REPUBLICAN TAX CUT PROPOSAL IS AN ASSAULT ON SOCIAL SECURITY

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

Mr. PALLONE. Mr. Speaker, let us make no mistake about it. The Republican tax bill is a direct assault on Social Security.

The budget surplus the Republicans want to use to pay for their tax cuts does not exist. The only portion of the Federal budget that is in surplus is the Social Security trust fund. In fact, without Social Security, the Federal budget would still be in a deficit this year.

Instead of voting on an $80 billion tax cut that is paid for by raiding Social Security, we should pass the Democratic proposal to save Social Security first. It would require by law that the entire amount of the Social Security surplus in each fiscal year be transferred to the Federal Reserve Bank in New York to be held in trust for Social Security.

Mr. Speaker, the point is that Democrats could support many of these tax cuts, and we could pass a tax relief bill, if the Republicans agreed to do it without using Social Security to pay for it. But they will not. They are not going to do that. That is why we have to vote down this Republican bill and save Social Security first.

NO SURPRISE THAT DEMOCRATS OPPOSE TAX CUTS

(Mr. FOX of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOX of Pennsylvania. Mr. Speaker, is anyone at all surprised that the Democrats have found an excuse to oppose tax cuts this is year?

The very same Democrats who never once ever thought that billions and billions of dollars in spending were a threat to Social Security, now pretend that tax cuts would be.

There are more ironies here. The same party that did not put a dime aside to save Social Security during their 40 year ''reign of error'' now act as if they are concerned about raiding the Social Security trust fund.

The same party that refused to take Social Security off budget all of these years, in opposition to conservative proposals to create a more honest system, now recognize that the Social Security trust fund can be solvent while providing tax cuts.

The same party that has proposed billions and billions of dollars in new spending just this year straight out of the Social Security trust fund, now turn around and claim that tax cuts are a raid on that trust fund.

Mr. Speaker, the fact is we can have tax cuts and save the Social Security system at the same time, and we will do that for the American people.

A LOAD OF ROCKS

(Mr. BERRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, I am an East Arkansas rice farmer, and I remember a story an old fellow in my community told me when I first started farming. He said there was a man who came through during the Depression and he had a truckload of rocks. If a farmer would buy one of these rocks from him and put it where the irrigation water ran into their rice field, he claimed it would make them a lot better crop.

He said, ''You know, he sold some of those rocks.'' I said, ''How did it do? Did it make the crop better?'' He said, ''It was pretty hard to tell.''

Mr. Speaker, that is what these fellows are trying to do, is to sell the American people a load of rocks. I think it is a bad idea.

Mr. Speaker, we are all for tax cuts, but not if we have to rob the Social Security trust fund and our children's future to do it. It is a bad idea, and the American people need to recognize this load of rocks for what it is.

TRIBUTE TO TONY MOCERI, BOILERMAKERS LOCAL 363

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, I rise today to honor Mr. Tony Moceri, who is to have the new Boilermakers Local 363 building in Belleville, Illinois, named in his honor.

Tony became a proud member of Local Boilermakers Lodge 363 in 1942. During his career, he served as assistant business agent and was elected business manager in 1966, where he served until 1984.

In addition to his regular job, Tony served proudly on the State Boiler Board, the Boilermakers Trades Committee, and Senator Charles Percy's Labor Task Force Committee, before retiring in 1984.

Mr. Speaker, I want to congratulate Tony for this honor and for his years of service, and I want to wish Tony and his wife, Vera, all the best for another 44 years.

THE CHOICE IS CLEAR

(Mrs. KELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KELLY. Mr. Speaker, Congress has less than 1 month to conduct the people's business. I think Congress should focus on the issue of tax cuts.

Republicans believe that Americans are overtaxed. Democrats believe that Americans are not overtaxed, and some of them actually believe that Americans are not taxed enough.

Republicans talk about tax cuts for all Americans. Democrats speak in terms of targeted tax cuts, which is a great way of saying that the middle-class, the backbone of America, will not be getting a tax cut.

Now, let us make a distinction between Democrats and so-called ''New Democrats.'' Democrats will raise taxes. New Democrats will talk about cutting taxes, but they will raise them once they get in office.

Mr. Speaker, if Americans believe that taxes are fundamentally a freedom issue, then Republicans are on their side. If they think that government knows best, then the Democrats are their friend.

To me, the choice is clear.

PROVIDING FOR CONSIDERATION OF H.R. 4578, PROTECT SOCIAL SECURITY ACCOUNT, AND H.R. 4579, TAXPAYER RELIEF ACT OF 1998

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 552 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 552

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) a further amendment printed in the Congressional Record and numbered 1 pursuant to clause 6 of rule XXIII, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 2. After disposition of the bill (H.R. 4578), it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate

on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) a further amendment printed in the Congressional Record and numbered 1 pursuant to clause 6 of rule XXIII, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 3. (a) In the engrossment of H.R. 4579, the Clerk shall—

(1) add the text of H.R. 4578, as passed by the House, as new matter at the end of H.R. 4579;

(2) conform the title of H.R. 4579 to reflect the addition of the text of H.R. 4578 to the engrossment;

(3) assign appropriate designations to provisions, and conform cross references, within the engrossment; and

(4) conform provisions for short titles within the engrossment.

(b) Upon the addition of the text of H.R. 4578 to the engrossment of H.R. 4579, H.R. 4578 shall be laid on the table.

□ 0930

The SPEAKER pro tempore (Mr. KOLBE). The gentleman from New York (Mr. SOLOMON) is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentlewoman from Rochester, New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the resolution before us is a structured rule providing for consideration of two bills, H.R. 4578, the Protect Social Security Account, and H.R. 4579, the Taxpayer Relief Act of 1998. These are two extremely important measures for the American people.

First, the rule provides for consideration of H.R. 4578 in the House without intervention and point of order. The bill is considered as read and the Committee on Ways and Means amendment in the nature of a substitute now printed in the bill is considered as adopted.

The rule further provides for one hour of debate, equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means, the committee of jurisdiction.

The rule provides for consideration, without intervention of any point of order, of an amendment printed in the CONGRESSIONAL RECORD and numbered 1, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

Finally, the rule provides one motion to recommit with or without instructions.

Secondly, Mr. Speaker, after the disposition of H.R. 4578, the rule then provides for consideration of another bill, which is H.R. 4579, again, without intervention of any point of order. The bill will be considered as read, and the Committee on Ways and Means amendment in the nature of a substitute now printed in the bill, as modified by the amendment printed in the Committee on Rules report accompanying this rule, is considered as adopted.

The rule further provides for one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

The rule further provides for consideration, without intervention of any point of order, of an amendment printed in the CONGRESSIONAL RECORD and again numbered 1, if offered by the gentleman from New York (Mr. RANGEL), which shall be considered as read and shall be debatable for 1 hour, equally divided and controlled by, again, the proponent and the opponent.

The rule also provides one motion to recommit with or without instructions.

Finally, the rule provides that in the engrossment of H.R. 4579, the Clerk shall add the text of H.R. 4578, as passed by the House, and that upon the addition of the text, H.R. 4578, shall be laid on the table.

Mr. Speaker, the rule and the two bills before us demonstrate that we can achieve two very, very important goals: We can save Social Security, and we can cut taxes.

