

credibility to do this," when her own Justice Department officials say you do not have the credibility to do this, we have to move ahead.

I commend the leader of this committee, the gentleman from Indiana (Mr. BURTON) for pushing to move this ahead.

We have lots of discussions in this country about sex and whether there has been cover-ups and this and that and who did what, but, there is a lot more to this story and we need to get to the bottom of this truth. It is our obligation to do so, and I commend the gentleman for his leadership.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from Indiana for all the service he gives to his constituents and the country by working so hard on the committee. I really appreciate it.

Mr. Speaker, I yield to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I just want to say after living through some of these investigations under both Chairman Clinger and now Chairman BURTON, I did have the idea last year that maybe we need a new Institute of Health at the National Institutes of Health. Its mission would be to test the water that is used on Capitol Hill and in the White House, and do that on a weekly basis and see if any elements in that water have caused the loss of memory that we have heard from so many witnesses when they come before us.

People have said that the Roman leadership died because the pipes were filled with lead. There are many private water dispensers in the legislative branch to keep that from happening.

We need a lot of trained medical doctors who ought to be studying this memory loss that occurs only within the District of Columbia. Washington is probably the only city in the world where nobody can remember what they did when they made a decision.

We, of course, remember. We have roll calls. Apparently they do not have roll calls elsewhere in this city and especially not at the other end of Pennsylvania Avenue.

Getting back to Attorney General Reno, a lot of people have forgotten that she gave Independent Counsel Starr a number of additional assignments. That was cleared with the three judge court. The independent counsel, in essence, is an officer of that court. That is why that person is independent.

In watching what has happened over the last few years and as a student of American history, to my knowledge, this is the first White House staff in the history of the United States, over 200 years, that consciously set up a war room to destroy the reputation of the independent counsel.

When that happened, the President should have stopped it. No president should let that kind of an operation exist in or out of the White House. It is wrong. It is a violation of the civility which ought to exist within the separa-

tion of powers. Attacks which have been made to discredit the independent counsel are shameful. It is a shameful act to let those attacks go on and on and yet the have every day. Even with Chairman Clinger, who was recognized as one of the most civil members in the House, people were going through his garbage and all the rest of it, and that type of heat—or psychological stalking—simply because people are doing their duty under the Constitution. That childish behavior should not be part of American politics. We can do better than that.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from California.

Mr. Speaker, I see that my time has about expired. Let me just end by saying, once again, for my colleagues, that there are 116 people, many friends of the administration, many people who are in the administration, who have taken the Fifth Amendment or fled the country. They do not want to talk to our committee. They do not want to talk to anybody because of the threat of self-incrimination, the threat that they might go to jail for what they have done; 116.

That is unparalleled in American history, as far as any administration is concerned, unparalleled. Millions and millions of dollars have come in from Egypt, from China, from Taiwan, from Macao, from Indonesia, from South America, into the campaign coffers of the Clinton/Gore campaign and the Democratic National Committee. Much of that money has not been returned. The American people have a right to know what was given in exchange for these contributions.

Foreign governments like communist China do not give great sums of money to foreign candidates, like the administration here in the United States, unless there is some reason for it. They do not give those large amounts of money just because they think we are nice. They want something in exchange. That is what we have to get to the bottom of. That is what we have to illuminate for the American people.

Now, they ran out the investigation, they ran out the time on the investigation of Senator THOMPSON in the other body. The investigation of the independent counsel, Mr. Starr, is about to be concluded. Our investigation in the House, I think they hope, would conclude at the end of this legislative session. I want my colleagues to know that we will write an interim report at the end of this month, and should we have the same control next January that we have right now and should I be the chairman of this committee come next January, if the American people have not had all the facts given to them about these illegal campaign contributions that may have jeopardized our national security or compromised our foreign policy, then we will pick up the ball in January and go forward and get the facts for the American people. That is a promise I make to the people tonight.

SOCIAL SECURITY REFORM

The SPEAKER pro tempore (Mr. BASS). Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, tonight I want to talk about Social Security reform. I am going to be joined by the gentleman from Washington (Mr. SMITH), who is here also to talk about the same issue. We may be joined by other Democrats this evening.

