Madam Speaker, I yield back the balance of my time.

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

I think that the ranking member from California pointed out something very important. This legislation, which was made at the request of the administration, will allow the Bureau and the engravers there to develop their expertise, which is already considerable, to develop that expertise even more in producing cutting edge, anticounterfeiting and security features that might eventually find their way on to United States currency, but they can do that by basically developing it on another currency and seeing if it, in fact, is a benefit.

As the gentlewoman from California (Ms. WATERS) also said, there is excess capacity at the Bureau. We will be reimbursed in full not only for our costs, but our capital investment, so this should have a net positive effect on the Treasury, in the benefit of the U.S. taxpayers. I will submit a full statement in the RECORD, but the gentlewoman from California basically has covered everything that I would cover in my oral statement. I will submit my written statement for the RECORD.

H.R. 4096, the "Bureau of Engraving and Printing Security Printing Amendments Act of 2000," grants the Treasury Department's currency-printing arm the authority to produce, on a reimbursable basis, security documents or currency for foreign countries, or security documents for states of the United States or their political subdivisions.

Currently, the Bureau of Engraving and Printing may only print security products for Federal entities. It produces currency for the Federal Reserve and postage stamps for the United States Postal Service.

Passage of this legislation would permit the United States to assist developing nations in the deployment of stable currency systems, and to produce security products to facilitate international commerce. Those activities would allow the Bureau of Engraving and Printing to realize production efficiencies by providing additional work for the Bureau's superb engravers and printers.

The legislation stipulates that all such printing for foreign nations be done on a strictly reimbursable basis. By law, the Bureau must recover all actual costs as well as imputed long-term capital costs, so there would be no taxpayer cost for this effort. Additionally, there is a non-cash benefit to taxpayers in that depending on the type of currency or security documents printed for foreign nations, the Bureau should be able to develop an expertise in producing cutting-edge anti-counterfeiting and security features that might eventually find their way into United States currency.

Additionally, the bill stipulates that no printing for a foreign nation be undertaken without a determination by the Secretary of State that it is consistent with the foreign policy of the United States; and that printing for either developing countries, or for states, would be limited to times when demand for U.S. currency, postage stamps or other security products is below the Bureau's production capacity.

This bill was introduced "by request" in March, and was passed out of subcommittee and the full Banking Committee on voice votes.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. MORELLA). The question is on the motion offered by the gentleman from Alabama (Mr. BACHUS) that the House suspend the rules and pass the bill, H.R. 4096.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BACHUS. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4096, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

DEBT RELIEF LOCK-BOX RECONCILIATION ACT FOR FISCAL YEAR 2001

Mr. HERGER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5173) to provide for reconciliation pursuant to sections 103(b)(2) and 213(b)(2)(C) of the concurrent resolution on the budget for fiscal year 2001 to reduce the public debt and to decrease the statutory limit on the public debt, as amended.

The Clerk read as follows:

H.R. 5173

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Debt Relief Lock-box Reconciliation Act for Fiscal Year 2001".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) fiscal discipline, resulting from the Balanced Budget Act of 1997, and strong economic growth have ended decades of deficit spending and have produced budget surpluses without using the social security surplus;

(2) fiscal pressures will mount in the future as the aging of the population increases budget obligations;

(3) until Congress and the President agree to legislation that saves social security and medicare, the social security and medicare surpluses should be used to reduce the debt held by the public;

(4) until Congress and the President agree on significant tax reductions, amounts dedicated for that purpose shall be used to reduce the debt held by the public;

(5) strengthening the Government's fiscal position through public debt reduction increases national savings, promotes economic growth, reduces interest costs, and is a constructive way to prepare for the Government's future budget obligations; and

(6) it is fiscally responsible and in the long-term national economic interest to use a portion of the nonsocial security and nonmedicare surpluses to reduce the debt held by the public.

(b) PURPOSE.—It is the purpose of this Act to—

(1) reduce the debt held by the public by $240,000,000,000 in fiscal year 2001 with the goal of eliminating this debt by 2012;

(2) decrease the statutory limit on the public debt; and

(3) ensure that the social security and hospital insurance trust funds shall not be used for other purposes.

TITLE I—DEBT REDUCTION LOCK-BOX

SEC. 101. ESTABLISHMENT OF PUBLIC DEBT REDUCTION PAYMENT ACCOUNT.

(a) IN GENERAL.—Subchapter I of chapter 31 of title 31, United States Code, is amended by adding at the end the following new section:

"§ 3114. Public debt reduction payment account

"(a) There is established in the Treasury of the United States an account to be known as the Public Debt Reduction Payment Account (hereinafter in this section referred to as the 'account').

"(b) The Secretary of the Treasury shall use amounts in the account to pay at maturity, or to redeem or buy before maturity, any obligation of the Government held by the public and included in the public debt. Any obligation which is paid, redeemed, or bought with amounts from the account shall be canceled and retired and may not be reissued. Amounts deposited in the account are appropriated and may only be expended to carry out this section.

"(c) There is hereby appropriated into the account on October 1, 2000, or the date of enactment of this Act, whichever is later, out of any money in the Treasury not otherwise appropriated, $42,000,000,000 for the fiscal year ending September 30, 2001. The funds appropriated to this account shall remain available until expended.

"(d) The appropriation made under subsection (c) shall not be considered direct spending for purposes of section 252 of Balanced Budget and Emergency Deficit Control Act of 1985.

"(e) Establishment of and appropriations to the account shall not affect trust fund transfers that may be authorized under any other provision of law.

"(f) The Secretary of the Treasury and the Director of the Office of Management and Budget shall each take such actions as may be necessary to promptly carry out this section in accordance with sound debt management policies.

"(g) Reducing the debt pursuant to this section shall not interfere with the debt management policies or goals of the Secretary of the Treasury.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 31 of title 31, United States Code, is amended by inserting after the item relating to section 3113 the following:

"3114. Public debt reduction payment account.".

SEC. 102. REDUCTION OF STATUTORY LIMIT ON THE PUBLIC DEBT.

Section 3101(b) of title 31, United States Code, is amended by inserting "minus the amount appropriated into the Public Debt Reduction Payment Account pursuant to section 3114(c)" after "$5,950,000,000,000".

SEC. 103. OFF-BUDGET STATUS OF PUBLIC DEBT REDUCTION PAYMENT ACCOUNT.

Notwithstanding any other provision of law, the receipts and disbursements of the Public Debt Reduction Payment Account established by section 3114 of title 31, United States Code, shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

(1) the budget of the United States Government as submitted by the President,

(2) the congressional budget, or

(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 104. REMOVING PUBLIC DEBT REDUCTION PAYMENT ACCOUNT FROM BUDGET PRONOUNCEMENTS.

(a) IN GENERAL.—Any official statement issued by the Office of Management and Budget, the Congressional Budget Office, or any other agency or instrumentality of the Federal Government of surplus or deficit totals of the budget of the United States Government as submitted by the President or of the surplus or deficit totals of the congressional budget, and any description of, or reference to, such totals in any official publication or material issued by either of such Offices or any other such agency or instrumentality, shall exclude the outlays and receipts of the Public Debt Reduction Payment Account established by section 3114 of title 31, United States Code.

