

We have no safety net left as a result of the welfare bill.

They report there is not one State in the country where the average earnings is even close to the poverty level income. The vast majority of the jobs are barely above minimum-wage jobs, and after 1 year the families lose their health care coverage and are not able to get good child care for their children, sometimes not any child care.

Given those findings, I think it should give Members pause that we are actually seeing an increase in the poverty of the poorest children in America; it should give Members pause.

It is amazing that State governments with the TANF money have about \$7 billion they have not spent—\$7 billion. There are all the needs for affordable child care, for training, especially for additional support services for families that are under unbelievable strain, are mainly women and children in need of affordable housing, sometimes transportation. All of this compelling need and these families are under tremendous pressure trying to survive under very difficult conditions, and the money we have allocated to these States, \$7 billion, is not being spent. Albeit, some of it can be put in a rainy day fund and maybe should be because who knows if the business cycle will stay up forever.

Six States—Connecticut, Kansas, Minnesota, New York, Texas, and Wisconsin—transferred \$800 million from the TANF surpluses to funding programs other than those that serve poor families. Quite often it ends up as general tax rebates, not to the poor. This year, Minnesota is doing much better with the TANF money. Last year, I am not proud of what the Minnesota Government did.

My point is simple:

No. 1, the amount of unspent TANF money in the States has reached \$7 billion, an enormous amount of money.

No. 2, this money has been unspent despite the persistent level of poverty that exists in our country, especially among women and children. And for children, the poorest of poor children, their poverty has increased and some of the States are not spending the money to help them.

No. 3, these low-income families are not receiving the services and the support they need to move out of poverty, which is what this bill was supposed to be all about.

No. 4, although some States are developing innovative programs, other States are diverting TANF money to pay for tax cuts or other programs that are not even targeted to the poor.

No. 5, in a time of unprecedented economic growth, there are all sorts of ways in which the States could be using this money to invest in children, to make sure that families can move from welfare to economic self-sufficiency, and they are not.

Conclusion: Don't we write the checks? Doesn't this money come from the Congress and the Federal Govern-

ment? I think we have the responsibility to ensure that the States are spending the TANF money in ways that meet the goals of the program, which is to move families out of welfare into jobs so they can support themselves.

We should insist that the TANF money is spent to help struggling families—not put into a surplus, or not to be given back as tax rebates to citizens across the board. I think it is an abuse of the program.

In this TANF reauthorization, that will be my work as a Senator. I hope other Senators will join. I oppose the bill. I am glad I oppose the bill. Those in favor of the bill should be the first to want to make sure the money is spent the way it is supposed to be spent. We should insist on accountability.

Second, I will come back with an amendment. That is what the debate with the majority leader is about. I am a Senator most vocal about having the right to bring amendments to this bill. I want an amendment that says we should have a policy evaluation of what is happening to the poor children.

Don't tell me that is not relevant to their education, but it wouldn't be relevant to this piece of legislation as defined by the definition of "relevant." It would be an amendment, and I do not have a right to offer that amendment—so says the majority leader.

But this is compelling. The poverty of children is compelling. The poverty of the poorest of children is compelling. As a Senator who spent most of his adult life working in many of these communities, I want to have some amendments that deal with the poverty of children and I want to have the right to introduce those amendments to this bill. As a Senator from Minnesota, I don't want to continue to be shut out, by the majority, of my right to come out here and fight for people. Basically, that has been the strategy for almost this whole last year.

I hope Democrats will, basically, not let themselves be rolled. I hope Democrats will say: As Democrats, as the minority party, we are going to insist on the same rights as the minority party had when we were the majority. It is a very important principle. But it is not just insider politics. It is all about whether or not, when you go home to your State and meet with people, and you know their problems, you want to do better for people—it is whether or not you can be a legislator and come out here with amendments and debate and fight for people for whom you want to fight. So if there is no agreement, I certainly hope the Democrats will support one another on what I think is a very important question.

