively easy planks that the American public does understand. Pay down debt. Forty percent of public debt is Social Security debt. You pay that down, you save Social Security. It makes sense. You shrink the government by 1 percent, and you relieve families of the marriage penalty.

Under the balanced budget agreement, and that is really the crux of the problem here tonight, some viewed it as a ceiling, some viewed it as a floor. It is not a ceiling. We can do better. We get paid to do better. The American public expects us to do better.

Last year was not a stopping point. They still feel overtaxed, feel that the government does too much in this country. $9.1 trillion to $9 trillion. That is not a whole lot to ask in most cities in this country. Maybe not in this town.

We talk about marriage tax relief. We had an interesting comment from the other side earlier on. The rhetorical question was, where do the tax cuts come from? Where do the tax cuts come from?

Tax money is our money. We send it here, hopefully to be used appropriately, and we ask for some of it back. That is where the money comes from. We know where the money comes from, from the people who work.

Last January we saw the old Bill Clinton, the post-election-year Bill Clinton, the nanny state Bill Clinton came back. You heard the numbers, 85 new programs, $150 billion in new spending, new tax increases, the whole nine yards.

What led to this? What do we hear tonight and every day on this floor? The politics of yes, because the politics of yes is real easy. The politics of no means leadership. It is not easy to say no. It is not easy to say maybe a cent from every Federal dollar over 5 years.

It is easy to get votes when you say yes, because the politics of yes is easy, and the politics of yes ruled this town for 40 years, and a bunch of us came here a couple of years ago to exhibit some leadership and say no for a change. And sometimes no is not pleasant and sometimes no leads to negative ads against you on TV, and that is the way it goes in the United States in the 1990s.

I rise in support of the Kasich budget for this reason: We should reject the politics of the old and the politics of yes, as the American people have done, and give the American family a break for a change, because they deserve it.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in strong opposition to the proposed Republican budget resolution. This resolution is very similar to the very one we discussed last year, proposing spending cuts to pay for tax cuts. However, the difference in the last time and this time is we are not certain where they propose to cut the $100 billion. We know it is supposed be in domestic, but we do not know where. We only know they intend to cut $55 billion from entitlement programs, including some $10 billion from Medicare, until last night. Then that became too political. We said we do not want to be political, but that became too political and risky to do.

Guess what you did? You decided to cut that from the most vulnerable people in America, the poorest of the poor. Yes, your Welfare Reform Act that you wanted to keep there, you reneged on your commitment to the States that you would provide welfare reform, but made sure that your objective had $10 billion now that will be taken from there. $12 billion from Medicaid. You are not fair to the poor, you are certainly not fair to seniors, and, in fact, you are really cruel to the most vulnerable people in the community.

Yes, this may sound like rhetoric, but it is the basic truth. You are also cruel to veterans. It is cruel that you would treat veterans, those who protect this country, in the way they have.

Mr. Chairman, I support fair cuts, and most Americans do. In the Spratt substitute that will be offered tomorrow, there will be $30 billion in fair tax cuts. Fair tax cuts.

Mr. Chairman, I will also tell you, the gentleman from South Carolina (Mr. SPRATT) tells you where those offsets will be. It is paid for. There is no ambiguity around it, no mirrors and smoke.

I suppose fairness is to be for certain citizens and not for others. We should have a budget resolution that speaks to the needs of all America, including all citizens, not just some of the citizens. And this program does not do that, because in addition to the $10 billion coming from welfare, what we call assistance to the dependent children, in addition to that, food stamps will be cut, training, welfare-to-work will be cut, WIC will be cut, LIHEAP will be cut, Title I education will also be cut.

By repealing our vital education programs, the Republican plan just fails to understand that the American people put education first as their main priority.

The Spratt commitment, yes, it does have a new initiative. The new initiative says 75,000 new teachers. Again, you say that is spending more. Yes, but he tells you how that will be paid for. $10 billion over 5 years, $2 billion a year, and it is paid for. That is not spending more money. It is simply changing the priorities to speak to the needs of the people.

Mr. Chairman, I urge a ''no'' vote on the Republican resolution.

Mr. SPRATT. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Chairman, much of our debate tonight

has focused on the fiscal irresponsibility of the Republican majority's budget, on its failure to reserve the surplus, its failure to ensure the future of Social Security and to reduce the national debt, its failure to take account of the huge transportation bill we just passed, its failure in double counting the savings from veterans health care and Social Service accounts.

But the Republican budget is not only fiscally unrealistic and irresponsible, it also gets the priorities wrong, and that is what I want to address in the few minutes that I have tonight.

It gets the priorities wrong. I want to stress one priority, education, which is number one in my district and number one to me personally and which represents an investment in the future of our children and our country.

The Republican budget would cut the education and training portion of our budget by some $4.4 billion below, below, the balanced budget agreement.

Details are few and far between, but the Republicans claim to find savings by consolidating higher education programs. While the budget promises to increase Pell grants, there is no way of telling what might be cut in order to achieve that. Will work study be cut? Will State student incentive grants be eliminated? Will the Republican budget limit the access to higher education that is the key to a higher standard of living, that is the key to equipping people to meet their goals and better serve their families and serve their communities?

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The House has just passed a Higher Education Act which promises to open up opportunities, and yet this budget takes little or no account of that.

In the area of elementary and secondary education, the Republicans propose to repeal the current Title I program and create a voucher program in its place. Title I provides opportunities for disadvantaged young children who are the most vulnerable in our society. The Republican budget will put Federal efforts to meet the needs of these at-risk children in jeopardy. Education is the key to equal opportunity.

The House Republican budget would do more damage to the goal of expanding opportunity than any budget in recent memory. The Democratic budget, by contrast, is fiscally responsible, and it recognizes the priority we place on education.

It includes the provision to reduce the classroom size in this country in grades one through three with the hiring of 75,000 new teachers. It provides tax credits to enable working parents to afford good child care. It provides a tax break so that school districts can more easily finance the bonds necessary to modernize and build schools. These modest initiatives are all paid for, and not a penny, not a penny comes from the surplus.

The Democratic budget is consistent with the balanced budget agreement and observes the budgetary rules that have produced surpluses and a booming economy. It gets our country's priorities straight, including the education of our children. I urge support for the Democratic alternative.

Mr. SHAYS. Mr. Chairman, I am delighted to yield 4½ minutes to the gentleman from Arizona (Mr. SHADEGG).

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

Mr. SHADEGG. Mr. Chairman, there has been some talk about whether or not we are defending the Republican budget and whether we are proud of it. I am very proud of this budget. This budget does set the right priorities and takes this country in the right direction. If there were a little more truth on this floor and a little less rhetoric, perhaps we would see that.

We have heard our colleagues on the other side say time after time after time that this budget cuts spending. Let me make it very clear. Nowhere outside of this beltway that surrounds this city is an increase in spending from $7.8 trillion over 5 years up to $9.0 trillion a cut. It is simply not a cut. We cannot go from $7.8 up to $9.0 and call it a cut. So let us get that point of truth on the record to begin with.

