

of the Tax Code when they pay \$1,400 more in higher taxes. In the south suburbs of Illinois, on the south side of Chicago, the area I have the privilege of representing, \$1,400 is 1 year's tuition at Joliet Junior College, the local community college. It is 3 months of day care. It is several months of car payments. \$1,400, the average working tax penalty, is a significant contribution to an individual's retirement account, those IRAs. It is real money for real people.

Tomorrow, H.R. 6, the Marriage Tax Elimination Act, will be brought to the floor of this House to be debated. My hope is it will pass with an overwhelming bipartisan majority. It is all about fairness, bringing fairness to the Tax Code. My hope is Democrats will join with Republicans in wiping out the marriage tax penalty.

I am pleased that thanks to the leadership of my colleague and friend, the gentlewoman from Missouri (Ms. DAN- NER), who is our chief Democratic cosponsor of H.R. 6, we have 30 Democrats that have joined as cosponsors as part of the 241 that are in support of this bill. Tomorrow is a big day. Let us wipe out the marriage tax penalty. Let us bring fairness to the Tax Code. Let us have a strong bipartisan show of support for H.R. 6, wiping out the marriage tax penalty and bringing fairness to the Tax Code.

CONDOLENCES TO THE HONOR- ABLE LOIS CAPPS AND FAMILY

(Mr. DREIER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DREIER. Madam Speaker, I would like to rise on this day, while many of our colleagues are participating in a service for former Speaker Albert, to take this time to extend my condolences to our colleague, the gentlewoman from California (Mrs. CAPPS) and her family members.

Obviously, they have gone through a real struggle, with the tragic death of our former colleague, Walter Capps, not long ago, and now the loss of their daughter Lisa, a young woman 35 years of age, a professor in California, who is the mother of two young children. And I would simply like to say that during this very difficult time, I know that our colleagues would join in extending our condolences to the family members.

Last night I spoke to a close friend of the family's who said that, obviously, they are dealing with a very difficult situation; and I would simply like to say that personally my thoughts and prayers are with the family members, and I certainly wish them well as they deal with this great challenge.

NATION'S FISCAL AND FINANCIAL INTEGRITY

The SPEAKER pro tempore (Mrs. BIGGERT). Under the Speaker's an-

nounced policy of January 6, 1999, the gentleman from Tennessee (Mr. TAN- NER) is recognized for 60 minutes as the designee of the minority leader.

Mr. TANNER. Madam Speaker, I know all of us here join with the gentleman from California (Mr. DREIER) with regard to the gentlewoman from California (Mrs. CAPPS) and her family.

Madam Speaker, we have some Blue Dogs that are going to show up down here on the floor in a few minutes. And as many of the Members know and some here know, the Blue Dog Coalition is a group of around 30 Democrats who have concentrated for the last 3 or 4 years on budgetary and financial matters that this country faces.

We are going to talk for the next few minutes about our Nation's fiscal and financial integrity and, as importantly, what it means to the young people in this Nation as we are poised today really at a crossroads.

I hope that those who listen will be somewhat informed or enlightened after we are through. I am joined by the gentleman from Texas (Mr. TURN- ER) at the moment.

Before I recognize the gentleman from Texas (Mr. TURNER), let me take just a minute, if I may, to talk about our Nation's financial picture.

Madam Speaker, most observers agree that our national debt is about \$5.7 trillion. That \$5.7 trillion is composed of two separate and distinct different types of debt. The \$1.7 trillion is the amount of money we, the people, owe to we, the people. It is a book-keeping entry. It is represented by assets of the Social Security trust fund, the trustees gift to the Treasury, monies that come in under the FICA tax and the Treasury gives to the Social Security trustees a non-negotiable instrument, bill, note or bond; that represents about, that and other debt, Federal Reserve holds some of it, about \$1.7 trillion.

We, the people, do not actually write checks for interest on that part of the debt every year. The other part of the debt we do, that \$3.7 trillion or \$8 trillion debt, we actually write checks every year for interest. Last year, almost \$240 billion of interest paid on monies that have been consumed by people my age and older.

Madam Speaker, to give you some idea of how much money that is, \$240 billion a year, it is the third largest item of the Federal budget only behind Social Security checks and Nation's defense. Said another way, it represents 13½ cents of every dollar that comes to this town. Said another way, we have a 13½ percent mortgage on this country simply because we have not had the willpower to retire this debt. Instead we just roll it over and continue to pay interest on it.

Put another way, and this is staggering, a third, fully one third of all the income taxes that the American people, individuals and corporate America, pay every April 15 goes to pay nothing but interest on it, the national

debt, this \$3.8 trillion dollars of hard debt that we owe.

Madam Speaker, we are going to in this House tomorrow, I guess, start taking up individual pieces of tax measures that are all very, very popular. All in my judgment or some of them need to be done.

