Third, our budget blueprint begins the process of actually paying down the debt we are passing on to our children. Everyone would agree that we have a moral obligation to take care of our children. Part of this obligation is relieving our kids of the nearly $6 trillion Federal debt. This is what I call generational fairness. The Republican budget plan would maintain our commitment to generational fairness by continuing the start we made last year on paying down some of the debt.

How would this work? Under our plan, Social Security taxes would be collected and locked away until a reform plan was enacted that would actually preserve the Social Security system. Until a specific fix is worked out, those excess funds would be used to pay off bonds owned by the public. This means it would be easier to meet future obligations to Social Security. And, Alan Greenspan tells us, it means lower interest rates.

Fourth, our budget blueprint makes possible reductions in the tax burden on American families as additional revenues become available. Americans are overtaxed. The average American family pays more in taxes than they do for food, clothing, shelter and transportation combined. That is wrong. The Republican budget plan makes strengthening Social Security our first priority. Then, as more surplus dollars become available, we believe Americans should start getting some of their excess taxes back. They should be given back as an overpayment, because that is what they are. Our plan recognizes that extra taxes left in Washington will get spent on new government programs that most folks neither want nor need. When we allowed Washington to start taking taxes out of our paycheck, we never said to Washington, ''You can keep the change.''

In sum, our budget plan reflects the priorities of the American people. It safeguards 100 percent of the Social Security money, unlike the President's plan, and keeps faith with our Nation's seniors. Then, by preserving fiscal discipline, paying down debt and offering tax relief, this budget ensures lower interest rates and a stronger economy well into the 21st century. This keeps faith with our children. It is a budget I am proud to support.

ISSUES OF CONCERN REGARDING IMMIGRATION

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

TRIBUTE TO HOUSTONIANS ON OBSERVANCE OF WOMEN'S HISTORY MONTH

Ms. JACKSON-LEE of Texas. Mr. Speaker, this is a month in which we honor women for the contributions that they have made to the United States and to our communities and our neighborhoods.

And so, Mr. Speaker, I would like to briefly acknowledge some of my neighbors in Texas, in Houston in particular, who I hope to be able to expand on their many contributions in weeks and months to come by tributes that I will submit to the CONGRESSIONAL RECORD. But just for tonight briefly since I will also talk about another issue in the time allotted, let me pay tribute and acknowledge:

Christa Adair, the first secretary of the NAACP, who created opportunities for people to vote in Houston, Texas.

Luella Harrison, an outstanding teacher, pioneer and spokesperson in our community.

Mrs. Erma Leroy, another activist who has contributed along with her husband, Moses Leroy, to the labor movement in Houston.

Madgelean Bush who founded the Martin Luther King Community Center that today provides facilities for babies with HIV/AIDS.

Nellie Fraga who has championed Hispanic and Mexican rights but also cultural connections and exchange.

Mrs. Laurenzo, the owner of Ninfa's Restaurant, a businesswoman premier who has guided us to indicate and teach women that they too can be involved in business.

I pay tribute to those women among many others who have done such great things for our community with a special tribute as well to Mae Jemison who has pioneered into space and now has an office in the Houston area.

Mr. Speaker, I would also like to respond and indicate some issues of concern that I have as the ranking member of the Subcommittee on Immigration and Claims of the House Committee on the Judiciary. I was disappointed that the amendment today of my good friend the gentleman from Texas (Mr. BENTSEN) was not able to be debated. The gentleman from Texas offered an amendment to ensure that criminal aliens that were already incarcerated would not be released until deportation. I wanted the gentleman from Texas to have the opportunity to discuss and debate a very important issue. The issue was raised because of the $80 million that was included in the emergency supplemental appropriations bill that was to provide increased border enforcement and funds for 2,945 additional beds for the detention of criminal aliens from certain parts of Central and South America.

I am concerned that when money is given to an agency and it is given to the agency still with the sense that the agency is not functioning, that we need to debate the issue and get clarification. I think it is important that we should acknowledge, as was acknowledged, that any presupposed or any memo that suggested that the INS was prepared to release criminal aliens is obviously incorrect or has been withdrawn. I am disappointed that preliminary discussions about that were ultimately released to the public. But INS should own up to it and explain what that memorandum was about. They say it was about the fact that they did not have enough beds. In fact, in our own community, they have contracted out the need for facilities for incarcerating or keeping criminal aliens. What I would like to see is the Federal Bureau of Prisons move more expeditiously, although I know they are working toward doing this, in providing beds for criminal aliens so that they are not located particularly in neighborhoods and communities around the Nation.

I also believe it is important not just to give $80 million for the increased border enforcement, but we need trained Border Patrol agents, experienced Border Patrol agents. And so it is important that INS responds how they are going to ensure that the border enforcement patrol is well trained so that everyone is protected, both the Border Patrol agents as well as those they encounter.

I think it is equally important that we address the question that so many have approached me with, and, that is, the INS personnel, in terms of improvements, both in terms of their conditions but also, Mr. Speaker, in terms of the workings of the office, the delay, the treatment of those who come into the INS office.

My commitment to all of those who are commenting about the INS is that we are going to fix it. It is an agency that has an enormous responsibility. Mr. Speaker, this is a country of immigration but it is a country of laws. My colleagues have my commitment as ranking member of the Subcommittee on Immigration and Claims that we are going to address these concerns to the INS and make the United States known for a fair and balanced immigration policy while responding to the concerns of our constituents and our colleagues.

☐ 2015

THE NEW DEMOCRATS WANT FISCAL DISCIPLINE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Washington (Mr. SMITH) is recognized for 60 minutes as the designee of the minority leader.

Mr. SMITH of Washington. Mr. Speaker, tomorrow on the House floor we will begin the budget process. We will debate in the full House for the budget resolution, and the budget resolution is the parameters under which we will pass the spending bills later on in the session. So this is the first attempt to get a look at what our budget is going to look like for the fiscal year 2000.

I rise today to talk about fiscal discipline and to urge fiscal discipline in that process, and I do so from the perspective of a Democrat, but a New Democrat, and I would like to explain that a little bit at the outset because I am a member of the New Democratic Caucus back here in Washington, D.C., but that is not something folks may

necessarily be completely familiar with outside of Washington, D.C.