Then let us go to what this debate is really about, because it really is a very simple debate. It is a simple debate between their belief in bigger government and higher taxes because they do not trust people; our belief in a slightly smaller, more efficient government with lower taxes because we do trust people.

That is the fundamental debate going on here tonight. They want to reach deeper into the pockets of the American people and take more money out so that they can spend it because they do not trust Americans to spend their own money.

The gentleman from South Carolina (Mr. SPRATT) talks about a $30 billion tax cut in his budget. Unfortunately, that just is not true. There is not a $30 billion tax cut in the Spratt budget because there is not a $1 billion cut in the Spratt budget, because there is not a one penny tax cut in the Spratt budget.

Because do you know what the Spratt budget does? It raises taxes on some Americans by $30 billion and includes a sense of the Congress that we ought to give that $30 billion back. Do you know what? The American people are going to figure that out. If we raise taxes on some by $30 billion and we lower it on others by $30 billion, that is a net tax cut of zero, not a net tax cut of $30 billion.

So how does that fit into the scheme? That fits into the scheme that they want more of the American people's money, and we want to leave more of the American people's money with them.

The President, the President told us in 1994, right after I got elected, that we could not balance America's budget in 7 years; and we shut down the government over that fight. Three years later, I am proud to be standing here, and we did not balance it in 7 years, we balanced it in 3 years. They brag about the surplus, the surplus their President fought us tooth and nail over.

Let us talk about the President and his record. He says the era of big government is over. Do you know why? Because for him the era of bigger government had just begun. In his budget, which they do not have the guts to propose, taxes go up by $130 billion. New spending goes up by $150 billion.

There are 39 new entitlement programs. They talk about controlling entitlement spending, but their President proposes 39 new entitlement programs. Do you want to burden the American people? That is the way to do it. And 85 new additional programs.

Let us talk about the other issue that has really gotten to them tonight, and that is the fact that this is a 1 percent cut in spending. That has really bugged them all night long. They have come to the floor and said, by, gosh, this is a fraud to call it a 1 percent cut. Do you know what? In a technical sense, they are right, because it is not a cut in spending.

Spending is going up. In our budget, it goes up at about the rate of inflation. In their budget, it goes up dramatically above the rate of inflation. They want bigger. They want more. They want deeper into the people's pockets because they think only government is the answer. But do you know what? Our budget is a 1 percent reduction in the planned increase in spending.

My friend, the gentleman from Minnesota (Mr. GUTKNECHT) just said it: Well, take a 1-inch notch out of a belt that is 9 feet 1 inch long. I think the American people understand we can do that, and they are darn proud of us for trying and darn proud of this budget for doing it. It is a 1 percent cut. Deal with it.

Now, details. They say, oh, we lack all the details. There is a process for details. It is damned if we do and damned if we do not. They want to see the details because they want to ridicule the details.

Then they do not want to deal with the fact that the process here says the budget resolution is supposed to set numbers. The details are supposed to come from the appropriators and the authorizers. In this case, that is the process we are going to follow, and it is the process the American Constitution and the laws and the rules that govern this Congress are arranged to deal with and are designed to deal with.

They believe in government. We believe in people. Do you know what? The American people sent us here to do that.

The Spratt budget says one more thing. It says that in the balanced budget agreement of last year we set a spending floor. Do not go below it by a dime. Do not try to save another penny.

Do you know, I have a family that I run. In my family, in the Shadegg family, because we built a budget last year, we do not quit trying to save money next year. Do you know what? In every family budget in America, if they can figure out a way to save a little bit more money next year, they try to do it.

In every business in America, the entire rubric is efficiency. Produce more with less. That is what the genius of America is about. But inside the beltway, inside the Congress, inside this highway, inside this House, the only thing we can do is more means more means more means spend more. It means reach into the pockets of the American people deeper, and it is wrong.

Mr. SPRATT. Mr. Chairman, I yield myself 1½ minutes to respond.

Mr. Chairman, first let me respond with respect to the tax cuts. We see a code replete with deductions and credits and exemptions and preferences and concessions, and most of them work to the advantage of well-heeled taxpayers. We are saying in this resolution to the Committee on Ways and Means, can you not give the code a scrub and see if you cannot tilt the code a little bit more in favor of working families so we can increase the child tax credit, and, yes, mitigate the marital penalty? Can we not do that within the code?

Let me say something about the growth of government. I am reading from a CBO report, the Economic and Budget Outlook of the Government. Discretionary spending once again. When President Clinton came to office in 1993 it was $540 billion. Last year it was $548 billion, 1997. In 4 years it grew by $8 billion.

Let me remind my colleagues again, the middle of the Reagan years, 1986, the government was taking 23 cents out of every dollar made in this economy. Today it is down, under the Clinton administration, to 19.9 cents, down three full percentage points.

□ 1250

Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. <E HOYER).

Mr. HOYER. Mr. Chairman, those were the facts out of CBO's book, who that side has appointed. The chairman of the Committee on the Budget mentioned Alan Greenspan early on in this debate, and people have forgotten that. Alan Greenspan came before the Congress in 1995 and said to the Joint Economic Committee, before their policies had any place in this economy, that the economy was in the best shape it had been in over 30 years. Those were the facts.

Tonight we talk about budget baloney, budget baloney. I did not say that, the New York Times said it. The New York Times, not a good source. I tell my friend, the gentleman from Arizona, that his neighbor from New Mexico did not call it baloney. He called it a mockery.

He was then joined by Senator STEVENS, another Republican leader, chair of the Appropriations Committee, and he said, if the Republican budget in the House is adopted, ''I don't think Congress could function.'' The New York Times, Senator DOMENICI, Senator STEVENS.

We have had a lot of talk on this floor. In 1993 your CBO said the 103rd Congress reduced the deficit by $116 billion. That same CBO, not a Democratic CBO, that same CBO, said that the 104th Congress, 105th Congress and 106th Congress, reduced it by $23 billion; in other words, 20 percent of what was done under the Clinton Congress with Democratic leadership.

Mr. Chairman, that is not why we balanced this budget, because there was another budget in 1990 that a President named Bush had the courage at that time to stand up and say it was necessary because the OMB director, Mr. Darman, and maybe even Mr. Sununu, said ''You had better do this. You had better do this if America is going to get on the right track.''

So it was the 1990 budget deal, the 1993 Budget Act, for which no Republican voted, which was, by the way, not, underlined not, the largest tax increase in history; not. The largest tax increase in history was in 1983, signed by Ronald Reagan. Check the facts. Check the book.

Stop lying to the American people. What the American people want, whether it is 1 o'clock in the morning in Columbus, Ohio, or 7 o'clock in the evening in Honolulu, Hawaii, is honesty.

This 9-foot belt is the diet they want to go on; 1 percent, baloney, malarkey, mockery. They cut it by three-tenths of an inch next year. Why? Because they do not want any political ramifications. Then the next year they cut it by six-tenths of an inch. They are almost up to an inch, the courageous budget cutters over there. Then, to the fifth year of their diet, they cut it by two inches. Guess what? None of us may be around by then, so we may not have to do the consequences. None of the Members on that side of the aisle believes for one second they will be able to cut it by 2 inches.