You know what? We do not have a budget. I do not know where the marriage penalty fits in to anything. Is it more important than raising the pay of the men and women in the uniform service of this country that risk their lives?

Is it more important, is it a higher priority than doing something for the veterans who we promised we would do something for years ago, if they would give us their productive lives? I do not know.

We do not have a budget wherein we fit priorities. Is this a higher priority than, for example, medicine? We know that rural providers in this country are having a hard time keeping the doors open. Some of them will close if we do not do something about that. And you know what happens when some of them close? Somebody, maybe your father or my father or somebody's brother or child, is going to die because that clinic in that small town in rural America or that hospital closed and they had to drive 50 miles to get to a suitable medical facility. I do not know where it is going to be, but I see it is going to happen.

I see the gentleman from Iowa (Mr. GANSKE) over there. He can tell you that it is going to happen. Because sometimes seconds make the difference between saving someone's life who is bleeding to death or having a heart attack or a stroke.

So is the marriage penalty a higher priority than saving some child's life who has happened to cut his hand? I do not know. But I do know this, without a budget resolution where those decisions can be made, we are not, in my judgment, fulfilling our stewardship at this point in time to the American people as it relates to retiring, not just rolling over the debt, retiring the debt so that the money saved, the interest that you young people here will have to pay some day, is less.

We are not, in my judgment, exercising proper businesslike stewardship of this Nation's monies if we do not have a budget that provides for debt retirement, for the past promises we made with respect to Social Security recipients, for the past promises we made to the veterans, for the past promises we made to Medicare recipients. Those things are important. Promises made and obligations kept, that is a value that we cherish in this country.

Until we have a budget where we know where we are, where we know what fits in this piece and that piece, it seems to me that one could argue from a businesslike standpoint that it is not only unwise but it is irresponsible to start bringing tax bills to the floor

without some way of knowing where they fit in in terms of our priorities as a people.

Now, let me stop here and recognize the gentleman from Texas (Mr. TURNER) who has been a leader of the Blue Dogs. As I said earlier, we are interested in the financial integrity of this country and our ability not only to meet past promises but future obligations; and he has been a leader on that.

Mr. TURNER. Madam Speaker, I thank the gentleman from Tennessee for yielding. The gentleman from Tennessee (Mr. TANNER) always does such an outstanding job on trying to be sure that we stay on a fiscally responsible course in this Congress through his membership on the Committee on Ways and Means and his leadership of our Democrats who are members of the Blue Dog Coalition, which, as the gentleman from Tennessee (Mr. TANNER) mentioned, is a group of Democrats, about 30 of us, who meet together every week and talk about being sure we keep this country on a fiscally responsible course.

Now that is the main mission of the Blue Dog Coalition is to be sure we are fiscally responsible. And it is hard to understand how we can be here in the second full week of this Congress and have the Republican leadership come to the floor tomorrow with a marriage penalty tax cut bill.

Now, all the Blue Dogs are united in favor of tax cuts. And the marriage penalty is one issue that we believe very strongly needs to be dealt with by the Congress. The problem is the Republican leadership have decided to take the same old approach that they provided in the trillion-dollar tax cut that they proposed last year that we Democrats opposed and the President vetoed, they have decided to take that trillion-dollar tax cut and cut it up into little bits and pieces and roll them out on the floor in one little bit and piece at a time. The same old proposal.

Now, the House rules provide very clearly that you cannot consider a tax proposal, a tax cut, a tax bill until the Congress has adopted the annual budget. And that rule makes a whole lot of sense. You do not put the cart before the horse.

The Committee on the Budget in this Congress has the responsibility to adopt a framework for the fiscal affairs of the Federal Government every year and to adopt a budget. Once we have adopted a budget and have decided how much we are going to allocate for the various spending needs, how much we have to pay down the national debt, how much we are going to apply to tax cuts, then we are ready to come to this floor and pass individual pieces of legislation, appropriation bills and tax cut legislation, to fit within the framework of the budget.

For some reason, I guess in a complete abdication of fiscal leadership, the Republican leaders have decided they will just forget about a budget and they are going to bring the first of

a series of tax cuts to the floor beginning tomorrow.

Now, the truth of the matter is we all believe in cutting taxes. But the American people spoke loudly and clearly last year when, throughout my district, they told me they believe that the first priority of the Congress is to pay down that \$5.7 trillion national debt. If we divide that debt out among all the families in America, for a family of four, it is about \$84,000 per family. Now, that debt was run up over the last 30 years.

When I came to Congress 2 years ago, 3 years ago now, one of the objectives I had was to be sure that we do not pass on that \$5.7 trillion debt to our children and our grandchildren. And what better time to try to pay down the national debt than right now when economic times are good. This may be our best opportunity to deal with the national debt that, as the gentleman from Tennessee (Mr. TANNER) pointed out, takes about 13 percent of our budget every year just to pay the interest on that national debt. The debt is too big.