The basic premise behind the New Democrats is that the Democratic party needed to change to address some of the legitimate concerns that the American public had with our party. Essentially we in the New Democratic Caucus believe that the Democrats did have to make some changes in some of its policies in order to address the concerns the public had expressed with us and the reasons that we started losing elections, quite frankly. We had to understand some of the changes that were going on in society and some of the changes that were going on in government and address them in manners that had not been previously addressed, and one of the biggest ones is fiscal responsibility.

Now, as Democrats, we believe that government can, in fact, in certain areas be a positive force in peoples' lives. We can look to Medicare, Social Security, the interstate highway bill, the GI bill, laws that have protected our environment by cleaning up air and water; all of those areas have made a difference. So it is not that we do not believe, as some of our colleagues on the right, in the Republican party, sometimes believe, that government can ever do anything right; it is just that we believe that they need to do it in a fiscally responsible manner, and there is a variety of reasons for that.

First of all, all of the needs that we have as a society: education, defense, cleaning up and protecting the environment, medical research, taking care of our veterans, providing health care and pension security for our seniors are not one-time needs. Our generation is not going to be the only generation that is going to need to address those concerns. It is going to be ongoing in the future. And if we spend all of the money right now in this generation, we are going to be doing a grave disservice to future generations. In fact, that is more or less what happened in the 1980's.

Basically, as my colleagues know, there were a lot of compromises that were reached in this body in the 1980's, and I always characterize those compromises as being basically: Okay, we will take your tax cut if you take our spending increase, and we will just spend as much money as possible to make as many people as possible happy right now today. Put it on a credit card and forget about tomorrow.

Well, Mr. Speaker, I first got into politics in 1990 when I was elected to the Washington State Senate. Basically I got elected right about the time the bill came due, and I know how difficult it is to do what we need to do as a government when the previous members of a legislative body have spent all the money and then some. It is completely irresponsible, and it mortgages the future of our children. Future generations will need infrastructure, they will need money for transportation, they will need money for public education, for cleaning up the environment, and if we have spent it all, they will not have it.

So, being fiscally responsible should in no way be antithetical to the beliefs of the Democratic party. We need to emphasize it and make it a big priority.

One of the other problems with running up such a severe debt, other than spending all of the money that future generations could spend for needed and necessary programs, is that the more money we spend, the more debt we go into, the higher the interest payment. This is a concept that everybody in America understands whether it is a mortgage payment, a car payment, a credit card bill. We understand that not only do we have to pay back that money that we borrowed, but it keeps going up in the presence of interest that accumulates on our bill every month.

Mr. Speaker, I have a chart here that helps illustrate that problem in the Federal Government. Basically the third largest expenditure behind Social Security and national defense of our Federal Government is interest on the debt, $243 billion or 14 percent of the budget. That is money that does not go to educate our children, that does not go to provide health care for people in poverty, or seniors or people who need it. That does not go to help our environment, to help with medical research, to help with veterans, to do any of those things. It goes to pay for the irresponsible spending of those who went before us, and we should be keenly aware of that number because, as the deficit goes up, this number keeps going up as well.

And finally there is another benefit to being fiscally responsible that goes beyond this that the next chart, as I will demonstrate in a minute, reveals, and that is that basically, if we can pay down the Federal debt; because keep in mind this number here is a yearly number. We are running up a deficit on a yearly basis; we are getting close to balance, but we are not quite there, but more on that in a second. But we also at the same time are incurring overall debt. We are borrowing more and more money. So even if we get our budget balanced, one of the critical things we need to do is start paying down the debt. If we start paying down the debt, that helps interest rates go down, and if interest rates go down, there are benefits all across the economy, and I will demonstrate a few of them on the other chart.

One of the biggest ones that we can all relate to is a home mortgage, and basically if we can pay down the debt so that the public or the government sector is not gobbling up all the money, other people can have more access to it at a better rate. And my colleagues can see here, if you just reduce the mortgage interest rate on a 30-year fixed rate from 8 percent down to 6 percent, you can save yourself a great deal of money on the monthly payment, and over the course of a year you can save yourself a great, an even larger, sum of money.

So, Mr. Speaker, this is another problem with being fiscally irresponsible, all of which brings me to the budget that is going to be laid out here on the floor tomorrow by the majority party. It fails to be fiscally responsible. It is not just Democrats that have trouble being fiscally responsible in the past. It is Democrats and Republicans. One of the things I always try to say whenever people get into an argument over whose fault the debt is, as my colleagues know, is it the Reagan/Bush presidency or is it the Democratic Congress; as my colleagues know, I believe in saying it is both of their fault. They made the decisions to spend more money collectively than they can possibly cover. So it is not just one party or the other that is responsible for this, but now, as the budgets are being rolled out, if the Republican budget passes, it will be the Republicans who are responsible for further fiscal irresponsibility because their budget sounds themes that are eerily familiar: massive tax cuts totaling well over a trillion and a half dollars over the course of 15 years, at the same time accompanied by massive spending increases primarily in the areas of defense, and education and in some arguably laudable areas. Keep in mind, as I said earlier, this is not an argument against spending money. This is an argument of spending too much money and going into debt so that we create a fiscally irresponsible situation.

And lastly the last thing reflected in the current Republican plan is not only do they dramatically cut taxes and dramatically increase spending, but they also offer no plan at this point to do anything about entitlements, about Social Security and Medicare and Medicaid, all of which in their present framework are going to cost far more than the current budget structure could possibly accommodate. Medicare goes bankrupt in 2008, Social Security stops running a surplus in 2014 and goes bankrupt in 2032. All of those facts combine to make this Republican budget very fiscally irresponsible and to put us in a position of basically snatching defeat from the jaws of victory. We are just this close to balancing the budget.

Personally I do not think that we should count the surplus in the Social Security Trust Fund as income to reduce the overall deficit, so I do not think we have a balanced budget yet, but even if you do not count that money, we ran a $30 billion deficit this past fiscal year as opposed to the nearly $300 billion deficits that we were running in the early 1990's. So we are getting close.

I rise today basically as a New Democrat to urge fiscal discipline, urge us to get the rest of the way and to reject the Republican budget.

I have some of my colleagues here who are going to help me in this argument, and I will at this point yield to the gentleman from North Carolina.