Mr. Chairman, as usual, one thing they did cut was Federal employees, those bureaucrats that the chairman spoke so derisively about who have paid mightily, over $200 billion since 1981, to contribute to bringing this deficit to surplus. They cut them by another approximately $3.5 billion over 5 years, they who want to cut the taxes for average working Americans.

It is amazing how they do not believe that Federal employees are average working Americans. It is okay to cut them in terms of their salaries, so they can transfer that to cut taxes for somebody else; very good, take it out of one pocket and put it in another pocket.

The reason we ought to reject their budget is because it is not an honest budget, which is why it is called by the New York Times ''budget baloney.'' We ought to defeat this budget because it is not honest, as I said, at 1 o'clock or 6 o'clock, at any time.

As Stockman said in 1983 in his book, we hid the real facts. We said we were going to cut later, and guess what? Everybody knew, everybody knew, including Stockman at the time he offered the budget that ballooned these deficits out of sight that this President has brought down, that it could not be done. They repeat that error today at the country's risk.

Reject this budget, pass the Spratt budget. It is good for America.

Mr. SHAYS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, to be perfectly honest, I was one of the 49 people who voted for that tax increase in 1990, and I have regretted it ever since. I vowed I would never do it again. I vowed I would not do it, because when we increased the so-called luxury tax and increased the taxes, we got less revenue, because taxes are dynamic. When we cut taxes on capital gains in 1997, we found that taxes grew.

That is the way I honestly feel. I felt that a lot of the gentleman's dialogue was rhetoric to me tonight. I would just like to be honest and tell the gentleman that one of the things that really concerns me is this House thinks it has a surplus, and we can go on our spending ways. That is how I honestly feel.

I am ashamed of the transportation budget that passed, and I am grateful that the gentleman from Ohio (Mr. JOHN KASICH) reoriented us to think about saving money, rather than spending money. That is how I honestly feel.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. SHAYS. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, can I ask the gentleman an honest question?

Mr. SHAYS. Sure.

Mr. HOYER. I voted with the gentleman on ISTEA.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. SHAYS) has expired.

Mr. SPRATT. Mr. Chairman, I yield 30 seconds to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, the gentleman thought ISTEA was not a good bill. The gentleman passed it overwhelmingly. His leadership brought it to the floor. Why does the gentleman not fund it in this budget?

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, because I hope the President has the good sense to veto it.

Mr. HOYER. The President has been trying to help the gentleman out for a long time. He has done a pretty good job so far.

Mr. SHAYS. Mr. Chairman, I am delighted to yield 5 minutes to the gentleman from Wisconsin (Mr. NEUMANN).

Mr. NEUMANN. Mr. Chairman, I rise to express my support of the Kasich budget, too, and to supply praise to our chairman. He came into a meeting about 2 months ago. The meeting was kind of downcast at that point. He said, it is about time we got back on track and started doing what we came here to do. He got a lot of us fired back up and back on track, doing what we came here to do in the first place, which is get spending under control.

In regard to the last comments that I have heard here, I have to say, if somebody can show me a bigger tax increase in the history of the United States of America, or the history of the world, for that matter, than the 1993 tax increase, I would certainly be interested in taking a look at the statistics.

But I will tell the Members this, I know for a fact, I know for a fact, that the American people did not want a tax increase on gasoline of 4.3 cents a gallon that was not even spent to build roads. I can absolutely guarantee the gentleman that the senior citizens in the United States of America did not want a tax increase on their Social Security benefits. That was the wrong approach to balancing the budget.

I have a colloquy I need to get into, but before I do I just want to show the Members how we did get to a balanced budget, and show what the American people really wanted and why they turned over control of the House of Representatives in 1994.

The Democrats brought us the answer of higher taxes in 1993, and that was the wrong answer. The right answer is they wanted us to get spending under control in government. The American people could not figure out why it was that the government budget had to grow faster than the family budget. Year after year after year after year the budget in this community kept going up at twice the rate of inflation, much faster than the rate of inflation.

When we came in here we said, we are not going to balance the budget by higher taxes, we are going to get spending under control in this community; not draconian cuts, we are just going to get spending down to a point where it is not going up faster than the rate of inflation.

I brought a little chart with me here this evening. Before we got here, this is the last 7 years before we got here, it was Democrat control of the House of Representatives, with spending going up at 5.2 percent annually. This is now. This is how we got to a balanced budget. We got spending under control. This shows 3.2. The actual spending growth rate is down even lower in this blue column. It has actually been cut in half, not draconian cuts but spending brought under control, to the point where it is only being allowed to grow at the same rate as inflation.

□ 0100

Mr. Chairman, I need to enter into a colloquy with the gentleman from Ohio (Mr. KASICH) to clarify a particular issue that I have had Members coming and asking me about, and I just want to make sure that I understand it correctly.

I would just like to verify, and this refers to section 5 in the substitute amendment, and I would just like to verify that this in no way has any impact on congressional salaries in one way or another. This is designed to require that any salaries for any new commissions and employees of those commissions, such as the Social Security that is being discussed, that the salaries of these new employees shall be under the heading of discretionary spending as opposed to mandatory spending, and that is the purpose of the discussion here in section 5. It merely changes the accounting procedures by which the House estimates the cost of appropriations bills. It clarifies that pay or compensation for Federal staff positions such as those of Federal commissions are subject to annual appropriation.

This change conforms House scoring practices with those in the Senate. In summary, it is a technical change in budgetary treatment of Federal positions. It makes no change whatsoever in pay or compensation levels.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, the gentleman is correct.

Mr. NEUMANN. Chairman, reclaiming my time, I thank the gentleman. I appreciate that.

Mr. Chairman, I would like to get back to a further discussion of this budget and exactly what it is all about, because when I got out here to Washington, I got off the plane this week from Wisconsin, and it is like I enter a brand-new world out here. Everything is different. Everything I understand in Wisconsin, when I get out here it is all different.

In Wisconsin, we would say that if we spent $1,722 billion in one year and $1,910 billion in another year, we would call that a spending increase. In fact, under the Kasich plan, we are going to have spending of a total of $9 trillion. That is 9,000 billions of dollars over the next 5 years. An inflationary number would be approximately 8,980 billion, so the increase is roughly at the rate of inflation.

Mr. Chairman, I would like to again commend the gentleman from Ohio (Chairman KASICH), because if we take Social Security out of the picture, which is increasing faster than the rate of inflation for obvious reasons because we have new seniors coming in, if we look at the rest of the budget other than Social Security, we would find that the Chairman KASICH and the Committee on the Budget has held spending increases actually below the rate of inflation.

I bring this up for a good reason. We recently asked through the Polling Place, a firm recently asked 2,000 adults in the United States of America, Kelly Ann Fitzpatrick's poll, the Polling Place, ''Do you think spending at the Federal Government level should go up faster than the rate of inflation, at the rate of inflation, or slower than the rate of inflation?'' It was a 90-to-3 answer in the American people. Ninety percent of the people said government spending should go up at or below the rate of inflation. And if we take Social Security out of the picture, that is exactly what this budget accomplishes.