This is an extremely important and controversial issue and it deserves more attention than the majority, the Republicans, have been willing to give it in the 105th Congress. I am increasingly concerned about the neglect of Social Security for a number of reasons. For one, Mr. Speaker, there is a lot of disinformation about the Social Security program and its connection to the budget surplus flying around these days and I intend to spend some time talking about that tonight.

While I am concerned about it, I think we can get the truth out there through education. What concerns me far more is the willingness by Republicans to dip into the surplus before we have strengthened the Social Security trust fund. We hear that on Thursday, this Thursday, the Committee on Ways and Means is going to be reporting out a bill by the gentleman from Texas (Mr. ARCHER), the chairman of the committee, that will basically be providing some kind of tax cuts, if you will.

□ 2100

The alleged basis for this is because we have a large surplus and will continue to have a large surplus over the next few years and therefore we can afford to have this tax cut. But what in reality is happening, Mr. Speaker, is that we are taking the money from essentially an unreal surplus, or money that could and should be devoted to make sure that the Social Security trust fund is sound.

In order to explain why what the Republicans want to do is a bad idea for Social Security, I first need to explain the connection between the surplus and the Social Security trust fund.

Mr. Speaker, the Social Security trust fund is funded through payroll taxes and the overwhelming majority of the money collected from payroll taxes goes into a fund called the Old Age Survivors and Disability Trust Fund. The fund also generates money through interest and other methods, including that from taxes on Social Security benefits themselves. But this fund in turn holds all money that is not used to pay benefits and administer the program itself. Federal law, from what I can tell going back to Franklin Roosevelt when Social Security was started, the Federal law requires that this remaining money, or the surplus or extra money, if you will, in the Social Security trust be invested in U.S. treasury securities.

So what this all means is that there is currently a surplus in the Social Security trust fund but the Federal Government uses this surplus to fund other portions of the Federal budget. In fact, if it were not for the surplus in the Social Security trust fund, there would be no budget surplus at all. This is what so many Democrats are saying now, that the true budget surplus is not a surplus at all. It is simply the money that has been borrowed, if you will, from Social Security and that has to be paid back with interest.

Let me just give you an example. The budget numbers for the current fiscal year basically bear this assertion out. According to the Congressional Budget Office, the Social Security trust fund will take in a \$101 billion surplus in fiscal year 1998. But the CBO also projects that the total budget surplus for this fiscal year will be \$8 billion. So if you take away the \$101 billion going into the Social Security trust fund, the Federal budget would actually be in deficit for the year to the tune of \$93 billion.

To say it succinctly, Mr. Speaker, were it not for a surplus in the Social Security trust fund, the total Federal budget surplus that everyone talks about here in Congress would not exist. Because that money in effect belongs to Social Security, Congress should not be talking about using a budget surplus for anything else but Social Security at this time. Until such time as this Federal budget can be in surplus without touching the Social Security trust fund surplus, Congress should not spend one penny on anything else.

Now, what we are hearing is that the Republicans want to do and they want to use that money for tax cuts before we preserve Social Security for the long term. That is simply not right. It basically is pulling the wool over the eyes, if you will, of the American people.

It is very important for me to add that Democrats do not just want to stop using the Social Security trust fund to fund the rest of the Federal budget, we want to ensure that the Social Security trust fund is strengthened for the long term. So we want to make sure that when the baby boomers, the generation that we call the baby boomers, are over 65 and are eligible for Social Security that there is enough money in the Social Security trust fund, or in the program to pay out those benefits. We believe this can be done fairly easily if the Congress remains committed to this goal as well.

Right now the Social Security trust fund is currently projected to take in more than it pays out until about the year 2029. The depletion of the trust fund's solvency is expected to begin around 2012 when the baby boom generation starts to retire. By 2019 it will still be taking in more than it pays out, but by 2029 the annual revenue coming into the trust fund will begin to experience a shortfall. So if nothing is done to correct it, in 2029 the Federal

Government will only be able to meet about 75 percent of the benefits it currently pays out to Social Security recipients.