Mr. ETHERIDGE. Mr. Speaker, I want to thank my friend from Washington State (Mr. SMITH) for organizing this special order this evening on an issue that is really so important not only this year to this Congress, but to the future of this country and to our children who have not yet been born. And he talked a few moments ago about a new Democrat. As my colleagues know, that is a group, a caucus, as he has shared, has been formed here in Congress of Democrats who believe in growth, who believe in funding education, but also believe that we should balance our budget, and keep our House in order and that we should reduce our public debt. To make sure that we have a good sound economy I think is a sound philosophy, and it is most important and it makes sense for American families, as he just talked about.

Before I came to Congress, as many of my colleagues know, I was the elected State superintendent of my State of North Carolina for 8 years. What they may not know is that prior to that I spent 19 years as a small businessman meeting payrolls, paying taxes. I knew what it was to go to the bank and borrow money if I had to, not only to expand, but to meet payroll if I had to on Friday if I had not collected enough of my sales during the week. So it takes financial discipline. So I know firsthand how important it is to keep your books sound and your numbers straight.

That is why it is so important, as I come to the floor this evening to join my colleagues in this special order because it is an issue I think we have to take about. Tomorrow we will be debating it on the floor and talk about fiscal discipline at the federal level that we had in North Carolina when I was there because I served for 10 years in the General Assembly at the State level. Four of those years I chaired the Appropriations Committee and had responsibility to write four balanced budgets, and Congress is now headed in that direction of getting our House in order.

Mr. Speaker, that is why the Republican budget resolution is so troubling to me. If we look at it, they are talking about a $800 billion tax cut over 10 years. It is too risky, it is too radical, and, in my opinion, too irresponsible. The Republican budget is a tax cut spree financed with fantasy surpluses yet to materialize.

If the economy should dip and we hope it does not, but we know what history tells us, guess what happens? There is no money. The American people remember the 1980's when we had huge deficits. We do not want to return to that. That would certainly be a mistake.

When the people of North Carolina sent me to Congress, they gave me simple marching orders. That was to help the Federal Government live within its means. And one of the first bills I voted on, major bills, was to balance the federal budget, and, as I have said earlier, as a former businessman you have to balance your budget, and if you cannot balance your budget and live within your means when you have a good economy, when do you get to do it? We must act now to pay down the debt when we have money, and that is the one thing that could stifle our economic growth and the expansion that we are enjoying and bring tremendous hardship on hard-working people all across America who have paid the price, who are now working hard and looking for us to do the things we ought to do that are right. Pay the debt down so, if we have another tough time, we can get through it.

Mr. Speaker, future generations of Americans deserve the opportunity to strive and achieve without the questioned burden of debt that our current consumption is creating. We are consuming a great deal right now. We owe it to the next generations to pay this debt down and make sure that our children and our children's children are not saddled with it. If we use projected surpluses as an excuse to enact massive tax cuts, we will have no resources available to pay for debt relief for our children or our grandchildren.

□ 2030

We will not be able to lower interest rates on homes and expand the economy in the 21st century.

Two more pressing crises, and I could list a whole bunch, but I only want to touch two facing America, and that is facing social security and Medicare. We have to invest in that and do it now, and the budget we will see tomorrow will not do that. It is a shell game. They show us how to increase revenues and expenditures for programs that are important to people for 3 to 5 years. At the end of that period they cut them off, because that is when all the big tax cuts kick in. What a cruel hoax to play on the American people.

Secondly, investing in education, so that the next generation of American leaders will have the kind of education they need to continue to grow this economy in the 21st century. Not one penny in their budget proposal for school construction, at a time when there is crying across this country for modernization and new school buildings.

We have a greater growth in school population for children in public schools than we have had in the history of this Nation. There are more children in school today, and yet, not one penny.

The Republican budget proposal cripples our ability, in my opinion, to rise to these challenges, and we have an opportunity tomorrow to do something about it. We have a chance to say no, no to the excesses, but yes to a responsible budget that will provide opportunities for our children, that will provide targeted tax cuts, that will help grow this economy, and help us move into the 21st century in a position to continue to be the great Nation that we are, and provide strength and hope to people around the world.

Mr. Speaker, I thank the gentleman for this opportunity to be part of this special order.

Mr. SMITH of Washington. I thank the gentleman very much for those fine comments.

One quick comment before I recognize my friend, the gentleman from Wisconsin. This is not easy. That is the reason it is called discipline. We all have people come back here and ask for a wide variety of programs and tax cuts.

I have always felt, I long for the day when somebody walks into my office and asks for $10 million or $20 million or $50 million for some program or tax cut, and I can look at them and say, that is a complete waste of money. That is not going to do any good for anybody, anywhere.

That is not true. Every dime we spend would do some good for some people. That is why we have to be disciplined to make sure we do not spend more money than we take in. The Federal budget is $1.7 trillion. We can do a lot and we should, but we should not give in to the pressure of taking it issue by issue and saying, we just have to spend the money. We have to think about the future, and think about the fact that it is their money that we are spending if we are not disciplined now.

Mr. Speaker I yield to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank the gentleman from Washington (Mr. SMITH) for giving some time this evening to talk about a very important issue in regard to the budget resolution which is coming up tomorrow, which will have an impact on the course of fiscal policy on this Nation for years to come.

I just came from my office, watching on television. I am sure many people throughout the country heard the President's explanation of our involvement in Kosovo.

Now that military air strikes are underway in the Balkans again, I am sure my friends from Washington State, North Carolina, my friend, the gentleman from New Jersey, would extend our thoughts and prayers to the young men and women in American uniform who are once again being called upon to restore some peace and stability in Europe, along with the military personnel of the 18 NATO nations that have joined us unanimously in this policy.

It is never easy to order this type of action to place young lives in harm's way, but I believe that it is the right policy at the right time for the right reason.

As a student back in 1990, I had the opportunity of visiting Yugoslavia, and spent time in Kosovo, and I had a

chance to meet a lot of Kosovar students and people there. These are good, decent people. They do not deserve to be murdered and forced out of their homes by Milosevic's army.

If we are to learn any lessons from the Second World War, it is that the United States of America is not going to stand idly by and watch atrocities and genocidal practices being committed against defenseless civilians.

Yet, it is the young men and women who are called upon yet again to do their duty, and I am very confident they are going to be able to do it professionally, with a great deal of loyalty, and courageously. May they all return home soon to their families and safely.

