SUMMARY

Succinctly, lessons for the new millennium from the country doctors are embodied in their spirit.

CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 2002

SPEECH OF

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OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011:

Mr. GILMAN. Mr. Chairman, I rise today in support of H. Con. Res. 83, the budget resolution for fiscal year 2002. I urge my colleagues to join in its adoption.

Our Nation now stands at a historic crossroads. After two decades of growing deficits and rising debt, the Congressional Budget Office has now projected rapidly growing surpluses for at least the next decade. The fiscal discipline enforced by the Republican Congresses since 1995 has now borne fruit.

The primary challenge now facing Congress is preventing a return to the days of deficit spending and rising debt. The FY 02 budget resolution accomplishes this and sets high but reachable goals in the areas of debt repayment and tax reduction.

In terms of debt reduction, this resolution provides for the unprecedented amount of $2.3 trillion over the next ten years, representing the maximum amount that can be retired without incurring penalties. The retirement of this substantial amount of debt will result in lower interest payment each year over the coming decade. The interest savings can then be redirected towards pressing needs or unforeseen emergencies. Moreover, the retirement of public debt will also lead to lower interest rates as it becomes ''cheaper'' for the Government to borrow money.

The resolution also provides for some much needed tax relief for American families. It allows taxpayers to keep roughly one-fourth of projected budget surpluses over the next ten years (28.9 percent of $5.61 trillion) through lower tax bills for all taxpayers.

Overall, taxpayers will keep at least $1.62 trillion of their earnings over the next ten years. This will be achieved primarily through four separate pieces of legislation, each accomplishing the following: retroactive marginal rate reductions, doubling the child tax credit, providing relief from the marriage penalty, and eliminating the death tax.

In terms of funding requirements, the resolution provides for many Government programs that have critical underfunded needs. Education, Medicare, Social Security, defense, and veterans. For example, it provides a 4 percent (over $5.7 billion) increase in defense spending to increase military pay, improve troop housing and extend additional health benefits to military retirees.

The budget provides a historic 12 percent increase in veterans spending for FY 2002 to address the underfunded needs, especially in the field of veterans health care, of those who served our Nation. This is a refreshing change from the veterans budgets of years past, which were often flatlined or contained only minimal increases.

The budget contains new spending authority of $153 billion for Medicare modernization, including the addition of a prescription drug benefit, and provides a reserve fund if additional Medicare modernization funds are needed. The Medicare program is in need of a major overhaul, both to reign in overall costs, and bring its benefits package more in line with 21st century health care. This budget resolution starts that process.

I am encouraged to see that this budget includes significant increases for the Department of Education, specifically, an increase for program spending of 11.5 percent for FY 2002. The budget calls for a number of increases to programs including an increase of $1 billion for Pell grants, a ''reading first'' initiative to strengthen early reading education, annual math and reading testing for grades 3 through 8 and a tax deduction to help teachers defray the costs associated with out of pocket classroom expenses. Although I support the majority of the budget's proposals, I am concerned with the school choice option, that will funnel Federal funds from public schools to private and religious schools and the streamlining and consolidation of a number of Federal education programs that may be lost in the shuffle.

Finally, Mr. Chairman, the budget is consistent with the provisions of H.R. 2, the Social Security and Medicare Lock-Box Act of 2001, which passed the House earlier this year. This act creates a point of order against legislation that reduces the total unified surplus below the combined total of the Social Security Trust Fund surplus and the Medicare Hospital Insurance (HI) Trust Fund surplus. Consequently, the measure creates a procedural ''lock-box'' protecting the Social Security and Medicare surpluses from being used for any purpose other than debt reduction until the enactment of Social Security and Medicare reform legislation.

This is a responsible budget resolution. It preserves the integrity of the Social Security and Medicare systems, makes necessary investments in Medicare, education, national security and veterans health care, provides for appropriate tax relief, pays down an unprecedented level of public debt, and sets aside a prudent reserve fund for unforeseen emergencies. For these reasons, I intend to support it, and urge my colleagues to do the same.