

ends up with gangrene in both hands and both feet and they all have to be amputated.

Little Jimmy today is learning how to put on his bilateral leg prosthesis, with his arm stubs. His mom has to help him put on his bilateral hooks. He is getting along pretty good for a kid who has lost both hands and both feet, but he will never play basketball.

□ 2200

I would tell the Speaker of the House that he will never wrestle. I would say that someday, when he gets married, he will never be able to caress the face of the woman that he loves with his hand.

I hear the opponents of this legislation say, "Ah, but these are just anecdotes. We do not legislate on the basis of anecdotes." I would say to them, this anecdote, if it had a finger, and you pricked it, it would bleed, if he had a hand.

Do my colleagues know what? Under Federal law, that health plan is liable for nothing other than the cost of the amputations. Can my colleagues believe that? It is the only industry in this country that has blanket immunity of that nature.

A judge reviewed this case. He determined that the margin of safety by that HMO for little Jimmy was, "razor thin." I would add, as razor thin as the scalpel that had to amputate his hands and feet.

Now, I ask my colleagues on both sides of the aisle, many of us in the past, we have talked a lot on this floor about responsibility. When we were doing welfare reform, we said, "Do you know what. If you are able bodied, you can go out and get a job, and you can support your family. That is responsibility. We will give you some education. But then it is your responsibility to support your family."

There have been a number of times on the floor, this floor right here, where we have voted in a bipartisan fashion for the death penalty for somebody who has killed or raped one of our fellow citizens because we say that is responsibility.

I think people need to examine their hearts. Conjure up in your mind the goddess of justice, Themis. She is holding the scales. She is blindfolded. Under current Federal law, she has written across her chiton "HMOs do not need to follow justice." We need to fix that.

There needs to be an enforcement mechanism. I looked at the Senate bill which passed last week, and do my colleagues know what the enforcement mechanism is? A \$10,000 fine if it is found that the health plan followed its own definition of medical necessity. That is a joke. That is a travesty. To my colleagues, I say we need to fix that.

This will not result in a huge number of lawsuits. Texas passed a law, a good law. It had a strong external appeals process. It did make the health plans

responsible in the end. Do my colleagues know how many lawsuits they have had? One. And one or two are pending in the 2 years, not that explosion of lawsuits. It has not resulted in an explosion of premiums. Texas premiums are below national average.

Before Texas legislature almost unanimously passed that law, the HMOs were saying, "The sky will fall. The sky will fall. It will kill managed care in Texas." There were 30 HMOs in Texas at that time. There are 51 in Texas today. The President of Aetna described Texas today, after passing a strong patient protection law with liability provisions, he described Texas as the *filet mignon*, the *filet mignon* of States to have insurance in.

Mr. Speaker, I have given my colleagues a couple of examples tonight of some of the abuses of managed care that have resulted in terrible personal tragedies. Picture little Jimmy as your child or your grandchild, and tell me, when you examine your heart, if you think HMOs under Federal protection should be shielded from the consequences of their negligence. I do not think so.

Should we not have a strong appeals process, something that really means something so that an independent panel can determine medical necessity, not on the basis of some contorted contractual language definition that only serves the basis to increase the HMO's bottom line and profits?

That is what we are dealing with, Mr. Speaker. We are dealing with a bill that, on the surface, if one looks at the surface headings, is called a patient protection bill. But when one reads the fine print, it is an HMO protection bill. It is worse than the status quo in many ways.

I will be happy to share with my colleagues references, the page numbers, the line numbers of any of the statements I have made tonight. But I will tell my colleagues what, if this bill comes to the floor, and we bypass our committee process, then I think every citizen in the country should demand that their Representative know what they are voting on and that their Representative be accountable for improving the situation, not making it worse.

#### TOO MANY UNKNOWNNS FOR "PROJECTED" SURPLUS

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

Mr. TANNER. Mr. Speaker, I want to thank the gentleman from Iowa (Mr. GANSKE) for that very interesting special order.

This is, I think, the first time I have asked for a special order in the 10 years that I have been in Congress. So my colleagues can readily see this is not something I do routinely or every night. My colleagues, I hope, can un-

derstand why I feel so deeply about the matter about which we are going to talk about here for a few minutes with the gentleman from Texas (Mr. STENHOLM) and the gentleman from Texas (Mr. TURNER).

There has been a lot of talk in this town around the country of a surplus. There are projections of a huge surplus over the next decade, and many people are running around with all sorts of ideas about how to spend it.

But what really upset me last week was the mark-up that we had in the Committee on Ways and Means on which I served and in which this surplus, 87 percent of the non-Social Security surplus for the next 10 years, was marked up in a tax cut bill.

Now, one of the reasons I ran for Congress in 1988 was because of my concern for the financial integrity of the United States. I am going to show this chart. I do not know if my colleagues can see it or not, but this is the way the country spent money from 1980, when I was in the Tennessee General Assembly, until now, and how we either paid or did not pay for what we spent.

The yellow part here is the administration of President Nixon. The green lines are President Ford. The yellow-red lines here are President Carter. The orange looking lines are President Reagan. This aqua green is President Bush. Then down here on the end, the dark blue lines is the administration of President Clinton.

I saw through the 1980s, as my colleagues did, a Republican President submit to, for 6 of the 8 years President Reagan was President, a Republican Senate and a Democratic House budgets that were never within \$100 billion of being balanced. I saw the Congress, Republican Senate and Democratic House, in collusion with the administration, borrow the money necessary to fund those budgets.

When I came here in 1988, we were borrowing in the name of our children and grandchildren over \$250 billion a year to pay for the consumption that people of my generation have enjoyed. I thought that was wrong then, and I think it is wrong now.

