

also projected to be \$1.6 trillion. In other words, all of the projected budget surplus over the next 11 years is attributable to the Social Security trust fund, which should be off-budget.

By dipping into this so-called surplus, we are dipping into our children's and grandchildren's future. We are taking the money that would have been paid to them by the trust fund and we are saying we will fix it later, we will pay it back, we will do the right thing, maybe. We don't care about the future. We care about how it looks today and how it is going to look on November 3rd.

Is this how we should treat the people of this country? I do not think so. I cannot return to Arkansas and look the thousands of retired Arkansans in the first Congressional District in the eye and say, "I am sorry, I just wasn't thinking about what would happen down the line. I was thinking of today."

As I have said, we should cut taxes, but we should not rob the Social Security trust fund to do it. There are millions of people who depend on their monthly Social Security check as a necessary source to supplement their retirement income. Thousands of retired seniors in my district and across the country rely on Social Security as their only source of income. The Social Security System is the most successful government program ever created. All of the Members of this body should stop to think about how important the program is to each one of us, to our children and our grandchildren. We need to save the so-called surplus to be sure that the Social Security System is solvent.

Members of Congress have a responsibility to not only worry about today, but to worry about tomorrow. We must ensure that Social Security will continue to provide the benefits promised to those who have paid into the system. We must save Social Security. Our children and grandchildren deserve to know that Social Security will be there for them when they need it, and we must not rob the Social Security trust fund.

Mr. PALLONE. Mr. Speaker, again I want to thank my colleague from Arkansas. I think that what the point the gentleman makes very effectively is that our position, the Democratic position, is essentially the fiscally conservative position. Our colleague from Washington State (Mr. McDERMOTT) was making the point that for so many years the Republicans and the leadership on the other side of the aisle kept making the point about how we should not be going further into debt, and now here we are essentially arguing what is the fiscally sound thing to do to save for the future to make sure the money is there, and we are getting opposition from them. So it is amazing to see how, I guess, the ideologies change somewhat.

But I know the gentleman has always stood on the side of fiscal conserv-

atism, and this is obviously a manifestation of that. I am proud to be with the gentleman saying the same thing, because I think it is so important if we are going to have this money available for Social Security in the future.

Mr. Speaker, I just wanted to point out again what the Democrats are proposing. The Democrats have a proposal to save Social Security first, and our proposal would require by law that the entire amount of the Social Security surplus in each fiscal year be transferred to the Federal Reserve Bank of New York to be held in trust for Social Security. If we pass this bill today or tomorrow or Saturday, the President would sign it immediately. It is that simple. But, unfortunately, the Republicans have decided to make this a political issue, and there is no question in my mind about what they are doing.

First of all, the President has stated unambiguously that if the Republicans send him a bill that pays for tax cuts with the Social Security surplus, that he will veto it. So we are not against a tax cut. The Democratic proposal would essentially have the same tax cuts. What the President has been saying, and he just reaffirmed it last week, is that we have been waiting so long, 29 years, for a balanced budget, and it is a mistake for us to basically when we see the ink, so-to-speak, turn from red to black and watch it dry for a minute or two before we get carried away. He is just saying let us not squander the surplus on tax cuts before we save Social Security.

Today the Democrats had a rally in front of the Capitol. Vice President GORE was there with a number of Democratic House Members and Senators. Vice President GORE reiterated this point today when he said that we are not going to basically rip up the Balanced Budget Act. We care about the Balanced Budget Act and we want to make sure that we save Social Security and do not just rip up this Balanced Budget Act by passing this tax cut.

I think that it is important to know that many of the tax cuts included in the Republican bill were proposed and sponsored by Democrats. This is what my colleague from Washington was saying. The marriage penalty relief, the \$500 child credit and the Hope Scholarship, expanding the deduction of health insurance for the self-employed, these proposals were actually rejected by the Republicans when they were offered by Democrats at the committee level.

So it is not that the Republicans really are pushing these proposals, because they have had ample opportunity to do it before. The point is that now, just a few weeks before the election, they are suggesting that this be done, but their intention really is not to have it passed here and go to the Senate and be signed by the President. They know that none of that is going to happen in the next few weeks.

The main thing that Democrats are saying tonight and will be saying over

the next few days is that we have to have some fiscal discipline. We can show seniors and future generations that Congress will be responsible with the money the American people have entrusted us to manage for their retirement years. What we are saying is that the Republicans should abandon this ill-conceived proposal to undermine Social Security and spare itself the futile exercise of passing a bill that is speeding basically down a road to nowhere.