We have had expert after expert come before this Congress and testify that the best tax cuts we can give the American people is to pay down the national debt. Because when we pay down the national debt, we take the Government out of the business of borrowing so much money and that means there is less demand for funds and interest rates all across this country will be lower.

For most families trying to make ends meet, pay off a home mortgage, buy a car, send their children to college, and most folks have to borrow the money to do it, a lower interest rate will mean more to them than reduced taxes.

When the trillion-dollar tax cut was brought to this floor and passed in this house, the Democrats unanimously proposed a better option. We said take 50 percent of our estimated future surplus, which we hope will be there, nobody knows for sure, but let us take 50 percent of the estimated surplus and let us use that to pay down that \$5.5 trillion national debt; let us take 25 percent of the future surplus and use it to save Social Security and Medicare, which is going to be under great stress when folks my age begin to retire about 15 years from now; and let us take the last 25 percent and dedicate it to a good tax reduction that will benefit average working Americans.

Mr. MINGE. Madam Speaker, will the gentleman yield?

Mr. TANNER. I yield to the gentleman from Minnesota.

Mr. MINGE. Madam Speaker, my colleague has been emphasizing the importance of a tax cut in terms of paying down the debt and what that can do to reducing interest rates. There are a couple of charts here which I think would be of interest to our colleagues in this respect.

One chart shows what reducing the debt means to America's families. And

as my colleague has pointed out, when the Federal Government is in the market borrowing money competing with the private sector for that money, it drives up interest rates.

It has been calculated that if we can reduce the publicly held debt from \$3.7 trillion down to \$1.3 trillion, which is possible if we show the type of discipline we have been talking about, that interest rates on homes are projected to climb by 2 percent and that this would reduce the monthly payment that America's families have on an average home of \$115,000 a mortgage of that size by approximately \$150 a month.

So there is a dividend right away to America's families. It is building on what my colleague talked about.

Secondly, we can look at students. And if we are looking at students, they would receive a dividend that is estimated to be \$35 a month on their student loans if we would reduce the national debt in that fashion.

1145

So this interest rate dividend has been projected and has been calculated, and I thought that this would be a very good way to illustrate with some specific numbers the exact point that the gentleman just made.

So I would like to thank the gentleman for making that point and yield back.

Mr. TURNER. That point is certainly well taken. I think the benefits of paying down the debt maybe are not quite as obvious to the American people as we need to try to make it. Most of the people I talk to in my district are fiscally conservative folks that believe if you owe \$5.7 trillion dollars, you ought to try to pay that down. They do not believe in owing money. Many folks do not realize in addition to paying down the debt, as the right thing to do, that we will get an interest dividend that the gentleman from Minnesota talked about.

I really believe that the important thing for us to emphasize to the American people is that our Republican leadership, beginning tomorrow, is coming back with the same \$1 trillion tax cut that they tried to pass last time and that the American people realized was just a ploy to try to show who could be for cutting taxes the most, and now they are breaking that big \$1 trillion tax cut down into little pieces and trying to roll them out here on the floor, because it is harder to vote against a little tax cut than it was that \$1 trillion one, hopefully forcing the Members of this House to vote for a tax cut.

We are going to vote for a marriage penalty tax cut as Democrats, but we are going to do it in the context of a budget that reduces the national debt, that saves Social Security and provides the kind of tax relief that average working Americans need.

Mr. TANNER. Madam Speaker, I thank the gentleman. I want to take

this time to recognize another Texan. Being from Davy Crockett's district, I have to recognize these Texans, as you know, but one of the leaders in the House on financial matters and fiscal conservative business-like principles that we are trying to advance here, the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Madam Speaker, I thank the gentleman from Tennessee for yielding. I thank the gentleman for taking the time today and giving the Blue Dog Democrats and perhaps others hopefully on both sides of the aisle the opportunity to engage in this debate before we get into the political debate of tomorrow.

It is difficult to be perceived as being against a tax cut, particularly when you agree that the marriage tax penalty should be corrected, but it is not difficult to oppose a bill that not only corrects the marriage tax penalty, but also gives a marriage bonus to those that are currently getting a bonus. I am sure in the limited time tomorrow we will not have an opportunity to fully debate that.

But the real purpose for which we take this hour today is to talk about why paying down the debt should be the number one priority for this Congress and why some of us on this side of the aisle feel so strongly that not following the regular order of determining the priorities of the Congress is a drastic fiscal mistake.

We now have the opportunity to pay down this debt we all talk about if, and this is one of the big questions, if the projected surpluses materialize. That is why we and the Blue Dogs have been saying now for quite some time, let us not spend projected surpluses as if they are real money, surpluses that may or may not occur in 2007, 2008, 2009, 2010.

Is that conservatism? Are we going to go back to the same fiscal policies that we followed in the 1980s when we borrowed over \$3 trillion pursuing a fiscal policy that did not quite work out, unless you perceive that borrowing money by the Federal Government, taking that money away from the private sector, is a good investment.