This is what it looks like on a bar chart in terms of building the national debt. In 1980, it was a little less than \$1 trillion. Today, it is over \$5 trillion.

Now, my colleagues might ask, who owns this debt? Who do my colleagues and I, we the people, who do we owe this 5 plus trillion dollars? Well, we owe the Federal Reserve and government accounts; that is, the Social Security Trust Fund and some other trust funds, about \$2.3 trillion. We owe other people in the country a little over \$2 trillion. Foreigners hold over \$1.2 trillion of this debt, foreign interests.

So if we take away the money that we the Treasury, we the people owe to ourselves, we come up with about \$3.6 trillion in outside held debt that we are paying interest on every day.

Put another way, we spend more on interest, or spent more on interest, this is fiscal year 1998, we spent more on interest right here, \$364 billion, than we did on any other government program, save Social Security. Social Security is \$379 billion. But it has its own funding stream, the FICA tax.

We spent more money on interest than we did on national defense, which is right here in green. More than we did on medicine, and we heard the gentleman from Iowa (Mr. GANSKE), the previous speaker, talk about medicine in this country, the orange right here. Agriculture, we can barely see, the little green line. We spent more on interest than we did education, than we did veterans.

In short, we spent more on interest last year, almost \$1 billion a day than we spent on anything that my colleagues and I can do for our children's future today.

Now, part of this projected, and I want to underline the word projected, none of this money is here yet that they say is going to come into the Treasury from 2000 to 2009, this is the Social Security surplus, the blue. This is what the Congress and the President have agreed is off limits. We will not spend that. The red, \$1 trillion is what is projected to come into the Treasury as a surplus over the next 10 years.

Now, mind you, 6 months ago, part of this money did not exist. It is only through reforecasting what we think the economy is going to be in the next 10 years that this has grown to the extent that it has. The money is not yet here. I do not know what the unknowns out there are. We may have a war, tornados, hurricanes, other natural disasters. This is only a projection that, as it changed 6 months ago, could change 6 months from now and this money never show up.

Now, here is why I was so upset last week. Here is the Social Security money in blue. That is off limits. That is for the people in this country who pay into the system and who expect to earn and draw their Social Security benefits when they retire. That is off limits.

What is available, if one believes the projections, to spend or to cut taxes with is this part right here. Do my colleagues know what happened last week? Knowing of this horrendous suffocating debt that our children and grandchildren have, the majority party in the Committee on Ways and Means reported out a bill, I guess it will come to the House this week or next, that spends 87 percent of this projected surplus in terms of a tax cut.

Now, nobody is against tax cuts. Certainly not me. But I will tell my colleagues, I think this is irresponsible from two standpoints. Number one, the money is not yet here. If it does not materialize, if the economy turns south, it may never get here. So to use 87 percent of it in tax cuts today betting on what is going to happen tomorrow I think puts our financial Treasury

and our financial integrity as a Nation at risk.

□ 2215

But it is worse than that, and this is why. We have a suffocating national debt. The interest that we pay every day is more than we pay for defense, it is more than we pay for education, it is more than we pay for anything save Social Security. By spending all the money now that is projected as a surplus for the next 10 years, all we are doing is shoving this note and all the interest due on every schoolchild in this country that went to school today. They do not even know Congress met today. They were in school somewhere; or, worse yet, they are not even here yet. And all we are doing is shoving down all of these notes and this debt for them to pay. I think that is wrong.

When we take 87 percent of the budget surplus that is projected and use it now to satisfy our own immediate desires for a tax cut, what is the message from this Congress to the kids of America? We took the money and ran. That is the message.

Tom Brokaw, some of my colleagues know, has written a book called "The Greatest Generation," and I have received some letters from some of those folks and they say, "John, if I must do without, so be it. I don't want you to send this suffocating debt down on the heads of my kids and grandkids. They deserve a better Nation. You are putting the country at risk, you, the Congress, if you take all of this projected surplus, do an almost \$1 trillion tax cut today and do nothing about the debt."

I think it is not only selfish and wrong, but I think it could really endanger the future of this country. Because if the world economy collapses, if there is a downturn, if there is a recession, and if interest rates go up as we have to roll these notes, what is going to happen to the interest on them? It is going to have to go up, too. And right now we are already paying almost \$1 billion a day. How much more can we stand before we have to say this country is in such bad shape we can no longer pay our bills?

I think it is as serious a situation as we have faced or experienced. Because I know that a country that is bankrupt is unable to defend itself, it is unable to help its citizens, and it is unable to be a force for peace in the world.

Mr. Speaker, I want to now yield to the gentleman from Texas (Mr. TURNER), because he has some comments he would like to make regarding this projected surplus.

Mr. TURNER. Mr. Speaker, I thank the gentleman from Tennessee for yielding to me, and I appreciate very much the presentation that the gentleman has made. Each of us here tonight feel very strongly that we must, in order to be fair to our children and our grandchildren, we must take a fiscally conservative and responsible course of action with regard to the projected surplus.

Those of us here tonight, Mr. Speaker, feel that we should, instead of devoting the vast majority of the projected surplus to tax cuts, we must devote the vast majority of the projected surplus to paying down that horrendous \$5.6 trillion national debt, which is taking interest every year in every annual budget to the tune of about 15 percent of all Federal spending. In fact, I am told that just to cover the interest on that national debt we spend about 25 percent of the total revenue from the Federal income tax just to pay that interest on that debt every year.