I want to emphasize again that this shortfall, Mr. Speaker, I think a lot of people are under the impression that the trust fund would be depleted at this time, and that is not the case. It would be a shortfall, but we have time to correct it. Over the long term, the system would be in balance but we still could fix it.

What we basically are saying is that even though it may not be a while before we face a real crisis in Social Security, that whatever surplus we generate now as a result of general revenues should be used and held, if you will, to pay back what is owed to Social Security, what has been borrowed, if you will, from the trust fund.

I guess basically what we are saying, Mr. Speaker, is that when this Ways and Means bill comes out on Wednesday and when it is reported out, we need to put in some language, if you will, it will be a Democratic substitute, that essentially says that none of these tax provisions click in until the time when there is enough money coming in from the so-called surplus to pay back what is owed to Social Security. That is why I think it is very important right now that we not rush into a situation where we give these tax cuts knowing full well that we still owe a lot of this money back to the Social Security trust fund.

I know it gets a little complicated and I am not trying to succeed in doing that, but I think when I had my town meetings during the August break and I had a few senior town meetings and also others where senior citizens came, they all understood that Social Security, the trust fund in essence was being borrowed by the Federal Government to pay other expenses and that a lot of money was owed back, and they clearly understood that there was not a real surplus that could be spent on tax programs or other budget priorities. We all like to spend money, we all like to give tax breaks if we can because we know that there is a need out there for a lot of things by the American people, but the most important thing, I think, is to shore up the Social Security trust fund so that people at least know that when they are paying into it and they expect that when they retire that they are going to have the Social Security benefits, that it will be available to them.

We could go into this a lot more tonight and I know we will be going into it a lot more over the next few days. I would like to yield now to my colleague from Washington who basically started this debate on the floor this morning and I thought gave an excellent explanation about why we should not move ahead with what the Republican leadership wants to do.

Mr. ADAM SMITH of Washington. I thank the gentleman from New Jersey (Mr. PALLONE) for yielding, and I appreciate his kind words.

I think the important thing to remember in this discussion is there are two things at issue. One is certainly protecting Social Security, but the other is Fiscal responsibility. The two are linked and I think there are two things that we should stand up for and defend in this House, is both Social Security and fiscal responsibility.

In this whole debate that is going to brew in the next month before the end of the session is an excellent argument for taking Social Security off-budget. Let me explain what I mean by that because I think that gets to the heart of the debate. As the gentleman from New Jersey (Mr. PALLONE) explained very well, the way we do our budget right now is any surplus from the Social Security is simply thrown into the pot like it is income. It is counted against our overall deficit or surplus equation. To take it off-budget would basically recognize that we should hold Social Security separate. So if we have \$100 billion in the Social Security trust fund and an \$80 billion deficit in the overall budget, they are separate and you can look at a sheet and say, "Okay, we've got \$100 billion over here but we're still \$80 billion in debt over here." That is why I have been a strong advocate as have many others in the House of taking Social Security off-budget so we can have an honest look at the numbers.

It is very, very important to look at these numbers honestly, because with the Social Security budget, the thing to remember is, is it income or is it borrowed money? The way we budget makes it look like income, but it is very clear that it is not. It is very clear because we have to pay it back. That is sort of the way you tell. If someone gives you \$10,000 and they give it to you, you can feel free to go out and spend it because you do not have to pay it back. But if they loan it to you, and in fact in this case loan it to you and say, "Plus you will agree to pay 6 percent interest," if you go out and spend the money, you are going to be in trouble because eventually that person is going to want it back. In essence that is what we do with Social Security. If we take the surplus and spend it, we are going to have to pay it back and the money is not going to be there. This is particularly troublesome because we are talking about Social Security. We are talking about something of critical importance that needs to be preserved. So let us take it off-budget and have an honest debate.

I would like to look at this for just a moment in the context of the overall debate. You hear a lot of talk about a surplus and the deficit, but you lose track of the overall debt which is basically the debt that we have accumulated over the last 30 years. That stands at around \$5.4 trillion. To truly understand that, one needs to understand that in this year, fiscal year 1998, when we are claiming to have a surplus, we have an interesting situation that arises. One would think if we have

a surplus this year, that should mean that the overall debt is going down. That makes perfect sense. If you have got an extra \$20 billion, an extra \$80 billion, well, the overall debt will go down because you can apply that to that debt. But what happens this year? The overall debt goes up. How is that possible? That is possible because again we are borrowing the money from Social Security and that is debt, that is money we have to pay back. We have to keep that in mind. But, and this is a particularly important point, my colleagues on the other side of the aisle know this. I know that they know this because they are the first ones that started making this argument.