(b) SEPARATE PUBLIC DEBT REDUCTION PAYMENT ACCOUNT BUDGET DOCUMENTS.—The excluded outlays and receipts of the Public Debt Reduction Payment Account established by section 3114 of title 31, United States Code, shall be submitted in separate budget documents.

SEC. 105. REPORTS TO CONGRESS.

(a) REPORTS OF THE SECRETARY OF THE TREASURY.—(1) Within 30 days after the appropriation is deposited into the Public Debt Reduction Payment Account under section 3114 of title 31, United States Code, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate confirming that such account has been established and the amount and date of such deposit. Such report shall also include a description of the Secretary's plan for using such money to reduce debt held by the public.

(2) Not later than October 31, 2002, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate setting forth the amount of money deposited into the Public Debt Reduction Payment Account, the amount of debt held by the public that was reduced, and a description of the actual debt instruments that were redeemed with such money.

(b) REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES.—Not later than November 15, 2002, the Comptroller General of the United States shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate verifying all of the information set forth in the reports submitted under subsection (a).

TITLE II—SOCIAL SECURITY AND MEDICARE LOCK-BOX

SEC. 201. PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.

(a) PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.—Section 201 of the concurrent resolution on the budget for fiscal year 2001 (H. Con. Res. 290, 106th Congress) is amended as follows:

(1) In the section heading, by inserting ''**AND MEDICARE**'' before ''**SURPLUSES**''.

(2)(A) In subsection (a)(2), by inserting ''and the Hospital Insurance Trust Fund has been running a surplus for the last 2 years'' after ''years''.

(B) In subsection (a)(4), by inserting ''and the Hospital Insurance Trust Fund surplus will be $32 billion'' after ''billion''.

(C) In subsection (a)(5), by striking ''the'' the second place it appears, and by inserting ''and Hospital Insurance Trust Fund'' before ''surpluses''.

(D) In subsection (a)(6), by inserting ''and medicare'' after ''security''.

(E) In subsection (a)(7), by inserting ''and hospital insurance'' after ''security''.

(3) By striking subsection (c) and inserting the following new subsection:

''(c) LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL INSURANCE SURPLUSES.—

''(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—

''(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, an amendment thereto, or conference report thereon, that would set forth a surplus for any fiscal year that is less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year.

''(B) EXCEPTION.—(i) Subparagraph (A) shall not apply to the extent that a violation of such subsection would result from an assumption in the resolution, amendment, or conference report, as applicable, of an increase in outlays or a decrease in revenue relative to the baseline underlying that resolution for social security reform legislation or medicare reform legislation for any such fiscal year.

''(ii) If a concurrent resolution on the budget or an amendment thereto or conference report thereon would be in violation of subparagraph (A) because of an assumption of an increase in outlays or a decrease in revenue relative to the baseline underlying that resolution for social security reform legislation or medicare reform legislation for any such fiscal year, then that resolution shall include a statement identifying any such increase in outlays or decrease in revenue.

''(2) SPENDING AND TAX LEGISLATION.—

''(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

''(i)(I) in the House, the enactment of that bill or resolution as reported; or

''(II) in the Senate, the enactment of that bill or resolution;

''(ii) the adoption and enactment of that amendment; or

''(iii) the enactment of that bill or resolution in the form recommended in that conference report,

would cause the surplus for any fiscal year covered by the most recently agreed to concurrent resolution on the budget to be less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to social security reform legislation or medicare reform legislation.''.

(4) By redesignating subsections (e) and (f) as subsections (h) and (i), respectively, and inserting after subsection (d) the following new subsections:

''(e) ENFORCEMENT.—

''(1) BUDGETARY LEVELS WITH RESPECT TO CONCURRENT RESOLUTIONS ON THE BUDGET.—For purposes of enforcing any point of order under subsection (c)(1), the surplus for any fiscal year shall be—

''(A) the levels set forth in the later of the concurrent resolution on the budget, as reported, or in the conference report on the concurrent resolution on the budget; and

''(B) adjusted to the maximum extent allowable under all procedures that allow budgetary aggregates to be adjusted for legislation that would cause a decrease in the surplus for any fiscal year covered by the concurrent resolution on the budget (other than procedures described in paragraph (2)(A)(ii)).

''(2) CURRENT LEVELS WITH RESPECT TO SPENDING AND TAX LEGISLATION.—

''(A) IN GENERAL.—For purposes of enforcing any point of order under subsection (c)(2), the current levels of the surplus for any fiscal year shall be—

''(i) calculated using the following assumptions—

''(I) direct spending and revenue levels at the baseline levels underlying the most recently agreed to concurrent resolution on the budget; and

''(II) for the budget year, discretionary spending levels at current law levels and, for outyears, discretionary spending levels at the baseline levels underlying the most recently agreed to concurrent resolution on the budget; and

''(ii) adjusted for changes in the surplus levels set forth in the most recently agreed to concurrent resolution on the budget pursuant to procedures in such resolution that authorize adjustments in budgetary aggregates for updated economic and technical assumptions in the mid-session report of the Director of the Congressional Budget Office.

''(iii) Such revisions shall be included in the first current level report on the congressional budget submitted for publication in the Congressional Record after the release of such mid-session report.

''(B) BUDGETARY TREATMENT.—For purposes of enforcing any point of order under subsection (c)(2), changes in outlays or receipts resulting from social security reform legislation or medicare reform legislation shall not be counted in calculating the surplus for any fiscal year.

''(3) DISCLOSURE OF HI SURPLUS.—For purposes of enforcing any point of order under subsection (c), the surplus of the Federal Hospital Insurance Trust Fund for a fiscal year shall be the levels set forth in the later of the report accompanying the concurrent resolution on the budget (or, in the absence of such a report, placed in the Congressional Record prior to the consideration of such resolution) or in the joint explanatory statement of managers accompanying such resolution.

''(f) ADDITIONAL CONTENT OF REPORTS ACCOMPANYING BUDGET RESOLUTIONS AND OF JOINT EXPLANATORY STATEMENTS.—The report accompanying any concurrent resolution on the budget and the joint explanatory statement accompanying the conference report on each such resolution shall include the levels of the surplus in the budget for each fiscal year set forth in such resolution and of the surplus or deficit in the Federal Hospital Insurance Trust Fund, calculated using the assumptions set forth in subsection (e)(2)(A).

''(g) DEFINITIONS.—As used in this section:

''(1) The term 'medicare reform legislation' means a bill or a joint resolution to save Medicare that includes a provision stating the following: 'For purposes of section 201(c) of the concurrent resolution on the budget for fiscal year 2001, this Act constitutes medicare reform legislation.

''(2) The term 'social security reform legislation' means a bill or a joint resolution to save social security that includes a provision stating the following: 'For purposes of section 201(c) of the concurrent resolution on the budget for fiscal year 2001, this Act constitutes social security reform legislation.'.''.