The package before this House today, and Members ought to look at this, because the American people are looking at it the taxpayers of this Nation are looking at it the package before the House today sets aside 90 percent of the projected budget surplus over the next 10 years. We are very, very fortunate today that based on the philosophy of Ronald Reagan and Reaganomics, we have had this surging economy now for all these years, very unusual in the history of this Nation. But it has happened because of major, major tax cuts that were implemented way back in 1981. That pumped money back into the pockets of people so that they could either spend it on things they wanted to spend it on, whether it was on buying a house, buying a car, educating their children, or saving it so that they would have monies available to them later on when they got around to retiring.

So let me just repeat one more time, this package before the House today sets aside 90 percent of all of that new projected surplus that is rolling into the coffers of this Nation, and that is about $1.4 trillion over the next 10 years. That money is set aside to help replace the monies that have been legitimately and legally stolen out of the Social Security trust funds.

Now, the remaining 10 percent of that surplus, which is only $80 billion of the $1.4 trillion, $80 billion is used to provide tax relief to families, to farmers, to small businesses across this Nation.

Mr. Speaker, the issue before the House today is really quite simple. Do we believe that the American people, both families and businesses, deserve lower taxes? It is as simple as that. Of course, we know what the answer is. It is unequivocally yes.

As the chairman of the Committee on Ways and Means said so eloquently during debate in my Committee on Rules meeting yesterday, when testifying before our committee, he said the tax burden on American families is higher today than at any previous point in our peacetime history.

That means we are taking more money out of the pockets of people than ever in peacetime before. This vibrant domestic economy, driven by the hard work of both main street and Wall Street, Mr. Speaker, deserves a break. A tax cut now will provide taxpayers with more flexibility in establishing important consumer and investment priorities for families.

For instance, let me give Members an example, the Taxpayer Relief Act of 1998 will provide marriage tax relief for over 48 million married taxpayers. How many? Forty-eight million married taxpayers will receive an average tax cut of $243 per tax return.

You may not think that is much, Mr. Speaker, but I had five children. And my wife and I were struggling for a long time. And lo and behold, I came to this Congress about 20 years ago, I do not know what the salary was in those days, about $37,000 or something, but we struggled to educate those kids. I will tell you, do you know what $247 extra means? It means an awful lot. It means an awful lot to my family. It would have meant a lot to us.

Six million married taxpayers who currently itemize deductions on their returns will no longer need to do so. That means you do not have to go out and hire an accountant. Do you know what it costs the average family, a young couple, because of the complicated tax system? They are going to go out and spend 2-, 3-, 4-, 5-, $600, maybe even $1,000, if they happen to be a small businessman or family running a small business. And in this bill, these 6 million married taxpayers who currently itemize deductions on their returns will no longer need to do so. This represents tremendous simplification.

Many of the provisions of this bill simplify the tax code and result in the elimination of several tax forms that taxpayers currently are required to file.

Again, if you are a small businessman, like I was, you find the cost of doing business is so great because of all of the Federal and State and county, town, city, village, and local mandates. Aything we can do to relieve that is going to help make these businesses and these families prosper. That is what this bill does.

In addition, 68 million taxpayers are provided tax relief by excluding from taxation a portion of the interest and

dividend income received. Let me repeat that. Sixty-eight million taxpayers are provided tax relief by excluding from taxation a portion of that interest and dividend income received.

This will provide very visible tax relief for families by allowing them to keep portions of interest income that they now have to pay taxes on, even from small savings accounts. You have a small savings account with maybe $1,000 or $2,000, right now you have to pay 100 percent tax on that. This is going to give relief to these families, tax free, and simplify their tax filing.

And I think this is more important, because we have heard a lot of rhetoric, every morning we have one-minutes in this House, where Members can come down. And the Democrats line up over here and the Republicans over here, and we hear all this rhetoric. I hope that we will follow my infinite wisdom and do away with those things or put them at the end of the day and not have it stir things up in the morning. We have heard a lot of rhetoric about Social Security.

Let me tell you what this bill does for Social Security, this tax cut bill. This bill increases the Social Security earnings limit, thereby increasing the amount of money seniors can earn without losing Social Security benefits, something I have been trying to accomplish in this body for years.

My wife is drawing a Social Security check. She worked all of her life, and now she is in a part-time business. She sells real estate. And now she has earned more than the $14,500 limit, and she has had to pay back the meager I think it is about $4,000 that she had gotten she has to pay all that back. Yet that was from a forced savings account. She was forced to put aside, in Social Security all these years, her own money. Now the government is taking it away from her.

Well, this year that limit is $14,500. And now, under this bill, next year we are raising it up to $17,000. That means my wife, your wife, all the people out there on Social Security now can earn $17,000 and not pay that two-for-one penalty that should not be there at all. Then the following year, 2 years later, the limit is going to be raised to $18,500.

Do you not think that is going to make a difference to people who are living on a fixed income? Then 3 years later, in other words, in the total of a three-year period, we are raising that to $26,000. That means that a man and wife can go out and they can earn a little bit of extra money, and yet they will not have to pay a penny of their Social Security back if they earn less than $26,000. That is what this bill does.

Now, another major tax relief is the 100 percent health insurance deduction for the self-employed and farmers. It is accelerated to take full effect on January 1, 1999, providing 3.3 million taxpayers an average tax benefit of $382 in 1999, $382 into the pockets, again, of a couple who own a small business or a farmer who is trying to live on about $25,000 in income.

Credit under the estate tax, or what is otherwise called the death tax, is accelerated to take full effect on January 1, 1999. Again, I do not know about all the rest of my colleagues, but I represent the Hudson Valley in upstate New York. It has the Catskills on one end, the Adirondacks on the other. In between are very, very small dairy farms, 50 head each. It is the 20th largest dairy producing district in America. One would not think that in New York, would they, from Arkansas over there? And we have apple orchards. But these people have trouble keeping the new generation on the farm because it is so difficult, first of all, even to make a living. And secondly, they cannot even inherit the farm because of the inheritance tax.

What this does is move the credit under the estate tax up to make it fully effective January 1, 1999. And it means that those farms now are going to be turned over to the children. And we are going to be able to keep them operating.

This, combined with other small business and agriculture provisions, will provide needed and immediate tax relief to many family-owned small business and family farms, many.

Mr. Speaker, key tax relief is also provided this is something that is very close to me to military personnel by making it easier for our Nation's men and women in uniform to qualify for the capital gains tax relief on the sale of a home due to the fact that their duties often require them to be away from home for long periods of time. They lose the capital gains benefit that the ordinary citizen would have when they sell their home. Civilian homeowners can take advantage of it. Our military personnel cannot do that. So that is a glitch in the law, and we are making a correction.

The Taxpayer Relief Act also will extend various expiring tax incentives necessary to grow the economy, such as research and experimentation tax credits, very, very important.

It also extends the work opportunity tax credit and the welfare to work credit, which is extremely important.

Finally, the bill before us today includes landmark language which authorizes the creation of 20 renewal communities designed to help fight poverty.

□ 0945

This is extremely important to Members on both sides of the aisle. Patterned after the work of the gentleman from Oklahoma (Mr. WATTS), the gentleman from Missouri (Mr. TALENT) and the gentleman from Illinois (Mr. DAVIS), these communities would be eligible for capital gains tax relief, increased expensing for small businesses, wage credits for workers, deductions for cleaning up brownfields—very, very important—a commercial revitalization tax credit, and tax incentives for Family Development Accounts. This is an historic initiative aimed at addressing the travesty in impoverished rural and urban areas throughout our country.

