

In the United States, business aviation and U.S. air carriers are experiencing record growth and are expected to carry over 1 billion passengers a year early in the next decade.

Aviation is an essential ingredient in the economic success of our Nation. The role of aviation can be seen each and every day at over 13,000 airports and landing facilities here in the United States. It is here that the men and women of the aviation industry strive to make the United States the world's leader in aviation.

The month of June has been designated as "Learn To Fly Month". I hope that more people will take an interest in aviation. In order to maintain our position as the world's leader in aviation, the United States must recognize the importance of highly qualified and well-trained pilots.

These pilots are a key ingredient in the success of the United States Aviation Industry and help to maintain the best aviation infrastructure in the world.

I place the following proclamation by Transportation Secretary Rodney Slater proclaiming June as Learn To Fly Month, in the RECORD and call it to the attention of my colleagues.

THE SECRETARY OF
TRANSPORTATION,
Washington, DC, June 9, 1998.

Whereas aviation is a vital link of our nation's transportation system and economy;

Whereas the growth, safety, and efficiency of aviation requires highly qualified pilots;

Whereas in 1996, fewer people undertook flight training than anytime since the Korean War, and the overall U.S. pilot population declined to the lowest number in over 20 years;

Whereas the United States Military is training fewer pilots than anytime in recent history;

Whereas the United States airlines and business aviation are experiencing record growth and are expected to carry over 1 billion passengers a year early in the next decade;

Whereas the General Aviation Revitalization Act of 1994 has stimulated the rebirth of light general aviation aircraft manufacturing in the United States;

Whereas general aviation is playing an increasingly important role in the nation's air transportation system serving over 13,000 airports and landing facilities;

Whereas the experience of flight offers the opportunity for personal challenge and self fulfillment in professional and personal endeavors;

Whereas GA Team 2000 has been formed by over 120 companies and associations representing all facets of the civil aviation industry with the specific purpose of stimulating more student pilots;

Whereas over 1600 flight training institutions and schools are participating in this national effort;

Therefore in special recognition of rebuilding America's pilot population, I Rodney Slater, Secretary of Transportation, do hereby proclaim June 1998 as Learn to Fly Month with the recognition that highly qualified and well trained pilots are an essential ingredient of our nation's aviation infrastructure.

RODNEY E. SLATER.

TRIBUTE TO PATRICIA FRANCIS

HON. JOHN F. TIERNEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1998

Mr. TIERNEY. Mr. Speaker, I rise to salute Ms. Patricia Francis of Lynn, Massachusetts who has received an award from the Lynn Hispanic Scholarship Fund, Inc. for academic excellence.

I hope Patricia appreciates and is proud of her accomplishments. She has challenged herself by transitioning from bilingual classes to English only classes after only one year in the bilingual program. She has also successfully balanced several extracurricular activities with her academic responsibilities. Serving in her role as a mentor for elementary school children, Patricia has undoubtedly made an impression upon them about the importance of making a commitment to education. Her dedication is to be commended. I have no doubt that she will be successful in her future endeavors as she pursues her career goals in journalism starting at Salem State College.

Indeed, Ms. Francis has worked hard to achieve her goals. Mr. Speaker, I am proud to stand here to recognize the accomplishments of Patricia Francis, and I hope my colleagues will join with me today in wishing Ms. Francis the very best as she continues her education.

THE BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 10, 1998

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, June 10, 1998 into the CONGRESSIONAL RECORD.

THE BUDGET SURPLUS

One of the most striking economic developments this year has been the return of the federal budget surpluses. For the first time since the Johnson Administration the federal government will spend less than it receives in revenue. The deficits reached a record \$290 billion in 1992 under President Bush, and for many years they have dominated the policy debate in Washington. Turning this around has been a major accomplishment. Now Congress is faced with the quite different question of what to do with the surpluses.

LATEST PROJECTIONS

The latest projections are that the federal budget will run a surplus of around \$50-60 billion this year. The projections are even better after that, as the combined surpluses over the next ten years could exceed \$1.5 trillion. These surpluses reverse the trend of the past three decades in which the federal government built up most of the national debt, which now stands at \$3.8 trillion.

REASONS FOR SURPLUS

Part of the credit for the surplus goes to Congress, especially for passing the 1993 deficit reduction package. That helped to slow the growth of government spending and built greater spending restraint into the budget law. Major factors in holding down spending have been the shift toward managed care in Medicare and defense downsizing after the end of the Cold War.

But even more important than the spending restraint has been the growth in revenues coming into the Treasury because of the strong showing of the U.S. economy. More people have been working and hence paying taxes; the stock market has been booming, generating a sharp increase in capital gains taxes; and corporate profits have been high. Tax revenues during the month of April were some 14% higher than a year ago, and, because of the strong economy, tax receipts as a share of the economy have risen to 21.5%, a postwar record.

NEED FOR CAUTION

Yet that dependence of the budget surplus on the economy's remarkable performance means we must be particularly cautious. Our economy will at some point slow down. The current economic expansion is the second longest since World War II, and the business cycle hasn't been repealed. When the economy slows, incoming revenues will drop and the surplus could be reduced or eliminated altogether. Even an average-sized recession could mean a \$100 billion budgetary shortfall for a year or two.

There's a second reason to be careful with these surpluses. Long-range forecasts can be quite unreliable. The forecast of a surplus five or ten years from now is not much better than an educated guess. Early last year, for example, the Administration was forecasting a \$121 billion deficit for 1998; now they are forecasting a sizable surplus. If we cut taxes or increase expenditures now, that will be very hard to reverse if the forecasts are wrong.

A third reason to be cautious is that the surpluses are to some degree an illusion. They occur because the tallying of federal spending and receipts includes the surpluses in Social Security. If the Social Security accounts are removed, the remaining tax payments fall tens of billions of dollars short of covering the full cost of providing government services.

The fourth reason for caution about the surpluses is a longer-term one. When the baby-boom generation begins to retire in about ten years, the whole demographic structure of our population changes. Between now and the year 2030 the number of people aged 65 or older will double, but the number of people ages 20 to 64 will increase by only about 15%. As the baby-boomers become eligible for Social Security, Medicare, and Medicaid, that will put an enormous strain on federal spending. The biggest chunk of federal spending, by far, currently goes for programs for older Americans, and that will only increase in the years ahead.

POLICY OPTIONS

The surpluses put us into an altogether new policy field, and there are many proposals in Washington today to cut taxes or increase spending. Yet I think a very strong case can be made for using the emerging surpluses to pay down the federal debt.

Despite the bright projections for the budget, the short-term uncertainties and the future imbalances due to the baby-boomers' retirement are cause for major concern. A key issue before Congress and the President is how to begin to prepare for the budgetary shortfalls that will surely arise. I find it helpful to think about this problem of the immediate surpluses in terms of ourselves and our children and grandchildren. If we cut taxes or increase spending now we can certainly provide benefits for ourselves. On the other hand, if we keep the surpluses to pay down the country's debt, that will boost the supply of private savings and investment and provide higher incomes for the next generations. Passing on a huge debt burden, which today requires interest payments of almost \$250 billion each year, is quite unfair to our