(5) In the first sentence of subsection (i) (as redesignated), by striking ''(1)''.

(6) At the end, by adding the following new subsection:

''(j) EFFECTIVE DATE.—This section shall cease to have any force or effect upon the enactment of social security reform legislation and medicare reform legislation.''.

(b) PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.—(1) If the budget of the United States Government submitted by the President under section 1105(a) of title 31, United States Code, recommends an on-

budget surplus for any fiscal year that is less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year, then it shall include proposed legislative language for social security reform legislation or medicare reform legislation.

(2) Paragraph (1) shall cease to have any force or effect upon the enactment of social security reform legislation and medicare reform legislation as defined by section 201(g) of the concurrent resolution on the budget for fiscal year 2001 (H. Con. Res 290, 106th Congress).

(c) CONFORMING AMENDMENT.—The item relating to section 201 in the table of contents set forth in section 1(b) of the concurrent resolution on the budget for fiscal year 2001 (H. Con. Res 290, 106th Congress) is amended to read as follows:

''Sec. 201. Protection of social security and medicare surpluses.''.

SEC. 202. REMOVING SOCIAL SECURITY FROM BUDGET PRONOUNCEMENTS.

(a) IN GENERAL.—Any official statement issued by the Office of Management and Budget, the Congressional Budget Office, or any other agency or instrumentality of the Federal Government of surplus or deficit totals of the budget of the United States Government as submitted by the President or of the surplus or deficit totals of the congressional budget, and any description of, or reference to, such totals in any official publication or material issued by either of such Offices or any other such agency or instrumentality, shall exclude the outlays and receipts of the old-age, survivors, and disability insurance program under title II of the Social Security Act (including the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund) and the related provisions of the Internal Revenue Code of 1986.

(b) SEPARATE SOCIAL SECURITY BUDGET DOCUMENTS.—The excluded outlays and receipts of the old-age, survivors, and disability insurance program under title II of the Social Security Act shall be submitted in separate Social Security budget documents.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HERGER) and the gentleman from Washington (Mr. MCDERMOTT) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HERGER).

GENERAL LEAVE

Mr. HERGER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 5173.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

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

I commend my good friend, the gentleman from Kentucky (Mr. FLETCHER), for his tireless efforts in the area of debt reduction.

Madam Speaker, last year, the House overwhelmingly passed, 416 to 12, legislation I introduced, the Social Security lock-box. In March of this year, I introduced the Medicare lock-box, and in June, the House passed it, 420 to 2, to lock away Medicare surpluses. Both lock-boxes, however, have six times been stopped from coming to the floor in the other body by their Democrat leadership and the Clinton-Gore administration. Today, we try again and add to the Social Security and Medicare lock-boxes a third lock-box to be used only for paying down the national public debt.

Rather than paying down national debt with only what remains, after all of the spending is done, this measure sets aside surpluses. No longer will paying down the debt be an afterthought. It instead becomes the priority. This legislation accomplishes three major goals. First, it again stops the raid on Social Security by locking up the entire Social Security Trust Fund surplus. Second, it protects seniors that rely on Medicare by setting aside 100 percent of the Medicare surplus. Third, the debt lock-box would take an additional $42 billion off the spending table and use it to pay down public debt.

All in all, 90 percent of the total surplus, or $240 billion, will be used to pay down debt.

□ 1615

I suspect my friend from the other side of the aisle will attempt to paint this bill as anything other than a real effort to pay off public debt. However, the real question is very simple: In the aftermath of 40 years of excessive spending, are we going to make our children and grandchildren foot the bill? Do our children not deserve to grow up unhampered by the burden of untold debt incurred by previous generations?

Members of this House are either for protecting Social Security and Medicare and paying down the public debt, or they are not. This legislation combines our historic protection of the Social Security and Medicare trust funds with our unprecedented commitment to debt reduction, thus keeping us on track to eliminating the public debt completely by year 2012, or before.

This bill is a win-win for our children, a win-win for fiscal discipline, and a win-win for our seniors. I urge my colleagues to support the Debt Relief Lock-box Reconciliation Act.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, it is a wonderful thing to be a Member of the House of Representatives in an election year. It is really quite amazing to watch the Republican Party switch positions. During the last 2 weeks the big issue each week has been we are going to override the President's veto on a tax cut that we have given to the people.

They have come out here, and they always put out the press release that goes back to their home newspapers, and it says we tried to save you from the awful taxes of death and all these other things, and the press releases go home; but on the very day that we were trying the last failed override, the Republicans switched position in midair on the same day over in the Committee on Ways and Means and said we want to pay down the debt. We do not want to give away all that tax money; we want to pay down the debt.

So they have had the benefit of the press releases on the fact that they want to cut people's taxes, and everybody wants to cut people's taxes, we have said that all along. But the fact is that they have been reading the polls, and they figured out that the American people do not want tax breaks for the wealthy few. What they want is to pay down the national debt.

So now 7 weeks from tomorrow is election day, and the Republicans say, Oh, my God, the people are not with us. We better go where the people are.

It reminds me of that story about the French parliament, where the member came out of the parliament and said, Where is the mob? I am their leader. They are now running out to get in front of where the American people are.

Madam Speaker, this kind of battlefield conversion about 7 weeks before the election is really kind of a sham. We will all vote for it. Do not let anybody think we are going to have a bad vote on this. It is a PR thing. We are going to send out the PR releases too.

But the American people should not be fooled by this, because no separation legislation is needed to reduce the debt. If, at the end of the fiscal year, when we get to September 30, if there is money left in the Treasury, the Treasury takes it and buys back debt. They reduce the debt. They do not need any rule, they do not need any law, they do not need this kind of nonsense; and that may explain why the Senate has already not even bothered to take up two previous bills just like this.

These lockboxes are good for press releases, but they do not do anything about what is required, which is discipline and not spending money. There has already been $300 billion in debt bought back from the public since 1997 by this mechanism. We did not have any lockbox or anything else; the Treasury just bought back the debt at the end of each year.

But the real danger here is the kind of three-card monte that the Republicans like to play here. It was in June that they voted to put out a supplemental appropriations act and reach in and break their own lockbox. They said they had established this lockbox; but, when it came time and they wanted to do something, they just said, hey, pass an emergency appropriation and we will do it. They broke their own lockbox.

So today we are here, and we are going to pass on suspension calendar by 414 to 0, with a press release.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, just a quick comment, if I could, on my good friend from Washington's comments. It is interesting that during the 40 years that his party held control of the House there was not any debt being paid down. As a matter of fact, we had $200 billion and $300 billion deficits during those years.

As a matter of fact, the last year that they controlled both Houses and the presidency, not only did we not have tax fairness, we were paying the highest taxes in our Nation's history except for World War II. We actually had the highest tax increase during 1993, the last year that his party was in control.

So now the gentleman is right, we did try to bring about some tax fairness; to the 25 million married couples who pay an average of $1,400 a year more, just because they are married, a marriage penalty. We also tried to help those with small businesses and farms who would like to not have their farms and small businesses sold when they pass away just to pay the taxes.