Mr. Speaker, in closing let me just address those of my colleagues who claim that the surplus tax revenue generated by hard-working men and women of this country should be kept here in Washington and not used for tax cuts. This is something that just gets under my skin. First, let us remember that the tax revenue that pours into this city from all over this country does not belong to us, it does not belong to the government. Rather, it belongs to those who sent it here, the taxpayers of this Nation. When the taxpayers send the government more money than is necessary to run it, the government is duty bound to return that excess.

Second, everybody knows, and, believe me, all Members know it we are going through it right now everybody knows that any dollar not nailed down to a Federal program in Washington, D.C. is a spent dollar. We know the Congress is going to spend those dollars. In order to prevent the frivolous spending of taxpayer dollars the government does not need, we must cut taxes and give them back to the American people. That is exactly what this bill does.

Cut taxes and save Social Security by voting for this rule and for these two bills. It is the responsible thing to do. My grandson told me that this morning. He said, ''Granddad, it's the right thing to do.'' Ladies and gentlemen, it is the right thing to do. Come over here and vote for this rule.

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

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from New York for yielding me the customary 30 minutes and I yield myself such time as I may consume.

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

Ms. SLAUGHTER. Mr. Speaker, I rise in strong opposition to this rule. The rule sets the stage for Congress to take up a destructive, irresponsible set of proposals that will simultaneously raid the Social Security trust fund and explode the deficit. This package threatens to destroy our hard-won budgetary discipline and send us, like Alice in Wonderland, through the looking glass into a place where long-standing budget rules do not apply and a budget deficit is called a surplus.

This rule will allow Congress to consider H.R. 4578 and H.R. 4579, the Tweedledum and Tweedledee of budget politics. The first bill, H.R. 4578, would set aside a portion of the Social Security surplus in a mythical special reserve account where it would supposedly be saved. The second bill, H.R. 4579, would use the remainder of the Social Security surplus to pay for tax cuts. It is bad enough that these proposals are irresponsible and shortsighted. To make

matters worse, we are being denied a full and open debate on them. The modified closed rule does a disservice to the American people by barring the gentleman from Texas (Mr. STENHOLM) from offering his alternative. The Stenholm proposal would cut taxes without raiding Social Security or threatening to increase the deficit. Unfortunately this fiscally responsible bill was banned from the House floor in favor of the majority's reckless plan to raid future retirees' savings. In addition, constructive proposals sponsored by the gentlewoman from California (Ms. SANCHEZ) and the gentleman from Connecticut (Mr. MALONEY) were denied the opportunity for floor consideration.

Mr. Speaker, H.R. 4578 and H.R. 4579 illustrate how the majority is indulging in creative accounting to invent a surplus that they can use to justify tax cuts. Over the next five years our Nation is projected to have a Social Security surplus of $657 billion and a budget deficit of $137 billion. The majority is using the Social Security surplus to cancel out that budget deficit and declare a total budget surplus of $520 billion free for the taking.

But as my colleagues can see, the surplus is not a real surplus. It is a mirage. It is a surplus of Social Security taxes which we need to hold in reserve for that approaching day when Social Security begins to have financial problems. The Federal budget will remain in deficit or just barely in balance until at least the year 2005 even assuming the economy remains as robust as it is now. Federal Reserve Chairman Alan Greenspan has warned repeatedly that our economy could take a downturn which could wipe out the surplus and multiply the cost of the proposed tax cut.

H.R. 4578 places 90 percent of the Social Security surplus in a reserve account in the U.S. Treasury. This account is nothing but a budget gimmick. There is nothing to prevent Congress from spending these funds in the future. If the majority is spending the surplus on tax cuts now, what will stop them in the future for using it for other purposes? The majority is referring to their proposal as the 90–10 plan. I would suggest that that means if you live to be 90 you might get 10 percent of the Social Security benefits you are due.

Democrats are committed to reserving all, 100 percent, of the surplus for Social Security. Our alternative will place the entire surplus in a special account in the New York Federal Reserve Bank where Congress is completely unable to reach it. This is the only proposal that guarantees the surplus will be used solely to save Social Security and not for politically irresistible goodies.

Democrats support tax cuts. Most of the proposals in the majority's package were originally Democrat bills. But we will not cut taxes without paying for them. The Democratic alternative includes all the same tax cuts but provides they will not take effect until Congress has enacted legislation to preserve Social Security. Social Security is a Democrat program, and we have always kept our promises to the Nation's seniors. We will again before we start making new promises to Americans. The Democratic alternative enacts tax relief and saves Social Security.

I would like to note that the majority's misguided proposal has no chance of becoming law. The President has vowed to veto any proposal that raids the Social Security surplus to pay for tax cuts. Americans should recognize this tax bill for the cynical election-year ploy that it is. Democrats will protect Social Security while Republicans protect their majority.

We should save Social Security first. This bill is an unwelcome flashback to the Reagan era of deficit spending. The majority's proposal places in jeopardy the Social Security benefits of over 44 million older Americans, many of whom rely on their benefits as their sole source of income. While we would all like to cut taxes, we cannot do so at the expense of the balanced budget and the Social Security trust fund. We owe our senior citizens and all Americans better than that.

Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. WYNN).

Mr. WYNN. Mr. Speaker, I thank the gentlewoman for yielding time. If it is an election year, it must be time for a tax cut. At least that is what the Republicans think. And they do not really care how they finance it. We on the Democratic side like tax cuts, too. In fact, we voted for tax cuts last year because they were paid for within the budget. They were paid for in the context of a balanced budget. This year, though, the Republicans are not worried about that. They are going to raid the Social Security trust fund to pay for tax cuts. That is not right.

The fact of the matter is we do not even have a surplus yet and if we get one, we do not know how much it is going to be. So we ought to at least let the ink dry on the surplus before we start giving it away. More importantly, if the surplus is not as great as we think it will be or if there is a downturn in the economy, we will not have those revenues but we will have shortchanged the Social Security trust fund.

Americans believe that Congress ought to deal with the big issues. The big issue facing our society is how we will deal with Social Security when the baby boom generation moves into its senior years.

We on the Democratic side have a simple proposition. Any revenue we get, any and all of that surplus ought to be set aside for that rainy day. The Republicans are saying, ''Well, let's shave a little bit off and give it away.'' The problem is, that will raid the Social Security trust fund and will not maximize the security we ought to provide for our seniors.

Now, they will come down and tell you, ''We've got this terrible tax burden and that's what we're really fighting against.'' The fact of the matter is the economy is doing very well. Unemployment is down, employment is up, interest rates are down. They say, ''Well, there's a burden on the average family.'' Let me tell you this: The tax rates on the average American family are at its lowest point since 1978. We want to give tax breaks when we can pay for them, but if we cannot pay for them, we do not believe we ought to jeopardize the Social Security trust fund. We ought to put all the surplus back into the trust fund to protect long-term national interests.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. WISE).

Mr. WISE. Mr. Speaker, I rise to oppose this rule. We hear a lot about there being a surplus but the reality is it is in Social Security. I have the greatest respect and friendship for the distinguished chairman of the Committee on Rules. He is irrepressible when it comes to the Reagan years, and certainly President Reagan was a strong President in many ways. He was also strong because he left us the strongest deficit in history. We went from $70 billion to $200 billion and deficits as long and far as the eye can see according to a former Reagan aide.

So what does this bill do? It continues the same pattern, because you cut taxes, that was part of the Reagan formula, and yet you do not do anything really about the spending. I do not support election-year tax cuts that come from Social Security.