I can assure my colleagues on the other side of the aisle that if they drop this proposal and really move on to a legislative agenda that has some meaning, addressing HMO reform, addressing environmental and education concerns, the things that the American people want to see addressed, we could actually accomplish something here, rather than wasting our time with this tax proposal, which basically has no chance of passing and only jeopardizes Social Security.

□ 2030

#### WHO DO YOU TRUST? WHO DO YOU BELIEVE?

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from South Dakota (Mr. THUNE) is recognized for 60 minutes as the designee of the majority leader.

Mr. THUNE. Mr. Speaker, I have been listening with interest this past hour to a number of my colleagues on the other side of the aisle, and it always amazes me to get a glimpse into the mind of a liberal because they really think that it is their money. On the other hand, we think that it is the American people's money.

We listen to them talk about the reasons why we cannot lower taxes on hard-working Americans, on farmers and ranchers and small businesspeople and families, and we are at a loss sometimes as to how possibly they could have arrived at this point in time.

As I listened, there were a number of things that were mentioned. For example, the fact that the economy is performing so well right now; we certainly do not need to lower taxes. It occurred to me as I was listening to that, we think about what makes the economy perform well. Low interest rates. Low inflation. Low taxes. And we look at where we were just a few years ago before the Republicans took control of the Congress and started to get wasteful government spending under control and started to look at ways to systematically lower the tax burden on people in this country and stimulating growth in this economy and stimulating investment and generating additional tax revenues.

As a point of fact, back in 1994 before the Republicans took control of the Congress, we looked as far as the eye could see and we saw deficits 10 years into the future, \$3 trillion in deficits

projected into the future. Just this last July, the Congressional Budget Office has revised its estimate and now for the next 10 or 11 years out into the future they are projecting a \$1.6 trillion surplus, \$3 trillion in deficit in 1994 to a \$1.6 trillion surplus in 1998.

Mr. Speaker, think about that. That is almost a \$5 trillion turnaround in a matter of 3½ years. And the President would like to take credit for that, but frankly the President taking credit for the good economy is about like the Easter Bunny taking credit for Easter.

What happened is the Republicans got control of the Congress, began to roll back a lot of wasteful discretionary spending, worked with the entitlement programs to make those programs more efficient, and saved the taxpayers billions and billions of dollars on the spending side of the equation.

Couple that last summer with the Balanced Budget Agreement and the tax cut that came with it and we saw a rollback of taxes. Capital gains tax relief, death tax relief, tax relief for families, education credits, and so forth to make it easier for people in this country to make a living and pay their bills and pay their taxes and to try to fulfill all the responsibilities and obligations that they have.

So, the fact that we have an economy that is performing well today is in many ways attributable to the changes that have been made since the 1994 election when this majority got control of the Congress. And to think and to sit and listen to the other side rant and rave about the fact that somehow, some way, the Republicans are going to raid Social Security to give tax cuts to their rich friends is just another lie, like the lie about the Republicans wanting to kill Medicare or wanting to kill school lunches or any of those other things, and the American people are tired of it.

We have been predicting that this would happen, and it is happening because one after another the parade of speakers coming to the floor on the liberal side of the aisle say that these Republicans want to cut Social Security.

Mr. Speaker, I want to tell the American people that that is not the case at all. As a matter of fact, we have made a commitment to save Social Security. Look at what this plan consists of: \$1.6 trillion in surplus that is going to be generated over the course of the next 10 years, we are saying that \$1.4 trillion, 90 percent, ought to be walled off and used to save Social Security. And not only for the current people, current generation who is receiving Social Security benefits, but for those who are paying in today.

And I can tell my colleagues, personally nobody is more interested in seeing that program survive and be there than I. I have two parents who are about 80 years old who rely on that program as their sole means of existence.

Then look at the young people who are paying in the FICA tax, the payroll

tax, and are trying to balance the books in their families and trying to make ends meet and get a little bit ahead in life and they are hit with these taxes. We need to make sure that they have a program that is there for them in the future when it comes time to retire. We have made that commitment.

The question I would ask of the American people as they listen to all that rhetoric on the other side about the Republicans wanting to cut Social Security is ask one question: Who was it that said in 1995 that they were going to reform welfare and did it? Who was it that said they were going to balance the budget in 1996 and 1997 and did it? Who was it that said we were going to lower taxes on American workers across this country and did it?

Who was it that said we were going to save Medicare and make it viable for the next 10 years until we can get some long-range changes and reforms in place to make Medicare a program that will work well into the future and did it? Who was it that said they would reform the Internal Revenue Service and did it?

It was this majority in this Congress. And the American people have to ask themselves a fundamental question as this debate gets underway and that is: "Who do you trust? Who do you believe?"