We do not. We happen to believe that paying down the debt and the fact we are now going to be in our third year of seeing our Federal debt, that which the Federal Government is borrowing, be reduced, is good fiscal policy and has contributed to the fact that we now have the longest single economic recovery period in the history of our country, economic expansion; that unemployment has now hit and gone below 4 percent; that we have more people working in America than at any other time in the history of our country. We think that is the result of something that we have been doing right, and that is that we have been living since 1993 on a course that has gotten us into the position now of actually being able to debate what we are going to do with projected surpluses.

To those that suggest that we start out with a tax cut, you are in fact say-

ing that the plight of rural hospitals is of secondary importance. The fact that we have over 250 representatives from rural communities all over the United States in Washington as I speak begging us for additional investment in hospital care in rural areas, that that is of secondary importance, and we are not even going to discuss that until later, and perhaps never get there, because when you make the argument of a \$1.3 trillion tax cut, you will find there is no money available in the budget for additional investments and needed investments in any program.

To those that suggest that we should start with a tax cut, you are saying that we do not need to invest any further in the defense capabilities of this country, that there is no need for us to do anything but freeze defense spending for the next 10 years at current levels; and anyone knows what that will do to the ability of the United States to defend ourselves against what might happen in the next 10 years.

Why are we not debating what the priority investments should be, along with how we shall deal with our Tax Code?

It is no secret we have real problems in rural America in the farming sector. The President has proposed putting into the budget debate an investment, an expenditure, if you please, of taxpayer dollars. Should that not be debated, and if the majority of this House feels that is not a prudent investment, have it voted down? Should that not be considered in the budget process?

When we talk about spending, we have those that believe, and sincerely believe, that all Federal spending almost is a waste of money. They choose to close their eyes to the fact that we, the Congress, in a bipartisan way, over the last 4, 5 or 6 years, have done a pretty darn good job of restraining discretionary spending, a pretty darn good job. Can we do better? Yes. Should we do better? Absolutely. But can we do it in a way in which we say we are going to freeze and continue cutting in the area of defense, of agriculture, of health care?

I repeat, if we cannot find it in our wisdom to recognize that rural areas are being substantially penalized to the degree that we will have to close hospital after hospital after hospital unless we can find it in our hearts and in our judgment to increase spending in this area, then we have to be prepared to suffer the consequences.

Now, I do not think that is what the Congress will do. But my question is simply this to the leadership: Why did you choose to come with the first bill of the year with a tax cut that is politically attractive? Why do you choose to ignore the budget process that we all say we believe in and in which we will make tough choices? Why do you short circuit it? Unless it is, as some suggest, a politically attractive way to get to the \$1 trillion tax cut without anybody ever having to face up to the realities of what we are talking about.

I think we are making a bad mistake when we do that.

As Members before me have said today, I support dealing with the intricacies of the Tax Code that penalize couples for being married. That is ridiculous. Let us fix that part. But let us do it in the context of a total budget approach that will not jeopardize the economic recovery we have been in now for the last 7 years and that we have all indications we can continue if we just manage to stay on course.

I want to repeat again, and then I will yield back: we are in danger, if we choose this road that we start tomorrow, we are in danger of saying to our rural communities, I am sorry, but there is no money left for investment in health care in rural communities. That is the choice. We are in danger of saying there is no money to be used for increasing the durability and longevity and strength of the defenses of this country, which most of us agree need to be done.

Why are we not having that argument first? That is our question. We will have a motion that will provide that we can do everything everybody talks about, if it is possible to do it within the context of a budget and tough decisions. One of those needs to be being a little conservative with our first bill out of the box. I hope that we will find a way to do that.

One last point: I get real concerned when I see the leadership of the House of Representatives continuing, continuing, to ignore the need of making changes in our Social Security system and our Medicare system for the future. I get very concerned when I continue to hear the finger pointing of the House of Representatives leadership towards the administration for not dealing with Social Security and Medicare and Medicaid, when everyone knows we can do it in the House of Representatives.

Why have we not spent one second talking about the future needs of Social Security in the context of the budget? If we are going to fix Social Security for the future, so our children and grandchildren will have the same benefits that we have today, those on it today, it is going to require some changes; and it is going to require changes that will cause the need of utilizing some of those surplus dollars we are talking about. But we completely ignore that, and I think that is a shame.

Mr. TANNER. Madam Speaker, last year I said when we have projections, and I think the gentleman from Minnesota (Mr. MINGE) is going to talk about projections in a minute, that no reasonable business person in this country that I know of would spend 80 percent of a 10-year projection on anything. That is what we were asked to do last year with that \$800-some billion tax bill.

We are for tax cuts, but to obligate 80 percent of a 10-year projection? I do not know what the price of cotton and

soybeans is going to be next week, and these people in Washington try to talk about 10 years like it is real money. It is not even here yet.