This budget is not about a Democrat or Republican fight or this rhetoric that we are hearing here tonight. It is about what the American people want by a 90-to-3 margin. The American people expect us to keep our budget going up at or below the rate that the family budget is going up out there across this great country.

That is what this budgeting is about. It is not about the rhetoric. It is about holding the line on spending. Not Draconian cuts, but holding the line on spending so that it does not go up faster than the rate of inflation.

It would be my pleasure tomorrow to vote for the Kasich plan.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, in his introductory speech, the gentleman from Ohio (Mr. KASICH), chairman of the Committee on the Budget, talked a great deal about American families. Well, Federal employees are members of American families, too.

Last year, Federal employees' families were asked to contribute almost $5 billion in savings so that every other American family could enjoy a tax cut. And in return for that contribution, Congress fixed the structure of the Federal employee's health benefits package to make it more affordable and sustainable.

This budget reneges on that contract and does so in a way that will cause immeasurable harm to the Federal employee's health benefits program and to the Federal civil service by changing the formula on which the employer's share of their health premiums are based.

This maneuver saves $3,300 billion, but it is an unwise policy change, and it violates last year's budget agreement that stabilized the cost-sharing relationship between the Federal Government and its employees.

According to CBO estimates, this change would reduce the employer's share of health insurance premiums from 72 percent to 50 percent over the next 7 years. In other words, the employee's share will rise from 28 percent to 50 percent.

This will result in Federal employees and retirees paying hundreds of dollars more in additional health care costs. Moreover, the budget resolution will lead to adverse selection by encouraging healthy employees to switch to less expensive plans.

This will profoundly undermine the integrity of the Federal Employee's Health Benefits Program. The Federal Employee's Health Benefits Program is one of the most successful programs in the country for providing health insurance to employees. It is promoted as the model for any changes in Medicare, military retiree health care. We just incorporated FEHBP into military retiree health care, Medicaid and so many private insurance plans. It is successful because it is managed as a part of a compensation package for Federal employees, and it has thus been protected up until now from arbitrary political changes.

Although it is one of the most successful programs, it is definitely not one of the most generous health insurance packages. Making the changes that this committee proposes will not only hurt Federal employees and Federal retirees living on fixed incomes, but it will also hurt the ability of the government to recruit and retain highest-quality employees. And that will hurt American citizens who count on professional, efficient, incorruptible Federal workers to serve them.

Mr. Chairman, this alone is a reason to oppose this budget resolution. There are other reasons. The tax cut basically is financed by using what is a surplus from Social Security Trust Funds. We do not have a surplus now in general funds. We have a surplus in Social Security Trust Funds. There is still about a $50 billion general fund deficit. Perhaps over the years it is projected we will have a surplus that we can devote to tax cuts. But when we promise the American people these kinds of $100 billion in tax cuts without a real surplus to do so, it is irresponsible, it is a false promise. This budget resolution is a political document and it should be rejected.

Mr. SHAYS. Mr. Chairman, I yield 6 minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Chairman, I thank the gentleman from Connecticut (Mr. SHAYS) for yielding me this time.

Mr. Chairman, it has been interesting to listen to this and I would note I am honored for the mention of prime time in Arizona, because it is high time my constituents believe to approach these questions with less heat and a lot more light.

I listened with interest to my colleague from Maryland decry the largest tax increase in American history. He said that fact was not true. I would agree with him to this extent. A member of the minority party in the other body, Senator DANIEL PATRICK MOYNIHAN of New York, called it the largest tax increase in the history of the world. So I think that is important to note for the record.

But we are really not here to hurl brickbats as much as we are here to try to find reasonable solutions for the American people.

The people of the Sixth Congressional District of Arizona work hard for the money they earn. They want to hang on to more of it and send less of it to Washington, D.C. I appreciate the concern that we all have for Federal employees, but there is a broader question that requires comment based on what the gentleman from Virginia just recited, and it is this. The fact is in the early 1990s, government at all levels had become this Nation's number one employer; and in the early 1990s, government outstripped manufacturing in this country in excess of 600,000 jobs. And the fact is that has only grown.

So there is a larger question. Should dedicated, hard-working people have more opportunities in the private sector rather than always searching for government?

And I understand the political dynamic. I understand how sadly some people are yoked to the public employee's union and to Boss McEntee and Boss Sweeney and those who claim we should always have more government jobs and more government spending and higher taxes.

□ 0110

There is another component of the Spratt plan that my colleague from Arizona pointed out: No net tax cuts but a sense of the Congress resolution that maybe conceivably tax cuts, tax relief might be a good idea.

My friend from South Carolina wanted to task my committee, the Committee on Ways and Means, and he talked about massaging the Tax Code and various and sundry other measures. Mr. Chairman, we do not need to massage or try to change in that way. What we need to do is clearly and unequivocally offer tax relief to working families.

One of the most egregious tax penalties we have today is the marriage penalty. It is our goal, with this common sense conservative majority budget, to outline for the American people a reasonable, rational way to throw off the yoke of this marriage penalty, to allow working families to hang on to more of what they earn, not to be penalized, and to understand underpinning all of this is the common sense notion that this money belongs to the American people.

I heard some friends from the other side talk about education. I would ask those friends to join me in the spirit of bipartisanship for those educational solutions that empower local communities and parents and teachers rather than empower Washington bureaucrats.

Indeed, I have put forth two bills. I would welcome bipartisan sponsorship of the new Education Land Grant Act that offers conveyances of federally controlled land with no budgetary impact, so that we can make sure that resources are used to help children learn and help teachers teach in a way that draws on the best of our history and the best of our experiences. Proverbs notes there is nothing new under the sun, and we see the wisdom of that scripture.

As my colleague from Arizona pointed out, there are two philosophies at work here on the floor. When you strip away the rhetoric and the revisionist history and some of the mundane points, there are really two philosophies here. It is this simple concept. Do we want to continue runaway spending and runaway growth, or are we reasonably assured that we can put the brakes on to the extent not that we offer draconian cuts in spending but that we offer government spending at the rate of inflation?

It is a reasonable concept. We have a chance to build on this historic landmark, not to have it as the floor nor the ceiling but as the starting point on which to build and improve, for we have the chance to allow the American people to hold on to more of their money and at the same time increase surpluses by simply recognizing this fact.

We have asked the American people to sacrifice time and again so that Washington could offer more and more programs. Let us make this change. Let us ask Washington to rein it in so that American families can hold on to more of what they earn, so that working people can provide for their own families.

There are a lot of dedicated people that work for the government. I have no doubt of that. But no Washington bureaucrat, no matter how well-meaning or how compassionate, can possibly care for your family as much as you can. Our budget plan recognizes that in a common sense fashion that does not rely on smoke and mirrors and does not promise everything to everybody but says simply this: It is time to rein in spending, it is time for a common sense approach. It is time to stand on the shoulders of those who have gone before, and it is time to improve on the bipartisan agreement of last year. Let us do so.