So, yes, we have worked for tax fairness, and I find it tragic that your party and your President have chosen to veto and not pass that legislation.

Madam Speaker, I yield 2 minutes to the gentleman from Texas (Mr. ARMEY), our majority leader.

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

Madam Speaker, I guess this is the point in time where we might rely on that old homily: the proof of the pudding is in the eating. For 40 years, throughout all of my adult lifetime, the Democrats controlled this Chamber. During all those 40 years, the growth of government spending seemed to be without limit. Their hunger for new spending programs, one risky spending scheme after another, knew no bounds; and, as they continued spending, spending, spending, and reached the limits of the government's revenue, they spent the Social Security surplus, they spent the Medicare surplus, and then they went into debt to the tune of $250, $260, $270 billion a year. They knew no limit.

In 1994 the public got fed up with it. They turned to the Republicans on our promise that if we were given the majority, we will try to balance the budget. We intended to balance the budget. The voices from the left said it could not be done, it cannot be done. It might have been done if they had ever tried, but they never paid any attention to it.

Well, we not only tried, we did it. Not only did we balance the budget, but we now have an operating surplus of $268 billion. We have here a proposition that says 90 percent of that surplus, 90 percent of it should be dedicated to debt, to buy down of the publicly held debt. What is that promise for future generations? Reduced interest expense on the debt, a reduced burden.

They say again, it cannot be done. But we must do it. We must try. We bring this resolution out here today as a measure of our resolve toward that goal. Not only 90 percent of the unified budget surplus, but 100 percent of all Social Security surplus, 100 percent of all Medicare surplus.

Why must we do that? Because, Madam Speaker, it is not the government's money, it is the people's money. The American people created this surplus, and they now ask us to do something responsible with it.

Make no mistake about it, the cries are out there for more spending. Every Democrat in America has got a new risky spending scheme, and their leader is Vice President GORE. They will spend that money, unless we stand in the way.

We will have this vote today. And, yes, maybe the Senate will not take it up, but we in this body will have made a mark; we will have made the point. We have a commitment; and after this vote is taken, when the Democrats vote for it, as well as us, and they make what they have already confessed to be their public relations statement, it will be harder to go back, even for them.

So, yes, we are saying today we put a limit on government spending; we establish a higher priority of real debt reduction. Yes, there has been $350 billion worth of debt reduction since we took the majority; and no, it never would have happened without us, because we knew, understood and complied with the priorities of the American people. It is now time for all of us to take a stand. I say we can never go back.

Madam Speaker, it is not wasted upon me that our newest, youngest Members are the people that lead this charge, people like the gentleman from Kentucky (Mr. FLETCHER), people like the gentleman from Pennsylvania (Mr. TOOMEY), people who have just gotten to this town and people who have had a vow that while they are in this town they will not squander your money on risky spending schemes, when the better alternative to pay down the debt that was piled up by those who squandered in the past can take a higher priority. I applaud the youth, I applaud the enthusiasm, I applaud the leadership, and I recommend a yes vote for all people, those who mean it, and even those who want to make a public relations statement today.

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

Madam Speaker, I would only say to the distinguished majority leader that it is good to come out here and give a 90 percent debt reduction figure and say we will spend only 10 percent. But one really has to know how to add and subtract when one starts that kind of discussion, because the 10-year surplus is $4 trillion, $4.5 trillion, and the tax cuts proposed by the Republicans are over $943 billion. That is 21 percent spent on tax cuts alone. You cannot get 21 percent out of 10 percent. I do not care how you squeeze it or twist it or what kind of press release you put out, you cannot make the cuts you wanted to make last week and come back in here today and say, we want to pay down the debt to 90 percent.

Madam Speaker, I yield 6 minutes to the gentleman from Texas (Mr. STENHOLM).

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

Madam Speaker, as I listened to my colleague from Texas a moment ago, I could not help but remember the infamous words of Will Rogers, when he said, "It ain't people's ignorance that bothers me so much, it is them knowing so much that ain't so is the problem," and how many times we stand on this floor and we talk about things that are the truth, but we leave out the rest of the truth, the whole truth, and nothing but the truth.

Now, I wish to congratulate my Republican colleagues for coming around to the Blue Dog position on debt reduction, which, by the way, has been supported by a majority on my side of the aisle since we first proposed it this year, and 37 on your side of the aisle supported it when we had a chance of making it work.

Today we have a bill at least rhetorically that says we are now coming around to debt reduction. Unfortunately, this legislation falls into the category of too little too late, and completely unnecessary; but let us pass it.

Once again, my friends on the other side of the aisle have gone back to their districts during the August recess talking about tax cuts and come back talking about debt reduction. They apparently have heard the same message I have heard countless times from the folks I represent; if in fact we have some extra money in the form of a surplus, we should use it to first pay down our debt and prepare to meet the challenges of Social Security and Medicare. In fact, Social Security and Medicare are the first priority of the American people, as it should be, and should be of this body.

I would have preferred that the Republican leadership had been as enthusiastic about that position 6 months ago when the Blue Dogs offered a budget that would have made debt reduction our top priority, and I am tired of listening to this side of the aisle always being in the wrong. Let me remind every one of my colleagues, 140 Democrats supported the debt reduction bill offered by the Blue Dog Democrats, and 37 Republicans in a bipartisan way supported our budget.

□ 1630

It made debt reduction our top priority instead of pursuing tax cuts that would consume all of that surplus. But I am glad we are coming around to our way of thinking. Over the last 2 years, while the Republican leadership has been pushing proposals to use all the

surplus for tax cuts, those of us in the Blue Dog Coalition have been fighting to make debt reduction our top priority.

On July 22, 1999, the gentleman from Tennessee (Mr. TANNER) offered a motion to recommit, H.R. 2488, the Tax Cut Reconciliation Bill, which would have required that 100 percent of the Social Security surplus and 50 percent of the non-Social Security surpluses be dedicated to reducing the national debt. This motion was defeated by a party line vote of 211–210, roll call No. 332, with only one Republican voting for it.

On February 10, 2000, the gentleman from Indiana (Mr. HILL) offered a motion to recommit, H.R. 6, that would have required Congress pass legislation reserving enough of the on-budget surplus for debt reduction to put the Government on a path to eliminate the publicly held debt by 2013 before the tax cut could take effect. This motion was defeated by a vote 196–230, on roll call No. 12, with all Republicans voting no.

Where were all my Republican colleagues who were talking about the virtue of debt reduction today on those votes when we had a chance to put in place a serious bipartisan plan for debt reduction?

The solid Republican opposition to these and other efforts to reserve surpluses for debt reduction stands in sharp contrast to the professed commitment to debt reduction that we hear today.

I was extremely disappointed to discover that the bill reported by the Committee on Ways and Means would only apply to 1 year. The conversion to the cause of debt reduction appears to be just a short plan of convenience. The bill before us will leave Congress free to abandon debt reduction and return to fiscally irresponsible proposals to use the entire surplus for tax cuts and/or increased spending next year.