In the late '80s and in the early '90s when they were complaining about the size of the debt, correctly, they bitterly accused the Democratic majority of masking the true size of that debt by borrowing from Social Security. This was just awful. I remember listening to that argument, this was back before I was in Congress or even in the State legislature, and I was very troubled by that argument as a Democrat. I was troubled because they were right. They were right on point. But now I am very disappointed that the Republicans have come into the majority and they have forgotten their own argument and are saying, no, this is a surplus, we can spend it on tax cuts or spend it wherever. It is not a surplus and they know that.

So I guess what I am asking for as a starting point is an honest debate. We have a lot of tough policy choices to make. Just today I had three different groups come into my office and ask for tax cut proposals, none of which are in the Republican proposal, by the way, that sounded like they made sense, sounded like I wanted to do it. I also had three different groups that came in with spending proposals that made a great deal of sense as well, and we want to do this. You want to try to help people. But you have got to be mindful of the future and fiscal responsibility. To spend all the money now is a disservice to future generations. We did it throughout the '80s and into the '90s and it was wrong. Now we are in a position finally, headed in the right direction and yet we want to snatch defeat from the jaws of victory by going back to the old ways. Everybody here knows that.

Let us have an honest debate. Let us stop talking about a surplus. I would urge the American public, any politician that comes up to you and says, "I'm going to do this, that or the other thing with the surplus," stop them right there and say, "You don't have a surplus," which means what you are really saying is you are going to do one of a couple of things: Either, one, you are going to continue to spend us into debt. I guess you could say that makes sense, that it makes sense to borrow money. I do not agree with it, but they can make that argument honestly. Or, two, you are going to have to get the

money someplace else. Basically that breaks down into two choices. Either a revenue increase or a spending decrease. That is what they have to do.

So do not let politicians get away with saying, "Well, yeah, that program's really important and I don't want to have to find it someplace else, so I'll get it from the surplus." The surplus does not exist. I would urge everybody on this floor to do that as this debate unfolds over the course of the next month. Let us be honest about the numbers. I really feel that those are critical issues. We have very tough choices to make.

I guess I would close by saying a word to my Democratic colleagues. I think this is an issue of critical importance for Democrats, because we are the ones that believe at times government can have a positive effect on people's lives, in places like Social Security and Medicare and education and protecting the environment and defense and a number of other areas. If we are to be able to go back to the American public and say, we need some of your hard-earned tax dollars to pay for these, we are going to have to show them that government can at least be honest about the numbers. If they cannot look at our budget and truly know how we stand, if we stand up before them and create this mythical surplus to try to make them feel better, then I think in the long run the cynicism will increase about government's ability to be honest and be straightforward. We as Democrats have not always done a wonderful job of this.

I urge us to start right now to do the job that we should do, explain to people honestly how the budget works. I think that will help get confidence back because there are some critical programs we need to fund. The biggest one, and I will end on this point, is Social Security which is what the gentleman from New Jersey (Mr. PALLONE) started off talking about in the first place. We need that program. It is vital to this country. Let us show people that we can manage it intelligently. Let us stop borrowing money from the Social Security trust fund and using it to mask the true size of the deficit. An honest debate would go a long way towards helping this Chamber and this country in many ways.

Mr. PALLONE. I just wanted to, if I could, take a few minutes to develop three points that I thought that the gentleman made that were really excellent. I want to commend him first for what he said because I think he states very succinctly what the problem is that we face with this Republican bill that we are going to have, this tax cut or tax proposal that is going to come up on Thursday.