Should we believe the people who for 40 years have not put a crying dime into the Social Security trust fund? Or should we believe the people who promised welfare reform, promised a balanced budget, promised lower taxes, promised a Medicare program that worked into the future, promised IRS reform? That is the question that is before the House and before the American people as this debate gets underway.

Mr. Speaker, I just happen to believe that when we look at a \$1.7 trillion annual fiscal budget, that the tax relief that is being proposed under the 90-10 plan, and the American people should bear in mind, \$1.6 trillion in surplus, \$1.4 trillion sealed off, walled off to save Social Security, and \$80 billion in the form of tax relief.

Mr. Speaker, \$80 billion on a \$1.7 trillion budget is less than one-half of 1 percent to go back to the people whose money it is in the first place. But we cannot get that through the minds of people in this town, because if we listen to the debate that is going to occur from the liberals on the other side, they are going to talk about how we have all these reasons why we should not lower taxes.

I heard the discussion tonight about farm prices being low, and I happen to agree. We are in a terrible economic disaster in rural America. And the gentleman from Washington alluded to the fact that some of it happens to do with unfair trading practices. Well, that is attributable to the Clinton administration's failure to enforce trade laws and agreements. But we have a terrible problem with farm prices. What are we going to do about that?

One of the things that is proposed in this tax relief is that of the \$80 billion, a bunch of it is going to help farmers and ranchers. I think that is worthwhile. Another proposal included is that by raising the threshold that the death tax applies to, the small farmer, the small rancher and independent producers in my State and other States have the opportunity, if they choose, to pass along their operation to the next generation without having to face both the Internal Revenue Service and the undertaker at the same time. I think that is remarkable, the death tax relief in this bill.

Another thing that we talked about was deductibility of health insurance premiums for self-employed persons, farmers and ranchers, people who have to pay health insurance premiums and yet do not have some employer-provided plan and therefore take it out of their own pocket and do not get to deduct it like if they had an employer or they were employers and used that as an expense. Mr. Speaker, that helps farmers and ranchers.

There is an provision that makes permanent income averaging. For farmers and ranchers there are lots of ups and downs, and unfortunately lately mostly downs. Some day that is going to come around and we are going to see income. We will have an opportunity to give our producers, farmers and ranchers, an opportunity to spread their income over time so that they do not get stuck with a big tax liability in one year.

There is a provision that allows for a loss carryback. If one has had profitable years in the past, go back as far as 5 years and if they have had profitable years, but losses in the current year, they can take the losses, offset them, and use them against their profitable years and get a tax refund this year. Mr. Speaker, that is projected to help 100,000 farmers and ranchers across this country; something that is very critical right now to help with the cash flow problems that our farmers and ranchers are suffering from.

If we want to do something about helping farmers and ranchers, instead of getting up and ranting and raving about how the Republicans, here they go again trying to give tax relief to their rich friends, think about the people that we are helping. The people in South Dakota that I represent, the farmers, the ranchers, the small businesspersons, the families that are trying to make a living and struggling to survive, are not rich. They need some help and need some tax relief.

I heard this evening, "We have to do this for our children." I keep wondering as I listen to that, where were these guys for the last 40 years when we were racking up over \$5 trillion in debt because of government spending that was out of control? Where were they then? Now, all the sudden we cannot lower taxes and give something back to the American people? We have to think of our children? And yet for

years and years and years in this institution when the other side controlled, had the majority control of the House of Representatives, we went in a cycle, a period of continual runaway Federal spending, racked up enormous deficits, and added to a debt that is now about \$5 trillion.

So, Mr. Speaker, as we listen to this debate, and I hope the American people are tuning in, because frankly there is going to be a lot of rhetoric and hot air that fills this Chamber in the next few days. But I believe if we listen carefully to this debate, that it will not be lost on the American people that this is the same group that year in and year out, and this is an election year, we are going to hear people arguing and talking about how the Republicans want to kill this program or that program. And now they are saying that the Republicans want to kill Social Security.

That in fact is not at all the case. We are here because we want to save that program and that is why we are dedicating this surplus, 90 percent of it, to saving Social Security. Walling it off and giving that other 10 percent back to the American people whose money it is in the first place.

That is what this debate is about. It is about being responsible to the taxpayers of this country. If we leave this surplus in this town, I can assure one thing. That is that it will get spent. There is no way that the Federal Government and the liberals in this institution will allow those dollars to stay here for very long.

So, Mr. Speaker, I thank you for the opportunity to address some of these issues this evening. I wanted to respond to some of the arguments that I heard in the debate earlier from my friends on the other side of the aisle.