The markets who are looking to us to see if we are serious about fiscal discipline will not be impressed by a temporary 1-year commitment to debt reduction that we can abandon next year. They are looking for a fiscally responsible, long-term framework that will keep us on a course to paying down the debt while meeting our priorities on the tax cut and spending side of the aisle.

We should follow the advice of the Concord Coalition to set new discretionary caps for the next 5 years on spending for this Congress controlled by the current majority and develop a long-term plan for allocating the surplus between debt reduction, tax cuts and spending for priority programs such as Medicare, agriculture, and defense.

Some of my colleagues have said that this bill dealing with debt reduction can apply for only 1 year because we do not know what the surpluses will be after next year. I would simply ask my colleagues, where was that concern last week when we were passing tax cuts and attempting to override? That was the concern some us had about those tax cuts. We do not know what the future surpluses are going to be. Therefore, we should be conservative and pay down the debt.

In contrast to the debt reduction legislation before us now, the Blue Dog proposals which the majority rejected would have provided for a meaningful, long-term commitment to use surpluses for debt reduction. We believe that debt reduction should be our first priority and using the surplus not something to settle for out of desperation when all else fails.

If the Republican leadership is sincere in their support for debt reduction, I would ask them to work with the Blue Dogs and all on our side of the aisle in our efforts to ensure that debt reduction is the first priority and using the projected surplus over the next 10 years, not the next year, and realize that there are those on this side, in fact the majority of my colleagues on this side have supported with their votes recorded that we believe deficit reduction is the most important tact.

It still is not a bad plan. Go back to the drawing board. One year should not be enough. We ought to have at least a 5-year spending cap proposal on the floor of the House, and we ought to deal with the 10-year projections in a realistic way.

I would ask my friends on the other side of the aisle to join with us in doing just that.

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

Madam Speaker, I have just a couple of comments. I want to thank my good friend the gentleman from Texas (Mr. STENHOLM) and the Blue Dogs. The very positive budget resolutions that they have put out over the years, I believe, have been very helpful. Again, I want to thank the gentleman. I have worked with him for a number of years on the Committee on the Budget.

The problem, however, is that at least the vast majority of their party has not gone along with that. As we look at during the years that Democrats were in control, not only were we not reducing the debt, we were increasing it, as a matter of fact increasing it by $200 billion and $300 billion a year, which, by the way, did not count what was going into Social Security, so it was probably almost double that, for almost 40 years off and on.

So we see again that, while the words are good, and I want to thank the gentleman and there is no doubt that his intention was very good, that was not what was being followed.

Madam Speaker, I yield 4½ minutes to the gentleman from Kentucky (Mr. FLETCHER) who has been very active on the Committee on the Budget working with us on our side on crafting this legislation.

Mr. FLETCHER. Madam Speaker, I thank the gentleman for all of his work. I have had the privilege of serving now almost 2 years on the Committee on the Budget with the gentleman from California (Mr. HERGER) and I know he has been a champion of making sure that we lock up Social Security and Medicare and not spending a penny of Social Security or Medicare on other Government programs, on more and bigger Government, which had been going on here in Washington before I arrived, at least for 40 years, where they had taken money from the Social Security trust fund and money from Medicare and spent it on more and bigger government.

Now, with fiscal discipline, we have been able to have a surplus. Yes, there is a real debate as to what do we do with this surplus. I think we need to put an emphasis on debt reduction. I am certainly glad to have the support of the gentleman from Washington (Mr. MCDERMOTT) and the gentleman from Texas (Mr. STENHOLM) for this debt reduction. This is the third bill that I have been privileged to bring to the floor to reduce the debt. And I thank them for the votes and certainly hope that they do vote and support it today.

We do have some differences on tax fairness. I think we should eliminate taxes that are unfair on married couples. That is just not the right kind of family values this institution should establish in this country. And double taxing and causing someone to go to the undertaker and the IRS in the same month are not the kind of values that this institution should espouse.

So, yes, we have substantial differences on how we should spend not our money but the people's money; and that is what we are talking about here today.

Now, what we are doing in this bill clearly is taking and doing something new that has not been done before; and that is appropriating money to a debt reduction account, $240 billion. Now, some naysayers may say, well, this will occur anyway. But, in fact, it does not occur that way.

Now when we go to the end of the year to debate how this money is spent, we have $240 billion, and I am very hopeful the other body, the Senate, will take this up. And taking up this legislation, then if we are going to increase spending on more and bigger government, we are actually going to have to take this money now from this account and we are going to have to at least flush out the folks that want to spend more money and make it very clear that they are taking that money from future generations.

That is what this is about. Do we want to live within our means like every family does when they are around the kitchen table and decide to balance their checkbooks or do we want to say, no, I am going to spend more, maybe please some constituents that we want or whatever, but I am going to do more and more and build bigger government and I am going to mortgage it on the backs of the future generation?

That must stop. I am thankful that we are able to stop that at this time, we are able to pay down that debt, $240 billion, hopefully eliminate it by 2012. And, yes, I do think we can give some tax refunds to folks to go make tax more fair. And these two are not mutually exclusive. We can do both.

In the Blue Dog budget, they had a tax relief plan and some of the reasons we did not support that is I think CBO ended up scoring that as a tax increase. There is some question about that. So I think we have some honest debate.

But what does this bill mean to the average person? First off, every child that is born owes $20,000 now in debt. Every taxpayer pays a dime out of every dollar just to pay the interest on it. What this means is that we are going to eventually eliminate that. We would like to reduce that debt on future generations. We would like to tear up their mortgage and pay it off. We would like to make sure we can increase revenues by reducing the debt that we owe and the interest on that publicly held debt. It means it will keep the economy going, more people will be able to afford a home, interest rates will be lower, people will be able to afford more on their children's education, and they might even be able to take a family vacation that they have not been able to take for a while. This means that we keep the economy going, hopefully, in the direction it is going, a booming economy, so that we can provide more.

So what this means is that it is for the future generations. It would eliminate, eventually, that $20,000 debt that every child owes. Every newborn that comes into this country receives that $20,000 debt, and we are working on eliminating that.

Again, I say it is very clear, what are our priorities? Do we want more and bigger government? Well the Clinton/Gore administration, over 2 years, presented budgets that did what? Increased taxes, $82 billion 1 year and $45 billion the next or thereabouts. That is the difference in priorities. We believe it is not the Government's money, it is the people's money.

Mr. MCDERMOTT. Madam Speaker, I yield 5 minutes to the distinguished gentleman from Tennessee (Mr. TANNER).

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

Mr. TANNER. Madam Speaker, I want to join with the gentleman from Washington (Mr. MCDERMOTT) and the gentleman from Texas (Mr. STENHOLM) and congratulate people talking about debt reduction.

I do not know where my colleagues have been in the last 18 months or so, but if it were not for the surroundings in this room being familiar to me, I would think I was in another country in another parliamentary setting.