Mr. Speaker, we know that really paying the national debt down can give average working families more than any of these pie-in-the-sky tax-reduction schemes, that are mostly designed to benefit the wealthy. Because we know that paying down the debt, according to every economist we know, would result in even lower interest rates than we have today. And lower interest rates means for the American people lower house payments, lower car payments, or lower payments on those student loans they have taken out to send their children to college.

In fact, every 1 percent decrease in interest rates saves the American people between \$200 and \$250 billion in mortgage costs. Paying down the national debt is the smart way to help average working men and women and their families have more in their pocket.

We also know, as the gentleman from Tennessee pointed out, it is the morally correct thing to do. Why should we, now that we have good economic times, continue to jeopardize the future economic stability of this Nation and cause the preschoolers of today to be the ones that have to deal with the \$5.6 trillion national debt that was accumulated over all those years, as was pointed out on the chart, that shows all those successive Democrat and Republican administrations that incurred those annual deficits that have resulted in our \$5.6 trillion national debt?

There is one question I want to address here tonight that even is a more fundamental question than the issue of what should we do with this projected surplus; should we cut taxes or should we pay down the debt? Let us look at the projected surplus itself. Because if the truth be known, we may not even have a surplus over the next 10 years.

If we look at the numbers of the Congressional Budget Office projections, what we see is that they have estimated annual numbers over 10 years cumulatively totaling a \$2.9 trillion surplus. That starts off in this year with a projected \$120 billion surplus for fiscal year 1999. Those numbers go up steadily all the way up to the year 2009, where the projected surplus is about \$413 billion. All those numbers together total the projected \$2.9 surplus over 10 years.

But let us just look at the last year, 2009, that \$413 billion projected surplus.

Those numbers are based on current law. Current law has in place some budget caps that we are now struggling to live within that were put in place in the Balanced Budget Act of 1997. What if we fail as a Congress to meet those budget caps? Those budget caps, in fact, will require us to reduce spending over the next 3 years by 8 percent. Can we do that? I am not sure. If we cannot do that, we know that these numbers are totally unrealistic in terms of the projected surplus.

Let us just suppose that the caps that we have in place are reached, and that discretionary spending, instead of staying within those caps and going down 8 percent over the next 3 years, ends up going up with inflation over the next decade. That would not be an unreasonable expectation; that is for government programs and costs to go up with inflation. That \$413 billion surplus in the year 2009 would immediately shrink to \$331 billion. And, in fact, discretionary spending could rise faster than that. Sooner or later it is likely to grow again at least as fast as the population or the real economy.

Let us leave all that aside and let us see what would happen if, for example, the projected surplus for 2009 did not only shrink to \$331 billion because of inflation, but let us just say it stayed at the same level as the percentage of the gross domestic product that it stayed at for several years since 1970. We would then have only \$151 billion in actual surplus in 2009.

Today's surplus projections also assume that the growth in the health benefit costs will be relatively slow over the next decade. Every one of us know that hospitals in this country are under a great deal of pressure. Some of the cuts in Medicare have put great strain on our hospitals and other health care providers, and the CBO estimate says that health care spending, Medicare spending, will rise at 4.2 percent. That is a full percentage point below its long-term average since 1970. So what happens if health care costs continue to go up, as they have since 1970 every year? This would mean that the projected surplus for the year 2009 would only be \$95 billion.

Beyond those cost estimates that may be incorrect in the CBO estimate, consider productivity in our Nation, which has grown at 1.1 percent since 1973. The CBO estimates of the surplus says productivity will grow at an average of 1.8 percent over the next decade. Let us say it does not quite make 1.8. Say it is only half that. So it is somewhat closer to the 1.1 percent that we have had since 1973. That would mean that the projected surplus for the year 2009 becomes only \$27 billion instead of the \$413 billion that we started out with in the original estimate.

Further, what if the number of workers grows just one quarter of a percent, one quarter of a percent slower than the CBO projections estimate, due perhaps to a combination of fewer people seeking jobs and maybe fewer people

finding them? In that case the deficit would grow to \$102 billion.

So, Mr. Speaker, looking at only five assumptions in the CBO estimate, we can see there may not even be a surplus over the next 10 years. Fiscal conservatism requires that we recognize that the projections upon which the surplus is made by the Congressional Budget Office may not be worth the paper they are written on. We do not even have to talk about, as many people often do, whether the stock market may crash, because all the things I referred to are very minor changes in the direction of the economy that completely erases the surplus of \$2.9 billion that we are using to base a major tax cut on, which could result in our children and grandchildren having an even greater national debt to pay off than they already have today.

Mr. TANNER. I want to thank the gentleman for those comments, Mr. Speaker. I come from Tennessee, in a rural area, and if I just knew what the price of cotton or soybeans or a bushel of corn is going to be next week, I would be in pretty good shape. We do not know that, yet we are talking about 10-year numbers here, which as the gentleman suggested, may or may not materialize.

Let me say one other thing before I recognize the gentleman from Texas (Mr. STENHOLM), and that is that the term personal responsibility does not just apply to people on welfare. We have a responsibility here to try as best we can to keep the financial integrity of this country in at least as good as shape as it was when we got here.

I do not believe it is financially responsible, as the gentleman from Texas (Mr. TURNER) said, to base a massive tax cut on nothing more than a projected surplus. I do not think any prudent businessperson in America would say that they think that is a financially conservative doable thing and they wish we would do it.