Back to the substantive issue, I hope my colleagues will take a look at what is being done to this welfare bill with this TANF money. We have some troubling data from which we cannot turn our gaze. Most of these families who

are now working, 670,000 people, are no longer covered by medical assistance since this bill was passed because after 1 year they are off. Hardly any of these mothers have living-wage jobs. We just had a report a few weeks ago that the child care situation for their children ranges from dangerous to barely adequate. Just because they are poor children does not mean they are not entitled to good child care.

We have had this dramatic decline in food stamp participation. We have no idea why. It is certainly not because there has been much of a decrease in poverty. We see the rise of hunger and the use of food shelves in our country. But the States have \$7 billion they are sitting on. They came here and said: Trust us, just give us the money; we will do the best with it.

But quite often low-income families, poor families, whether they are people of color or white people, do not have much clout. It is up to us to say: We are a national community. There are certain values we hold dear. There are certain things as a national community we hold dear. One of them is, by gosh, there are going to be some standards everyone is going to have to meet because whether a child eats or not, whether or not there is decent housing, whether or not a family is able to make ends meet, whether or not children are able to look forward to a good life, should not depend on the State in which they live.

We make a commitment as a national community, especially to the most vulnerable citizens in our country, who are children, who are poor children.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Florida is recognized.

#### COMMEMORATING THE FOURTH ANNIVERSARY OF THE BROTHERS TO THE RESCUE SHOOTDOWN

Mr. MACK. Mr. President, I come to the floor today to commemorate four brave Americans. Theirs is a story of courage, it is a story of heroism, and it is a story of freedom.

Four years ago today, on February 24, 1996, Fidel Castro sent Cuban MiG fighters into the Florida Straits and killed Carlos Costa, Armando Alejandro, Mario de la Peña, and Pablo Morales.

These men were members of a humanitarian organization known as "Brothers to the Rescue." These volunteers search the Florida Straits for rafters. Too many Cubans die each year in their flight to freedom. The Brothers try to save lives.

So my thoughts and prayers today are with the families of the brave and courageous humanitarians who lost their lives 4 years ago. I know this day must be especially difficult for the families—today reminds them of the terrible loss suffered, and today also

marks another year passed without closure.

People need to be able to put the past behind them and move on. But when the President and his administration give assurances and advice, and American families trust and obey this advice only to be dragged along and let down, the administration commits a great injustice.

Think for a moment about Armando's sister or Mario's mother, or any other family member. Think for a moment, how you would feel if your brother or son was murdered while volunteering with a humanitarian organization—killed by state-of-the-art fighter jets flown by the air force of one of the world's last totalitarian dictators? I know the pain for me would be unbearable.

I join with the families today in remembering these brave men. I want to tell their story of freedom, their story of courage, and their story of heroism.

Armando came to the United States from Cuba as a child. He so loved his life here, his freedom, that he joined the U.S. Marine Corps and volunteered for a tour in Vietnam. He volunteered to fight for his adopted home. He survived his tour only to be murdered by Fidel Castro. He was 45 years old. His wife of 21 years and his daughter have now lived with the struggle for justice for 4 years. They are in our thoughts today.

Carlos, a Florida native, was 29 years old when the Cuban government shot him out of the sky. He was always interested in aviation and dreamed of one day overseeing the operations of a major airport. He received his college degree from Embry-Riddle Aeronautical University and worked for the Dade County Aviation Department. His parents and sister today are in our thoughts.

Mario, a New Jersey native, was only 24 years old when Castro's MiG's took his life. He was in his last semester at Embry-Riddle, working toward his dream of becoming an airline pilot. His parents and brother are in our thoughts today.

Pablo left Cuba on a raft in 1992, and the Brothers to the Rescue saved his life. Indebted to these heroic pilots, he joined them and began training to obtain his pilot's license. Pablo often talked of his family still in Cuba and how much he missed them. Since his death, there are reports that they have been persecuted and discriminated against. Our thoughts are with his family in Cuba today.

Remember, as you think of these men this afternoon, what they were doing when they lost their lives—they were working to save the lives of others. This humanitarian effort must have so enraged Fidel Castro that he ordered the interception of these small, unarmed aircraft by his huge fighter jets to be blown from the sky with air-to-air missiles.