Mr. SPRATT. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey (Mr. ANDREWS).

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

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

My 5-year-old daughter Jacquelyn graduated from nursery school last night and I was unable to be in attendance because I thought this was an important place to be for this debate.

The President of the United States, Members of both parties of this institution and, more importantly, workers and entrepreneurs around America have already given my daughter and her classmates a very precious gift in the last few years, in that we have stopped running our government by borrowing money.

That is a magnificent achievement that we should make sure that we enshrine permanently into the budgets of our Federal Government. I think it is time that we gave my daughter and

those of her generation another gift, and that is the permanent preservation of Social Security. Because the Spratt Democratic budget is superior to the Republican budget in that way, I will be casting my vote in favor of the Spratt budget and against the Republican budget tomorrow.

Let me explain why. Since 1970 we have taken about $700 billion out of the country's pension fund, out of the Social Security trust fund. It is now projected that over the next five years, somewhere between one half or, I should say, between one-third and two-thirds of that money will be available for replenishment of the money that we have taken out, somewhere between $240 and $490 billion in accumulated surplus. This debate is first and foremost about what to do with that money, what to do with that surplus that we are confident will accumulate over the next five years.

The Republican plan is mysterious in this regard. The document before us tonight is silent, but the record is not.

The majority has talked about an untested theoretical think tank approach to Social Security that really is not Social Security, it is social engineering, an idea of giving Americans across the country an undefined amount of money in an undefined account to act in an undefined way. When it comes to Social Security, I believe that the gentleman from South Carolina (Mr. SPRATT) and the Democrats have the right answer: ''If the ain't broke, don't fix it.''

The basic formula of Social Security has worked in this country for over 60 years. The system needs modification and improvement but the basic formula, I believe, does not need retooling.

Earlier this year I introduced legislation that would guarantee the use of any accumulated Federal cash surplus first and foremost for the preservation of Social Security. I am very pleased that that principle has been very much enshrined in the resolution put forward by the gentleman from South Carolina (Mr. SPRATT). If his resolution becomes the law, and I am confident that some form of it will, we will set aside and replenish anywhere from one-third to two-thirds of that money that has been taken out of the national pension fund since 1970, so it will not solve the problem of Social Security because of the demographic lines it will inevitably cross, but it will make the solution to that problem infinitely more within our reach, and it is the right thing to do.

The difference between the Democratic budget and the Republican budget is very stark, very simple and very clear. When it comes to the $700 billion that Republicans and Democrats, Presidents and Congress have taken out of the Social Security fund for the last 8 years, the Democratic budget puts the money back in. The Republican budget raises a series of questions that I believe are not appropriately answered.

For those and for other reasons, I would urge my colleagues tomorrow to reject the budget the majority has put before us and to embrace and adopt the resolution put forward by the gentleman from South Carolina (Mr. SPRATT).

This is not simply a matter of fiscal policy. It is a matter of national integrity. Each week when Americans have their FICA tax taken out of their paycheck, they are honoring a promise to us to pay their taxes. It is high time we honored the promise to them and adopted the Spratt resolution.

☐ 0120

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Chairman, I listened with great interest to my friend from New Jersey. I would just point out, because I think it is important and perhaps the gentleman is unaware, that sadly this President has already violated the promise he made right there about keeping the Social Security surplus intact in sending two billions of those dollars to keep troops in Bosnia. The stakes are too high to engage in catcalls about Social Security. The cautionary tale for all of us, Republicans and Democrats, is this: We owe it to seniors, today and tomorrow, to end the disinformation, to deal with them straight. I know the gentleman from New Jersey shares that sentiment. But for the historic record, as the chairman of the Committee on Ways and Means pointed out in a letter to the President, as he pointed out in yesterday's edition of the Washington Post, this President has already spent $2 billion of the Social Security surplus.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. HAYWORTH. I yield to the gentleman from New Jersey.

Mr. ANDREWS. I ask my friend from Arizona, the Congressional Budget Office projects surpluses of $223 billion over the 5 years we are talking about here tonight. Under the majority budget, how much of that is reserved for the Social Security surplus?

Mr. HAYWORTH. I thank my colleague very much, and I appreciate the fact that he would like a specific notion on this, but I would defer to my friend who actually sat in the Committee on the Budget deliberations for these numbers because, as he knows, I do not sit on the Committee on the Budget. I would be happy to yield to my friend from Connecticut if he has a definite answer or perhaps since the gentleman from New Jersey asked the question, maybe he would like to share it with all of us in the Chamber.

Mr. SHAYS. If the gentleman will yield, my understanding is that what you all do is you put it into a special fund and then you are paying down debt. We are saving the surplus. We are not spending it. We did not go with our separate fund because we only have a margin of 10 votes and we did not get the margin to pass that.

The thing that is very troubling to us on this side of the aisle is that the President sought not to save all that surplus. He was going to spend $43 billion of it.

Mr. SPRATT. Mr. Chairman, I yield the balance of my time to the gentlewoman from Michigan (Ms. RIVERS).

The CHAIRMAN. The gentlewoman from Michigan (Ms. RIVERS) is recognized for 2½ minutes.

Ms. RIVERS. Mr. Chairman, I wanted to make two comments to my friend from Arizona, the first one being relative to the argument that the President has already spent $2 billion of Social Security money.

My recollection is that that came through the House here as a bill that actually was passed by this House. I know a significant number of Democrats did not vote for it, which suggests to me that a significant number of Republicans did therefore join the President in the decision to do that. So I think that when we talk about that particular issue, we should be talking about the fact that a bipartisan group, the President and a bipartisan group of Members of the House and the Senate decided to make that decision. It clearly was not a unilateral decision made on the part of the President.

Secondly, my friend from Arizona pointed out that he would invite people to join him on educational issues and it was said in such a way to suggest that perhaps I was being disingenuous in my concern. The issue that I raised was that in the Committee on the Budget, several people had talked about the desire to have the greatest impact on local education by fully funding the Federal portion of special education. As a school board member for 8½ years, I believe that that is a very important thing to do and it is a view that I have held for a very long time. I offered an amendment to do that very thing. Unfortunately the committee was not willing to accept that and instead altered my proposal to make it a sense of the Congress so it would not be binding.

I would be willing to join with the gentleman from Arizona. If he would like to cosponsor that bill here in the House, I would be happy to do it. I understand he has a bill, a conveyance of land which is probably a nice gesture but it does not pay the bills for local school districts, and I think a change in the funding formula for special education would have a huge impact on local schools and it is something I am very supportive of.

We have talked a lot about process, about history, we have put out charts, we have talked about our own view of the problem before us and depending on your perspective, that may be fact, that may be demagoguery. But at the end of the day all these proposals are going to be evaluated by everyday Americans on how they affect them and their families. It is going to be the

impact of the decisions that will determine whether or not they are supported.