Madam Speaker, I would like to yield to the gentleman from Minnesota (Mr. MINGE) to speak on what the surplus may or may not be.

Mr. MINGE. I thank the gentleman for yielding.

Madam Speaker, we have an opportunity this morning to discuss here with our colleagues the context in which we are considering a tax cut proposal. It is a tax cut proposal that deals with the problem that all of us agree needs to be addressed; and the question is, what is the most effective way to address it, and what is the appropriate time in this process to address it?

I would like to start out by echoing the comments of our colleagues from Texas in terms of the timing. I serve on the Committee on the Budget. We do not yet have even the beginnings of a budget resolution, and that is the primary task of the committee on which I serve. Indeed, the chairman of that committee, our colleague, the gentleman from Ohio (Mr. KASICH), has written a letter to the chairman of the Committee on Ways and Means expressing his concern about bringing up legislation dealing with tax reductions prior to a budget.

This is not a situation where one party is trashing the other party. This is a situation where even the Republicans recognize that the tax cut proposal ought to follow the development of a budget.

1200

So when the Chair, the Republican Chair of the Committee on the Budget is saying to the Republican Chair of the Committee on Ways and Means, let us do this in a logical process, just like any business organization would do. I think that is an admonition that we ought to take seriously.

Now, we have also mentioned, and so have our colleagues from Texas, the difficulties of projecting what is going to happen in terms of Federal spending and revenues over a decade, and where do we actually stand in terms of the amount of money available. This chart shows what is really available in terms of a surplus and when it becomes available. There is an anticipated surplus if we look at the old figures that were used in 1997, there is an anticipated surplus of \$1.85 trillion over 10 years. Now, that is deceptive because as everybody knows here in Washington and actually most people around the country, the so-called budget caps that would generate that kind of a surplus have been broken with regularity over the last 2 years.

So if we simply assume that defense spending, spending for education, for health care, for agriculture, and for a range of other things that all of us recognize as priority matters, that that spending is not going to be cut here in

the year 2000 and in the years to come, but instead, there is enormous pressure to simply maintain this level of support for Federal programs and increase it at the rate of inflation. Over half of that surplus disappears, and that is the blue portion of this pie chart, Mr. Speaker; \$1.021 trillion disappears.

Given the very strong advocacy on behalf of the Defense Department that is going on today on the Senate side and went on yesterday on the Senate side, and what I know is going to come on health care, and our colleagues have already talked about health care, and what we know is going to come on environmental programs and on education and so on, it is fair to say that this blue portion is truly not a surplus, and that leaves us with the orange and with the green.

Now, the orange represents the extension of tax reduction measures that are currently on the books, and also farm aid legislation that represents some sort of a compromise or a mean between what was done in the early 1990s and what has been done here in the late 1990s in terms of dealing with the very serious problems in the farm economy. If we assume that we are going to extend these tax reduction measures which are currently on the books like the research and development tax credit and others, then this original portion disappears and include with that the type of farm programs I just mentioned. That leaves us with the green portion. That is about \$607 billion over 10 years, \$60 billion a year.

Now, it is important to note that \$200 billion of this is actually surpluses in the Medicare program during the period of time before the baby boom generation retires. I submit that that surplus in Medicare, just like the surplus in Social Security, should not be used for current expenditures. So that brings us down to \$400 billion, and this is what we have available over 10 years. The first bill out of the chute would expend almost half of that for one tax problem alone, ignoring all of the other tax reductions that many of us think ought to be considered and also ignoring program priorities and debt reduction which my colleagues have talked about. I submit that the debt reduction component is a powerful consideration and a portion of this surplus ought to be devoted or committed to just straight debt reduction.

We have already talked about the interest rate savings to America's families, to students, and others if we reduce the debt.

Well, this chart, this pie chart I think is important for all of us to clearly understand as we move ahead and determine whether we should take up a tax reduction measure before the budget has been developed and before we know the full dimensions of these matters.

Well, there is a great deal that we need to cover here this morning, and I would like to thank the gentleman for the opportunity to cover this portion

of it which has become very clear to those of us on the Committee on the Budget.

Mr. TANNER. Mr. Speaker, I thank the gentleman.

Let me follow up on something that the gentleman said about the uncertainty of this budget projection, this surplus; and I want all of my colleagues to listen to this. If the CBO estimators are wrong in guessing or in predicting what the rate of growth of the economy of this country is going to be for the next 10 years by just one-tenth of 1 percent, if they say over the next 10 years, the rate of growth of the economy is going to be 2.7 percent a year, and it is 2.6, do we know how much money the surplus is reduced just on missing that 10-year guess, one-tenth of 1 percent? It is \$211 billion. It is huge, because it is geometrical.