Now, they say they are going to put 90 percent of it in a lock box. But my question is, if you are going to save 90 percent of Social Security, why not save 100 percent? What happened to that radical idea, 100 percent of Social Security? I support tax cuts but not until Social Security is preserved.

The irony to this is the American worker pays into Social Security, you are going to tell them that you are giving them a tax cut and yet the tax cut is going to come at the price of what they have been paying into for many years for their retirement.

I look at this, a lot of us, whether we are parents or grandparents or whatever take our children to McDonald's. And so what this does is, you drive in, you give them a Happy Meal today, then you take the hamburger and the fries and what the worker is left with is a plastic googol toy that after the first five minutes ends up as election-year junk in the back of the car.

Mr. Speaker, this is simply taking for election-year purposes, giving a tax cut at the expense of Social Security. What my constituents, 300,000 senior citizens in West Virginia, hundreds of thousands of more getting ready to retire, what they say is save Social Security first, then look at the tax situation.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. RANGEL).

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

Mr. RANGEL. Mr. Speaker, if I could have a statement today on this rule which I oppose, it would be to my dear friend and fellow New Yorker (Mr. SOLOMON). Because the gentleman from New York is leaving this great body, but he leaves with a great reputation as a feisty fighter for all of the things that he has believed in all of his life as a true American and a true Marine. I feel awkward, because having moved to be the senior member of the Committee on Ways and Means, some of the ways I used to think have now been replaced by having the responsibility of not being able to express my liberal ways the way I used to enjoy them before.

I would believe that if a surplus was there, spend the darn thing. Put it in education, build some houses, let America's quality of life be a little better. As far as Social Security is concerned, what the devil. If we do not have money for the check, the country is not there, anyway, so forget it.

But that is not the way Americans have been thinking. The Republicans have been so good at telling us if you do not have the money, you do not spend it. They have been so good in saying you pay as you go. They have been so good in saying that we have got budget rules, that you cannot even do it without violating the very principles of the House. Yet this rule today would allow us just to waive all of the disciplines that we have learned to work together in a bipartisan way to respect.

The whole idea of having a tax cut that you cannot pay for is repugnant to everything I thought Republicans stood for. For those reasons and others, I oppose the rule.

□ 1000

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I want to tell my colleagues what my constituents are saying about this bill and why they want me to oppose this Republican tax plan.

What they are saying is that a few years ago; I think it was in the 1970s; this Congress passed a tax increase in order to provide more money for the Social Security Trust Fund through the payroll tax essentially because there was a recognition that in a few years there would be a lot more baby boomers who turned 65 and we would need more money in the Social Security Trust Fund to pay benefits for that baby boom generation. But that money now is being borrowed by the general revenue, by the budget in general, used for purposes other than Social Security, and now we are being told that even though that surplus is there in the Social Security Trust Fund to be paying benefits in the future, we are going to take even more of it and spend it on a tax cut that primarily, I would say, goes to wealthy individuals.

Well, my constituents are saying that that is not fair, it is not fair to raise taxes on the average guy, on his earnings, on his payroll tax and then take it away in a tax cut when that money is supposed to be saved for the future when it has to be paid out in benefits. And my constituents are saying what Congress is telling me is that the money is not going to be there to pay out the benefits when I get to be 65 even though I have been paying more to make sure that it is there. And then they are saying we know what is going to happen in the future. We are going to have to raise taxes because we have taken the money away that supposedly we were saving.

So the consequence of this Republican action is that 5–10 years down the road we are going to have to raise taxes more, most likely, on that wage earner, on the payroll taxes, to make sure money is there for Social Security or, alternatively, that there will be pressure to cut back on Social Security benefits, to cut back on the COLA, to raise the age before one can get Social Security or to even suggest other kind of crazy ways to deal with retirement because there is no money in Social Security.

This is wrong, and that is why we have to vote against this rule and vote against the Republican tax cuts.

Ms. SLAUGHTER. Mr. Speaker, I yield 1½ minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I rise today in support of a tax cut but not to raid the Social Security Trust Fund.

My esteemed colleague from the 17th District of Texas (Mr. STENHOLM) yesterday introduced a rule before the Committee on Rules that would provide for a tax cut but not to rob the Social Security Trust Fund, and that is what we should do.

This rule waives the budget rules that got us to the balanced budget; it throws it out the window. It says what we have been doing is the wrong thing to do. This is how we get to a $5 trillion debt. We owe the American people more than this. We owe them more than to rob Peter to pay Paul.

Yesterday in the Committee on Rules the point was made that was quite outstanding that said we have got to spend this money before someone else does. I cannot think of a more ridiculous idea or a less responsible idea than this.

These folks have a heart as big as a washtub, as they say where I come from. We are going to rob Social Security on one hand and leave our constituents in poverty at age 65, but we are going to give them a small tax cut before we do that.

Let me urge my colleagues to vote against this rule and vote for responsible fiscal management.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not think I heard right. The gentleman from Arkansas said he heard something upstairs that Republicans want to spend this money before somebody else does.

We want to cut taxes and put the money back into the pockets of people.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. SMITH), one of the most fiscally responsible Members of this body.

Mr. SMITH of Michigan. Mr. Speaker, first of all, I invite the gentleman from New York (Mr. RANGEL) to come over and join the Republican party. We still believe in that philosophy that he is starting to think.

Mr. Speaker, I am disappointed that there is so much rhetoric, and we are shy on some upright honesty on what is happening in Social Security.

First of all, let me suggest that with a unified budget deficit last year of over $20 billion, this year, in that same way that we figure surplus and deficit, we are going to have a surplus of $70 billion. And let me also suggest that almost every Democrat on that side of the aisle last year voted for the tax cuts even though we had a much larger deficit than we do this year. And what happened? Because of the fact that there is some way to treat taxes to make it more fair to stimulate the economy we have ended up bringing in more tax revenue this year, and it has been a stimulus to a stronger economy in this country. That is part of the solution, long term, to any Social Security solution.

Let me additionally suggest, Mr. Speaker, to whoever might be listening to our debate, that neither approach, the Rangel amendments, nor this rule, move in the direction of saving Social Security. All we are saying is, let us start paying down the public debt a little bit, and that is good. That is going to help a little bit. But what we are really going to have to do to save Social Security is to increase the return on the investment that working men and women in this country are putting into their Social Security tax.

Right now, Mr. Speaker, the Tax Foundation says that, on average, they are going to have a negative return on that money that they pay into Social Security. A negative return; the estimate is between a negative ½ and a negative 1½. What we have got to do to save Social Security is have a better return on that investment. We cannot continue as a pay-as-you-go program for Social Security. So, all of this pretense that we are setting the money aside is just that, it is pretense.

I went to the Committee on Rules, and my amendment in the Committee on Rules, and that is my disappointment, Mr. Speaker, with the Committee on Rules; my amendment incorporated my House Bill 4033 that says from now on when the government borrows money from Social Security it should be marketable, negotiable

Treasury bills. It is not that today. They are just blank IOUs, as will this new account be. It also said that from now on OMB and CBO, the administration and Congress' budget people, will not consider the surplus coming into the Social Security Trust Fund as revenue in terms of defining a deficit or a surplus.

I think the important thing as we start solving Social Security, that we be up front, that we be honest with the American people.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, there is going to be a lot of talk today on the floor of the House about a surplus. Let us get one thing straight. There is no surplus. The so-called surplus, 100 percent of it is the Social Security Trust Fund. We are overcollecting today in Social Security taxes. Seventy-three percent of Americans pay more in Social Security taxes to the United States Government than they do income taxes, with the idea that that money will be available tomorrow and the day after to pay future Social Security benefits.