On to the subject at hand in regard to the budget resolution, when I came to this body a couple of years ago, I was proud to join the New Democratic Coalition, which is new but expanding after every election. It is a group that stands principally for fiscal responsibility, along with making investments to promote growth in this country, highlighting issues such as the advancement of technology and education and the work force, a heavy emphasis on education issues, but underlying all this is the need for fiscal restraint, fiscal responsibility, and fiscal discipline.

I, too, am concerned, as my friends, the gentleman from Washington State and the gentleman from North Carolina, are tonight about the ramifications of what is going to hit the Floor tomorrow and what is going to be debated tomorrow; the lack of fiscal discipline, the fiscally irresponsible decisions that are being made in the course of this budget resolution, and the long-term implications that that holds throughout the country.

My friend, the gentleman from North Carolina, indicated earlier that what is being proposed is over an $800 billion tax cut, most of which is backloaded. In fact, it will not kick in until those crucial years when the aging baby boomers start reaching retirement, start entering the social security and Medicare program.

If there is an economic downturn, it could reap devastating consequences for that generation and that generation of leadership having to do with serious revenue shortfalls at precisely the time when these very important programs, like social security and Medicare, will be facing their greatest challenge.

The gentleman from North Carolina also pointed out a very fundamental fact. I remember not so long ago when there were great knockdown, drag-out fights over budget resolutions and proposals that would extend out 3 years. Now we have entered this era that we are not just talking about a 1-year fiscal cycle or 2-year or 3-year fiscal cycle, but a 10- or 15-year fiscal cycle, and fiscal decisions being made on projections way out into the next century.

We are hard-pressed with the economic experts that we have, the Congressional Budget Office, the Office of Management and Budget, to even get the economic projections and numbers right over a 12-month period of time, let alone a 5- or 10-year period of time.

So these rosy scenarios, and they are certainly very optimistic, and hopefully they will come true, of projected budget surpluses of the tune of $4 to $4.5 trillion over the next 10 to 15 years, are I think a very dangerous and irresponsible calculation.

There are many warning signals, not only in our own domestic economy but in the international economic area, that could lead to a drastic downturn with the economic growth that we have fortunately been experiencing in recent years. If that downturn does happen, obviously it is going to affect revenue projections. It is going to affect other programs within the Federal budget.

If these budget surpluses do not in fact materialize and we lock into huge tax cuts that are now being proposed, we could find ourselves returning to the era of annual structural deficits that we are just now turning the corner and pulling out of from the 1980s and early 1990s.

I think the Democratic Party has a lot to be proud about and to talk about with regard to fiscal constraint and discipline that we have exhibited in the 1990s. Since the 1993 budget agreement, which was a very difficult vote for Democrats to take, many of them lost their seat because of it, there was not one Republican across the aisle who supported it.

In fact, many of their leadership were right here on the House Floor decrying that budget agreement, claiming that if it was enacted, that it would result in the next Great Depression in this country. But in fact, it has led to six consecutive years of budget deficits and now projected budget surpluses that are outside of the social security trust fund.

The truth is, and the American people and my constituents back home in western Wisconsin understand this fundamental fact, that all this talk about budget surpluses this year, next year, is really masking a social security surplus that the government is continuing to borrow from. We will not truly be running online budget surpluses until the fiscal year 2001, assuming, again, the economic projections do take place.

But I think the most fiscally responsible and prudent course of action to take now is a go slow and cautious approach, wait and see if in fact these budget surpluses do materialize before we start locking in on major fiscal policy changes.

One of the other things that disturbs me in regard to the budget resolution that we will be debating and voting on tomorrow is the fact that if we pass it and if it is implemented, we will be breaking a longstanding budget ruling of the 1990s called pay-as-you-go.

This is, I think, a very important reason why we have been able to practice fiscal discipline, why we have been able to reduce the Federal budget deficit over the last 6 years, and why we have the potential of going into the 21st century on a much firmer fiscal note.

Basically, pay-as-you-go means if you are going to offer any new spending or any new tax cuts, they have to be paid for by offsets in the already existing budget, meaning that you do not move forward on new spending or reduced taxes unless you can pay for it under the budget allocation as it exists.

That rule would have to be violated in passing the budget resolution that we face tomorrow. I think that would be disastrous. I think that would be the wrong step to be taking right now, when we are starting to make this turn into an era of potentially fiscally responsible and sound footing, so we can make a serious investment in saving social security and Medicare, but most of all, start making the attempt to reduce the national debt.

Right now it is at $5.5 or $6 trillion, going up, even today, and $3.7 trillion of that is publicly held, meaning that there is a government, Federal Government, obligation to pay back to individuals or corporations who are buying up Treasury notes and bonds. They have to come and they will come due. We have an obligation to pay it.

With the projected budget surpluses, we are in excellent shape now to start downloading that publicly held national debt of $3.7 trillion, which is, by the way, what Chairman Greenspan is consistently begging us to do every time he comes before congressional committees to testify.

We know how important the Federal Reserve has been in the economic activity we have experienced in this country. Why would paying down that national debt benefit us in regard to the Federal Reserve and monetary policy?

It is very simple. The Federal Reserve Chairman Greenspan tells us that if we can reduce our national debt burden, that would mean the Federal Government would not have to go into the private sector and continue to borrow funds from the private sector in order to meet our Federal obligations and our deficit obligations.

What would that mean? It would free up capital then in the private sector, and make it cheaper for individuals and companies to borrow for their own investment needs. It would enable the Federal Reserve and Chairman Greenspan to keep rates low, and to lower them even further.

That really is the true economic story of the last few years, the fact that we have reduced interest rates, which has enabled individuals and corporations to borrow money cheaper, to make investments, to form capital, to create jobs, that leads to the economic growth we have had, the low unemployment and the low inflation.

If there is one thing we should attempt to do, it is pass fiscal policy

which will enable the Federal Reserve to keep rates low, and lower them even further. That is the big tax cut that all Americans can share in.

Virtually everyone at some time has to borrow some money for some reason. Whether it is credit card payments, whether it is home or car payments, student loans, whether it is farmers in the capital-intensive occupation that they are involved with, small and large businesses, they are all having to borrow money.

