

spends it in a variety of different areas. The third largest chunk of money going out of the Federal Government right now goes to interest on the debt. Fourteen percent of our budget, or \$243 billion a year, is paid on interest on the debt.

What that means is that this money basically is not helping us do anything. It is not helping us cut taxes, it is not helping us cover social security or national defense or health care for seniors. It is simply going to service the debt we ran up over the course of the last 30 years.

If we can reduce this number we can do dramatically positive things for this country, either by reducing taxes or funding necessary programs. It is very important that in the next 10 years we do this, we start to reduce the debt, because the economy is strong now. We have an unemployment rate of 4.3 percent. We have record low inflation. Now is the time to pay down that debt.

A crisis will come. The economy cannot remain in boom times forever. When it does, we are going to need the resources to deal with that crisis. If we do not step up to the problem now, start paying down the debt during good times, we will be in horribly bad shape when the bad times come.

I rise with particular emphasis on this point as a Democrat because I think Democrats need to be for fiscal responsibility and emphasize that that is a cornerstone of our message, is to get the budget balanced, keep it that way, and pay down the debt. I think that is a very important principle for the Democratic Party to stand up for. I as a Democrat I am going to stand up for that. This will have dramatic effects on individual lives, as well.

Speakers who are going to follow me are going to talk a little bit about the positive effects of reducing interest rates on peoples' lives. If the government is not out there sucking up all of the money, that means that others, small businesses, farmers, individuals, people looking for student loans, home mortgages, will have access to that money and to borrow it at a better rate, because the government is not out there grabbing all of it. If the interest rates go down, that improves individual's lives in a wide variety of areas, some of which my colleagues will touch upon in a minute.

The bottom line point here is with the economy strong, with us headed in the right direction, finally, on fiscal responsibility, we need to stay with that discipline and get there, get the budget balanced, start paying down the debt so we can strengthen our entire economy, create more jobs, and create a better future for ourselves and for our children.

I strongly urge my colleagues today to maintain fiscal discipline and pay down the debt. That needs to be one of our number one priorities for the coming decade.

THE NEW DEMOCRATIC COALITION STANDS FOR FISCAL RESPONSIBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Mr. Speaker, the new Democratic coalition, several of my colleagues along with myself, have come to the floor to speak in favor of fiscal responsibility. We are faced with a philosophical and fiscal choice this year, and it is a wonderful choice to make. It is a choice on how we deal with a surplus.

I was a member of the Committee on the Budget, and in 1997 we came up with a plan to make sure that we eliminated the Federal deficit by the year 2002. Many scoffed that that plan, although it was adopted by this House, could not possibly achieve the objective by 2002. It is with some pride and some great hope that we are now, not in 2002 but 1999, wondering what to do with the Federal surplus. I believe we should continue the same fiscal policies that got us the surplus.

The choice before us is major across-the-board tax cuts that we cannot afford, or major Federal spending programs of tens of billions of dollars that we cannot afford, or alternatively, modest tax cuts and saving the lion's share of the surplus. It is that latter course, the course of fiscal responsibility, that is better not only for social security and Medicare but also for the business community, for middle-class families, and for the poor.

As a Democrat, many of my years were spent, and I got active in politics relatively early, focused on programs like the Great Society, programs designed to help the poor and the dispossessed, and make sure that we are brought together as one Nation.

But when I got to Congress we all focused on fiscal responsibility, not new government programs, as a way of achieving a great society. We were right to do so, because the greatest possible program for the poor is a national economy that is creating new jobs. What more proof do we need than just 2 days ago the announcement that Hispanic unemployment and African American unemployment reached the lowest levels in the history of those statistics being kept in America?

Lyndon Johnson would be proud, perhaps, that we achieved a goal that was always out of sight for the Great Society, but now is in sight for a fiscally responsible society. The best thing we can do for the poor is not necessarily a new Federal program, but it is keeping this Federal expansion going. Likewise, it is the best thing we can do for the business community and for middle-class families.

Yes, the business community likes and deserves and wants a tax cut. But today's market of, or nearly, a thou-

sand on the Dow was not achieved in the 1980s when we had huge tax cuts, most of them focused on the rich and the business community and the corporate sector.

We have achieved near record levels and record levels on Wall Street not because of the lowest possible taxes, but because of the most responsible Federal government we have seen in modern history. While Europe, each country in Europe, tends to run a deficit of two or three percent of its GDP, we in the United States have shown that democracy can go hand-in-hand with fiscal responsibility.

As for middle-class families, middle-class families deserve and need a tax cut. We voted for one in 1997, and I hope to provide targeted tax cuts for middle-class families and be part of providing that today.

As this chart illustrates, middle-class families will benefit just as much or more from a reduction in interest rates as they will from the tax cuts that are being proposed. This chart demonstrates that even with an average-priced home, and they are twice as expensive in my district, the savings is \$1,860 from a fiscally responsible budget.

WITH BIPARTISAN FISCAL RESPONSIBILITY ALL THINGS ARE POSSIBLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SCARBOROUGH) is recognized for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, I must tell the Members that I have been very encouraged by the last two speeches from our Democratic friends talking about the need for fiscal responsibility. I really do believe that despite the fact that the chattering classes on TV every night talk about how this Republican Party is getting brutalized by the polls in the area of public opinion, I have to tell the Members that I am very encouraged, because it appears that we have won the debate. To hear Democrats talking about fiscal responsibility in 1999, talking about the deficit, talking about staying away from tax increases, these are the very things that got me to Washington in 1994.

I remember back in 1993 when the new President, who was elected by promising to reduce the deficit by cutting spending and cutting middle class taxes, came forward and he increased taxes, and actually gave us one of the largest tax increases in the history of this country.

I ran because of that, and I have to tell the Members, when I ran in 1994 I talked about the deficit. I talked about the need of cutting the deficit, cutting spending, reducing the size of Washington, and creating an explosive economy that would lift all boats.