But guess what? The Republicans want to spend that money today. They want to over collect from 73 percent of the American public with the false promise of Social Security being there in the future, and they want to spend that money tomorrow in a new tax cut. That is the worst of bait and switch. At least they could have the guts to do both bills on the same day and say to the American people, ''Yes, we are spending your Social Security and tax cuts that will flow to a different group of people than paying the tax, but we think that's good policy. And don't worry, we'll somehow honor your benefits 10 and 15 years hence.''

This is bad legislation. The Republicans know it is bad. They want to give tax cuts. Yes, actually they are not bad tax cuts for the Republicans, probably the best tax cuts the Republicans have ever proposed because they are trying to hang Democrats out to dry. But we are not going to be hung out on the line here. It is the Republicans that are being hung out because they are spending the Social Security Trust Funds. They are not protecting the Social Security Trust Funds. What a magnanimous gesture. They will only spend 10 percent of them, and they will put the other 90 percent in a phony account in the Treasury that will be immediately borrowed and spent on other things.

Mr. Speaker, this provides zero protection for Social Security. What is worse, it spends the Social Security Trust Fund of tomorrow on tax cuts today.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. MENENDEZ).

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

Mr. MENENDEZ. Mr. Speaker, I rise against the Republican rule in the bill because it does not put Social Security first, it does not put senior citizens in this country first who work to build communities, families and to protect the country, it does not protect working families who are paying the FICA taxes for both their future security and their present security of their parents and grandparents and because it is fiscally irresponsible.

On the tax bill this rule that we are considering would automatically adopt a provision to waive the budget law, and what does that law say? It requires that all tax cuts be fully paid for. The provision is intended to keep the country, the reason that law exists, is to keep the country from returning to the days of creating huge tax breaks at the expense of the deficit in terms of going back to that credit card mentality.

Instead of following the path of fiscal responsibility, Mr. Speaker, Republicans have irresponsibly decided to dip into the Social Security Trust Fund for tens of billions of dollars to pay for the costs of these tax cuts even before any action has been taken to deal with Social Security's long-term solvency.

Now where are my friends from the CATs, the conservative action teams? As my colleagues know, we are constantly talking about being fiscally responsible. How is it that my colleagues can begin to spend money, how is it possible to begin to spend money before the ink even dries on a projected surplus? That is clearly not fiscally responsible.

And this question about a separate account; the separate account has no lock, has no guarantee, has no provisions to preserve Social Security. It is fiscally irresponsible, it does not put our seniors first, it does not put our country first, and it does not continue us on the path of fiscal stability.

The fact of the matter is, if we want to put our seniors first and working families, we should reject the rule, reject the bill and adopt the Democrat proposal.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. STENHOLM).

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

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to this rule. All Members who care about fiscal discipline, all Members who care about the Social Security system, all Members who care about the legacy we leave for future generations should vote against this fiscally irresponsible rule.

I was sincerely disappointed that the Committee on Rules choose to report a rule which did not allow for consideration of the bipartisan Stenholm-Berry-Neumann amendment which would require that tax cuts be paid for out of general revenues and prohibits funding a tax cut out of the Social Security surplus. Once again the Committee on Rules denied a free and open debate on an issue of which some of us on both sides of the aisle feel are very important. That is the reason why everyone should oppose this rule, Mr. Speaker.

The Stenholm-Neumann amendment would establish the common-sense position that we should wait until a true budget surplus materializes before tax cuts which are not paid for take effect.

The rule does make in order a Rangel substitute that delays implementation of the tax cuts until the Social Security trust fund is restored to actuarial balance. I will support the Rangel substitute because it would make the underlying bill more responsible and add meaningful protections for the Social Security trust fund. However, the Stenholm-Neumann amendment would have set a significantly tougher standard by requiring us to balance the budget without using the Social Security trust fund surplus. The vote on the rule will be the only opportunity Members will have to express support for the principle set forth in the Stenholm-Neumann amendment that we should not be funding a tax cut from the Social Security trust fund.

Let me be clear. I, too, support tax cuts, but not if they are paid for with Social Security Trust Funds. We should not talk about budget surpluses so long as we are counting Social Security Trust Fund. Under current projections there is no surplus available to use for tax cuts unless we are willing to use Social Security Trust Funds.

The substitute amendment that Mr. NEUMANN and I proposed contained all of the tax cuts in the package reported by the Ways and Means Committee, but would add a requirement that any tax cuts which are not paid for be delayed until we have an on-budget surplus large enough to pay for the tax cut without relying on the Social Security trust fund surplus. This amendment would have ensured that the tax cut is not funded out of the Social Security surplus, and establishes the position that we should wait until the surplus materializes before tax cuts which are not paid for take effect.

We should not talk about budget surpluses so long as we are counting the Social Security trust fund surplus. Under current projections, there is no surplus available to use for tax cuts unless you are willing to use the Social Security trust fund surplus.

Over the next 5 years, CBO estimates the surplus of Social Security Trust Funds will be $520 billion, of which 657 of that 520 is Social Security Trust Fund. Over the next 10 years, it takes 10 years before we find $31 billion that are not Social Security Trust Fund.

Enacting a permanent tax cut that is not paid for would result in continued deficits into the future as far as the eye can see.

In a letter sent our earlier this week, the Concord Coalition warned us that ''the election year temptation to use Social Security surpluses for other purposes will lead to a dangerous breakdown in fiscal discipline.'' We should maintain the discipline that has put us on a path to a truly balanced budget that puts Social Security off budget once and for all by 2002.

The West Texas tractor seat common sense I hear when I go home also reminds me that we should not count our

chickens before they are hatched. The surplus exists only in projections, not reality. According to CBO, a recession similar to the 1990–1991 recession would turn the projected surplus into a deficit.

Even a modest slowdown in economic growth could reduce revenues and increase spending by tens of billions of dollars, quickly turning a projected surplus into a deficit. Lawrence Lindsey, a Republican economist and former Federal Reserve Governor, warned that the surge in income taxes that has contributed to the surplus in the unified budget may not continue, arguing that ''The prudent thing to do when you enjoy a windfall from some good luck is to save it, you might need the cushion in bad times.''

□ 1015

I cannot believe my friends on the other side of the aisle are not taking a conservative approach to the economy today, when everyone is saying that is what we should be doing. People out in West Texas know that when we get a little extra money, our first priority should be to pay off our debts, particularly if we have a debt.

We should use the opportunity presented by the strong economy and improved budget projections to reduce the $5.4 trillion national debt, instead of leaving that burden for future generations. The current projections of a budget surplus follow years of deficit spending that has resulted in a national debt of $5.4 trillion. Federal Reserve Chairman Alan Greenspan, former CBO Director Rudy Penner and countless other economists have told us that the best course of action for the economy is for Congress to use the surplus to reduce the debt. Reducing the national debt will help maintain a strong economy by reducing interest rates and increasing the amount of savings available to the private sector to invest in the most effective way possible.

The senior representative in my State in the other body the other day echoed the view that I share when he said, ''I think I know the people I represent would agree we ought to save social security. I do not have to see a poll to know that.''

We have a tremendous opportunity to prepare for the retirement of the baby boom generation by reducing the debt and reforming entitlement programs.