If we reduce the rate and the expense of borrowing it, that means more disposable money in their pockets. That is something that we should be striving for. That is where our priorities should really lie.

Unfortunately, that is not always politically sexy or politically juicy to take home to our constituents that we are representing. Tax cuts have always been popular and politically appealing, but unless we change that mindset in this body, unless we start becoming more concerned about the next generation, our children, and what type of fiscal inheritance they can expect, and less concerned about the next election, I am fearful that we are going to make bad decisions today that are going to affect my two little boys, who are just 2½ and 9 months old right now.

Most of what I do and the decisions that I make are done through their eyes; how is this going to affect them and their country in their century, the decisions that we make today. I think that is really what is at stake today. I think that is what the debate should be about tomorrow, how can we set the next generation up in the 21st century so that they do not have to face the burden of an exploding social security system or a Medicare system that is imploding because of the aging population in this country. That I think is the true challenge.

I appreciate the leadership and the effort that my friend, the gentleman from Washington (Mr. SMITH) is making, that other Members of the New Democratic Coalition have been making, my friend, the gentleman from New Jersey (Mr. ANDREWS), who is at the forefront of this issue, fighting about it every day. Perhaps we can change the mindset in this body and do the right thing, starting with this budget.

Mr. SMITH of Washington. Mr. Speaker, I yield to the gentleman from New Jersey (Mr. ANDREWS), and I thank my friend, the gentleman from Washington State. It is good that this gentleman from Washington (Mr. SMITH) came to Washington. We are glad he is here.

I very much agree with the sentiments of my friend, the gentleman from Wisconsin (Mr. KIND). I have daughters who are 6 and 4, and I do look at these decisions the same way. When I was fortunate enough to come here in 1990, we were borrowing $400 billion a year to run the Federal Government. This year we will take in approximately $100 billion more than we spend. Tomorrow and in many days that follow tomorrow we will make a choice as to what to do about that.

As my colleagues have said very clearly and very well here tonight, there are many temptations in the short run. Virtually everyone who visits us in the Capitol wants more money from the Federal Treasury in the form of programs, or they want to send less money to the Federal Treasury in the form of taxes.

□ 2045

I believe that we have to do something this year that is totally contrary to the political impulse, and that is to avoid instant gratification in exchange for what makes sense in the long run.

For us to do what is right here, I believe we need to make a choice that says no to an awful lot of things that are worthy of saying yes to. I wish that we could double college scholarship Pell Grants. I wish that we could spend more on cleaning up Superfund sites. I wish that we could do more to expand child care opportunities right now for people. I wish we could get rid of the marriage penalty and further cut the capital gains tax. I frankly think we should get rid of the estate tax as well.

We get a lot of votes and a lot of constituencies that would support everything that I just said. But I think the choice we have to make is whether or not we help people a little bit right now with a modest, almost symbolic tax cut, or whether we invest in their children's schools, defend their country through a stronger military, protect their environment, and most especially, assure that they will have a secure retirement with a Social Security check and a full health benefit through Medicare.

The choice that will be on this floor tomorrow is rather clear. Both sides in fact want to place the lion's share of the surplus into Social Security. We have different ways to do it. I frankly think the way that the gentleman from South Carolina (Mr. SPRATT) is proposing is the right way to do it.

But the big difference is what to do with the rest of that surplus, and here is the difference: We choose Medicare in the Democratic Party. The majority party chooses a short-term reduction in taxes, which is alluring, which is popular, which is politically expedient, and which is wrong.

The most risky and difficult way, the most successful way, if you will, to let the deficit genie out of the bottle again is to start reducing taxes because it is a politically expedient and easy thing to do. It is a surefire recipe for higher interest rates, less confidence from the markets, and a return to the chaos that affected this country's economy when I arrived here nearly 10 years ago.

A lot of people deserve a lot of credit for bringing us to a point where we now have black rather than red ink. Our President deserves credit. Members of the majority party deserve credit. Members of our party deserve credit.

Most of the credit belongs to our constituents who get up every day, earn their living, send their tax dollars here, and sacrifice for their family and their community and their country. I would hate to see all of that sacrifice given away, eviscerated because of a need for short-term political expediency.

The right answer with that hundred billion dollars surplus is to fund the massive unfunded pension liability that was created for 30 years around here by putting it back into Social Security where it should never have been taken out. Then take the bulk of it, the remainder, and make Medicare sound for at least the next 10 years so that, when people retire, they understand that an illness is not a financial death sentence.

It is difficult to resist what is popular in the short run, but it is right, and it is necessary. The budgets that will come to this floor tomorrow compel us to make that choice: the next election or the next generation, a good headline tomorrow or a good retirement for the people that we represent today.

I urge my colleagues on both sides of the aisle to put aside their partisanship, read these budgets, look through the eyes of young men and young women who are growing up in this country, and pass the resolution put forth by the gentleman from South Carolina (Mr. SPRATT) on behalf of the Democratic Party tomorrow.

Mr. SMITH of Washington. Mr. Speaker, in terms of the budget, there are two key facts out there that are not getting a lot of headlines that need to be highlighted, because I think part of the problem and part of the rush towards spending all of this money or cutting taxes, one or the other, is the perception that we have these never-ending budget surpluses.

There are 2 key limitations to that fact that need to be pointed out. Number one, a significant portion of those budget surpluses is within the Social Security Trust Fund. That is not really surplus money. That is money, as the gentleman from New Jersey (Mr. ANDREWS) just pointed out, that we have to pay back to the Social Security Trust Fund. So to count it as income and spend it now is like spending money twice. That puts us into a fiscal irresponsible situation.

Second is the coming expense of the entitlements of Medicare and Social Security and, to a lesser extent, Medicaid. We all know the statistics on those. They are very dire.

Basically, there are more people who are going to be in the retirement community who are going to be eligible for Medicare and Social Security. They are living longer, and health care costs are going up, all of which is combined to create a situation where the expenses for entitlements are going to explode in the next 10 to 15 years and beyond.

My colleagues need to factor those two things in before they go passing a

whole lot of money around thinking that we have surpluses that we do not in fact have and will not have in the future.

Mr. Speaker, I yield to the gentleman from Arkansas (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, like a lot of Americans tonight and perhaps people all around the world, I have been spending my time channel surfacing through the various networks and following what is going on overseas in Kosovo. The President spoke, as my colleagues know, within the last hour from the Oval Office about what is going on.