There were three things that I wanted to follow up on. One is it is, of course, true, I would think, and I ask you this, that if we have this tax cut and it were to pass and it was not linked to some requirement that it would not be triggered until there is a

true surplus, the whole point of this money having been borrowed from the Social Security trust, if you will, to pay for current expenses means that we have to pay it back. In other words, the way the Federal law was set up with Social Security, we have to pay it back with interest. So the reality is that if that money is not there, when it has to be paid out in a few years, we would probably have to do a tax increase.

Mr. ADAM SMITH of Washington. That is particularly critical to me. The way Social Security works, I will first be eligible to receive Social Security in the year 2032 which is coincidentally the precise year in which they currently estimate there will be no money.

□ 2115

So I have a personal interest and my constituents have an interest in it as well. Yes, I mean you will have to find the money somewhere, and that is not fair to future generations.

Mr. PALLONE. So the likely result is then of course, the other thing that I was going to say is that, and again following up on your point, is that the economy is good now. It is the best it has been for a while. If it were to turn around and not be so good, it would be even more difficult, it seems to me, to raise the revenue. You would have to have either higher tax increases to make up for this loss. So to me it makes no sense now when the economy is good and we are actually in a position to be generating a little bit of extra money. This is the time to put it back.

Mr. ADAM SMITH of Washington. Absolutely, and let us make one thing clear. It is not the Democrats who are opposed to tax cuts. You know the majority of Democrats in this body voted last year to cut taxes by nearly a hundred billion dollars. It needed to be done, and with the right proposal, with the right offsets, and that is the key point if we wish to cut taxes, if we have a couple of key areas where taxes need to be cut, and I think there are a couple, find some place to offset the money either through changing the revenue so that you have eliminating the deduction or cutting spending somewhere.

But as I see the debate unfold, in the month that we were back in our districts, you know this \$80 billion is apparently supposed to just fall out of the sky, and where it is falling from is not the sky, it is falling from the Social Security Trust Fund.

So when anyone makes an argument in here, I am going to give you a tax cut, and you say, well, where is the money going to come from, they say it is going to come from the surplus; that is not true, and I hope we can hold people up to that truth and say where the money is really coming from.

Mr. PALLONE. The second point that you made that I wanted to just develop a little as you talk, and this comes out of my town meetings all the time. As

you know, our constituents are pretty intelligent, they understand a lot of these things, and one of the things that constantly came up during the August break at my town meetings was the fact that people are aware that we have this huge debt out there that keeps collecting interest. You brushed upon that. I mean we have been mainly talking about why this Republican tax proposal is wrong because of Social Security, but you could also look at it from the other point of view, which is that we still have this huge debt that we are paying back. When we are told by whatever that there is a surplus this year, that is only a surplus for general revenues for this fiscal year. There is still all this money that we owe from previous years that has to be paid back. So you could use that argument as well to justify why there should not be a tax, why this tax proposal should not go forward.

Mr. ADAM SMITH of Washington. Or, I will emphasize this, or any dramatic increases in spending, because there are certainly a lot of programs; you know, Head Start, a variety of other ideas out there. But if the revenue is not made up somewhere, we should be very cautious about doing that as well, because that too will contribute to the debt. And right now the interest that we pay on the debt is 14 percent of our budget. That means 14 percent of the money that we are spending is simply going to service the debt, it is not going to provide health care for seniors or children in poverty, it is not going to give middle class children access to education, it is not going to protect the environment, it is not going to give us a stronger defense. It is going straight into pay our debt.

And so as that number keeps going up, that 14 percent number keeps going up as well, and that basically puts us in a real bind.

Mr. PALLONE. Sure. And then the last thing I wanted to say, and I think is sort of the true irony, is that the Republicans, of course, during this balanced budget debate over the last few years posed themselves as the conservatives. And the bottom line is that the two of us and others that have taken the position we are talking tonight are the true conservatives from a fiscal point of view.

In reality what the Republican tax proposal is essentially, you know, I do not want to use the term "liberal," but it is just basically fiscally irresponsible. And if you are really concerned about fiscal responsibility and you really are conservative, you take the point of view that you are taking tonight. I think that is ironic, but I have to say it because it is true.