I want to talk about one particular proposal in here, because I think the impact could be truly egregious. Initially this proposal came out as a $10 billion change in funding for Medicare. On May 12, 1998 we saw that in a document that was presented. Last night that decision was altered. My assumption is that there was a hue and cry that went up about Medicare, there was an understanding that this is a group of people affected, senior citizens, who are a little too responsive, a little too organized, a little too likely to vote, and so the decision was made to go with Medicaid, seniors who are in long-term care, kids and poor people. Shame.

The CHAIRMAN. All time for general debate on the Congressional budget allotted to the minority has expired.

The gentleman from South Carolina (Mr. SPRATT) as the designee of the gentleman from California (Mr. STARK) is recognized for 30 minutes on the subject of economic goals and policies.

Mr. SHAYS. Mr. Chairman, I just have a two-minute closing. The gentleman might just want to make a few closing remarks, and then we can yield back the time. Does the gentleman care to make any other comments?

Mr. SPRATT. Mr. Chairman, I am ready to close. It is 1:25.

Mr. SHAYS. Mr. Chairman, I will yield back our time after I just make a 2-minute comment.

Mr. SPRATT. Is the gentleman yielding back all the time?

Mr. SHAYS. I was going to use 2 minutes and then yield back the rest.

Mr. SPRATT. We are waiving the Humphrey-Hawkins debate, then?

Mr. SHAYS. We would yield it all back.

Mr. SPRATT. Mr. Chairman, I yield back the balance of my time.

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

Mr. Chairman, this is a process that has not been easy for this side of the aisle for a variety of reasons. When the President came in with his budget, he came in with 85 new spending programs, including 39 new entitlements, more than $150 billion in new spending over 5 years, $129 billion in tax increases over 5 years to pay for some of that spending, from the same President who in 1993 signed a very large tax increase. We had a Congress that got eager to spend more money, on roads and bridges, and we have frankly on this side of the aisle only a margin of 10 votes. It is very difficult to bring forward a budget when you have 435 Members of Congress who have many different views on how to do a budget. But the bottom line is that the gentleman from Ohio (Mr. KASICH) got us reoriented in a way I think was very important. He began to question whether we had assumed that we had arrived at a point of surplus where we did not need to begin to focus on finding ways to continue to slow the growth of government spending and help reduce government.

He has had a tough battle. He has not won all his battles. There have been continual changes to his budget as one Member or another says, ''I am not voting for the budget unless we do the following.'' But I wager to say if he did not do this battle, we would be spending more than the caps allowed, as the President sought to do.

The President sought to spend more than the caps would allow in the next 5 years. I do not think my colleagues on the other side of the aisle agreed with that and are going to come in with another plan. But we will have extensive debate in the next few weeks. The appropriators will come out with their plan. The Committee on Ways and Means will come out with their plan. In the end, I hope we come to a conclusion that finds this government not as large, that saves money, and provides for a tax reduction in an area that is paid for not by surplus but by slowing the growth of spending.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise today to voice my concerns about H. Con. Res. 284, the House Budget Resolution. I strongly object to the Budget that has been proposed by the Republican leadership.

The Republican plan misses every opportunity to make constructive investments in our future to improve our government's services and benefits for our citizens who need it most.

The House Republican budget resolution eliminates the 15% exemption from the food stamp work requirement for able bodied adults without dependents. This will eliminate food stamp benefits to more than one million hungry people in the average month. It eliminates funding for food stamp employment and training programs so that people who are relying on food stamps to feed their children and themselves will have nowhere to find job training after they lose their access to food. Over a five year period this plan will reduce food stamp employment funding by $200 million. $200 million for needy families.

This is a travesty! How can we say that we care about the health and welfare of our future, about our children's health when we remove poor children's access to crucial health care?

If the Republicans themselves say they cannot live with the bill, how can our most needy and most vulnerable populations live with such a plan? The answer is that our children, our inner city poor, our single parents, will suffer and unfairly.

In contrast, the Democratic bill includes $10 billion over five years to help working families. This money can be used to reduce classroom size: 75,000 additional teachers and 1.2 billion for the Child Care and Early Learning Fund.

And what about our children's chances for education, for advancement, for their chance to be respected, learned and contributive members of our communities? The Republicans themselves have criticized the plan. Senator DOMENICI in relation to the bill said ''You just can't do this. This is just not a possible solution and we [in the Senate] would not do it because we couldn't live with it in the waning days of the session.''

We simply can and should not terminate all direct federal assistance to public school districts in our poorest areas by repealing Title I grants. It is shocking that the Republican plan cuts the discretionary education program by $6 billion below last year's Balanced Budget Agreement and $7 billion below our Democratic plan.

We must not eliminate bilingual education. Our children who speak a foreign language as a first language should not be forced to suffer because their English is not as proficient. We can learn so much from each other, but only if we listen and work with each other.

It will eliminate Americorps and the Legal Services Corporation both which provide critical assistance to many of our poor citizens who need to secure housing, fair pay AND a fair chance.

We must put the health and welfare of our people, our families, our communities first. The Republican plan would freeze WIC, and head start at 1998 funding levels for 5 years, as well as section 8 Housing causing at least a million households to lose federal vouchers and certificates by 2003.

In fact 14 percent of the Mandatory cuts come from low income programs, hitting those who need the funding the most. Our families who need food stamps for their basic nutritional needs, welfare to work and social service programs, will lose their tentative grip on self-sufficient independent living when all these are erased.

Combined with the $12 billion worth of cuts in Medicaid/Children's Health Insurance Program, almost 49% of the Republican's mandatory cuts hit programs for the poor and near poor, even though these programs constitute only about one-fifth of all entitlements.

Again, the Democratic bill includes the ''patient's Bill of Rights Act'' which reform the managed care system, this will help families and help those who cannot afford adequate health care. The Democratic bill will also fund health care, health research related to Tobacco. The Republican plan ignores the effects smoking has on youth in America.

In the President's State of the Union Address, he proposed initiatives in child care, health care and education, yet, the Republicans in Budget Committee voted to reject every single initiative, even the most inexpensive. We have a responsibility to provide for our nation's future and all the people who need services to survive and to thrive.

In my home state of Texas, proposed cuts in the Social Services Block Grant will result in a loss to the State of Texas of approximately $28.7 million. Child and Family Services, Child Care Regulation and Adult Protective Services will be reduced by $8.89 million from the amount they currently receive, and the Texas Workforce Commission which receives 1.2% of the Texas allocation and supports child care for low income families will be cut by 17% or $340,000. The Department of Human Services providing Family Violence and Community Care Services will lose 14.34 million dollars.

In Harris County where I live, poverty has increased 42%, and 240,000 children are living in poverty, and 30,000 families are on the waiting list for child care assistance. Child abuse and neglect accounts for 20% of all children's homicides in the county, and only 42.7% of all the children who were abused in Harris County actually received any therapeutic services.

I urge my colleagues to think carefully when they cast their votes this evening on the budget. It is critical that we consider fairness, and

compassion in making these decisions. We must provide adequate resources to ensure our America, our children a strong and healthy future.

Mr. HOBSON. Mr. Chairman, I rise today in support of the budget here before us and urge my colleagues to support the measure.