I would submit to my colleagues that no human being, Alan Greenspan maybe excepted, but no human being can tell me or anybody else in this country what the rate of growth of the economy of this Nation is going to be for the next 10 years, and that is why we ought to err on the side of caution as we go forward here, rather than pretending like this is real money that is already here. It is not.

I would like to take this moment to recognize a young leader in Congress who is from the great sovereign State of Louisiana (Mr. JOHN).

Mr. JOHN. Mr. Speaker, I thank the gentleman, my neighbor from Tennessee, for managing this hour. I also want to thank Minority Leader GEPHARDT for granting us an hour, the Blue Dogs an hour to actually talk about our plan.

There is bipartisan, bicameral, universal support for a marriage penalty tax deduction or tax decrease. The President has it in his budget, the Democrats have it in their recommittal substitute that we will see tomorrow, the Republicans have it. Truly this debate that we are having here today, and that we will have tomorrow, is not about a marriage penalty. Everyone agrees, everyone has a plan. We will talk about the differences in the plans, but everyone agrees that there needs to be a correction. It was an unintentional glitch in a tax law that happened several or many years ago. So I think that the true debate is about how do we go about it?

Let me give my colleagues a scenario. We come up here a lot, go back to our districts and come up here a lot and we talk about how we ought to run government more like a business. Let me give my colleagues a scenario about where I think we are today in this debate. When a CEO of a company goes out and talks to potential investors asking them to invest in his company, in his idea, do we believe that he will be successful in gaining some financial support from potential investors if he just says trust me, I do not have a plan yet, I cannot see the big picture, I am not sure where we are going to be in 10

years, but I just need some money, because I have this little bitty plan or this notion that is out there. I suggest that this company will not make it very far.

Let me take it one step further. What would have happened under the trust-me notion if this Congress would have passed the \$1 trillion tax cut last year? Everyone agrees that after we look at discretionary spending caps, we look at some emergency spending that we only are going to have a projected \$780 plus billion surplus over the next 10 years. Think about that. If we would have passed a \$1 trillion tax cut last year, we only have \$780 billion projected today, and it has only been 6 months. We would be running a deficit before the tax cut even was fully engaged.

So I beg the Republican majority to take a look not at the fact that we need a tax cut. I am going to vote for a marriage penalty tax cut. The America people will have a tax cut bill that will have a marriage penalty decrease in it. I feel good about that. I am almost confident that that is going to happen. But let us put it in an overall budget frame. Let us lay out our plan. That is the responsible thing to do.

We have been very disciplined fiscally over the last several years. That is why we are here today. That is why we can enjoy and have this debate which I guess several years ago we would not have even had about the problems we have with the kinds of surplus that we are predicting.

We need to continue, and I beg the majority to show us a road map. Give us a plan. We want to cut taxes. I am going to vote for it. The Blue Dogs will vote for it, the Democrats will vote for it, and everyone wants it. It fits in a plan. But we ought to spend half of whatever that surplus is in paying down the debt first, 25 percent in a targeted tax cut that should include the marriage penalty and will, I believe, and 25 percent for priority spending.

We have heard my colleagues talk about some of the other spending needs that we have in this country. How do we know if they are more important than something else until we look at the business plan. There is not one person, businessperson in America that could go to the bank and borrow some money today and say I do not have a business plan, but I need some money. Show us a plan. Keep us on the road to fiscal discipline. Keep us on the road of good economies across America, but make sure we do it in the whole picture.

Mr. TANNER. Mr. Speaker, I would like to compliment the gentleman for his leadership.

I will recognize another young leader here who is from the State of Florida and who has been very active with us in trying to do something with regard to a business-like approach to our Nation's financial picture, the gentleman from Florida (Mr. BOYD).

Mr. BOYD. Mr. Speaker, I thank my friend from Tennessee for yielding me

this time, my colleague, who is a leader in our Blue Dog Coalition, in coordinating this hour so that we are able to talk a little bit about the surplus and debt reduction and some of the issues that are important to us.

Mr. Speaker, when I first came to Congress 3 short years ago in 1997, I saw something happen that was truly miraculous I thought, having heard all of the bad things about Washington, the partisanship that exists here. But what I witnessed in 1997 was an agreement where the majority leadership, the Republicans in Congress sat down with the President, a Democrat, and actually negotiated in good faith, and those negotiations led to a budget agreement which has provided us fiscal discipline that has produced 2 consecutive years of budget surpluses. It also provided \$250 billion in tax relief, and it extended the life of the Medicare program. We were able to do that because of bipartisan cooperation and people sitting down in good faith and negotiating from each side of the aisle.

Fast forward a couple of years to 1999, and we will see that all of those lessons learned from bipartisan cooperation seemed to fly out the window. The majority leadership of the Congress rammed through a totally partisan budget without any input from the President or the Democratic side of the aisle. That partisan budget cornerstone was \$800 billion in tax relief and very little for anything else. We all know that this was totally rejected by the American people and actually, this failure to construct a bipartisan budget resulted in that tax bill being vetoed and left Congress and the President haggling over the 13 annual appropriations bills that this Congress must pass.