Mr. Speaker, I would now like to ask my friend, the gentleman from Texas (Mr. STENHOLM) to say a few words. We have also been joined by the gentleman from Minnesota (Mr. MINGE). This looks like a Blue Dog gathering down here.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman from Tennessee for yielding me this time and for taking this time tonight, and I appreciate my colleagues, the gentleman from Texas (Mr. TURNER) and the gentleman from Minnesota (Mr. MINGE), joining us. The gentleman is right, this is a joining of the Blue Dogs tonight, and my colleagues who are listening will hear us talking considerably about this very ill-conceived proposal that we have facing us very soon.

I want to emphasize a few points that have not yet been made tonight. But first, last week the largest newspaper in my district had an editorial entitled "GOP Tax Cuts Founded Upon Play Money." And this is one point I want to emphasize. My colleague, the gen-

tleman from Texas (Mr. TURNER), spoke very succinctly and very matter-of-factly regarding the absolute fact that all of these numbers we are talking about are projections, and for us to base the future, really, of our country on projections is very dangerous.

And here I want to make a point, since we have mentioned the Blue Dogs tonight. One of the things that we believe in, if we are going to be critical of the other side's proposal, and we are very critical of the proposed \$864 billion tax cut with play money, we feel if we are going to be critical of the other side, it is incumbent to say what are we for; what it is that we propose.

And I have been asked by many of my colleagues and friends on the other side of the aisle, "Charlie, what would you have done? What would you do?" And we spelled this out very clearly in our budget proposal earlier this year in which we said the conservative thing to do is to be conservative. Do not spend the money until we have it. Let us realize that if we are going to use 10- and 15-year projections, we should use them for purposes of outlining what the effects are going to be. But, for Heaven's sake, do not spend the money until we have it in our hands.

□ 2230

We suggested very strongly, let us fix Social Security and Medicare first. The primary responsibility of this Congress should have been, should be, and I hope will be, let us fix Social Security. Save Social Security. Everyone now agrees, since all the rhetoric we have been hearing around here is a lock box, we are going to save the money, we are no longer going to spend the Social Security trust fund for anything other than Social Security. We all agree to that, we thought.

But if we carefully analyze this \$864 billion tax cut as proposed, we will find I believe the numbers will show that we are spending Social Security trust fund dollars in that 10-year plan. I believe those numbers are there.

I have a new set of numbers tonight that we can use, but I think it is going to be important that we use CBO numbers when they come out. And if we are going to show that if we have this \$864 billion tax cut over the next 10 years, we will use Social Security trust fund dollars in payment of that tax cut.

But here is the thing that I want to emphasize tonight, and it has to do with Social Security also. And this is something that is being overlooked thus far in this whole debate. What happens in the second 10 years? Once we put a tax cut in place, it goes on and on and on. And since there are pressures in the first 10 years to do all of which the Committee on Ways and Means majority has suggested, they have interestingly done, as Congress so often does, they allow the major part of the actions of the tax cut to occur in the second 10 years.

How much? It is now estimated \$2.9 trillion will not make it to the Federal

Treasury in the second 10 years, to which a lot of people and a lot of our colleagues will say, hooray, that is what we were sent here for. Send the money back home.

The only problem with that is in 2014, only about 14 years from today, that is when the baby-boomers begin to retire in earnest. That is when the pressures on the current Social Security system will build to the highest level that we have seen since Social Security was first started.

Now, let us use a little bit of what I like to call west Texas tractor seat common sense. It can be Tennessee common sense. It can be Minnesota common sense. It can be any of our 50 States common sense.

If we have a program that has been clearly defined by most of us as one of the best government programs ever created, Social Security, and what it is doing for senior citizens today, and if we believe, as I do, that we need to do the same thing for our children and grandchildren, why would we pass a tax cut in 1999 that is going to guarantee that the Congress in the year 2014 will have a very difficult if not impossible hurdle to meet? Why would anyone suggest moving revenue of \$2.9 trillion at exactly the same time that Social Security is going to have a need for those moneys in order to pay the promises off to those young men and women, all working men and women, who are working and paying in today, why would anyone have the gall to come to the floor of the House and suggest this is good policy, good economics, good anything?

But that is what we have been allowed to believe thus far by the rhetoric thus far. But we hope that with actions and discussions like tonight and the debate on the bill when it gets here and other discussions about this proposed tax cut, as much as I would like to see it, too, the gentleman from Tennessee (Mr. TANNER) said a moment ago he is for it, we are all for it, that is not the question.

The question is what is the fiscally responsible thing for this Congress to do? And again, I come back to this very simple statement to my colleagues that are asking what would we do. What I wished we would have done this year, I wish the Committee on Ways and Means would have spent the last four or five months debating a Social Security plan, a solvency plan, a proposal that would put Social Security on solid ground.

We have many out there, the gentleman from Arizona (Mr. KOLBE) on the other side of the aisle and I, joined by about nine cosponsors, now a partisan group, the gentleman from Michigan (Mr. SMITH), another Republican, has come up with some ideas. The gentleman from South Carolina (Mr. SANFORD), another Republican, has come up with some ideas. We have various bipartisan suggestions.

Why did not the Committee on Ways and Means deal with Social Security

first? That is what the Blue Dogs suggested. Take care of Social Security first. Then let us deal with Medicare, as the gentleman from Texas (Mr. TURNER) mentioned a moment ago.

Most of us who represent rural districts are hearing from our hospitals saying, if you do not make some changes in the Balanced Budget Agreement of 1997, if you do not make some changes, we are going to be forced to close our doors.

Now, we heard an excellent presentation by the gentleman from Iowa (Mr. GANSKE) in the previous special order just before us today in talking about some of the problems associated with health care a moment ago. But there is another problem with health care that is very prevalent in rural America and that is whether we are going to have health care available. If we do not address the very real priority of medical spending, Medicare and Medicaid, and do it in a responsible, conservative way but do it in a way in which we allow our hospitals to stay open, for many of our rural communities there will be no money, there will be no hospitals. And that is not just crying wolf. That is something that is a very, very real fact.