The budget resolution we're debating today is the natural extension of our mission in Congress to balance the budget, eliminate the deficit, cut taxes, and return power, money and influence to the American people. The goals we are seeking with this budget are the same goals of every other major piece of reform legislation we have passed here since 1994.

This budget continues our commitment to fighting the tendency of government to expand and spend more money. It slows the future growth of government by one penny on the dollar so that Congress can eliminate the Marriage Tax Penalty—a uniquely harmful quirk of our tax code which actually delivers a specific tax increase to men and women who seek to build their lives together.

Refuting the President's bloated 1999 spending plan is also accomplished by our resolution here today. When the President sent up his suggestions for the 1999 budget I had to scratch my head because I thought someone had accidentally delivered one of the President's big government budgets from before he signed the Balanced Budget Act. His big-spending, Washington-knows-best version of the budget comes from a mindset that says people at the state and local level don't know how to solve their own problems. We know that just isn't true.

The President's budget actually contains $150 billion in new spending, creates 85 new spending programs, and 39 new entitlements. He even wants to raise taxes to the tune of $129 billion over five years. And he does nothing about the Marriage Tax Penalty. This is the same President who just a few days ago declared the budget balanced and took credit for our country's new budget surplus. I wonder if he'll hold a similar press conference when his big new spending plans put us back into the red? The budget before us today refutes the President's bloated spending plan and reminds him that he did in fact sign the Balanced Budget Act and he is obligated to honor it, just as Congress must honor it.

One of my proudest moments as a member of this body was when we approved the legislation which balanced the budget for the first time since 1969 and gave Americans their first tax cuts in 16 years. This was a dramatic move forward which permanently changed the way the government works, and reminded Washington that it does in fact have a master—the people.

Now we are moving forward and taking the next step in order to control the size and scope of government, in order to reduce its interference in our businesses and personal lives, and in order to let families keep more of their hard earned money.

If you're like me and you think that somewhere, someplace in the halls of the bureaucracy, there might be just one penny of savings to be found for each buck we spend, then maybe you should consider supporting this budget.

And, if you're like me, and you think that we should take that one percent of savings and use it to end a policy that singles out families for higher taxes and instead reduce their taxes, then maybe you should consider supporting this budget.

Federal Reserve Board Chairman Alan Greenspan credits the actions of Congress with the new-found fiscal responsibility that today rules our federal government. Let's build on these successes, not sit on our laurels, and let's move forward with the logical next step in the budget process, which is to continue to deliver savings and tax relief to the people of this great nation which we serve.

Pass the resolution.

Mrs. MALONEY of New York. Mr. Chairman, I remember that when I became a member of this Congress six years ago, the American economy was in trouble. In 1993 the budget deficit was over a quarter of a trillion dollars, growth was an anemic 2.3 percent and unemployment was hovering at an alarming seven percent.

Today I can't pick up the paper without reading about the latest statistics of good news: the longest period of post-war expansion, with last year an amazing 3.9 growth rate; the lowest unemployment rate in about three decades, today barely over four percent, and a fiscal situation that was regarded as a fantasy when this president took office: this year a projected budget surplus of $39 billion.

The difference between then and now can be seen in the newspaper almost every day. In fact, on the front page of today's New York Times business section was a story reporting a 12.1 percent increase in American car and truck sales. The reason for the continuing bright news was explained by General Motors' chief forecaster, who stated, ''The fundamentals of the economy are very strong. A lot has been written about the industry slowing down, but frankly it's hard to see that happening because of low unemployment, low interest rates and high consumer confidence.''

Some people from the other side who are a little embarrassed that the economy is doing so well under a Democratic president like to point out that a president isn't responsible for every aspect of the economy. Maybe so. But if there is one area where the executive does make an impact, it's fiscal policy. It's a simple relationship: when the budget is balanced, interest rates stay down. And low interest rates drive a robust economy.

Over 12 years of Republican presidents, we saw budgets eat up trillions of dollars that we are all going to have to repay. What this President did when he took office was something that everybody said had to be done for the past three decades: stop government from borrowing from our future.

As we all know, those policies paid off much more quickly than even the most optimistic predictions: The budget moving into surplus years ahead of schedule. And why? The government is taking in record taxes. But not because citizens are being taxed more, but because with more people having jobs, fewer people need public assistance, while more working men and women pay taxes.

Some might scoff at the President's claim that his policies led to the massive creation of jobs that is the envy of the world. The president obviously isn't taking all the credit. But he can claim that America's private sector, especially its technology leaders, has flourished under an administration committed to eliminating obstacles and promoting opportunity. And just as importantly, he can point to the steadily decreasing budget deficit as a catalyst for growth, since business doesn't have to compete with the federal government anymore for capital.

The budget proposal we are considering today seems to turn the most common folk wisdom on its head. The Republican leadership seems to be saying: If it's fixed, let's break it. Just at the moment that we are poised to begin paying down our debt and shore up what is widely believed to be an unsustainable social security system, the other side wants to risk opening up the flood gates of deficit spending.

Just how does this budget resolution go about doing this? Well, first it calls for a $100 billion tax cut in order to address the ''marriage penalty.'' But the marriage penalty is in no way considered to cost that much. Furthermore, there is no guarantee at all that in the final budgets that Congress produces over the next few years that these cuts will have anything to do with fixing the marriage penalty. That will be determined by a Ways and Means Committee which has yet to support such a fix.

And what does this resolution cut in order to pay for this tax scheme? Well, one offset is veterans spending, which was already hit in the transportation bill, and another is welfare reform, hitting the people who need the most help. Mr. Speaker, these are not the people who should be sacrificing so that others can get a tax break.

This is no time to make long-term changes in the budget. This is no time to create new tax schemes that are likely to trigger chronic deficits yet again. It took twenty years and trillions of dollars of red ink to produce the political will needed to tackle the last round of deficits. It won't be easy to reverse this mistake even when its effects become apparent.

Let's stay with the President's plea to save social security first, an idea which enjoys tremendous bipartisan support throughout the nation. After we finish with the business at hand, then we can have an honest debate about the benefits of a surplus.

Mr. GEKAS. Mr. Chairman, I want to commend my colleagues on the House Budget Committee who supported NIH funding increases: the gentleman from Ohio, Budget Committee Chairman KASICH stated at the Budget Committee markup that he hoped that the Appropriators could give the NIH an even bigger boost than the Budget recommended and I want to thank him for the support, along with the gentleman from Florida, Mr. MILLER who also spoke about the excellent testimony he heard from our Noble laureates in Medicine about the health advances we could make with increased funding, and the gentleman from Minnesota, Mr. GUTKNECHT, who also urged for increases in health research, which he knows from the excellent research and health care facility in his District, the Mayo Clinic. Also, the effort was bipartisan in the Budget Committee with the gentleman from Texas, Mr. BENTSEN, offering an amendment to double NIH funding over 5 years.

Appreciating all the excellent efforts of the House Budget Committee Members to increase NIH funding, I respectfully urge them to recede to the Senate Budget Resolution on NIH funding for FY'99 when they go to the Conference.