I encourage the American people to tune into this debate. It is important. It is about their future and their tax dollars and seeing that they get the best possible return on their dollars.

#### ISSUES FACING AMERICA AT THE END OF THIS CONGRESSIONAL SESSION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, I think it is important to note that we are less than 5 weeks away from the end of this session. We will probably adjourn no later than October 15. The date is still basically October 9, but the rumor is that it will be some time after that. It is certainly going to be no later than October 15 or 16. The necessities of this election year dictate that we will have to adjourn.

I think that there is a full plate of unfinished business, and it is most unfortunate that most of that business is not being addressed. We did a few bills today that are significant, I guess, in terms of conference reports. We also

did a bill that I think is very harmful relating to education, and I will come back to that.

The rumor is also that a continuing resolution which will carry our budget into next year will be substituted for the passage of individual appropriations bills. The debate and the discussion of critical issues that will take place on appropriations bills will probably not be there unless we have a rule which allows us to have a number of hours of debate on the continuing resolution, the long one. There is a short continuing resolution that is going to take us into October, but a longer continuing resolution is being prepared.

This means that we will not have a chance in the context of appropriations and budget making systematically, we will not have a chance to discuss certain vital issues. They are vital issues that are not getting the kind of exposure that they need.

□ 2045

The American people have common sense that we welcome, we ought to welcome into this process, and we need to let them know what is going on.

I want to commend my colleagues, the gentleman from New Jersey (Mr. PALLONE) and the gentleman from Washington (Mr. MCDERMOTT), for the very thorough discussion of Social Security, what the Social Security trust fund means, how it works, what it is all about. Out of this present conflict between the majority party and the minority party, perhaps we will have a better understanding developed by the lay people in this country, by the voters, by the ordinary common people of what Social Security is all about, how it works.

We may have an honest bookkeeping process developed, because right now they do smoke and mirrors with Social Security funds. They use the funds in various ways that cover deficits in the regular budget. They talk about being off budget at certain times, and they place it in budget at other times. Maybe we can have a separate accounting system for Social Security grow out of this conflict between the two parties as to how Social Security should be administered.

It is a vital issue for all Americans. There are very few families that are not in one way or another touched by what happens with Social Security. Certainly, in the African American community, for some time now there have been studies showing that African Americans in smaller percentages live to be 65. The mainstream community, the white community, the greater proportion of them live to be 65 and over and enjoy their Social Security benefits.

Right now a much smaller percentage of African Americans are living to be 65 and being able to enjoy the Social Security benefits. Therefore, the African American community will be very hard hit by the movement of the retirement age from 65 to 67. That is going to

take place within two or three years. You are going to have to wait until you are 67 before you can receive your Social Security benefits. Already the people who need the help the most are going to be penalized by this Band-Aid approach to saving Social Security.

A commission, several years ago, came up with that answer, one thing we should do is move the retirement age from 65 to 67. Now they are proposing to move it to 70 after that. It will keep moving and there will be certain groups of people who will never catch up with it, if we do not find some other way to save and protect Social Security.

I think we ought to declare off limits now and forever more any movement of the age of retirement as a way to protect Social Security. What my colleagues were saying earlier makes much more sense. Let us use the money that has accumulated in these prosperous times to deal with the problem that we project for Social Security down the road.

I am not going to go back and repeat their arguments. I want to congratulate the gentleman from Washington (Mr. MCDERMOTT) in particular, Dr. MCDERMOTT, who was the author of the single payer health plan here in Congress. He is still the author of it; he originated it, the single payer health plan.

Dr. MCDERMOTT gave a brilliant analysis of how the Social Security fund works and how the money is accumulated. And I want to congratulate him for that statement, that presentation.

Saving and protecting Social Security is something we have got to talk about more in the next few days in the context of the proposal of the Republicans that we have a tax cut. There is a surplus. Most people do not realize that that surplus is primarily money in the Social Security fund. The surplus is in the Social Security fund. Anyone who wants to take part of the present surplus and move it somewhere else will be taking it from the Social Security fund.

Our position is that we must protect the Social Security fund first, protect Social Security and guarantee that the difficulties projected will be taken care of before you begin to take money out of this surplus which is mostly Social Security funds.

I previously stated that I think that if there is a surplus, some part of it ought to be dedicated to education and the necessary steps to improve education. A greater investment in education is a worthwhile use of any surplus funds. But not until we are sure that we have the adequate protection for Social Security, that the money stream, the revenue stream, the projections for the future are all in place and we can see where the money is going to be left over after you make the necessary adjustments to secure Social Security.

That is on our plate. We need to really deal with it. We need to broaden and