Mr. ADAM SMITH of Washington. Well, I had a friend of mine in college who was a Republican, but he used to say, you know, Democrats are tax and spend, Republicans are just spend. And I think the truth in what I see the Democrat Party becoming and why I am so proud that we supported the bal-

anced budget agreement from last year is spend responsibly. I mean, that is what it is about. There are things in this country that people want done. We want to make sure that our seniors have an adequate pension, that they have adequate health care, that our young people have access to education. Well, let us do it in a responsible manner. Let us make the programs as efficient as possible, and let us pay for them. Let us not just run up a debt to please people in the moment at the expense of the future. And that is really what it is about is just, okay, well, gosh, I make this person happy right now, and you know maybe I will even be out of Congress by the time we have to pay that bill so I will not have to worry about it. But that is a disservice to the country.

And you are right. Part of being conservative to my mind is a pay-as-you-go philosophy, is being fiscally conservative, and I am still optimistic that enough colleagues on the other side of the aisle, having made this same argument that we are talking about here so repeatedly in the past, will rise up to the challenge, make it again in the future even if we are 7 weeks from an election and will make the responsible choice for the future.

Mr. PALLONE. Well, I think you are pointing out another point as well tonight, and I appreciate your bringing it up, and that is that to some extent, I think to a large extent, this is just being done by the Republicans for political purposes because the election is a few weeks away. Because I think we have already heard pretty much from the other body, from the Senate, that they are not going to take this up. And so this is not a proposal that is likely to go anywhere, it is just going to be passed in the House so that Republicans can go back and say, oh, they did this and somehow benefit from it on election day.

Mr. ADAM SMITH of Washington. And I will tell you what my experience has been with my constituents, and we get into this all the time as we come up towards the election. We want to give stuff away. We think that is what is going to make people happy. We will give them a new spending program, we will give them a new tax cut, we will basically, you know, pretend like it is Christmas and pass all kinds of stuff out.

What I found with my constituents is what makes them happy is if we are making sound decisions up here, if we are spending the money wisely, paying as we go, being fiscally conservative and responsible. So I do not even think the tactic of passing out the goodies, as it were, I do not think it works. I think the people are fed up with, you know, record high deficits and record high debt, will want to get back to an age of responsibility, and, like I said, I am optimistic that ultimately that philosophy will win out.

Mr. PALLONE. I think you are right, and I think that we are going to hear

more about this over the next few days, but I am glad that we are able to spend some time tonight on it because this is going to be a major part of the debate over the next few days and the next few weeks here.

So thanks again.

GOVERNMENT OVERSIGHT RESPONSIBILITIES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Indiana (Mr. SOUDER) is recognized for 60 minutes.

Mr. SOUDER. Mr. Speaker, let me state at the beginning here a couple of entry points.

One, I talked last night and earlier tonight a little bit on this particular subject, and I do not want to give the impression that that is all that I am focusing on or anybody else here is focusing on. All day long we have been debating multiple bills. I spoke on the juvenile justice bill, on the medicinal use of marijuana bill. We also passed Congressman SESSIONS' methamphetamine bill, many other pieces of legislation. I met for several hours with the Higher Education Conference Committee. We do many things. But one of the things we do have a charge of is government oversight.

It is also very difficult, and I know it seems kind of curious as we discuss some of these matters, that we are under very tight and wise rules about what we can and cannot say, and it is like having a hundred or a thousand or a million pound gorilla out there on one subject right now that we cannot talk about. And we have to be very careful about what we say about the highest leaders in our land and about other Members, and I think those rules are good.

So sometimes if it seems we are a tad evasive at this point, it is not that we are in general, but on this House floor I think we have high standards to meet, we have weighty matters before us, as we have had before in this country's history. And I know many Americans wish this would just go away and that we would not have to deal with these subjects. But in fact we do, that it is not just a question of moral outrage. I have been outraged for an extended period of time, and, like others, I have called for resignation on what I believe is the lack of moral leadership in this country.

But we have high standards that we have to go through here in multiple ways, and it is not just about one aspect of anything, and for those who say cannot you just get this over with, there are lots of questions that we have to explore here.

We need to know whether our government has been for sale. A lot of people think all the matters that have gone on in Washington are related to sex or even about whether or not individuals have told the truth in front of a jury or tried to influence others. But it goes