1215

Actually, we ended up, as you know, rolling the last five or six into one omnibus appropriations bill, which is never the best way to do it.

Unfortunately, it seems that my friends and colleagues on the other side of the aisle, the majority leadership of this Congress, have not learned from last year's mistakes, and have not recalled the success that can be had when they act like we did in 1997.

Instead of building on the 1997 balanced budget agreement and forging another compromise with the President, what we have this year is an attempt to pass major tax legislation before a budget is even written.

How much of a surplus do we think ought to go to debt reduction? Well, nobody knows because we have not done a budget. How much should go to reforming the social security and Medicare systems that my friend and colleague, the gentleman from Texas (Mr. STENHOLM), spoke so eloquently about?

We know that is the major, major social problem for this country moving into the 21st century, the viability of the social security and Medicare system. How much of this surplus will be

required to deal with those problems? We do not know. We do not have a budget. We have not written our budget plan.

How much should go to our other priority programs that have been spoken of here, such as defense? Maybe the most important function of a Federal Government is defense of its borders and its people. Well, we do not know. We know that we have drawn down defense funding over the last decade, and in the last couple of cycles we have actually begun to increase that again. We know that we will continue to have to increase defense spending to keep up with modern weapons and readiness, and pay our men and women who are in the service like they should be paid.

How about veterans and military retirees? Certainly that is one of the hot button issues now on the minds of everybody that is a Member of this Chamber. This country has gone back on its promise to provide lifetime medical benefits for those who have served their country and retired from the military. There are over 60 percent of the Members of this Chamber who are cosponsors of a bill which will deal with that issue, and we do not even know how much it will cost yet. It might cost \$6 billion, \$8 billion, \$10 billion, but 60 percent of the Members of this Chamber are cosponsors of that bill.

There is a major commitment to deal with that issue, but yet, we want to advance a tax bill before we write a budget dealing with military retirees and veterans' health care benefits.

My colleagues in the majority on the other side of the aisle will tell us they are for paying down the debt. I believe many of them are. But the sad truth is that the Committee on the Budget had not even had its first hearing this year when the legislation was scheduled for a floor vote that would include a \$182 billion tax bill for the marriage tax penalty. Where is the plan for debt relief? Us Blue Dogs, those of us who are Blue Dogs, believe that ought to be the cornerstone of any surplus plan.

So Mr. Speaker, it is not too late to do the right thing. If we really want tax relief to become law, my suggestion is that the leadership on the majority side sit down with Democrats in Congress and the President and let us develop a bipartisan budget agreement. In that agreement, we will deal with the social security issues, the priority spending, we will deal with debt reduction, and we will deal with tax relief. Those of us who are Blue Dogs feel very strongly about that.

I want to again thank my friend, the gentleman from Tennessee, for allowing us to have this time.

Mr. TANNER. Mr. Speaker, I thank the gentleman from Florida (Mr. BOYD) for his comments. I hope we will be charitable to the Gaters next fall in Knoxville when they come to see us.

Mr. Speaker, I yield again to the gentleman from Texas (Mr. STENHOLM). He has done as much as anyone in this

Congress in the last 10 or 15 years on the budget.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for yielding.

Let me just kind of sum up what I think I have heard, listening to my colleagues today. What we are suggesting is that the conservative thing for this House to do is to make the tough calls on the budget and put the tax cut within the confines of what we can agree in a bipartisan way is the blueprint that will allow our economy to continue to grow as it has in the past 7 years.

We get very, very disturbed when we hear people talking about, well, there is a \$4 trillion surplus, and we can give one-fourth of it back to the people because it is the people's money.

If only that were true. Well, it is true, it is the people's money, but it is not true that we have \$1 trillion to give back, unless we are prepared to say to the 55- to 65-year-olds today, "We are going to let you worry about your social security check when it starts coming due in 2014. We are going to let you worry and let your children and grandchildren worry even more about it."

The problem that many of us have with expenditures, spending programs, of which we are also opposed to the creation of new entitlement programs, very strongly. We should not create new spending programs, any more than we should have massive tax cuts at this time, based on projected surpluses.

Here are the numbers, a \$4 trillion surplus. \$2 trillion of it is social security. Fine. Put that towards paying down the debt. That leaves \$2 trillion, of which some say \$1 trillion should go to a tax cut. All right, let us assume for a moment, fine, let us do it. Then that means that all of the rest of government is basically going to live at current expenditure levels for the next 10 years.

Here is where I have a problem, because in the defense area alone, I do not believe for one second we can prepare this country for the future threats that we are going to have if we assume that defense is going to stay frozen at year 2000 levels. I do not believe that. But that is what we are going to get into if we follow this path.

How much can we cut back from the current baseline without allowing for inflation? That is something we ought to debate, and we ought to do it program by program.