I have worked extremely hard over the last 3 years in a bipartisan effort with the chairman, the gentleman from Arizona (Mr. KOLBE), the gentleman from South Carolina (Mr. MARK SANFORD), the gentleman from Michigan (Mr. NICK SMITH), and other Members on both sides of the aisle to bring us to a point where we are seriously discussing the long-term reforms necessary of the social security system. The task of enacting meaningful social security reform will be even harder if we use the projected budget surplus for a short-term, politically attractive tax cut.

Members know that. I know that. Anyone that is serious knows there are going to be transition costs. We should not spend it today.

I also strongly oppose this rule because it includes several major waivers of the Budget Act discipline. This legislation represents one of the largest violations of the budget enforcement rules since the enactment of the Budget Enforcement Act.

At the same time that the Committee on the Budget is considering legislation that would take a positive step towards making it harder to waive the Budget Act, we are being asked to vote for a rule that makes at least four major waivers of the Budget Act. These are not routine waivers of technical violations of the Budget Act, but are major, substantive waivers of budget discipline.

I hope that my colleagues who have joined me over the years in complaining about waiving the Budget Act would join me in opposing now the blatant violation of budget discipline in this rule.

The gentleman from New York (Mr. SOLOMON) and I have joined in this fight so many times over the years, when the gentleman was in the minority and I was in the majority, and I was differing with my party. The gentleman and I stood on this floor and said, we should not do this. Today, Mr. Speaker, the gentleman is bringing a rule that does it, and he is waiving it. I cannot believe it that the gentleman is doing that.

Mr. Speaker, the exemption from the PAYGO rules that allows the bill to be funded out of the Social Security surplus instead of being offset by spending cuts or revenue increases is a dangerous step toward weakening existing budget enforcement rules. The pay-as-you go budget rules have put us on a path to a balanced budget. Now is not the time to be waiving, suspending or otherwise violating our budget discipline rules. The recent volatility of world financial markets makes it even more critical that we reaffirm our commitment to maintaining the discipline that has produced a dramatic improvement in the federal budget and a strong economy.

The conservative thing to do with the budget surplus is to be conservative. It is extremely important that we follow the path of fiscal responsibility and take advantage of this opportunity to preserve the Social Security system for future generations. The bill before us, for all its merit, would undermine fiscal discipline and jeopardize our ability to preserve Social Security. I strongly encourage all members who are committed to maintaining fiscal discipline and maintaining the integrity of the Social Security trust fund to vote against this rule so that the House may consider a tax cut that is not funded out of the Social Security trust fund.

Vote down this rule and let us do what the country needs.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just say that I respect every Member of this body. I love all of them. The gentleman from Texas is one of my best friends. However, sometimes we have to ask whose ox is being gored here?

I heard the gentleman stand up here and say that he is for tax cuts, but he is not going to vote to cut taxes if it is going to have anything to do with Social Security. Yet, I am looking at a bill here that just passed the House September 15. It was a bill that spent billions of surplus funds on the agriculture emergency bill. It is the same surpluses. Then it was okay to spend it, but no, it is not okay to cut taxes with it now.

Mr. Speaker, I am just looking at the whole list of all my good friends on that side of the aisle. Every one of them—I just drew the line here—every one voted for that surplus bill. Spend those surpluses, take it out of that Social Security. Yet, when we start talking about 48 million Americans that are married taxpayers, we cannot spend some of the surplus on them. We cannot give them a tax break. We cannot give 6 million other Americans an exemption on their itemizations. We cannot give 68 more million Americans a tax exemption on their interest on their income.

Mr. Speaker, I yield 2 minutes to the gentleman from Morris, the south suburbs of Chicago, Illinois (Mr. WELLER).

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

Mr. WELLER. Mr. Speaker, I thank the gentleman for yielding me the time.

We can tell this is an election year, with the political rhetoric we are hearing. People are talking about the social security trust fund, and of course politicians say a lot of things in an election year, particularly 6 weeks before the election.

As a member of the Subcommittee on Social Security, I thought I would share with everyone here, the Social Security Administration says that the tax cuts we are going to vote on tomorrow eliminate the marriage tax penalty for a majority of those who suffer. It will have no impact on the social security trust funds.

In fact, in response to a question by the gentleman from Texas (Chairman ARCHER), ''As a result of the tax bill being considered by the committee today, will there be any impact on the monies in the social security trust fund,'' the chairman asked Judy Chesser, deputy commissioner of the Social Security Administration, she had a very simple answer: ''No.''

So if we want to be honest about this, this legislation has absolutely no impact. The tax cuts have absolutely no impact on the social security trust fund. Let us be honest today. The Social Security Administration is honest. All politicians should try and be honest once in a while.

Mr. Speaker, this is an exciting day. Let us think about it. As a result of last year's balanced budget, we now have projected a $1.6 trillion surplus. Today we are going to vote to set aside $1.4 trillion to save social security. What a victory. 2 years ago we had massive deficits. Today we have that opportunity to save social security, setting aside $1.4 billion.

I was one of those who stood up and applauded in January of this year when

the President said, let us take the surplus from the budget and use it to save social security. I applauded. In fact, I stood up like everyone else in this room, and said, good idea. At that time the surplus was projected to be $600 billion. Today we are going to vote to set aside more than twice what the President asked for, $1.4 trillion.

I have heard a lot of messages in the forums and town meetings I have had on social security in the south suburbs and south side of Chicago: Keep politics out of it, use most of the surplus to save social security, and let us eliminate the marriage tax penalty.

Ms. SLAUGHTER. Mr. Speaker I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

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

Mr. CARDIN. Mr. Speaker, I thank the gentlewoman for yielding me the time.

I oppose this rule, Mr. Speaker, and I am very disappointed that the Republican leadership is bringing this forward. We have worked very hard for the past 6 years to bring in a balanced budget, including the 1993 economic program on deficit reduction, that we passed without a single vote from the Republican side of the aisle. But we did come together, Democrats and Republicans, on budget discipline.

The pay-go rules were put in for a reason. The pay-go rules say very simply that we cannot spend money unless we have a way to pay for it. We cannot cut taxes unless we have a way to pay for it. It is very simple.

Yes, we have voted for tax cuts, we did last year, but we paid for them. We did not take it out of the surplus. We paid for it. Yes, we can fund true emergencies through the budget rules without waiving the budget rules, because that is the rules we are operating under. But we cannot cut taxes, we cannot raise spending, unless we pay for it under the pay-go rules.

What do the Republicans do? They bring out a rule that waives the pay-go rules. It says that ''We waive pay-go requirements with respect to a bill making the revenue loss not covered under pay-go,'' the height of hypocrisy. If they did not do that, they would have a Medicare cut next year of $6.7 billion under sequestration; the year after that, $8 billion. They did not want that to happen, but they did not want to pay for it.

That is wrong. There is no surplus, but for the fact that social security is running a cash surplus. We do not have any surplus to spend. It is very possible that we are going to enact permanent tax cuts, and then what happens two or three years from now, if we do not have the money they are talking about, it is not going to be 10 percent of the projected surplus that comes about as a result of social security, but it could be 20 percent, 30 percent, or 40 percent. That is wrong. That is why we worked together, Democrats and Republicans, for budget discipline rules.

I urge my colleagues to reject the rule.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from South Carolina (Mr. SPRATT).

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

Mr. SPRATT. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, in a week, just a week, the government will declare a budget surplus for the first time in 30 years. This is a landmark achievement, and in large measure it is the result of rigorous budget rules that Congress enacted in 1990, in 1993, and in 1997, which were followed consistently. Now, on the verge of the first surplus in 30 years, the House is about to throw budget discipline to the wind and dissipate the surplus before we have even declared it, even put it in our pockets and realized it.