There is one other area, then I will yield back and allow the gentleman from Minnesota (Mr. MINGE) to join us tonight. But we talk about we do not send the money back to those that paid it, we are going to spend it. One of the things that gets overlooked by this is the very real fact of who owes this debt? The American people.

Who is paying the interest, the \$300-plus billion that the gentleman from Tennessee (Mr. TANNER) showed on his chart a while ago? Who is paying that? We are paying it.

It is consuming an increasing amount of the percentage of income tax that we pay. We forget that when we pay down debt, as the Blue Dogs have suggested, when we pay down debt we reduce the amount that we have to pay on interest.

One of the very real choices we are going to have to make very soon deals with military spending, defense spending of this country. And if we did as the current game plan, if we spend 87 percent of the projected available surplus for the next 10 years, there will be no money there for defense. Immediately folks will say that I am wrong about that, we propose to follow the President's suggestions on defense and, therefore, we will meet those numbers. Fine, I will concede that we will do that.

That means that we are going to have to cut 31 percent out of every other function of the budget, 31 percent out of veterans' programs, 31 percent out of agriculture, 31 percent out of education in order to meet the budget goal that has been set by the majority, who are saying that we can afford this \$864 billion tax cut.

My colleagues, we cannot do this. I appreciate the fact that many of you

are agreeing with us today privately. But we hope that we will find a way. And to those that are asking what is that way, the Blue Dogs set it out. Let us take any projected surplus and let us be conservative with it, whatever it is, you pick the number and let us wait until they are real.

First off, 100 percent of all Social Security surpluses go to pay down the debt. Then half of any non-Social Security surplus, pay down the debt with that also. And then the remaining, let us meet the priorities of this Nation, military, agriculture, health care, education, and veterans. And then let us deal with tax cuts targeted towards keeping this longest peacetime economy that we have seen in the history of our country.

That is a pretty good plan. We hope our colleagues will be joining us.

I yield back now to the gentleman and look forward to participating in a moment.

Mr. TANNER. Mr. Speaker, I would just say this. Both of my colleagues all have done an excellent job talking about this problem. But it does not take a lot of sense. We talk here in Congress and our eyes glaze over with all these projections and numbers. If we have a trillion-dollar projected surplus, we cannot take 87 percent of it and cut taxes today and then meet the needs of defense, education, health care, veterans and so on. We cannot do that.

People know that. I think the American people are way ahead of us quite frankly. If anybody believes they can save Social Security, that we can do all the things we need to do with the military and veterans and education and health care, then there is a bridge in Brooklyn that is going to be sold pretty quick. They know better. They know we cannot have it all.

And so, I hope that without regard to the numbers that make us glaze over, people know that we cannot have it both ways.

So I would like to call on the gentleman from Minnesota (Mr. MINGE) who helps the Blue Dogs with our budget, and he is going to talk a little bit I think about the budget priorities that the gentleman from Texas (Mr. STENHOLM) mentioned.

Mr. MINGE. Mr. Speaker, I appreciate the opportunity to address the body this evening.

We really face a situation here in the United States at the end of the decade that is intoxicating. We face the situation where we have balanced or are close to having balanced the budget after decades of deficit spending. It is historic. It is dramatic. It is exciting. Everybody is seeking credit.

Those of us in Congress are often boastful, we have a balanced budget. At the other end of Pennsylvania Avenue, the White House is talking about having balanced the budget. Talk of surplus rolls from the lips of all of us. But really we have not yet balanced the budget.

We are hopeful that in fiscal year 1999 there may be a surplus if we disregard what we are making on the Social Security trust fund. But the fact of the matter is in 1999 we are already appropriating funds for so-called emergencies; and if I not correct, these emergency spending measures are eating up any possible surplus that we might have had in fiscal year 1999.

Mr. TANNER. Money is money. It does not matter where it comes from. If it goes, it goes. My colleague is right.

Mr. MINGE. So 1999 there is no surplus. And we can talk about it, but really what we are doing is relying upon the Social Security trust fund. The baby-boom generation is at its peak earning years paying into the Social Security trust fund at a very fast clip. And the trust fund is not yet paying out on the benefits to that baby-boom generation. So that is why we are accumulating some additional money.

There is always this temptation to roll the Social Security trust fund into the rest of the budget and look at this temporary surplus that is being accumulated in Social Security as it ought to be accumulated but then act like this is a surplus in Federal operations overall.

But the sad fact is we have been borrowing this money from the Social Security trust fund. The Social Security trust fund has been forced to invest it in U.S. Government bonds, and then we are spending that money that we borrow from Social Security for current consumption. We are not putting it away as a long-term investment.

So I think one thing we have to be very clear on at the very outset is that in 1999 there is no surplus; and chances are in Fiscal Year 2000 there will not be a surplus either because we face the prospect of yet more so-called emergency spending for Kosovo, for agriculture, farm crises, and other matters and that is going to eat up the hope for surplus in fiscal 2000 if we put that Social Security trust fund to one side.

So I think that first it is very important that all of us here in Congress and the folks in the administration be straight with the American people.

One thing that troubles me about this is that I notice the news media is critical of those of us in Congress when we talk about surpluses and we disregard Social Security but then the news media proceeds to report news from the White House or news from the leadership here in Congress and not point out that often the talk of a surplus disregards what we are doing with Social Security.

□ 2245

So let us make sure that we put the Social Security business to one side.