Let us assume for a minute that we let defense grow at the rate of inflation. There are many of us that say that in itself is not enough because we have allowed it to trend downward too long and too far. But these are the kinds of discussions we ought to have first. We ought to deal with the spinach part of the budget before we deal with the dessert.

In the area of health care, this is one thing that is getting overlooked. How many of us hear from our senior citizens and others, young people, young working families who are having a difficult time paying their pharma-

ceutical bills? Are we going to ignore that very real need in this budget? I think not.

I have mentioned agriculture. We can mention veterans. We can mention the rural hospitals again. Why are we not doing the regular process? Why are we coming in with what someone perceives is a politically attractive marriage tax penalty, with which we all agree, we ought to deal with the penalty, but why should we also give, under the name of a marriage penalty, a bonus to those who are already getting a bonus in the tax cut because they are married, also? I do not understand the logic of that.

I have a little rule of thumb: If it meets the West Texas tractor seat commonsense approach, then it is a pretty good idea. That does not meet anybody's commonsense approach, it defies logic, except somebody has decided it is a good political move.

I hope the House will show the wisdom of saying, we are for it. Let us put this bill back into the committee. Let the committee deal with it in the confines of the overall budget. Let us deal with a marriage tax penalty, but let us not do so at the expense of social security and Medicare, because that is the basic, fundamental choice we will make.

Once we start down the path of saying that we are going to have tax cuts, one piece of cake at a time, and if we have 12 cuts or 10 cuts or 5 cuts at \$182 billion, we are soon going to spend \$1 trillion. When we get into that, we are going to see that we will have jeopardized the very thing all of us have said we will never do, and that is jeopardized the future of social security and the Medicare program.

That is the fundamental choice that we will make if we start down this politically attractive path without dealing with the tough decisions that we need to make, and we can make in a very bipartisan way.

Mr. TANNER. I thank the gentleman.

Mr. Speaker, we will be back to talk about debt retirement, to talk about the priorities of this Nation, every time that we have one of these bills before we have a budget where we know where we are.

I voted against the \$800 billion tax cut last year. It would have been good for me. People say, well, you all are against tax cuts. It would have been good for me. I would have had a tax cut. I could have voted for it. But it would not be good for my kids and grandkids, and everybody knows that, not when we have a \$5.7 trillion national debt, paying \$240 billion a year in interest alone.

It is a generational mugging to them, to all the young people in this country, to not pay our bills and to retire, not roll over, this national debt.

I do not want to leave this Nation in my productive years here, I do not want to leave a Nation where the water is so polluted that fish cannot live in it and kids cannot swim on it. I do not

think Members want that kind of country either for their children. I do not want to leave a country to our kids where they have to wear a surgical mask to ride their bicycle across town because the air is so foul and so polluted. That is not the kind of country I want to be proud of when I leave this town.

I do not want to leave our kids a country with a 14 percent mortgage on it, one that is going to strap them every day of their college career and productive lives to do nothing more than pay interest. That is as paramount to me in terms of what kind of legacy we leave to our kids that come along after us than any other single thing.

Clean air, clean water, and a country that is financially strong, that is what we ought to be talking about, rather than doing these things. We are going to have this tax bill up here, we do not have a budget, we do not know where it fits, but this is going to be real good for some of us politically. No sane business person in this country would go down this path. Yet, that is where we are facing.

Mr. Speaker, I genuinely appreciate the opportunity that the Blue Dogs have had to discuss these matters. We feel very strongly about it. Hopefully we can engage again at a future date.

TAXES, THE NATIONAL DEBT, AND OUR NATION'S PRIORITIES

The SPEAKER pro tempore (Mr. WHITFIELD). Under the Speaker's announced policy of January 6, 1999, the gentleman from Iowa (Mr. GANSKE) is recognized for 60 minutes.

Mr. GANSKE. Mr. Speaker, I had not planned on talking that much about taxes today, but we will have a tax bill come up on the floor tomorrow, so in light of the last hour's discussion on taxes, I might as well give my opinion on this issue.

Mr. Speaker, prior to coming to Congress, I was elected in 1994, I was a reconstructive surgeon in Des Moines, Iowa. I had been in solo practice for 10 years. I took care of women who had had cancer operations, farmers who had put their hands into machines, babies who were born with birth defects.

I enjoyed it very much and I still do. I still go overseas and do surgical missions. I expect that some day I will probably return to that.

So people would ask me, why are you thinking about running for Congress? Are you tired of medicine? I said, no, I am not tired of medicine at all. I love it. It is a way to solve problems. But I will say, Mr. Speaker, there are a couple of problems that I was really concerned about.

I was concerned about a welfare system that I thought was not working. I took care of 14- and 15-year-old young mothers who would bring a baby with a cleft lip or palate into my office. They would be on welfare. There would almost never be a dad there with them,