

to this, Mr. Speaker, pay only 1 percent of the individual income taxes.

□ 1245

Many of these beneficiaries are poor, but an increasing number are middle-class retirees who enjoy extra income and health care through Social Security and Medicare. This is help we say from government, but it is from the other taxpayers of this country.

Our founders created a system where taxes are the price for government benefits and services. The idea is that voters would restrain the growth and expansion of government because of the personal costs to themselves in taxes. Our founders built into the original Constitution a provision that prohibited taxes based on income because they wanted people to achieve. That was the motivation. This provision, however, was amended by the 16th amendment. As a result, a near majority of voters now pay little or no income taxes while they receive an increasing number of government benefits.

The extreme progressiveness of our Tax Code has reduced, and in some cases eliminated, any cost of government for a growing number of voters. At the same time, many of these voters are dependent on government for much of their income, their health care, and other government services. It is like handing someone a menu at a restaurant and saying this bill is already paid for, and then asking them to make an order. I think it is a difficult offer to refuse, and it is the same way with government.

Limited government is ultimately essential to our economy's strength and freedom. The success of the United States is built on the free enterprise motivation that those who learn, work hard, and save are better off than those who do not. As that becomes less true with bigger and more intrusive government, we not only diminish that motivation, we lose more of our personal liberty and freedom. This is a growing threat to our way of life, and we can no longer ignore the kind of influence that it generates.

#### PRESIDENT'S BUDGET PROPOSES TO USE SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore (Mr. CULBERSON). Pursuant to the order of the House of January 23, 2002, the gentleman from New Jersey (Mr. PALLONE) is recognized during morning hour debates for 5 minutes.

Mr. PALLONE. Mr. Speaker, tomorrow the House will take up the Republican budget resolution. I am extremely disappointed with President Bush's budget on a number of fronts, but I am particularly outraged with the President's budget on Social Security, which is the issue I would like to discuss this afternoon.

The Congressional Budget Office published a report on March 6 showing

that the President's budget proposes to spend \$1.6 trillion of the Social Security trust fund surplus over the next 10 years. Let me make it clear. The President is proposing to use Social Security surplus money; and let me add that \$1.6 trillion is not just a dip into the surplus, it's a deep dip that will amount to two-thirds of the entire Social Security surplus.

Not only is this unacceptable to me, this amounts to basically \$261 billion more than the administration previously claimed. I would like to call the Bush administration the "broken promise administration" when it comes to many issues, but especially with regard to the issue of Social Security.

If I remember correctly, Mr. Speaker, the Republicans last year promised to protect 100 percent of the Social Security surplus. Ironically, the White House Web site today features a quote from President Bush saying, "We are going to keep the promise of Social Security and keep the government from raiding the Social Security surplus." The reality, of course, is that is not the case. If we take into account the President's optimistic projections, understatement of future costs and the ignorance of other costly elements, it becomes clear that the Bush budget spends the Social Security surplus over the next decade and beyond.

What we are seeing today with the Bush administration is the most radical fiscal reversal in American history. Last year the Republicans inherited trillions of dollars in surplus over the previous Clinton administration. The budget that we are debating today indicates that in one 1 year there has been a decline in that surplus by \$5 trillion. The obvious answer to this Republican fiscal irresponsibility is last year's \$1.7 trillion tax cut and this year's proposed \$674.8 billion tax cut.

As a result of these Republican tax cuts primarily for the wealthy, the Bush budget rapidly deteriorates the Social Security surplus for day-to-day operations of the Federal Government. Democrats believe that the Social Security surplus should be rightfully rewarded to America's seniors. That is what it is all about. We made a promise to protect Social Security, not only because it was one of the most successful social programs, but also because we want to ensure that our seniors receive the benefits they deserve after years of hard work and years of paying into the system.

Social Security we know provides an unparalleled safety net for the vast majority of America's seniors. For two-thirds of the elderly, Social Security is their major source of income. For one-third of the elderly, Social Security is virtually their only source of income. For these reasons and a lot of others, we as Democrats must do everything in our power to defeat the Republican budget. We must do this in an effort to protect and strengthen the Social Security program for the short and long

term, and to keep our promise of allowing generations of retirees to live with independence and dignity.

Mr. Speaker, I call upon my colleagues to defeat the Republican budget tomorrow for many reasons, but primarily because it spends the Social Security trust fund.

#### PRESIDENT'S BUDGET CANNOT BE RESPONSIBLY APPROVED

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Virginia (Mr. MORAN) is recognized during morning hour debates for 5 minutes.

Mr. MORAN of Virginia. Mr. Speaker, today the House budget resolution goes before the Committee on Rules, and it comes to the House floor tomorrow. This is a budget that we are not familiar with in terms of the underlying assumptions because up until now we have been using numbers from the Congressional Budget Office. Maybe some people that watched the machinations of the budget process in earlier years will recall that our Republican colleagues shut down the Congress, shut down the government twice, insisting on Congressional Budget Office numbers instead of OMB numbers. Well, now they have reversed course and decided that they want OMB numbers because they are more optimistic, and they do not want the Congressional Budget Office numbers which are more conservative.

We think this is a time to be cautious and conservative about our projections. Last year we used a 10-year projection because if we went out over 10 years, there was a \$5.6 trillion surplus, and that enabled our colleagues on the Republican side to justify a \$1.7 trillion tax cut.

But now they do not want that 10-year projection, they only want a 5-year budget because of that \$5.6 trillion surplus; \$5 trillion has disappeared. Where has it gone? Well, the biggest single component of that loss is attributable to the tax cuts; 43 percent of it. The lost surplus is due to the tax cuts. About 23 to 25 percent is attributable to the economy. The rest is attributable to additional legislation, particularly increases in defense and homeland security.

So we are spending more, we are keeping the tax cuts, and yet we do not have the money to pay for it. What does that mean? That means that this budget that will be on the floor tomorrow assumes that we will take \$2.2 trillion out of Social Security and Medicare trust funds. We are going to have a deficit of \$224 billion just in this budget year, \$830 billion over 5 years. But when we go out 10 years, then it really starts to count.

The problem is that over this next decade, we have a fiscal crisis facing us because that is when the baby boom generation retires. Mr. Speaker, 77 million people in that baby boom generation will retire and double the number