Just to give all of us an idea of the magnitude of this and I think that the gentleman from Texas (Mr. TURNER) and the gentleman from Texas (Mr. STENHOLM) have alluded to this, but I would like to repeat it. If you are look-

ing at the next 5 years, which is all that those of us in the Blue Dog Coalition have tried to do, just look out the next 5 years, we would have about a \$1 trillion surplus if we were rolling Social Security in. But if you back Social Security out, even under the most optimistic projections as to surplus, we would have around a \$250 billion surplus in that 5-year period once we have disregarded Social Security.

Now, the other thing I would like to emphasize with respect to this so-called claim of a surplus is that the intoxicating effect of the surplus is sort of overwhelming in the political process, that we are all trying to find ways to both take credit for it and then to somehow lavish benefits, supposed benefits on various constituencies in this country with that surplus before we have realized it.

So here we sit in 1999 and we are talking about surpluses that hopefully will occur in 2001, 2003, 2004 and on over the next 15 years. What we would like to do here in 1999 is commit Congress, commit the Federal Government, commit the American people to programs 5, 10, 15, even 30 years down the road, as the gentleman from Texas (Mr. STENHOLM) emphasized, before we really have the surplus.

What it reminds me of, we all talk about going on a diet. Everybody, even those that are quite thin and trim talk about going on diets, but here what we have is a situation where we have sort of fattened ourselves at the trough with Federal money for all sorts of things, and many of them very good programs. We are not talking about the money has been spent on things that are necessarily inappropriate. There are constituencies that ask for all these programs, but we have spent money on these programs, and we are overweight. We are trying to do something about it. So we are going to go on a diet. Now we see that we are shedding these excess pounds so that in the future, 5 years, 10 years, 15 years down the road, we are going to be shedding these excess pounds, so what we want to do is start eating again before we have even shed the weight. We are looking at shedding the weight 5, 10, 15 years down the road but we want to start eating those rich chocolate and ice cream desserts right now.

Mr. TANNER. What I think we have done is we have taken the Nation's credit card and we have maxed it out. Now all we can do are make the interest payments, and we are going to leave to our children, son or daughter, "I'm going to give you a credit card. What I'm telling you though, is, it's going to take everything you're making just to pay the interest on what I have already consumed. The suit I've bought and put on the credit card is worn out. The meal that I had at one of these fancy restaurants is eaten, it's gone." And so we have maxed out, instead of taking the money that we see maybe as a surplus now and doing what I think is a pretty good thing, that is

paying what you owe, where I come from, where you come from, that is considered poor form really if you come into money and you owe a fellow and you do not pay him. We owe our kids and grandkids. Instead of spending it now, I think we ought to pay them.

Mr. MINGE. Another thing about this, we are all looking for political advantage out here in Washington. All the Republicans would like to say, "We've delivered tax cuts," or we did this or we did that. Democrats like to claim that we did this or that. The White House likes to make claims. If we can take this surplus being hopefully accrued in the future and say we are doing things with that surplus by making decisions now when the surplus is not even in hand yet, we are building points supposedly with the American public. But I do not think those are points that we are entitled to earn. We ought to be, if you are looking at your credit card situation or I was talking in terms of food, I guess it depends on what you need more at the time, a good meal or need to go out and do some binge spending, what we ought to be doing is eating our vegetables here. We have got a few more years here where we ought to be eating the vegetables and we should not be talking about that rich dessert. Or as I know the gentleman from Texas (Mr. STENHOLM) has said many times, the sun is shining now, now is the time to fix the roof, to fix the leak. What sense does it make to sort of languish there and try to get a suntan instead of doing the work of fixing the roof when the sun is shining?

What I would like to emphasize is that in this setting, we have come up with a proposal which is really very simple, or humble in the Blue Dog group, and the proposal is reflected by this chart. I would just point out quickly, we would take 100 percent of the Social Security surplus and devote it to Social Security. The surplus over and above what is accumulating in Social Security we would split three ways: 50 percent to pay down on the debt, reduce that credit card bill as you are talking about; 25 percent to invest in priority programs, and everybody has their list of priorities but this is an example of some things that many folks around the country recognize as priorities; and 25 percent and have certain targeted tax reductions. So it is a simple formula, it is a simple approach and by showing this level of fiscal responsibility, the economists who have looked at the American economy and who have studied the impact of fiscal restraint on interest rates and other things have said, we will have a dividend of \$165 billion in interest savings to the Federal Government over the next 5 years if we show this type of fiscal restraint. That is, it will cost us that much less, we will save that much in interest on the Federal debt which is sort of an interest dividend.

Mr. STENHOLM. That is a point that I think needs to be reemphasized. If

you took the \$864 billion and applied it to the debt instead of a tax cut, we would reduce the interest cost over the next 10 years by \$155, \$165 billion. But more importantly, this bill, in the second 10 years, that amount of money is \$1.5 trillion that future generations are going to have to pay in interest in the next 20 years, and I hope we are still there part of that. But this is what is being overlooked by this frenzy among some to say that the only way we can save this money is to send it back to the people that paid it, forgetting that if we do not deal with the debt, we are going to continue to have to pay interest.

A moment ago, the gentleman from Texas (Mr. TURNER) made the observation, and it is a correct one, each one percentage point of interest cost the American people between \$200 and \$250 billion in increased mortgage cost, automobile cost, TV cost, daily living expenses. It is a built-in expense. Therefore, we feel that the most conservative thing we can do and the best tax cut we can give the American people, the absolute best tax cut, would be to keep interest rates where they are or lower. Remember what the Federal Reserve did a couple of weeks ago, they increased interest rates a quarter of a point. That cost, according to these numbers, about \$60 billion, is what consumers are going to have to pay. Look at what that would have meant if that interest had not gone up. Why did the Federal Reserve choose to raise interest rates? They were afraid the economy was overheating.