When we did the budget summit agreement with President Bush in 1990, we adopted something we call colloquially the pay-as-you-go rule. Congress extended that rule in 1993, we extended it again in 1997, because it has worked. It has been the foundation of our fiscal discipline, and it has been a major factor in bringing the budget to balance.

Under that statutory rule, increases in entitlement spending or decreases in taxes have to be fully offset. If not offset, the initiatives have to be paid for. They are entered on a pay-go scorecard, and money is sequestered at the end of the fiscal year which otherwise would go to the farm program or Medicare or Medicaid, certain selected entitlement programs.

We all know there is a unified budget surplus over the next 5 years, but we also know that when the surpluses in the social security trust funds are backed out, the budget is in deficit by $137 billion.

If this rule is enacted and if H.R. 4579 is enacted, we will raise that deficit from $137 billion to $217 billion, and postpone the date when we are truly in surplus well beyond the year 2008. This is backpeddling. This is the first step down the slippery slope. When we are finally at the point of success, we are about to blow it.

I support tax cuts. I find a lot of the provisions in this tax bill very appealing. But I think it is a mistake to dispense with our budget rules and the budget discipline that has brought us this far in order to pass this bill.

The rule for H.R. 4579, everybody should note this, everybody should know it when they vote for it, has to bust the budget rules, has to break the budget rules and the discipline that we have established in four different ways for this bill to come to the floor.

First of all, it has to amend the tax bill to provide the pay-as-you-go requirements, to override these pay-as-you-go requirements which are present, which this Congress reaffirmed and extended just last year. We have to override them altogether.

It is buried here. It is the last paragraph in this thing. It says, ''Upon the enactment of this Act, the director of the Office of Management and Budget shall not make any estimates of the changes and receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of '85 resulting from the enactment of this Act.'' In other words, disregard fiscal reality.

Secondly, we have to violate section 306 of the Budget Act, which says that only the Committee on the Budget, not the Committee on Rules, can change statutory budget rules like the pay-go rule.

Thirdly, this rule waives section 311 of the Congressional Budget Act, in effect because the tax bill cuts go well beyond the tax cuts that we explicitly agreed to in last year's budget agreement and implemented in the Tax Relief Act of 1997.

Fourth, the rule must waive section 303 of the Congressional Budget Act, because it amends the revenue law before Congress has agreed to a budget resolution for this year. We do not have a budget resolution. We passed one in the House, the Senate passed one. We never even had a conference. The rules say that we cannot do this until we have adopted a budget resolution.

This is a long list of violations which we will waive. They are serious, not trivial violations. I urge that we stick with the fiscal discipline that has brought us to this day on the verge of a surplus, and not throw budget discipline to the winds. Let us vote against this rule.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am just surprised to hear the gentleman, whom I have great respect for. He was a member of the Committee on the Budget in 1993, along with the gentleman from Minnesota (Mr. SABO). They asked for the same kind of waivers, but for spending, not for tax cuts. In 1997, the same thing happened, for spending, not for tax cuts.

By the way, if there is an attempt to defeat the previous question and to make in order the Stenholm substitute, it, just like the Rangel substitute, requires the same kind of budget waivers. Let us get that straight, so Members, when they come over here, know what they are voting for.

Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Staten Island, New York (Mr. VITO FOSSELLA).

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

Mr. FOSSELLA. Mr. Speaker, I thank my good friend, the gentleman from upstate New York, for yielding time to me.

Mr. Speaker, I am very happy that we are having this discussion, this debate, and indeed the opportunity to

vote on this rule, because really, what we have is providing the American people, people on Staten Island and Brooklyn, the opportunity to determine what side here is for providing more tax relief for the American people, more tax relief for married couples, better opportunities for small business owners, and what side just wants to keep all our hard-earned money here in Washington for more big government, more spending, more bureaucracy.

□ 1030

I think the issue is clear. Frankly, I believe the American people are taxed too much. I think they work hard every single day. When their paycheck comes every couple of weeks or every month, or when they are filing their taxes, they recognize that they pay too much in taxes.

The reality is, we want to send that money back to the people, whether it is in Staten Island or Brooklyn or San Diego or anywhere across this country.

Last year, there was a debate about cutting taxes on hard-working Americans to stimulate our economy and allowing people to keep more of what they earned. We were told that there was a budget deficit and that we could not afford to cut taxes.

Now we are told that there is a budget surplus and we cannot afford to cut taxes. This is the logic that defies ordinary Americans. If we have a deficit and a surplus and we cannot afford to cut taxes in either case, then when can we?

The reality is that we have a great opportunity today to support a rule and underlying legislation that brings tax relief to hard-working married couples, to small business owners across America. Let us get the money out of Washington back to Staten Island and Brooklyn and across this great country where it belongs. Where people who work hard every single day who created the surplus, not the people here in Washington, the Americans, let us give them the tax relief they need.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. WATKINS), an outstanding Member.

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

Mr. WATKINS. Mr. Speaker, I stand in support of the bill. I think we all need to be grateful from the standpoint of being able to balance the budget. One of the reasons why I returned to Congress, was to do anything I could do to balance the budget, and also to try to provide some tax relief for a lot of the working families in this country.

We can also be very proud of the fact that we are setting aside 90 percent of the projected surplus to help protect and secure Social Security. A 90 percent set-aside or $1.4 trillion is more than any other time in the history of our country. An historic record breaking amount of dollars that we are willing to set aside to protect Social Security.

Also, as one of the previous speakers said, President Clinton, proposed a set-aside in January, of approximately $600 billion. We are setting aside over twice as much; $1.4 trillion is over twice the amount that President Clinton proposed in January.

So, I think we can be very thankful with what we have done to protect Social Security. The 10 percent will help save our farmers and our ranchers. Let me share with you what that 10 percent does.

One, it allows us to provide income averaging with a 5-year carryback to farmers and ranchers. And let me tell my colleagues, my farmers and ranchers who are hurting with low prices and the worst crisis since the Great Depression. They feel that the 5-year carryback is one of the best provisions they could possibly have to help them survive through this time.

It also allows 100 percent deductibility on health insurance for the self-employed. We are not only talking about farmers and ranchers being able to have health insurance, but also the small business on Main Street. Most of them are self-employed and they do not have the opportunity to have health insurance today, or they are not allowed to have 100 percent deducted.

A lot of ministers are under this provision of being self-employed. This is something that they have been wanting for a number of years.

The elimination of the marriage penalty which affects millions of people across this country. This is a good working family middle-class tax cut and our senior citizens will receive 90% or $1.4 trillion to help protect Social Security well past the year 2030.

Ms. SLAUGHTER. Mr. Speaker, I want to urge my colleagues to join me in opposing the rule. Vote ''no'' on the previous question.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment that will be offered if the previous question is not ordered at this point in the RECORD.

The SPEAKER pro tempore (Mr. KOLBE). Is there objection to the request of the gentlewoman from New York?

There was no objection.

On page 4, line 1, strike ''and (3)'' and after the semicolon, add the following:

''(3) a further amendment printed in the Congressional Record and numbered 2 pursuant to clause 6 of rule XXIII, if offered by Representative Stenholm or his designee, which shall be in order without intervention of any point of order, which shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (4)''.

Ms. SLAUGHTER. Mr. Speaker, I yield the balance of my time to the gentleman from Texas (Mr. GREEN).