This is what we have been saying for 18 months and we have been told repeatedly, it is the people's money, give it back to them. We have seen hundreds of billions of dollars of tax cuts enacted by the people who come down here today and try to convince us that they want to reduce the debt. I mean, I thought I was in another country.

This is familiar and, so, I guess I am in the United States.

Let me give my colleagues some example of what I am talking about. They keep talking about 40 years. Here are facts. This is history. This is not conjecture. This is not speculation. This is not a projection. This is facts. These are the budget deficits under the Presidents.

Right here the red is President Carter. This is President Reagan. This is President Bush. Reagan starts here. All of this debt. Blue starts with Clinton. If we start 40 years, they are trying to tell people that Democrats in the House did something that is constitutionally impossible. They had a Republican President for 24 of those 28 years with a veto pen, just like President Clinton has. During 6 years of Reagan's 8-year term, they had a Republican Senate. There is no way under this Government that the House can do anything by itself.

So I appreciate what they are saying. But as the gentleman from Texas (Mr. STENHOLM) said, they are asking people to believe something that is constitutionally impossible.

Beyond that, what we are talking about is a real debt of over $3.5 trillion that we have been screaming about here for 18 months. I had the motion to ask my colleagues to just reserve half, split it with the kids of tomorrow, half of the on-budget surplus over the next 10 years, just split it with the kids.

No. We got one vote from them. The rest of it was let us take 87 percent under those projections for a tax cut now for ourselves, we will not worry about the future, notwithstanding the fact that it was only a projection.

Now, if my colleagues want to talk about debt reduction, let us not just do it this year, let us do it in connection with what we have been telling people about tax cuts and let us do it over 10 years. That is what the Blue Dogs ask them to do. If they are going to use 10-year numbers to do a tax cut, then, for heaven's sake, let us do a 10-year number for a debt reduction package. Then we have got apples to apples. Then we have got something that people can relate to, understand, appreciate, and either agree or disagree with.

But to come here now, I mean I am going to vote for it, too, why not, but this is I hope the forerunner of people who have been talking about what, I think, are irresponsible tax cuts based on projections coming and saying, let us do it the conservative way, let us do it on a 50-percent split with the kids.

As a matter of fact, they say 90 percent of a unified budget, that is only $7 billion more than the Blue Dog plan would have been this year under a 50-percent on-budget surplus. We would have put 35. They put 42 for 1 year.

□ 1645

Over 10 years we will put under the Blue Dog plan over $1.3 trillion more toward debt reduction than anything my Republican colleagues have voted for this year.

Let me just say this in closing. I appreciate the time. I hope that we can come together and quit all this finger pointing and so on. But there is no way that you can disregard 18 months and come down here and say, Well, you guys come along and join us. What we need to do is a 10-year projection, not a 1-year or 30-day, or it will not even be 30 days. October 1 is the new fiscal year. It will be 15 days.

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

If the gentleman would leave his map up, I think that is a very good prop. I would like to refer to it myself. There are only certain numbers I think that really count. That is the results that we are doing. If we look again over the 40 years that the gentleman's party was in control, the Democrats, we spent more than we brought in each of those 40 years. The fact is that for the last 4 years, we have actually not had 2 and $300 billion deficits.

Let me just read. During 1998, the Republican Congress had a balanced budget, the first one in 30 years, paid down $51 billion. In 1999, we had a balanced budget plus we paid down $87 billion. This year, the year 2000, we had a balanced budget and we paid down $224 billion. We are projecting that for next year, 2001, and that is the only budget we have control over as the gentleman from Tennessee knows, the only budget we have control over is the one we are in right now, we are projecting a $240 billion paydown of the public debt, 90 percent of the entire surplus, not after we finish spending but before we begin spending we want to dedicate.

Madam Speaker, I yield 3 minutes to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. I thank the gentleman for yielding time.

Madam Speaker, I would point out as we look at the graph, as we look at the chart, it is a fact that all spending bills originate in the House, as we contemplate where we would be today if we were using the President's budget from 1995, had we not had the election of a Republican House in 1994, where would we be today? I think the answer to that is based upon the President's budget at the time; we would still be running chronic $200 billion deficits today.

I want to thank some of my colleagues on the other side of the aisle, particularly the Blue Dogs, for their efforts at deficit reduction. But I must say some of the credit also goes certainly to the gentleman from Ohio (Mr. KASICH), our budget chairman, and goes to the Republicans who in 1994 and in 1995, we were able to slow the rate of government growth, one year down to 2.7 percent. And in so doing, by slowing

that government growth rate, allow revenues to catch up with expenditures, and now we have balanced budgets. If indeed we do look at the chart, Members notice that when we begin to run those surpluses is at the point in time that the Republican House's budgets began to kick in.

I rise in support of this debt relief lock-box act because this bill uses 90 percent of next year's budget surplus to pay down the national debt. I think as we look at the Republican plan to pay off the total public debt by 2013 and the President has signed on to that plan, we are committed to doing that; as we look at that, we now begin to realize that there are more revenues coming in than we ever imagined.

The surplus is growing at a very good clip. The administration has continued to veto those measures like the marriage and death tax relief bills, so they have made it clear that they do not want to let Americans keep some of this money. They do not want to have that returned. From our side of the aisle, our response to that is, All right. Well, let's at least make certain that the government doesn't spend it. Let's make certain that it goes to paying down the debt. Because according to the General Accounting Office, the government made more than $20 billion in improper payments in fiscal 1999 through waste, fraud, and abuse. Let us at least agree that we are going to root out that waste, fraud and abuse in these Federal agencies; and let us agree that before we spend any more of this money, we will first use 90 percent of it to pay down that national debt.

I urge my colleagues to prioritize by passing this bill so that we can reach that consensus, which I think will be something we can all agree upon.

Mr. MCDERMOTT. Madam Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. I thank the gentleman for yielding time.

Madam Speaker, I would like to return the compliment to the gentleman from California. I truly have enjoyed attempting to work with him and several others on his side of the aisle who have attempted to be consistent. The bill today is not consistent. That is my problem. You cannot be on the floor one week arguing for gigantic tax cuts and then the next week coming in for saying debt reduction. You cannot do that in an honest sense. You can do it in a political sense, and I realize that is what we are doing today.

I happen to have been here during the Reagan-Bush years. Only one of those 12 years did the Congress, the big-spending liberal Congress that we have heard so many times referred to, only one time in those 12 years did the Congress ever spend more than Presidents Reagan and Bush asked us to spend. I say that to say, let us stop the finger pointing. There is enough blame.

I give credit to my colleagues on the other side for those things which they have attempted to do. But I have a healthy disagreement with the budget priorities they have brought. The gentleman from Kentucky a moment ago inferred in the usual sly way that the Blue Dog budget would have increased taxes. He knows that is not right. He knows that our budget proposed real tax cuts, just like he knows that last week when I stood up in support of the President's veto on the marriage tax penalty, I support eliminating the marriage tax. He knows that. My argument was that it did not take $292 billion to do it, it took $82 billion.