From the standpoint of those of us who are dealing with these budgetary issues now and will be voting on them tomorrow, as we recognize our young men and women and the sacrifices they are making tonight, they are flying in the budget decisions that were made in years gone by.

I hope tomorrow that our thoughts will be with those young men and women as we cast our votes on what we think the best budget is for the future of this country.

The issues that have gotten a lot of attention over the last several months about the budget have been issues involving family security, Medicare, and Social Security. One of my specific concerns about the votes that we have to make tomorrow is another part of the security of our senior citizens, and that is the veterans budget. Frankly, I think that the budget proposal that apparently was just filed here in the last few minutes is not adequate for veterans. It is very disappointing and perhaps more disappointing in view of what is going on overseas this evening and today.

Fortunately we will have the opportunity tomorrow to vote on a better budget for veterans. It will be the alternative offered by the gentleman from South Carolina (Mr. SPRATT). It will not only add additional money to this next year's budget but will maintain that number through the next several years.

As the gentleman from Wisconsin (Mr. KIND) did such a good job in discussing the problems of tax cuts down the line, unfortunately the budget document that we are going to be presented tomorrow takes money from, in my opinion, good programs in order to finance those tax cuts.

So we see that the budget tomorrow, with regard to veterans issues, it takes the President's budget, it adds $0.8 billion to it for the 2000 fiscal year, but then the number drops back down in 2001 and 2002 and 2003 and 2004.

So the veterans are being falsely, in my opinion, falsely fooled into thinking that somehow we have this great budget that is going to add money to their budget for their future, and it does not.

The number is inadequate for the fiscal year that we are considering, and then it is clearly even more inadequate in the years following because it drops back.

The budget of the gentleman from South Carolina (Mr. SPRATT) adds $1.8 billion to the veterans budget for the fiscal year we are considering and maintains that level over the future. The majority budget adds $0.8 billion to go to the budget for fiscal year 2000, and then that number drops back. I think that is not correct and not the proper way to treat our veterans.

What it demonstrates, though, is the importance of being fiscally responsible. We have some very real needs in this country, and I think Social Security and Medicare are appropriately at the top of the list. But veterans and our promises that we made to our veterans also should be at the top of that list, as should our national defense budget.

The more we take these dollars and, in my opinion, irresponsibly make promises to the American people that somehow we can do it all, we can fund everything, we can fund Medicare, we can fund Social Security, we can fund veterans, we can fund national defense, and, by the way, we can send all this money home to them, if we make those kinds of false promises, we do a disservice to our responsibilities down the line.

That is why I am pleased to be here tonight and support the efforts of this group in being fiscally responsible and voting for a budget that does not squander this opportunity to put away surpluses for the future of this country, for veterans, for national defense, and for our senior citizens.

Mr. SMITH of Washington. Mr. Speaker, I yield to the gentlewoman from California (Mrs. NAPOLITANO).

Mrs. NAPOLITANO. Mr. Speaker, I join my colleagues to carry a message that we do need to invest in our future and not squander our resources on ill-conceived tax cuts.

We have heard it before and we are going to continue hearing it, the recession of the early 1990s has been replaced with a record-breaking strong economy. Years of budget deficits have finally been replaced with a surplus.

Now we need to determine what is the most responsible thing to do in these good economic times. Should we do what any prudent family would do when times are good, namely, pay down our debt and invest in our future, or should we spend away our surplus on massive tax cuts that mostly benefit those that do not need it, the wealthy?

Before I think of what we go through, I do not think it is very hard. The answer is very clear. That is why I support my party's policy of paying down the national debt and investing in America's future.

Let us dedicate the 62 percent we have talked about of the surplus towards safeguarding Social Security and 15 percent towards Medicare. This would ensure that Americans have access to Social Security benefits until at least the year 2055 and access to Medicare benefits until at least the year 2020.

While we work to safeguard Social Security and Medicare, let us also start getting serious about paying down the national debt. Public debt is now the highest it has ever been at $3.7 trillion, that is with a ''t'', and it is soaking up billions of tax dollars that could otherwise be used towards further strengthening Social Security, Medicare, investing in our schools and infrastructure and expanding health care services.

In 1998, 14 percent of our government spending went into paying the interest on our national debt. That comes to $3,644 for every family in America, $3,644. That is more money than was spent on the entire Medicare program.

The money spent on the interest payments on the national debt did not reduce the debt itself by one cent. It certainly did nothing to improve our health care, our schools, our drinking water, or to help small businesses succeed.

Let us stop wasting money on the national debt's interest payments. Now that we have overcome a history of budget deficits, it is time to use that economic strength we have built towards finally paying off the national debt.

In addition, we have put an end to wasteful spending by looking at how we do the furtherance of cutting the national debt. It is good for Americans because it would lead to a reduction in interest rates.

Now get this, a 2 percent dip in interest rates would cut home mortgages, the rates in home mortgages significantly. A family currently making monthly payments on a $150,000 home with a 30-year fixed income mortgage at 8 percent is paying $844 a month. If their interest rate drop to 6 percent, that monthly payment would be cut to $689, a savings of $155 a month. That is better than any tax cut the other side is proposing.

Now for college students, a 2 percent reduction in the interest rate would cut typical 10-year student loans for a 4-year public college by $4,263. That is an 8.5 percent reduction. For small business, a 2 percent interest rate could reduce a 5-year start-up loan on $200,000 by $11,280 over the life of the loan.

□ 2100

These are very real and significant savings that demonstrate how paying off the national debt can help working families.

The President has proposed a budget that will cut the debt, reducing it to $1.3 trillion. That would be the lowest national debt in proportion to GDP since 1916. I hope that my colleagues will join me in supporting our President's plan.

Common-sense fiscal discipline transformed the budget deficit into a surplus. Let us resist the temptation to spend our current surplus on tax cuts that will leave us ill-prepared to tackle the challenge of extending the life of

Social Security and Medicare and reducing the national debt.

Just because the days of deficits are behind us does not mean that fiscal responsibility is obsolete. We need to continue on the course of maintaining a strong and healthy economy that will benefit all Americans, especially our children and future generations.

Mr. SMITH of Washington. One quick point, Mr. Speaker, and then I want to yield to the gentleman from Connecticut (Mr. MALONEY).