Two days after their murder four days ago, the President so moved by

this tragedy said on national television;

I am asking that Congress pass legislation that will provide immediate compensation to the families, something to which they are entitled under international law, out of Cuba's blocked assets here in the United States.

Mr. President, I ask unanimous consent to have printed in the RECORD two items which detail this President's request for legislation. First, a transcript of ABC Breaking News February 26, 1996, with Peter Jennings; and second, the White House press release dated February 26, 1996 in which the President requests this legislation from the Congress. I ask that this be printed immediately following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MACK. Two months later the Congress passed the bill—the Anti-Terrorism Act of 1996—and the President signed it in a large ceremony on the White House lawn.

The Brothers' families wanted to understand the new rules before they chose to proceed with any civil suit. They met with officials from the U.S. State Department to clarify the meaning of the new law.

In their meeting at the State Department, the families were told the U.S. Government encouraged them to file the civil lawsuit against the Cuban government.

Mr. President, I ask unanimous consent that an affidavit by Maggie Khule which documents State Department support for the lawsuit be printed in the RECORD immediately following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MACK. Mr. President, they took the Cuban Government to court. It took a long time, but eventually they won. In December of 1997, almost 2 years ago, a United States Federal court entered judgments against Cuba for the murders of their family members. Justice seemed to be won. The end appeared to be near. But the very same U.S. Government and the same Clinton administration that encouraged the families to postpone closure and pursue legal justice began to oppose them. They entered the lawsuit on the side of Fidel Castro.

I quote from Maggie Khule's testimony of last October before the Senate Judiciary Committee, and Maggie Khule is the sister of Armando Alejandro:

No words can possibly explain our shock when we went to court and found U.S. attorneys sitting down at the same table as Cuba's attorneys. How can you explain to a mother who has lost her son, to a wife who has lost her husband, to a daughter who has lost her father, that their own government is taking the murderer's side? . . . The Clinton administration has shut its doors to us. Secretary of State Albright, for example, won't meet with us on any of our other concerns because, to quote an aide, "We are on the op-

posing side of this civil action." Are we? We thought we were the victims' families, victims ourselves. We thought we were Americans entitled to protection from our own country. We thought Cuba was the terrorist, the guilty party.

Mr. President, I ask my colleagues to take a moment from their busy schedules today, on this fourth anniversary of the murder of four brave humanitarians, and think about the blight of terrorism and the cost it has extracted from too many families of our country.

Think also this afternoon about what we ask to deter terrorism and promote justice. I want to read one more quote, this time from a Federal judge who heard the case brought by the families against Cuba. After observing this administration's change of position from support to opposition, he states the following in the March 1999 ruling:

The court notes with great concern that the very President who in 1996 decried this terrorist action by the Government of Cuba now sends the Department of Justice to argue before this court that Cuba's blocked assets ought not to be used to compensate the families of the U.S. nationals murdered by Cuba. The executive branch's approach to this situation has been inconsistent at best. It apparently believes that shielding a terrorist state's assets are more important than compensating for the loss of American lives.

Mr. President, I ask unanimous consent that this section of the court's decision be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. MACK. Mr. President, the story of these four brothers, the Brothers to the Rescue, is a story of heroism and freedom. These men risked their lives for their own freedom as well as for the freedom of others, and their families have fought tirelessly for justice. I hope my colleagues will think about these courageous families. We must, indeed, honor them and their memories and the memories of their loved ones this afternoon.

Mr. President, I yield the floor.

TRANSCRIPT FROM ABC NEWS, FEBRUARY 26, 1996

EXHIBIT 1

ANNOUNCER. This is a special report from ABC News.

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Pres. BILL CLINTON. Good afternoon. Two days ago, in broad daylight, and without justification, Cuban military aircraft shot down two civilian planes in international airspace. Search and rescue efforts by the Coast Guard, which began immediately after we received word of the incident, have failed to find any of the four individuals who were aboard the airplanes.

These small airplanes were unarmed, and clearly so. Cuban authorities knew that. The planes posed no credible threat to Cuba's security. Although the group that operated the planes had entered Cuban airspace in the past on other flights, this is no excuse for the attack and provides—let me emphasize—no legal basis under international law for the attack. We must be clear, this shooting of civilian aircraft out of the air was a flagrant violation of international law.