The SPEAKER pro tempore. The gentleman from Texas (Mr. GREEN) is recognized for 30 seconds.

Mr. GREEN. Mr. Speaker, I rise in opposition to the rule, the bill, and in support of the Democratic substitute.

For too long this Congress has had the habit of using the Social Security trust funds to hide the true amount of our deficit. Now Republicans want to use the Social Security trust fund to inflate the value of the budget surplus.

This money should not only be saved, but it needs to be saved to ensure the solvency of the Social Security program. Let us be honest about the budget. It is only in balance because of Social Security. If we remove Social Security trust funds from our budget calculation, we would still have a deficit.

This bill to supposedly save 90 percent of the surplus for Social Security is a sham. By supporting this bill, the Republicans are doing nothing more than taking from America's seniors to pay for a tax cut.

Democrats want to save 100 percent of the surplus to pay for a program that has worked well for seniors and their families but is in need of repair—Social Security.

By voting for the Republican fig-leaf bill and against the Democratic substitute, Republicans are voting to cut the money available for strengthening Social Security.

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want my colleagues to read this sign here. It says: Social Security Administration says the tax cut plan has no impact on Social Security trust funds. Quote, ''As a result of the tax bill being considered by the committee today, will there be any impact on the monies in the Social Security trust fund? No.''

Now, who said that? It is Mrs. Judy Chesser, Deputy Commissioner, Office of Legislative and Congressional Affairs, Social Security Administration of the Clinton administration.

Is that clear?

Later on this year, before we adjourn in the next couple of weeks, we are going to be voting on some very critical things where we have to come up with emergency monies. One of them is Bosnia. Ever hear of it? We have to pay for it. Y2K, billions of dollars. We have to pay for it. Disaster aid in New York and California and all across this country. We have got to pay for it. National security, we have to pay for it.

As I pointed out before, 178 Democrats did not hesitate for a minute to come on this floor 2 weeks ago and vote to spend billions of dollars of these surpluses—spending it, not cutting taxes. Now today we want to put aside 90 percent of these funds, 90 percent of over $1.5 trillion and save that for Social Security. But we want to take 10 percent of it and we want to give 87 million Americans a tax break in this country, all middle-income, low-income Americans that need the help.

Mr. Speaker, what is this all about? I urge Members to come over here and vote for the rule and let us vote for the Social Security bill and then let us vote for the tax cut bill.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to speak against this rule, which governs the debate on two separate bills that gravely affect our Social Security and tax systems.

This rule prohibits the free and open debate of the social security system. It only allows for one amendment to be made on each of these important bills, that effect the lives and livelihoods of millions of Americans around the country.

Social Security is an extremely important program. For many Americans, it provides their only source of retirement. Their only source for sustenance after they retire from work. Both of these bills threaten the stability of their accounts. They take part of the money, that should entirely be set aside on their behalf, as was contracted the moment that funds were garnered from their paychecks, and put it towards election-year tax cuts. Such important legislation should not be unreasonably limited in debate, or in deliberation, as they are here today.

H.R. 4578 purports to save Social Security, but any elementary school teacher would be quick to stamp it ''incomplete''. It puts aside only a portion of the hard-earned money of the American people. The Republicans admit it is a 90–10 plan. They acknowledge that 10% of the Social Security Fund is left unprotected. I say that 10% is 10% too much.

The Democratic substitute for this bill sets aside every penny of Social Security and places it into the New York Federal Reserve for safekeeping, away from lawmakers looking to earn quick votes. I intend to vote for the substitute, and hope that its passage signals to the Republicans that their efforts to bring about tax cuts do not have to come at the expense of the people around the country.

Now, this resolution does allow for one Democratic amendment to H.R. 4579, which takes funds out of the Social Security surplus and uses it for tax cuts. Tax cuts that are intended to benefit the middle class. However, to truly ensure that the middle class will receive the benefits, those cuts must be carefully targeted. Targeting requires careful debate and deliberation. Under this rule, we are afforded neither. We get only one substitute.

Furthermore, under this rule, H.R. 4579 ''self-executes'', meaning that a portion of the Budget Act is waived automatically! The Budget Act requires that all tax cuts be fully paid for before being enacted. Why is that waived in this case? Because the Republicans know that there is no surplus to spend. It is prima facie evidence that this bill takes money away from the Social Security Trust Fund.

I urge all of you to vote against this rule, and for the workers of this great nation.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 5 of rule XV, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 219, nays 202, not voting 13, as follows:

[Roll No. 461]

YEAS—219

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Manzullo
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Nussle
Oxley
Packard
Pappas
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—202

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—13

Burton
Cubin
Engel
Goss
Kennelly
Livingston
McDade
Meeks (NY)
Moakley
Norwood
Paul
Pryce (OH)
Rogers

□ 1056

The Clerk announced the following pairs:

On this vote:

Mr. BURTON of Indiana for, with Mr. MOAKLEY against.

Mrs. LOWEY and Mr. ACKERMAN changed their vote from ''yea'' to ''nay.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. QUINN). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 215, nays 208, not voting 11, as follows:

[Roll No. 462]

YEAS—215

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Greenwood
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Nussle
Oxley
Packard
Pappas
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—208

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Coburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntosh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Smith, Linda
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—11

Burton
Cubin
Goss
Kennelly
McDade
Meeks (NY)
Moakley
Norwood
Paul
Pryce (OH)
Thornberry

□ 1106

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.

PROTECT SOCIAL SECURITY ACCOUNT

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 552, I call up the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. QUINN). Pursuant to House Resolution 552, the bill is considered read for amendment.

The text of H.R. 4578 is as follows:

H.R. 4578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF SPECIAL RESERVE ACCOUNT.

Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

''(n)(1) There is established within the Treasury a special reserve account to be known as the 'Protect Social Security Account' (hereinafter in this subsection referred to as the 'account'). The account shall be used to save budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds.

''(2) The Secretary of the Treasury shall pay into the account annually during the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008, amounts totalling, in the aggregate, 90 percent of the projected surplus (if any) in the total budget of the United States Government for that fiscal-year period.

''(3) Within 10 days after the date of enactment of this subsection, the Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, shall project the budget surplus (if any) for the total budget of the United States Government for the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008.

''(4) The Secretary of the Treasury shall invest the funds held in the account pending enactment of the reform measure referred to in paragraph (1). The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are hereby extended to authorize, in the manner provided in subsection (d), the issuance at par of public-debt obligations for purchase for the account. The interest on, and the proceeds from redemption of, any obligations held in the account shall be credited to and form a part of the account.

''(5) As used in this subsection, the term 'total budget of the United States Government' means all spending and receipt accounts of the United States Government that are designated as on-budget or off-budget accounts.''.

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply to fiscal years beginning on or after October 1, 1997.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 4578, as amended pursuant to House Resolution 552, is as follows:

H.R. 4578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF SPECIAL RESERVE ACCOUNT.

Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

''(n)(1) There is established within the Treasury a special reserve account to be known as the 'Protect Social Security Account' (hereinafter in this subsection referred to as the 'account'). The account shall be used to save budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds.

''(2) The Secretary of the Treasury shall pay into the account annually at the end of each fiscal year during the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008, amounts totalling, in the aggregate, 90 percent of the projected surplus, if any, in the total budget of the United States Government for that fiscal-year period.

''(3) For purposes of determining budget surpluses under paragraph (2), within 10 days after the date of enactment of this subsection, the Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, shall project the budget surplus, if any, for the total budget of the United States Government for the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008.