When looking at fiscal discipline issues, I think tax cuts are fine. I do not think that there is necessarily a prejudice against cutting taxes. I think in certain areas we need to do it. Nor do I think that tax cuts are any greater threat to our fiscal discipline than spending. I think too much spending leads to the problems we have just as much as too much tax cuts.

What I would emphasize in any budget is to look at the overall budget and keep one primary goal in mind: balance it. If we think that we can find room for some tax cuts by cutting spending someplace else, great, let us put it on the table, let us talk about it, and let us weigh those options. Whatever the spending program may be, whether it is veterans spending that the gentleman from Arkansas (Mr. SNYDER) alluded to, or the capital gains tax cut and the marriage tax penalty that the gentleman from New Jersey (Mr. ANDREWS) alluded to, put it on the table and talk about it.

The problem is, and what we have yet again with the Republican budget, they sort of throw everything on the table and promise they can do it all, all the tax cuts, all the spending increases, and just kick it off down into the future and let the credit card grow. That is the problem.

Nothing against tax cuts, but we need to weigh them against spending increases or decreases and figure out what is best, with one fundamental goal in mind: balance the budget and pay down the debt. We cannot do that if we promise away all the money in both directions.

With that, Mr. Speaker, I yield to the gentleman from Connecticut (Mr. MALONEY).

Mr. MALONEY of Connecticut. Mr. Speaker, I thank the gentleman from Washington (Mr. SMITH), and I think his final comments, and the motif of this special order, is fiscal responsibility and fiscal discipline. The day has finally arrived that we can stand here and say that we have a real opportunity to do the right thing in regard to fiscal responsibility.

If we look back over the past 30 years, we see what was the wrong thing to do, and it was done wrong on both sides of the aisle in this House and in this Congress at large. Thirty years we went without a balanced budget. We have accumulated a $5 trillion deficit. We raided the Social Security Trust Fund. We raided the Highway Trust Fund. The Congress raided the Land and Water Conservation Fund. Thirty years we have had a wrong direction. We have not made the right decisions; the decisions that are in the long-term interest of this country.

Today we are talking about doing the right thing. Tomorrow we will have the opportunity to vote on some budget resolutions, one of which, the one offered by the gentleman from South Carolina (Mr. SPRATT), I believe, does in fact do the right thing. It restores us to a path of fiscal responsibility.

Let me draw a straightforward analogy between a typical family and the budget decision that we have to make tomorrow. A typical family might, over the past years, have had some fiscal stress. They might have taken out a loan to help finance a young member of the family going to college; they might have taken out a loan to replace a car.

They now face the circumstance where they have a good time. They are in good economic times. They are at the end of a year and they are going to get perhaps a bonus. What do they do with that bonus? Do they pay down their car loan? Do they repay the student loan so that perhaps the next child in the family can go to college? Or perhaps they make a decision that they are going to take a fancy vacation, and they are going to spend their year-end bonus or the benefit of their fiscal good times on some other luxury.

That is the choice that this House faces tomorrow. Do we do the right thing? Do we pay down the deficit? Do we save our money for Social Security? Do we make sure that we have adequate provision for Medicare? Do we do the fiscally responsible thing, or do we kind of go on a holiday and find things that, sure, we would all love to do, but that frankly we cannot afford?

The answer, I think, is that we try to do the right thing. And when we look at what that right thing entails, it is very straightforward. We are proposing that 62 percent of the surplus be put aside to secure Social Security; that 15 percent of the surplus be put aside to secure Medicare for the future years. Those actions will extend the fiscal life of the Social Security program to the year 2050.

The proposal made by the majority party adds no additional years to the life of the Social Security program. The budget proposal of the gentleman from South Carolina will take us out to 2050.

Similarly for Medicare, the majority party will make a budget proposal tomorrow which will add no additional life to the Medicare trust fund. The proposal of the gentleman from South Carolina will bring us fiscal security in the Medicare program to the year 2020, and still leave us money to do targeted investments in things like education and make some responsible, affordable tax cuts: a tax cut for long-term care; the opportunity to make the research and development tax credit a permanent feature of the Tax Code, to encourage additional growth in economic progress in our country.

Tomorrow is a very important day in the history of this country. Tomorrow we have a choice, an irresponsible budget proposal containing an irresponsible tax, or a responsible budget proposal that looks to the long-term financial and social health of this country that includes targeted tax relief.

I sincerely hope that this House supports the proposal of the gentleman from South Carolina (Mr. SPRATT) and that we adopt a fiscally responsible budget resolution.

Mr. SMITH of Washington. Mr. Speaker, it gives me pleasure at this point to yield to the gentleman from Minnesota (Mr. MINGE). He is a Blue Dog as well as a new Democrat. He has a budget proposal himself that I think is very fiscally responsible and I will be happy to hear about.

Mr. MINGE. Mr. Speaker, I agree that tomorrow will be a historic day in the House of Representatives. It will be historic in part because for the first time in 2 years we face the prospect of adopting a budget and the possibility that we will have a concurrent resolution with the Senate that actually is the type of budget resolution that we have held to passing.

In 1998 it turned out that the leadership of the institution was not capable of bringing up and passing a budget resolution. I think that was a tragic flaw that existed in the leadership of Speaker Gingrich in 1998, and I am pleased to see that we are moving past that stage here in 1999, at least I hope we are.

The question really, then, is what type of a budget will we end up with here in 1999? The thing that I would like to emphasize in our discussions this evening is that there are a variety of views as to how we should handle the possible abundance; the opportunity to make prudent decisions in a time of a possible budget surplus.

Essentially, we have three different choices that we will face tomorrow. The majority will be proposing that we take the entire surplus that is generated from various Federal operations, from revenue collection to the operation of agencies, but excluding Social Security and the post office, that we take that surplus and we return it to the taxpayers.

Now, this sounds good. I think all of us would like to do that. But then some of us ask, what about this national debt that we have? What about priorities that we have as a country? For some, the priorities are education, for others it is veterans, for others it is the environment, for some it is the defense of our Nation, for others it is agriculture, for others it is health care, and the list goes on.