Saturday's attack is further evidence that Havana has become more desperate in its efforts to deny freedom to the people of Cuba.

Also on Saturday, the Cuban Council, a broad group that wants to bring democracy to Cuba, had planned a day of peaceful discussion and debate. Instead, in the days leading up to this gathering, scores of activists were arrested and detained. Two have already been sentenced to long prison terms. They join about 1,000 others in Cuba who are in jail solely because of their desire for freedom.

Now the downing of these planes demands a firm response from both the United States and the international community.

I am pleased that the European Union today strongly condemned the action.

Last night, on my instructions, Ambassador Albright convened an emergency session of the United Nations Security Council to condemn the Cuban action and to present the case for sanctions on Cuba until it agrees to abide by its obligation to respect civilian aircraft and until it compensates the families of the victims.

Today I am also ordering the following unilateral actions.

First, I am asking that Congress pass legislation that will provide immediate compensation to the families—something to which they are entitled under international law—out of Cuba's block assets here in the United States. If Congress passes this legislation, we can provide the compensation immediately.

Second, I will move promptly to reach agreement with the Congress on the pending Helms-Burton Cuba legislation so that it will enhance the embargo in a way that advances the cause of democracy in Cuba.

Third, I have ordered that Radio Marti expand its reach. All the people of Cuba must be able to learn the truth about the regime in Havana, the isolation it has earned for itself through its contempt for basic human rights and international law.

Fourth, I am ordering that additional restrictions be put on travel in the United States by Cuban officials who reside here and that visits by Cuban officials to our country be further limited.

Finally, all charter air travel from the United States to Cuba will be suspended indefinitely.

These deliberate actions are the right ones at this time. They respond to Havana in a way that serves our goals of accelerating the arrival of democracy in Cuba, but I am not ruling out any further steps in the future, should they be required.

Saturday's attack, was an appalling reminder of the nature of the Cuban regime—repressive, violent, scornful of international law. In our time democracy has swept the globe, from the Philippines exactly 10 years ago, to Central and Eastern Europe, to South Africa, to Haiti, to all but one nation in our hemisphere. I will do everything in my power to see that this historic tide reaches the shores of Cuba.

And let me close by extending, on behalf of our family and our country, our deepest condolences to those in the families of those who lost their lives.

Thank you very much.

[From The White House, Office of the Press Secretary, Feb. 26, 1996

#### FACT SHEET ON CUBA

The President has directed his Administration to take the following steps immediately in response to the Cuban Government's blatant violation of international law:

Seek rapid international condemnation of Cuba's actions.

The European Union today strongly condemned the Cuban shootdown.

The United States will seek United Nations Security Council condemnation and

press that sanctions be imposed until Cuba provides compensation to the families of victims and abides by international law.

The United States will seek condemnation of Cuba by the International Civil Aviation Organization and other relevant international bodies.

Move promptly to reach agreement with Congress on the pending Helms-Burton Cuba legislation so that it will enhance the effectiveness of the embargo in a way that advances the cause of democracy in that country.

Request the Congress to pass legislation authorizing payment of compensation to the families of victims out of Cuban blocked accounts in New York.

Restrict the movement of Cuban diplomats in the U.S. and tighten criteria for issuing visas to employees of the Cuban government.

Increase support for Radio Marti to overcome jamming by Cuba.

Indefinitely suspend all commercial charter flights to Cuba.

#### EXHIBIT 2

[In the U.S. District Court for the Southern District of Florida, Southern Division, Civil Nos. 96-10126, 96-10127, 96-10128 Judge King]

MARLENE ALEJANDRE, ET AL., PLAINTIFFS, v. THE REPUBLIC OF CUBA AND THE CUBAN AIR FORCE, DEFENDANTS

#### DECLARATION OF MARGARITA A. KHULY

Margarita A. Khuly, pursuant to 28 U.S.C. §1746, declares the following under penalty of perjury:

1. My name is Margarita Alejandre Khuly, my Social Security No. 000-00-0000, and my address is 7501 SW 62, Miami-Dade County, Florida 33143.