Why do we have a tax cut, particularly the largest tax cut in modern history? To stimulate the economy. If we stimulate the economy, what might the Federal Reserve do? Increase the interest rates. Who is going to be the winner? It is not going to be the American people.

Mr. MINGE. It comes back to the Federal budget again, because the Federal Government is the largest single borrower in the U.S. economy. It costs the Federal Government money when interest rates go up just like it costs the homeowner and the business that has to go out and borrow. So that we are not doing any of us a favor when we set in motion the chain of events that provides the Fed with incentive to raise interest rates.

Mr. TURNER. I think it is interesting to note what the Federal Reserve Board Chairman Alan Greenspan said when he testified before the Committee on Ways and Means that the gentleman from Tennessee (Mr. TANNER) serves on. He was addressing the subject of reducing the debt. He said it is much better to use the surplus for debt reduction than tax cuts, and he said it this way and I am quoting him. He said, "The advantages that I perceive that would accrue to this economy from a significant decline in the outstanding debt to the public and its virtuous cycle on the total budget process is a value which I think far ex-

ceeds anything else we could do with the money."

I think that this debate that we are having this week in the Congress has redefined the party of fiscal conservatism, because just as the gentleman said a minute ago, all of these projections of the surplus that our friends in the other party want to base a huge blockbuster tax cut on are merely projections. What would be the conservative approach to take if it was at your house or mine? To do what is being proposed with this major tax cut that takes up 87 percent of the projected surplus is like a fellow sitting at his kitchen table with his wife and they are talking over their budget situation and somebody walks in and sits down over the kitchen table with them and says, "Oh, by the way, you're going to get raises over the next 15 years and every year, we know you're going to be making more money."

He says, "Well, I guess I will. That sounds pretty good. I believe I'll buy me a new boat right now, I believe I'll go out and buy some new camping gear and I believe I'll go out and see if I can't find us a new house right now."

Right then he would be making the wrong decision. He would be spending money that he does not even have, because somebody told him they think he is going to get a raise every year for the next 10 years. This is the same thing that has happened in this Congress. We do not need to be the Congress of fiscal irresponsibility. We do not need to be the Congress that took away the chance that we have today to pay down a \$5.6 trillion national debt. We do not need to be the Congress that passes on that debt to our children and our grandchildren. We need to be the party of fiscal conservatism, the Congress of fiscal conservatism.

I am glad to know that as a member of the Blue Dog Democrat Coalition, we are standing up this week in this Congress for fiscal conservatism and for the children and grandchildren that we want to have a prosperous economy in the years ahead.

Mr. MINGE. I would like to emphasize another dimension, and, that is, folks in this country who have the most modest income are the ones that are hurt the most by higher interest rates. It is those folks who have accumulated some savings that will benefit from the high interest rates, at least theoretically, but it is the modest wage earner that is going to get hit. I think one point that is very important to make is that keeping interest rates low benefits those who are doing that borrowing or have debts, and also having a strong economy like this does a great deal to provide jobs and opportunity for the low-income people in America. We reduce the unemployment rate, low-income folks in our country are participating in our economy at a rate that they have not for many, many years, many decades and so trying to maintain what we have and not being irresponsible about it I think is one of

the most effective ways to try to address the needs of modest income Americans.

Mr. TANNER. We did some calculations in the committee and if we could keep the United States Government out of the credit markets, keep the government from borrowing money, operate on an even keel, it is estimated that that would mean a two point difference on mortgage rates. Now, on a \$115,000 home with a mortgage, that translates directly into the pockets of those homeowners almost \$2,000, a little over \$1,900 a year that is money that they are not paying on their mortgage, they are getting to keep. Not only that, it makes housing more affordable, it makes automobiles more affordable. What does all that do? It keeps the economy going. And so if we could keep the government from borrowing money, and let me say this while we are talking tonight. I think it is incumbent upon us to tell the people of this country that we want to pay the debt that we all collectively owe, that we have all consumed, we did not spend it, I was not here in the 1980s but we benefited from the increased consumption in some way and did not pay for it. If we could just say to them, we want to pay what we owe, we want to pay your children and mine and our grandchildren, but we are going to also tell you we are not going to engage in a lot of new, unnecessary spending, the Blue Dogs make that promise as well, because that would not do anyone any good.

So for those who say, "Well, we cannot keep it here, it has got to be spent," I know of no compelling force to spend money around here. You have to vote to spend it the last time I looked. You have a voting card and you vote to spend it. Well, it goes both ways. And so we want to keep the money here and pay it on the debt, not spend it. I think that would be a message that all of us could embrace here tonight.

Mr. STENHOLM. If the gentleman will yield for one other point.

□ 2300

As my colleagues know, a 1 percent increase in interest rates, according to my arithmetic, costs the taxpayers \$56 billion, 1 percent on a \$5.6 trillion debt that we have to pay interest on. That quarter of a point costs us a little over \$14 billion, the quarter of a point. Look how difficult it is for us to find \$14 billion of spending cuts which went away just like that when interest rates went up.

Therefore, the whole message of the Blue Dogs tonight and earlier this year and will for the remainder of this year in this Congress is the fiscally-responsible, conservative thing for us to do is to pay down the national debt while we have the opportunity to do so and use this opportunity to fix Social Security for our children and grandchildren. You cannot do it both ways.