We are spending here in 1999 substantially more money, by some counts $35 billion more, than what people are promising we can live by in the year 2000. And yet, from what I can tell, the Republicans and the Democrats in this

body alike that are on the Committee on Appropriations feel this is an unrealistic position. So the question is, is it realistic to try to return all of this money or are we going to leave ourselves severely strapped? I daresay that there is not a person in this body that does not expect we would leave ourselves severely strapped.

Another approach is to invest the money in priority programs. And a third approach is to try to find a mix.

The Blue Dog Coalition, of which I am a member, it is a group of moderate to conservative Democrats, will propose a budget tomorrow that has a mix. In that sense it is similar to the budget proposed by the gentleman from South Carolina (Mr. SPRATT). We propose taking 50 percent of the money that is in surplus and using it to reduce the $5.6 trillion debt; 25 percent of the money to be used as a tax reduction measure, or for tax reductions; and 25 percent for program priorities.

We feel that this is a responsible division of how the budget surplus ought to be used. It recognizes the needs that we face here in America, health care, education, defense, veterans, agriculture, environment and others. At the same time, it recognizes the responsibility that we have in a time of prosperity and affluence to pay down our national debt to the maximum extent possible, while at the same time trying to give a dividend to the taxpayers and meet the needs of our great Nation.

Mr. SMITH of Washington. Mr. Speaker, just in concluding the discussion this evening, as we are guided in our budget discussions, I think there should be some central principles. One of the most important principles in achieving fiscal discipline is to not play sort of the divide and conquer strategy; not get to the point where the sum of the parts adds up to more than we would like the whole to add up to.

We have heard about a variety of programs this evening. We have heard about a variety of tax cuts. There is merit to all of them. What we have to do in putting together a fiscally responsible budget is put them all on the table at the same time. I guess what I mean by divide and conquer, it is really more of a divide and pander strategy, which is to say we take each issue area which may be a priority for somebody, whether increased defense spending, increased education spending, increased spending for health care, an estate tax cut, a capital gains tax cut.

There are all groups out there, as well as individuals, who have their favorite. They come and talk to us about them and we want to make them happy. It is sort of the nature of being a Congressman that we want to make our constituents happy, so we want to promise all those things, and that is where we get into trouble.

What we have to say is if veterans are a big priority, then make it a priority and make it work in the budget. Make the sacrifices in other areas to make sure that we can do that. But we should not promise more than the budget can contain. That is what leads us to fiscal irresponsibility.

That is what, sadly, the Republican budget we are going to hear about tomorrow does. It promises all across the board and does not meet the test of fiscal discipline, getting us into the position of paying down our debt and be responsible to the future.

We are not the only ones who have needs. Future generations are going to have needs. Whether it is tax cuts or spending programs, if we take it all now, we will be mortgaging their future.

Mr. Speaker, I see the gentleman from Texas (Mr. STENHOLM) has joined us, so I will yield to him to talk also about fiscal responsibility. But I urge more than anything that we balance the budget and start paying down the debt. It is the responsible thing to do for our future.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman from Washington very much for yielding to me, and I very much appreciate his taking the time tonight in order to discuss the subject that we will be debating in earnest tomorrow.

I guess the one thing that he said that I want to overly emphasize is that if by chance we have surpluses, and most of us, I think, and most of the American people understand that when we owe $5.6 trillion, we really do not have a surplus to talk about. And since most of the surplus, in fact all of the surplus this year is Social Security trust funds, we in the Blue Dog budget that will be offered as a substitute tomorrow, we emphasize that we should take that money and pay down the debt with it and really do it. I believe we will have bipartisan support for doing that because everybody is talking about that.

□ 2115

But the one thing that some are not talking about, and this is why we will offer our substitute amendment, some are saying that we ought to take future surpluses. And it was not too long ago in this body that we had a difficult time estimating next year, and then we started 5-year estimations and projections of what surpluses and what the budget would hold, and now we are starting 10 and 15 years.

My colleagues, I believe it is very dangerous for the future of this country to base 15-year projections and say we are going to have a tax cut that will explode in the sixth, seventh, eighth, ninth, tenth, eleventh, twelfth, thirteenth and fourteenth year. That is not conservative politics, at least if they are a businessman or woman. We understand that they do not make those kind of decisions today based on what might happen tomorrow.

What we are going to be suggesting is, if in fact we do in the next 5 years achieve a surplus of the non-Social Security nature, let us put at least half of that down on the debt, let us pay an additional 50 percent down on the debt, and let us take 25 percent of that and let us meet the very real needs of which I know the gentleman from California is as concerned as I am about defense.

Let us put some real dollars in recognizing that, just as we have our young men and women in harm's way tonight, that it is extremely important that we give them the resources to do that which we ask them to do. And we cannot do that with the budget the majority is putting forward tomorrow, and everyone knows that.

It is time to get honest, and the Blue Dog budget will in fact get honest. And we will attempt, hopefully, to have a majority of this body agree with us.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H. CON. RES. 68, CONCURRENT RESOLUTION ON BUDGET FOR FISCAL YEAR 2000

Mr. LINDER (during the special order of Mr. SMITH of Washington), from the Committee on Rules, submitted a privileged report (Rept. No. 106–77) on the resolution (H. Res. 131) providing for consideration of the concurrent resolution (H. Con. Res. 68) establishing the congressional budget for the United States Government for fiscal year 2000 and setting forth appropriate budgetary levels for each of the fiscal years 2001 through 2009, which was referred to the House Calendar and ordered to be printed.

TRIBUTE TO ADMIRAL WILLIAM F. BRINGLE

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

Mr. CUNNINGHAM. Mr. Speaker, I am going to do a tribute to an admiral that we lost in San Diego, a four-star.

But I would also say, and I would say excluding what the gentleman from Texas (Mr. STENHOLM) has said, in 8 years, this is the most laughable oxymoron discussion I have heard in 8 years on the budget about saving Social Security and Medicare. I would like my colleague sometime to explain how the President takes $9 billion out of Medicare and then puts in 15 percent.

So we will have that debate tomorrow. But I do not disagree with the gentleman from Texas (Mr. STENHOLM) on a lot of the issues. But the other group, I am sorry, they are either naive or they just state their own opinion as fact and they are factually challenged.

Mr. Speaker, I would like to talk about Admiral William F. Bringle. He was a very good friend of mine. And he is like Will Rogers, that he is the kind of guy that never met a man that he