Let us confine our tax cuts within the confines of what we need to do to pay down the debt, which the gentleman from Tennessee was talking about a moment ago. You cannot do both. If you are going to have a $1.3 trillion tax cut, you do not have any money left for deficit reduction and still meet the needs of Social Security and Medicare and defense spending and all of the other things that we need.

My colleagues know that I support eliminating the death tax and have voted that way and hope that in this compromise in the 90–10 era that we can have a death tax repeal effective January 1, 2001, on all estates up to $4 million if we can pull up our sleeves and start working together.

Now, I do not know why we have this legislation. Well, I do. Everybody knows why it is out here today. We keep talking about 40 years. Forty years is history. I am more interested in this year and the next 10 years and the gentleman from California (Mr. HERGER) is, too. I know exactly where he comes from. But he has got a duty to do today. His leadership has decided we have to now emphasize debt reduction, so we are going to have a bill out emphasizing debt reduction so we can have press releases back home. But the real way we are going to deal with this is to get real.

Let me also make it very clear when we talk about numbers, there is not a dime of these dollars that are not the people's money. It does not take Members of Congress standing up and saying this is the people's money. We do not have any money to spend that we do not first take from the American people. It is a matter of priorities. My priority is fixing Social Security and fixing Medicare first, paying down the debt and then dealing with the priorities that were your number one priority last week. This week it is a different one.

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

Again what is important, I think history is important, what did happen, what are the actual facts. Again as we see on this chart here, for 40 years, the Congress where the Constitution sets up that the Congress, the House of Representatives specifically under Democrat control, or under anyone's control sets up a budget. They are the ones who author spending bills.

It is interesting that there is reference to tax reduction or tax fairness as though somehow that is wrong. My good friend from Texas, just to respond to that, I do not think it is wrong to correct and have tax fairness for a young married couple who is married who has several children and yet they are penalized an average of $1,400 just by the fact that they are married. I also do not think it is wrong that farmers and small businessmen in the gentleman from Texas' district as well as my rural area in northern California who work hard all their lives, who would like to leave their families, their children their farms and small businesses, they do not get anything out of it, they are dead, but that they have to sell their small farms and their small businesses simply to pay the taxes. I do not think that is wrong.

That is our priority.

Madam Speaker, I reserve the balance of my time.

Mr. MCDERMOTT. Madam Speaker, I yield 30 seconds to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Madam Speaker, I wish when my colleague makes mention of me that he would extend the courtesy of yielding for purposes of a response. I agree with the gentleman. That is precisely our point. We can deal with the death tax and meet every single one of the tear-bringing responses that he just brought again to the floor. I agree with him. We can deal with the marriage tax, not like you were proposing it last week, but like the Blue Dogs have suggested for the last 18 months. We can do it. Let us roll up our sleeves and do it, and you will find that we will reduce the debt as much or more as the bill before us today and do just exactly that.

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

I am sure that the President of the United States is very pleased to see this conversion of the Republican Party about 2 weeks before the final negotiations begin. He has said from the beginning that we are going to strengthen Social Security, we are going to strengthen Medicare, and we are going to pay off the debt and then we are going to get to the issues like the inheritance tax and the marriage tax penalty and so forth. He has made proposals. He has said, Let's put it all in one package. It is going to happen. But this is the first time, the first time, in fact this started the other day in the Oval Office or in the conference room up at the White House where suddenly the Republicans after all this tax cutting suddenly had for the first time a new proposal laid on the table by the Speaker saying we want 90 percent to go to debt reduction.

Now, it really is better late than never. I think if somebody comes into the church and accepts the gospel of debt reduction, it is better to do it now than never. And so we welcome you. We really do. We are going to be able to end this session and do what the American people need and what they have wanted all along. They have been telling us that. All the polls have been

telling us from the beginning that they recognize that simply giving money back but leaving this debt resting on their kids was not fair. They knew. We have had a good life. But they said, Let's pay down our credit card so that our kids don't have to pay it down in the future. The President has said it. He said it in the State of the Union right here in the well. And now the Republicans are with him. That is wonderful.

Mr. HERGER. Madam Speaker, I yield 30 seconds to the gentleman from Michigan (Mr. SMITH), a member of the Committee on the Budget.

Mr. SMITH of Michigan. I thank the gentleman for yielding me this time.

Madam Speaker, we are really talking about a $70 billion surplus in excess of Social Security and Medicare. It should be 90 percent of that $70 billion, or $63 billion rather, that we are taking 90 percent of the on- and off-budget surplus, which is a start; but it means more spending.

The President has said he sees probably there is no room for using any excess to pay down the debt this year other than the debt held by the public. We have got to go further than this. Talking about paying down the debt held by the public by 2012 means that we do not solve Social Security. We do not use that money to do what is important in saving Social Security and Medicare.

Mr. SMITH of Michigan. I thank the gentleman for yielding.

Madam Speaker, this is a good start, but it should be more. We are really talking about a $70 billion surplus in excess of Social Security and Medicare. Ninety percent of that $70 billion, is $63 billion that should be dedicated to debt reduction in addition to the Medicare and Social Security surplus. Rather, we are taking 90 percent of the unified budget surplus which allows an additional $20 billion more spending. Ninety percent of the $70 billion is $63 billion or only $7 billion increased spending. The reason such tax cuts as the marriage penalty tax should be on the table, is that it takes increased spending off the table.

The President has said he sees little room for additional debt paydown in 2001. Let me quote the New York Times of September 13th: ''Mr. Clinton told Republicans he viewed paying down the debt as a priority, but said he was not sure it could be done in the 2001 fiscal budget, which is set to begin on Oct. 1. 'Whether we can do it this year or not depends upon what the various spending commitments are,' Mr. Clinton said.''

We can do better than this. Talking about paying off the debt by 2012 is misleading. It means that we do not solve the Social Security problem because it is the Social Security surplus that is being used to pay down that portion of the total debt held by the public. We need that money to do what is necessary to save Social Security and Medicare.

□ 1700

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

Madam Speaker, we have a historic opportunity before us today. We can make debt reduction the priority instead of the afterthought. This Congress can throw away the old ways of paying debt only after the spending is done.

We are also reaffirming our commitment to saving every penny of the Social Security and Medicare trust funds. Ending the raid on these trust funds is the right thing to do. All in all this bill will pay down an unprecedented $240 billion in public debt in just 1 year.

Madam Speaker, I urge my colleagues to vote for this measure for our children, for our grandchildren, for our seniors, and for the best interests of our Nation.

Madam Speaker, and just responding quickly to my friend on the other side of the aisle on the gospel of debt reduction, I would like to refer to the board, a graph up here which shows that for 40 years under Democrat control, we deficit-spent every year; and I think what is important is that for the last year, for the last 4 years, we have not only not deficit-spend, but the proof of the pudding is in the eating.

And I say to my good friend, the gentleman from Washington (Mr. MCDERMOTT), in 1998 we paid down $51 billion. In 1999, we paid down $87 billion. In fiscal year 2000, $224 billion; and this year, we are asking to pay down $240 billion. Again the proof of the pudding is in the eating.

We have done it before, and let us do it now and let us commit to it.