2. My brother, Armando Alejandre, was murdered by the government of Cuba on February 24, 1996. He and three other men were shot down by the Cuban Air Force over international waters while flying two small, unarmed civilian aircraft on a humanitarian mission.

3. On August 22, 1996, I attended a meeting at the United States Department of State, Cuba Desk, to discuss issues related to the shoot down. Also present were the following relatives of the murdered men: Marlene Alejandre, Mario de la Pena, Miriam de la Pena, Jorge Khuly, Mirta Mendez, Richard Mendez and Nelson Morales.

4. The meeting was chaired by Michael E. Ranneberger, Coordinator, Office of Cuban Affairs, United States Department of State. Others US government officials present included Hal Eren, OFAC; Robert Malley, NSC; Lula Rodriguez, State, and Susana Valdez, WH liaison.

5. The issues discussed at this meeting included the forthcoming humanitarian payments from the United States government to each family of the four murder victims.

6. The families had been asked to bring with them to this meeting personal and financial institution information so that the United States government would directly transfer the humanitarian payments to individual bank accounts. A handwritten hand-out requesting these facts and distributed at the meeting was to be filled out and mailed to R. Richard Newcomb, OFAC.

7. Several concerns related to these humanitarian payments were discussed at this meeting. Very important was the one dealing with limitations, if any, contingent upon acceptance of the humanitarian payments.

8. Miriam de la Pena specifically asked Mr. Ranneberger that if accepting President Clinton's humanitarian payments meant the families would then be restricted in seeking other measures of justice, including legal and financial ones.

9. Mr. Ranneberger replied that no, the payments were meant to be a "gesture" on the President's part. He stated that the US government did not want to offend the families, only ease their pain, and that the payments in no way were meant to put a value on the four murdered men's lives.

10. Other family members then posed questions asking for additional clarification on any conditions tied to the humanitarian payments. It was specifically asked if any signed releases were to be requested from the families upon acceptance of the monies.

11. Mr. Ranneberger reassured the families again by stating that accepting the humanitarian payments did not make them incur any obligations, legal or otherwise, and that they were free to pursue any other avenues they desired in their search for justice.

12. The possibility of legal action against the government of Cuba was brought up by the families and Mr. Ranneberger said that the US government not only did not oppose this, but encouraged them to seek justice through US and international courts.

13. Richard Mendez brought up the figure the US government had advised the families they would be receiving and commented that the amount was so small it was meaningless. Mr. Ranneberger responded that this figure was intended as a humanitarian gesture, not as compensation.

I declare under penalty of perjury that the foregoing is true and correct.

Date: January 12, 1999.

MARGARITA ALEJANDRE KHULY.

#### EXHIBIT 3

[U.S. District Court, Southern District of Florida, Case Nos. 96-10126-Civ-King, 96-10127-Civ-King, 96-10128-Civ-King]

MARLENE ALEJANDRE, INDIVIDUALLY AND AS PERSONAL REPRESENTATIVE OF THE ESTATE OF ARMANDO ALEJANDRE, DECEASED, PLAINTIFF, v. THE REPUBLIC OF CUBA AND THE CUBAN AIR FORCE, DEFENDANTS, v. AT&T CORPORATION, AT&T OF PUERTO RICO, INC., GLOBAL ONE COMMUNICATIONS, L.L.C., SPRINT CORPORATION, WILTEL, INC., TELEFONICA LARGA DISTANCIA DE PUERTO RICO, INC., MCI INTERNATIONAL, INC., IDB WORLD COM SERVICES, INC., MCI WORLD COM, INC., CITIGROUP INC. AND ITS SUBSIDIARIES, AND THE CHASE MANHATTAN CORPORATION AND ITS SUBSIDIARIES, GARNISHEES

MIRTA MENDEZ, AS PERSONAL REPRESENTATIVE OF THE ESTATE OF CARLOS ALBERTO COSTA, DECEASED, PLAINTIFF, v. THE REPUBLIC OF CUBA AND THE CUBAN AIR FORCE, DEFENDANTS, v. AT&T CORPORATION, AT&T OF PUERTO RICO, INC., GLOBAL ONE COMMUNICATIONS, L.L.C., SPRINT CORPORATION, WILTEL, INC., TELEFONICA LARGA DISTANCIA DE PUERTO RICO, INC., MCI INTERNATIONAL, INC., IDB WORLD COM SERVICES, INC., MCI WORLD COM, INC., CITIGROUP INC. AND ITS SUBSIDIARIES, AND THE CHASE MANHATTAN CORPORATION AND ITS SUBSIDIARIES, GARNISHEES.

