

MARK O. HATFIELD,  
BOB KERREY,  
ROBERT C. BYRD,  
*Managers on the Part of the Senate.*

#### NO TAX CUTS WHILE TRYING TO BALANCE THE BUDGET

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. GENE GREEN of Texas. Mr. Speaker, an editorial ran in yesterday's *Houston Chronicle* that affirmed what a lot of us have been saying for months. It is ridiculous to cut taxes at a time when the Federal Government is desperately trying to balance its budget. In fact, Congress' own analysts pointed out that the tax cut would needlessly add almost \$100 billion to the swollen national debt and increase taxes for working people who make under \$30,000. No one likes to pay taxes. It would be great to give every taxpayer a tax cut. We should balance our budget first.

Speaking of the budget, the new majority has been backslapping and congratulating themselves for weeks about passing a balanced budget, but wait a minute, there is a problem. I see on page 3 of the budget conference report, it says in the budget document in the year 2002 that we will have a \$108 billion deficit. Only in Washington could a deficit of \$108 billion be considered balanced in the year 2002, when we are supposed to have a balanced budget.

In their heart they know the budget is not balanced. All this pomp and celebration is one big joke on the seniors of this country. Do they know why? Yes, because that \$108 billion will come out of the Social Security trust fund to balance that budget.

Mr. Speaker, I include for the RECORD an article from the *Houston Chronicle* of Tuesday, October 24, 1995.

[From the *Houston Chronicle*, Oct. 24, 1995]

#### BREATH AND TAXES—BALANCED BUDGET SHOULD COME BEFORE ANY TAX CUT

Democrats are arguing that Republicans in Congress are trying to cut the taxes of the rich and the benefits of the poor. Republicans counter that the Democrats are waging a campaign of fear and class warfare.

There is some truth to both these charges, but most Americans are neither rich nor poor. They should view the political battle as logic vs. irrationality. So far, logic is losing.

Take for instance, the recent vote of the Senate Finance Committee to cut taxes by some \$245 billion. No American enjoys paying high taxes, but a large majority of Americans believe that the nation's No. 1 priority is lowering the federal deficit, a goal that the tax cut would make more difficult.

Republicans say they can cut taxes and still balance the budget in seven years. But Congress' own analysts point out that the tax cut would needlessly add almost \$100 billion to the swollen national debt—debt that no balanced budget will ever diminish.

Balancing the budget requires hard choices, such as the necessity to curb spending on Medicare. But why make the choices any harder than they have to be?

While the GOP tax cut would give parents a tax credit of up to \$500 per child, the Medicare plan would increase fees—taxes—on the elderly. What's the point of giving with one hand only to take away with the other?

The Republicans in Congress deserve the credit for their efforts to balance the budget. The Democrats who held sway for decades had the power to balance the budget—even when Republicans occupied the White House—but never did.

But with the tax cut, the Republicans erode the chances that the budget will actually be balanced in seven years and signal a fragile economy that their spirit may be willing, but their commitment is weak.

President Clinton has done little to clarify the debate. While vowing to veto the GOP tax cuts, he worried in Houston recently that he might have raised taxes too much in 1993 in his successful attempt to temporarily bring down the deficits. If taxes are too high, then why his opposition to reducing them? Now the president says he just misspoke, but such wavering at the top will not produce public understanding.

One can debate whether the GOP tax cuts amount to a "giveaway for the rich" (much of the money will flow out in dribs and drabs to the middle class). However, one feature of the Republican agenda would drastically affect the large number of Americans who make up the working poor.

There is a national consensus that the federal welfare system needs reform. Congress' proposed welfare reform would limit and eventually end welfare for hundreds of thousands of families, but the Republicans' inconsistent budget plan would reduce the Earned Income Tax Credit program that helps keep poor Americans on the job and off the welfare rolls.

How can members of Congress insist on passing a tax credit for middle-class parents if they have to make things tougher on the poorest families in order to pay for it and still balance the budget?

Conservatives argue that the Earned Income Tax Credit is rife with fraud and abuse, but the proper response is to step up enforcement against the abusers.

#### THE CHOSEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 5 minutes.

Mr. MILLER of California. Mr. Speaker, the reconciliation legislation, that legislation which will end up controlling all spending and tax cuts to come before the Congress this year, is about choices. It is about choices that the Republicans have made for millions and millions of Americans. It is about the choice that they made to cut Medicare by \$270 billion. It is about the choice they made in those Medicare cuts, Medicaid cuts, to remove nursing home standards for the protection of our elderly, to remove our elderly from the entitlement of having nursing home care paid for if they and their families cannot afford it in the twilight of their lives. It is about the choices that they made to cut \$10 billion from student loans so that now America's students, their families, are deeper in debt to pay educational costs than any time in the history of this country. It is about the choices that they made to cut the school lunch program and to

cut back on nutrition programs for those who are the most vulnerable in our society.

Mr. Speaker, those are the choices of the Republican Party in this budget reconciliation bill. Those are the choices that they made about this generation of Americans. Those are the choices they made about that generation of Americans that fought the world wars, that fought the Korean conflict, that fought in Vietnam, who fought hard for democracy, who fought hard to save Western civilization in its time of need, but the Republicans are not prepared to fight for their Medicare.

Mr. Speaker, we should fight as hard for their Medicare as they fought on the beaches of Normandy, or the beaches of Iwo Jima, or Okinawa, or in Korea. But we are going to cut that Medicare \$270 billion.

Why? Because the Republicans did not want to make other choices. They chose not to have high-income Americans continue to pay their fair share. In fact, what they chose was what the *Wall Street Journal* points out. They choose to give them a tax cut. As the *Wall Street Journal* said to the rich of this country, "Don't do anything yet, but start salivating." Why should they start salivating? Because the tax bill passed on Wednesday by the House of Representatives could turn out to be the biggest tax saving bonanza in years for upper-income Americans so we have \$270 billion in cuts in Medicare to pay for \$245 billion in cuts to some of the wealthiest people in this country. As we see, under the Republican plan, Mr. Speaker, 64 percent of the wealthy families in this country get a tax break, but 86 percent of middle-income families get a tax increase or they pay the same.

Those are choices that the Republicans have made in this proposal. They have chosen to give the wealthy, the rich, those who do not need a tax cut, a tax cut. They chose to pay for it by cutting the health care to our elderly, by cutting the health care to our poor, by cutting the health care to millions of Americans' children. They chose to pay for it by cutting student loans, and they chose to pay for it by cutting school lunches. They chose to create millions of desperately poor Americans so that they could take care of the wealthiest in this country.

They also chose to hold the Defense Department harmless. Everybody else has to contribute to balancing the budget, but not the Department of Defense.

They also chose to hold harmless corporate welfare, the large timber companies, the large mining companies, the large oil companies on which this bill lavishes billions of dollars in subsidies to those who do not need it, to some of the most profitable companies in this country. But those were the choices that the Republicans made. They chose to lead those people out of