Mr. ARCHER. Madam Speaker, this bill is very straightforward and simple, and I would like to congratulate the gentleman from Kentucky, Congressman FLETCHER, for all his work on this bill. This bill would direct approximately 90% of the total budget surplus toward debt relief in Fiscal year 2001. It includes Congressman HERGER's Social Security and Medicare lockbox legislation, and it adds an additional $42 billion from the on-budget surplus in FY 2001 for additional debt reduction.

No question, we would have preferred that some of these funds would have gone to end the marriage tax penalty for 25 million married couples and to repeal the death tax to protect small businesses and family farms, but President Clinton blocked these bipartisan efforts.

So now, the next best use for these funds is to pay down the debt. Federal Reserve Chairman Alan Greenspan has said debt relief is the best way to keep our economy strong. Of course, Chairman Greenspan also has said that the worst possible use of these surplus funds is for more spending.

We don't want debt relief to be the crumbs on the table after the Washington spending binge, we want debt relief to be the meat and potatoes that grows our economy instead of big government.

That's why this bill represents a compromise. President Clinton showed that he did not want to use the taxpayer-generated surplus for tax relief with his vetoes. Buy by the same token, Republicans in Congress do not feel that the lion's share of the surplus should be used for more spending. So why don't we compromise and use the funds to pay down the public debt?

I hope and am confident we will have bipartisan support for this bill today, since every Member of the Ways and Means Committee voted for this bill last week. If there are any objections, and I hope there will be none, but if there are, I would expect them to focus on the level of debt relief included in this bill. Again, since the House passed this exact same approach to debt relief in July by a vote of 422–1, I cannot envision any objections as to how this bill achieves debt relief.

This bill is the latest highlight of a Republican record on debt relief that is unmatched in history.

Since Republicans gained control of Congress, we have paid down $351 billion in debt—$351 billion. Now, we propose to continue this effort by paying down an additional $240 billion of debt for FY 2001. Combined, that would mean that by the end of FY 2001, we would have paid down well over a half a trillion dollars in the public debt.

Half a trillion dollars in debt relief is a remarkable accomplishment for which we can all be proud.

Mr. STEARNS. Mr. Speaker, I rise in strong support of H.R. 5173, the Debt Relief LockBox Reconciliation Act for FY 2001. This legislation achieves several important goals—not the least of which is to retire the nation's debt by an additional forty two billion dollars in FY 2001. It does so while providing that one hundred percent of the Social Security and Medicare surpluses are fully protected. Why is it so important to all Americans, including seniors that we pay down the debt? I'll be more than happy to tell you why I think it is vital that we pay down the debt since we have eliminated the nation's deficits.

Thomas Jefferson made the following statement:

> I place economy among the first and most important of republican virtues, and public debt as the greatest of the dangers to be feared.

The was in 1816. That was a credible statement then and it remains so today. If you divide the number of citizens by the outstanding public debt, what would you get? Your share, my share, each and every child's share is $20,559.

The gross debt, which is all of the federal government's outstanding debt, totals about $5.5 trillion. To answer the question I posed earlier: We must reduce the debt because it will enhance net national savings, this in turn would free up resources for investments in productivity that will lead to stronger economic growth in the future. A larger economy will help ease the burden on our nation's children, who in later life as taxpayers, will be asked to shoulder the burden of paying for retirement and health care costs of a dramatically older population.

Paying down the debt is the right thing to do and I urge my colleagues to support passage of this important legislation.

Mr. BENTSEN. Madam Speaker, I rise in support of H.R. 5173 and want to commend the Republican Leadership for abandoning their fiscally irresponsible budget and trying to salvage, albeit with less than a month left until the 106th Congress ends, something from the ruins of their failed budget that hinged on a foolhardly $2 trillion tax cut.

H.R. 5173 would reserve 90%, or $239 billion of the total projected federal budget surplus for Fiscal Year 2001, for debt reduction. As a senior member of the House Budget Committee, I have consistently argued that the

best course of action to insure the continued fiscal health of this nation, is to pay down publicly-held debt, while simultaneously safeguarding Social Security and Medicare. Under H.R. 5173, the non-Social Security, non-Medicare surplus, estimated at $42 billion, would be reserved for debt reduction and would be kept in a newly-established special account, maintained by the U.S. Department of Treasury, for use to purchase publicly-held debt at or before maturity. H.R. 5173 also amends the Republican flawed budget, H. Con. Res. 290, by creating ''points of order'' in the House and Senate, against any legislation that would use the projected $165 billion Social Security Trust Fund and $32 billion Medicare Hospital Insurance Trust Fund surpluses for anything other than paying down the debt. This measure, which leaves $29 billion available for spending increases or tax cuts, represents an enormous departure from the Republican Leadership's trillion dollars tax cut.

Paying down the debt is sound fiscal policy. First, by retiring Treasury bonds and reducing their availability, interest rates decline, including lower cost mortgages and car loans. Second, reducing the debt frees up capital for investment in more productive assets which will spur economic growth. Third, paying down the debt frees up federal resources which are otherwise consumed by interest costs. Fourth, lower interest rates, increased savings and economic growth, and freeing up resources all work together to increase our ability to extend the solvency of Social Security and Medicare. And fifth, the projected long-term budget surplus is based on assumptions which could change.

I have consistently argued that consuming the projected surpluses rather than pay down debt, leaves no room for error if the assumptions on budgetary surpluses turn out to be wrong and could lead us back on the path of increased debt, squeezing out Social Security, Medicare, defense, and other priorities. For these reasons, Madam Speaker, I rise in support of H.R. 5173, a concession by the Republican Leadership that their massive tax cutting scheme, was fiscally imprudent.

Mr. HERGER. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. MORELLA). The question is on the motion offered by the gentleman from California (Mr. HERGER) that the House suspend the rules and pass the bill, H.R. 5173, as amended.

The question was taken.

Mr. HERGER. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 6 p.m.

Accordingly (at 5 o'clock and 2 minutes p.m.), the House stood in recess until 6 p.m.

□ 1802

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. HULSHOF) at 6 o'clock and 2 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today.

Votes will be taken in the following order:

H.R. 5173, by the yeas and nays;

H.R. 5010, by the yeas and nays; and

H.R. 2984, de novo.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

DEBT RELIEF LOCK-BOX RECONCILIATION ACT FOR FISCAL YEAR 2001

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 5173, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HERGER) that the House suspend the rules and pass the bill, H.R. 5173, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 381, nays 3, not voting 50, as follows:

[Roll No. 477]

YEAS—381

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crowley
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehlers
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Frelinghuysen
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastert
Hastings (FL)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Leach
Lee
Levin
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Ney
Northup
Nussle
Obey
Olver
Ortiz
Ose
Packard
Pallone
Pastor
Paul
Payne
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Waters
Watkins
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—3

Mollohan
Nadler
Sabo

NOT VOTING—50

Blunt
Boucher
Campbell
Chenoweth-Hage
Cook
Crane
Cubin
Dooley
Dunn
Ehrlich
Emerson
Fattah