MARIO T. DE LA PENNA AND MIRIAM DE LA PENNA, INDIVIDUALLY AND AS PERSONAL REPRESENTATIVES OF THE ESTATE OF MARIO M. DE LA PENNA, DECEASED, PLAINTIFF, v. THE REPUBLIC OF CUBA AND THE CUBAN AIR FORCE, DEFENDANTS, v. AT&T CORPORATION, AT&T OF PUERTO RICO, INC., GLOBAL ONE COMMUNICATIONS, L.L.C., SPRINT CORPORATION, WILTEL, INC., TELEFONICA LARGA DISTANCIA DE PUERTO RICO, INC., MCI INTERNATIONAL, INC., IDB WORLD COM SERVICES, INC., MCI WORLD COM, INC., CITIGROUP INC. AND ITS SUBSIDIARIES, AND THE CHASE MANHATTAN CORPORATION AND ITS SUBSIDIARIES, GARNISHEES.

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The Court concludes that, contrary to the President's intention in executing the waiver, Congress did not intend to give the President the broad authority to waive the new subsection (f)(1) when it gave him the power to waive "the requirements of this section." In so ruling, the Court gives considerable weight to the fact that the larger part of the available legislative history supports this interpretation. Also persuasive is the fact that section 117 is the outgrowth of the 1996 AEDPA amendments to the FSLA. Congress therein expressly waived the jurisdictional immunity of terrorist foreign states, and also their immunity from attachment or execution. Congress later clarified the mechanism through which the victims of an attack by a terrorist foreign state may sue for compensatory and punitive damages. By enacting section 117, Congress expanded the property subject to attachment/execution, giving the victims a larger pool of assets from which to satisfy any judgment in their favor. All of these legislative enactments are guided by a single purpose: to provide an executable judicial remedy to the nationals of the United States attacked by a terrorist foreign state. Had Congress intended to give the President the authority single-handedly to impede achievement of this goal, it could have done so more clearly in section 117(d). Its failure unambiguously to do so favors a narrow reading, both in light of legislative history and the fact that Congress usually specifies the waiver authority it grants with greater clarity. The President cannot simply express his intention to execute a law a certain way if that action is not allowed by the legislative authority to which it is made pursuant.<sup>16</sup> If the Government, the Garnishees, Non-Party ETECSA, or any other individual or entity objects to this Court's interpretation of this unclear legislative mandate, it should turn to Congress and have that government branch clearly enunciate a broad waiver authority in an amended section 117(d). It is this Court's responsibility to interpret the law as written; only Congress can re-write the law.

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#### FOOTNOTE

<sup>16</sup> The Court notes with great concern that the very President who in 1996 decried this terrorist action by the Government of Cuba now sends the Department of Justice to argue before this Court that Cuba's blocked assets ought not be used to compensate the families of the U.S. nationals murdered by Cuba. The Executive branch's approach to this situation has been inconsistent at best. It now apparently believes that shielding a terrorist foreign states' assets are more important than compensating for the loss of American lives.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico is recognized.

#### THE BUDGET PLAN

Mr. DOMENICI. Mr. President, I want to spend a little time talking about what has transpired with the U.S. budget over the last 35 years, and I will focus mostly on the last 5 years.

I think everyone knows that next month we begin the process of producing a congressional budget plan for the fiscal year that begins this coming October. The Senate Budget Committee, which I have been honored to chair, will complete its hearings next week on the President's budget which was submitted to Congress earlier this month. Before we begin the task of producing that budget blueprint, I thought it might be of interest to some of my

colleagues and some of those who might be watching to briefly review some facts surrounding the Federal budget.

One can provide different interpretations of numbers, but a number is a very stubborn thing. It is what it is. Using the help of some charts, I will provide a very brief historical overview of the Federal budget today.

Chart No. 1 is the total budget surplus and deficit over the last 30 years. After nearly 30 years of Federal deficit spending—and my colleagues can see the surplus/deficit excluding Social Security is in green and the total budget surplus is in red. The green, as one can see, starting back in 1965 and going all the way to 1998, is constantly below the line, meaning we have been in deficit for that whole period of time.

We finally reported a balanced budget, under the unified budget process in 1998, of nearly \$70 billion. Last year, in 1999, we once again successfully achieved a unified budget surplus of \$125 billion. But more importantly—noting the green line on this chart—we will be able to balance the budget not counting the Social Security surplus. The red line is the total budget surplus and the green is Social Security balances.

Here is the way the budget goes. We now have a surplus above zero in both the Social Security and in the non-Social Security accounts of our Government. Last year, we actually achieved a surplus—not very much—of \$1 billion, and certainly that is substantially better than when we were approaching \$300 billion in deficits.

For the current fiscal year, we expect a surplus of \$176 billion, and, of that, nearly \$23 billion excludes the Social Security moneys, meaning we have some money left over in surplus after we put all the money in the Social Security trust fund that is required by law.

Projections for the near future remain positive. Of course, depending on what policies we enact relating to taxes or spending, the Social Security surpluses will continue to accumulate over the next decade, and the rest of Government also is expected and projected to see surpluses as far as the eye can see.

By the year 2005, the Congressional Budget Office expects the surplus to be between \$270 billion and \$300 billion. One thing that this job has taught me is to be very careful in statements about the long term. I could spend some time suggesting that these long-term surpluses are very reliable and credible, but I will do that at another time. Today, instead of statements about the long term, what I want to do is talk about—rather than pontificating about the future and what we might expect—about what has passed, just so there will be an understanding of whether or not Congress and the Senate and the Budget Committee and the appropriators and everybody in this body ought to be proud of what we

have accomplished in terms of controlling the spending of our National Government.

So here is chart No. 2. It has a lot of things on it. I just put it up because it shows, in five intervals over the last 30 years, the major components of the budget. We can clearly see that total Federal spending has increased, to where this year the Federal Government is likely to spend \$1.8 trillion.

In terms of the totality of the budget—in all of its components: Military, entitlements, the 13 appropriations bills—it has been going up every year. Now we are at about \$1.8 trillion. That is an interesting number because if there is a \$4 trillion surplus—just to compare—that means we will have more than 2 full years of the Federal budget in surplus during the next decade. That is a rather profound and major change in things over the past 35 years.

The country has grown over the last 30 years, and it has grown faster than Government spending. So while we reached a peak of nearly 23 percent of our gross domestic product in 1985, today it has declined almost 5 full percent; that is, we are now at 18.5 percent of our gross domestic product in the total spending of the American Government, including interest on the debt, entitlements, Social Security, and 13 appropriations bills—and, obviously, one of those is the defense bill.

This bar chart points out a phenomenon of which I think we are all aware. Let's just look at it for 1 minute. Entitlement spending today represents 55 percent of all Federal spending. If we add paying the interest on our national debt as another entitlement—and it might be that, so let's add it in—then 77 percent of what we spend every year is either mandatory spending or an entitlement.

I did not go back in history to equate the percentages under other Presidents, but suffice it to say, not too long ago, in the era of, let's say, President Kennedy's tenure, clearly, about 40 percent of the entire Federal budget was entitlements; and now we are up to 77 percent.

Let's look at the third chart: Growth in Total Outlays. This is very important. For those who wonder about how poorly we do or how well we do when we finally finish all our work—it might not look pretty; it may take too long; there may be a lot of scuffling on the appropriations bills—I would like very much to make sure we all take a good, careful look at this chart and see what we have really been doing that has contributed to the great fiscal policy of this country and to our position today of low interest rates and sustained economic growth.

This is a very dramatic chart. It is very simple but very dramatic. The blue on the chart is what is called nominal growth, and the red is real growth. The nominal growth includes inflation, plus the growth beyond inflation. It is very interesting what we