Under the current budget spending caps it will be difficult to increase funding for the NIH at the level that is needed to make medical

progress and it is impossible to fund the doubling goal under the caps. Again, I urge my colleagues on the Budget Committee to consider alternative budget offsets that might be used and not counted under the budget caps, such as the revenues from tobacco use, a natural, related and logical step to allow some of these revenues if available to be used by the NIH for health research. This would be the best form of compensation to the victims of tobacco, if we were able to cure cancer or heart disease from tobacco revenues, because if we merely use these tobacco funds to compensate the States and the Federal Government for Medicaid and Medicare costs, just paying over and over for the same treatments and interventions without progress through health research for more effective care, we will never have the funds needed for all these health care treatments. Only progress through health research will truly reduce the costs of these programs. Save Medicare and Medicaid by using budget offsets to increase health research at the NIH. Senator DOMENICI has called for protecting Medicare through use of the tobacco revenues in the Senate Budget Resolution, but we can only insure that result through increased health research funding at the NIH from tobacco revenues.

I want to continue to work with my colleagues on the House Budget Committee, NIH Authorizing Committee, and Appropriators to achieve these goals from some of the funding sources that I have discussed.

Mr. GOSS. Mr. Chairman, I want to begin by commending Chairman KASICH for his leadership and I concur with him that our Federal Government is still too big, too bloated, and too tax heavy. The surplus hasn't even hit the Treasury and we have passed the largest transportation bill in American history—breaking our budget caps by tens of billions of dollars. If this is any indication, we need the Kasich budget now more than ever!

Far from being ''radical,'' the Kasich budget recognizes that fiscal discipline is not a sometimes thing, it's an everyday thing. The modest savings in this plan are achievable, and they send a clear message that we are still serious about cutting Washington's budget to help the American family's budget.

Finally, I would like to clarify some misconceptions about tax cuts. As much as Congress and the President would like to think otherwise, the American taxpayers are primarily responsible for our current surplus. They are the ones working two jobs, taking risks, and investing in our economy . . . and they deserve a break. In this fiscal year alone, tax receipts are up by 11 percent, yet some of my friends would punish these Americans by maintaining the status quo. Remember Tax Freedom Day was May 10—later than ever before.

Mr. Speaker, we can do better than the status quo. The American people deserve relief and they demand continued fiscal discipline in Washington.

I strongly urge a ''yes'' vote on the Kasich budget.

Mr. SHAYS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

□ 0130

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HAYWORTH) having assumed the chair, Mr. GILCHREST, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 284) revising the congressional budget for the United States Government for fiscal year 1998, establishing the congressional budget for the United States Government for fiscal year 1999, and setting forth appropriate budgetary levels for fiscal years 2000, 2001, 2002, and 2003, had come to no resolution thereon.

## INTRODUCTION OF DISAPPROVAL RESOLUTION OF MFN FOR CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SOLOMON) is recognized for 5 minutes.

Mr. SOLOMON. Mr. Speaker, yesterday the President notified Congress that he is seeking to grant Most Favored Nation trade status to Communist China.

Today I am introducing a resolution of disapproval, which, if passed, would deny MFN status for China.

My reasons are the same as they have been over the years, and that is that appeasing Communist China has failed to encourage more decent and more responsible behavior by that criminal dictatorship in Beijing.

Across the board, the policies of the government of China continue to be repugnant and dangerous.

The human rights violations continue unabated.

China's unfair trade practices are as implacable as ever.

And China's rogue foreign policy continues to lead the world to an ever more dangerous situation.

In fact, China's proliferation activities have contributed mightily to the new nuclear arms race we are seeing in South Asia.

Only the threat of a big stick will moderate this regime, and MFN is that stick.

I look forward to the debate over the next few weeks.

## WISHING BILLIE ''THE GODMOTHER'' CARR GREETINGS ON THE OCCASION OF HER 70TH BIRTHDAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to recognize and celebrate the 70th birthday of a great American, Texan, and Democrat: Ms. Billie Carr. Please permit me to tell you a little bit about her. Her life is instructive.

Billie Carr is a native Houstonian. She attended the University of Houston and South Texas College. In 1954 she ran and was elected precinct chair in her home precinct. She still serves as precinct chair on the Harris County Democratic Party Committee.

Billie served on the state Democratic Executive Committee from 1964–1966. In 1972 she was elected to serve on the Democratic National Committee (DNC) and was elected in 1992 for her fifth term. She served on the National Resolutions Committee from 1984–1988, the National Platform Committee 1983–1984, and the National Fairness Commission from 1984–1986. She was elected in August this year to serve on the DNC's National Rules Committee.

What's more, ''the Godmother,'' as we call her, was elected by the Southern region to represent it on the Executive Committee of the DNC in 1988 and still serves to this day. Clearly, Billie Carr has almost no rival in her commitment to political activism.

Further, Carr has been the recipient of many fine awards. She received the prestigious Eleanor Roosevelt Award in 1986. In 1987, she sort of received her own award, if you will—the Harris County Democrats Billie Carr Lifetime Achievement Award. Carr received awards from the Texas Democratic Women in 1987 and a Star Award from the National Federation of Democratic Women. And, in 1994 the Texas Young Democrats gave her their Democrat of the Year Award.

In 1992 the Democratic Party had the 40th anniversary party for her 40 years of political activity. Every statewide official attended as well as then Presidential candidate Bill Clinton, who came for the convention, and spoke of his warm lifetime friendship with Billie.

Lastly, she is President of Billie Carr Associates and is the proud grandmother of two beautiful children.

In sum, Billie Carr's career began early and has lasted a virtual lifetime. From the start of her political involvement with Ralph Yarborough and Adlai Stevenson to the founding of Billie Carr Associates, she has displayed an amazing dedication to Democratic politics and public service. The awards and achievements you have earned in your life are truly breathtaking. Your record of accomplishments are an inspiration to us all. You certainly deserve to be called the Godmother of liberal democratic politics. Perhaps most significant, Mr. Speaker, she refused to take part in the despicable act and mindset of racial segregation when many chose to be passive or look the other way.

On behalf of the residents of the 18th Congressional District of Texas, I would like to offer you my heartfelt thanks for your continued efforts to serve our Houston community. Happy Birthday! Billie Carr.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. ROS-LEHTINEN (at the request of Mr. ARMEY) for after 1:00 p.m. today and the balance of the week on account of attending her daughter's graduation.

Mr. REYES (at the request of Mr. GEPHARDT) for after 1:00 p.m. today, Thursday, June 4, 1998 on account of official business.

Mr. LEWIS of Georgia (at the request of Mr. GEPHARDT) for after 12:30 p.m. today, June 4, 1998, and for the balance of the week on account of personal business.

Mr. MCGOVERN (at the request of Mr. GEPHARDT) for today before 4:00 p.m. on account of official business.

Mr. ENGEL (at the request of Mr. GEPHARDT) for today after 5:30 p.m. on account of personal business.

Mr. YATES (at the request of Mr. GEPHARDT) for today after 7:30 p.m. on account of personal reasons.