If you take 87 percent of the projected surpluses and spend them today

in a program that literally explodes in the second 10 years, it will make it fiscally impossible to meet the social security needs. It is one of the most irresponsible fiscal actions.

In fact, I have termed this. I have been here now 20 years, going on 21. This bill is the most fiscally irresponsible bill to come before the Congress in the 20½ years that I have been here, and I hope we will be able to turn that around, and I thank the gentleman.

Mr. TANNER. I called it a generational mugging in the committee the other day, and I believe that is what it is. I believe it is a generational mugging that we are taking money now and, as I said earlier, taking the money and running instead of paying what we owe on behalf of our kids and grandkids.

Mr. MINGE. Mr. Speaker, if my colleague will yield for another moment, finally I have a graph over here, a graphic display of what the Blue Dog budget is like, if you just think about the bones and the rewards that all of our dogs at home, they always like to have, and just take that bone. That is not a phony bone. We are talking about using half of a surplus that we hope will accrue to reduce the debt. That has its rewards throughout the economy, as we have said. We are talking about 25 percent for tax reductions.

All of us would like to have tax reductions. It goes without saying. It is a bipartisan goal. But the question is: How do we do it responsibly? And let us allocate a responsible amount to tax reduction and not have, let us say, the White House and the congressional leadership get in some sort of bidding war over spending and tax cuts. That is terribly destructive. That eats into the debt reduction.

And finally, we have all acknowledged that we have program priorities, and I agree with you. I have heard from the hospitals in rural Minnesota and in the metropolitan areas in Minnesota of the dramatic effect that the Balanced Budget Act of 1997 on health care and what this is doing to our institutions; and probably what is most dramatic and what is the saddest is what I see is happening with home health care and with nursing homes.

As my colleagues know, we have loyal, dedicated, hard-working nursing home employees in our country that could earn more by going to fast-food restaurants. But they are committed to working with seniors who are in nursing homes, and I think that it is just we ought to be ashamed at what is happening in nursing homes in our country and the wages that people that work there, and if we say that we can-

not do anything to make sure that we can keep the doors open in those facilities and continue to provide home health care so that seniors can live at home as long as possible; and, instead, we are going to, whether it is launching into a new program or initiating tax cuts that we cannot afford. I think that is irresponsible.

Mr. Speaker, I would like to thank my colleague from Tennessee (Mr. TANNER) for contacting us and urging that we get together this evening to discuss this very important issue.

Mr. TURNER. Mr. Speaker, if the gentleman would yield, most of us who are members of the fiscally conservative Blue Dog coalition support tax cuts, but I was just discussing with my friend from Texas (Mr. STENHOLM) the tax cut bill that was on the floor of the House just a year ago, a tax cut that I voted for. In fact, I have voted for each of the two tax cut measures that have been before this Congress since I have been a Member.

Last year's tax cut bill was in the neighborhood of \$150 billion over 10 years. It was an \$80 billion over 5-year tax cut. That bill passed the House by a small margin, died in the Senate, never became law.

Here we are a year later, almost less than a year later, voting on a tax cut 5½ times as large as the one this House voted on less than a year ago.

Now you cannot tell me that the budget forecasts and the surplus estimates have changed that much in 1 year. Common sense would tell us that what we are talking about in this tax cut is fiscally irresponsible, and I want to thank the gentleman from Tennessee (Mr. TANNER) for bringing this issue before the floor tonight and for his leadership as a member of the Committee on Ways and Means.

Mr. TANNER. Mr. Speaker, I thank my colleagues very much, and I want to thank you all for coming, and I want to thank the folks here for staying around and listening to us, and I think maybe we might ought to do this again sometime with some more charts, not to glaze people's eyes over, but just to tell them we believe that we ought to pay our debts first and then have a responsible tax cut as well as bolster our military, our health care system, our education system through what we said we would do for our veterans and for our agricultural sector that is in real trouble.

Mr. Speaker, with that I want to thank my colleagues.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. THURMAN of Florida (at the request of Mr. GEPHARDT) for today on account of family illness.

Mr. TOOMEY of Pennsylvania (at the request of Mr. ARMEY) for today on account of family illness.

Mr. PETERSON of Pennsylvania (at the request of Mr. ARMEY) for today on account of medical reasons.

Mrs. FOWLER of Florida (at the request of Mr. ARMEY) for today on account of medical reasons.

Mr. TAUZIN of Louisiana (at the request of Mr. ARMEY) for today on account of personal reasons.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. HASTINGS of Florida, for 5 minutes, today.

Mr. UNDERWOOD, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. LAMPSON, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mr. CALVERT) to revise and extend their remarks and include extraneous material:)

Mr. MORAN of Kansas, for 5 minutes, July 20.

Mr. METCALF, for 5 minutes, today.

Mr. ROHRBACHER, for 5 minutes, today.

Mr. BEREUTER, for 5 minutes, today.

#### ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2035. An act to correct errors in the authorizations of certain programs administered by the National Highway Traffic Safety Administration.

#### ADJOURNMENT

Mr. STENHOLM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to. Accordingly (at 11 o'clock and 6 minutes p.m.), under its previous order, the House adjourned until tomorrow, July 20, 1999, at 9 a.m., for morning hour debates.

#### EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports and amended reports concerning the foreign currencies and U.S. dollars utilized for official foreign travel during the first quarter of 1999 by Committees of the House of Representatives, as well as a consolidated report of foreign currencies and U.S. dollars utilized for speaker-authorized official travel during the second quarter of 1999, pursuant to Public Law 95-384, and for miscellaneous groups in connection with official foreign travel during the calendar year 1999 are as follows: