

And when people talk about the prescription drug problem, the problem is that they always talk about the wrong side first; they always talk about coverage. The real problem is price. If people had access to drugs at world-market prices, we would have a much smaller problem dealing with the coverage side.

The good news is I think the congressional leadership, and the Republicans in particular, now understand that if we believe in free markets for textiles, if we believe in free markets for lumber, if we believe in free markets for agricultural products, certainly we ought to have free markets when it comes to pharmaceuticals.

I do not believe in price controls, but I do not believe that the world's best customers should pay the world's highest prices. And that is what is happening today, and it is partly because of the miserable job that the Justice Department has done, the administration, the FDA, and so forth in terms of encouraging more competition.

So that is an issue that has huge budget implications. Because when we look at Medicare, we look at the VA, we look at how much we are already spending on prescription drugs, if we have access to world-market prices, we will see prices in the United States, in my opinion, drop by at least 30 percent. And next year the estimates are, in the United States, we will spend both from private citizens, insurance companies, the Government, and so forth, we will spend close to \$150 billion on prescription drugs. Thirty percent of \$150 billion is real money.

Mr. CHAMBLISS. Mr. Speaker, the gentleman hits the core of that issue, too, is that we do not drive those prices down by Government controls; we do not drive those prices down by the Federal Government doing anything other than allowing for competition, promoting competition. That should be the sole function of the Federal Government.

We tend to go in the other direction sometimes, and that just ought not to happen.

Mr. GUTKNECHT. Mr. Speaker, one senior at one of my townhall meetings said it best: if you think prescription drugs are expensive today, just wait until the Federal Government provides them for free.

We have got to deal with the price side first. And then when we do, we can come up with a prescription drug program that encourages competition, that allows markets to work, that gives people choices, that is available, it is affordable, and ultimately will bring down the price of prescription drugs so that people will not be falling through the cracks as they are today.

Mr. KINGSTON. Mr. Speaker, I appreciate the gentleman bringing that up. We talk about the differences between the Bush and the Gore plan. I

think if we look at the Gore plan, and there is a plan, it has never been introduced for 8 years, but suddenly about a month ago the Gore plan had a new prescription drug benefit. I did not know it until I saw an advertisement on there.

Let me ask my colleagues. In fact, I would love anybody to answer. Have my colleagues been sent anything to the office? I mean, we have got New York, Minnesota, Georgia, and Colorado here. Not one office has been sent this allegedly serious proposal. But the Gore plan has one purchaser of prescription drugs. That is the Federal Government.

The Bush plan has eight different options to choose from. The Bush plan they can enroll in at any time in their life. The Gore plan they have to choose at 64½ years old. And if they do not choose then, they are out of luck.

The Bush plan says, we are not going to ensure Bill Gates and Ross Perot because two-thirds of the people out there already have a prescription drug plan; we do not need the universal coverage for everybody. The Gore plan says, no, sir. Ted Turner, Ross Perot, Bill Gates are my kind of guys. I want to make sure they get free prescription drugs from the truck drivers back home and the coal miners in Tennessee.

And so it is the typical government-mandated, one-size-fits-all, huge Washington-driven entitlement. And that is why I think it should be rejected; and instead of shotgun, we should laser beam our solutions to where the problems really are.

Mr. GUTKNECHT. Mr. Speaker, I think our colleague from Georgia (Mr. LINDER) says it best. In many of these issues, it really is about who decides, will it be Washington or will it be the individual. Whether we are talking about education reform, health care reform, prescription drug reform, whatever we are talking about here in Washington, most of it all comes down to who decides. Will it be Washington bureaucrats, or will it be you?

The thing about this side of the aisle is we believe in individuals, and we believe that the individuals can make the best decisions.

Mr. CHAMBLISS. And will make the best decisions.

I want to thank all of my colleagues for participating today. We look forward to continuing to dialogue with our folks on the other side and the White House to, hopefully, get our 90/10 debt pay-down bill signed into law by the President. It is the right thing to do, and it needs to happen.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HAYES). The Chair would remind all Members that although remarks in debate may level criticism against the policies of the Vice President, still remarks in debate must avoid person-

ality and, therefore, may not include personal accusations or characterizations.

NIGHTSIDE CHAT

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

Mr. MCINNIS. Mr. Speaker, I yield to the gentleman from New York (Mr. BOEHLERT).

BOEHLERT LAUDS COURT DECISION ON ONEIDA INDIAN LAND CLAIM

Mr. BOEHLERT. Mr. Speaker, I thank my colleague from Colorado for yielding.

Mr. Speaker, I have a very important announcement. There has been a Federal court decision today in one of the most highly visible and significant Indian land claims in the country.

Senior Judge Neal McCurn of the Federal Court of the Northern District of New York has denied request by the Oneida Indian Nation and the U.S. Department of Justice to amend a lawsuit in a claim to include 20,000 innocent landowners as defendants.

Let me repeat that.

Judge McCurn has ruled he has denied a request to amend a lawsuit in the claim to include 20,000 innocent landowners as defendants.

That falls under the heading of very good news.

I am delighted with Judge McCurn's decision, which once and for all removes the threat of eviction and monetary damages from the innocent landowners in Madison and Oneida Counties, New York.

□ 2115

With this ruling, the innocent landowners are quite simply excluded as parties to this longstanding dispute. Their homes are not threatened in any way. That should be an enormous relief to all concerned.

This is precisely the result I have been working for ever since the Oneidas and the Justice Department filed their misguided motions back in December of 1998. I have repeatedly spoken and written to Judge McCurn and the Justice Department urging that the landowners be dropped from the case. The judge acknowledges my efforts on page 46 of his decision, when he notes that, along with Senator SCHUMER and Governor Pataki, I took up the landowners' cries, condemning the Federal Government for seeking to name the landowners as defendants in this action.

Now we finally come to an end of this sad, frightening and utterly unnecessary chapter of our area's history which began in December 1998. But there is still much work to be done in the Indian land claim. The tax and sovereignty issues still need to be resolved, and the State is potentially liable for damages. I hope that this ruling

will bring the remaining parties back to the bargaining table to resolve all the issues in a way that safeguards our area's economy and public services just as well as Judge McCurn has safeguarded individual property rights. I will continue to work toward that end.

But today's court decision is unalloyed good news for the residents in the land claim who can all breathe a little easier and sleep more soundly.

I want to thank my distinguished colleague from Colorado for yielding to me for this very important announcement.

Mr. MCINNIS. Mr. Speaker, I am back for another nightside chat. I can tell you that it snowed in Colorado, it will not be long before we have our ski areas ready for all of you and I hope you get out there and enjoy the finest snow in the country out in Colorado. That was a little promotional spot here before I begin.

This evening, getting back to serious business, there are three areas that I really want to discuss with my colleagues: First is the move by the President and the Vice President, their policy of releasing fuel or barrels of oil from the Strategic Petroleum Reserve. I will talk for just a few minutes about that. Then I would like to move on from there and talk about taxes. In the last few weeks with the Presidential election coming up, with the general election coming up for Congress and the Senate, we have heard a lot about tax cuts and tax policies and surpluses. So I want to go into that a little and I want to distinguish the difference between the two parties.

My remarks tonight are not intended to be personal at all. But the fact is we do have a system which by design from day one has primarily two parties and it is one of the checks and balances. There are general differences. It is not applicable, by the way, to each member of each party but generally there are differences between the Democratic philosophy and the Republican philosophy.

Tonight I hope to distinguish between the two of them, especially when it comes to surplus, when it comes to taxes, when it comes to accountability to the taxpayer out there, when it comes to accountability for the services that we are required to render to the people that we are fortunate enough to serve back here in the United States Congress. And then I would like to spend a few minutes talking about Social Security. If a Presidential candidate, and I know George W. Bush has, but if any candidate running for office this year wants to focus on one thing for the young people or two things for the young people, let us say, and for the women of this country and frankly for the middle class of this economy, talk about Social Security. What are we going to do?

My generation and the generation ahead of me is okay. Our benefits will

be there. But we owe it to the generation behind us to make sure that Social Security is a liquid fund, is a fund that can sustain the kind of liabilities that we have placed upon it for the generation behind me and the generation behind that generation and the generation behind that generation. That is our obligation. It is a point we ought to discuss this evening.

I intend to talk a little about Social Security and some of the things and a plan that I think will work, a plan that has worked for all the Federal employees that work for the government today. The government has its own plan, and many of my colleagues out there, their constituents do not realize that one of the proposals put out there, in fact frankly the proposal put out by George W. Bush is a policy that is already followed by every government employee. We, as government employees, already have this type of policy, an opportunity to choose. So we are going to talk about personal choice. We are going to talk about Social Security. And we are going to talk about the surplus. We will talk about tax cuts and, of course, we want to talk about the Strategic Petroleum Reserve.

First of all, I think a logical question, we have heard that a lot in the last couple of days, most of us have a pretty good understanding of what the petroleum reserve is, but for a little history, Mr. Speaker. As Members know, it was created in 1975, and the intention of it was to see if we could find a location, which we did, to store about 1 billion barrels of oil for an emergency reserve.

Now, emergency is a very delicate word. Emergency in my opinion means an overnight crisis, for example, if the Middle East or OPEC cut our oil off. I am not sure that you could classify as an emergency a price increase the likes of which we have seen in the last few weeks. Now it is a hardship, but does it go to the level, and that is the fundamental question we need to ask, does it go to the level that we should draw down on what in essence is 59 days? That is all we have of supply in this petroleum reserve. We have 59 days of supply in there.

Is the situation we are in right now, of which I am very unhappy about, I think frankly the oil companies have overplayed their hand. I think OPEC has overplayed their hand. But I caution all of us to think very carefully before we condone the actions and the policies of the Vice President and the President in going into the Strategic Petroleum Reserve and pulling out a significant portion of that reserve which, by the way, is not a significant portion of the consumption needs of this country. In fact, in any 30-day period, what you are doing is pulling out about a 36-hour supply out of 30 days.

Back to our history a little. The reserve is managed by the Department of

Energy. I am a little disappointed by the way the Department of Energy has managed our energy policy. I am not sure that we have an energy policy that exists. We have the Secretary of Energy, Bill Richardson this year, and I would like to quote what Bill Richardson said. He said, "We were caught napping. It's obvious the Federal Government was not prepared for the recent jump in oil prices. We got complacent."

Look, Department of Energy, you have an obligation not to be complacent. That is what your Department is in place for. That is what Congress has charged this Department with. You have got to be on the ball. We have got to monitor that. Our country is economically dependent in a very significant way, we are economically dependent upon the energy policies and when oil goes up like it has gone up, we have not yet begun to feel it but we are going to begin to feel it. But we have over here a reserve and we have got to be very careful about that reserve, when we use it, and under what kind of conditions we should use it. We of course leave that discretion to the President of the United States.

I can tell my colleagues that right now, as I mentioned, our current days of inventory are 59 days. We have 571 million barrels of oil. The most we can draw down, this is just for your own information so you have an idea of how large this reserve is, we can draw down about 4 million barrels of oil a day, and it takes about, oh, 15 or 20 days for that oil from when we draw it down, assuming we have refinery capacity which we do not have today, our refineries are at capacity for a number of different reasons, but assuming we have capacity we can move that oil and get it into those refineries in about a 15-day period of time.

So what has happened in the last few days? First of all, there was some rumor that the President might, as kind of an October surprise, as a policy for the upcoming Presidential election to assist the Vice President, that the President might order that a depletion be forthwith out of the Strategic Petroleum Reserve. In regards to that, last week the Wall Street Journal quoted the Secretary of Treasury who is appointed by the President, who had strong disagreement with the President and Vice President's policy to draw oil off this under the classification of emergency, and let me quote.

The Wall Street Journal wrote: Treasury Secretary Lawrence Summers advised President Clinton in a harshly worded memo that an administration proposal to drive down energy prices by opening the government's emergency oil reserve quote would be a major and substantial policy mistake. Mr. Summers' two-page memo argued that policy. He wrote that using the reserve would have at best a modest effect on prices and would have

downsides that would outweigh the limited benefits.

Let me go on further. Another expert, one that Republicans and Democrats, in other words, both sides of the aisle, an individual that both sides of the aisle respect, his opinion on the President's policy to draw down on that:

"I think it would be a mistake to try and move the market prices with a small addition from the Strategic Petroleum Reserve," Federal Reserve Board Chairman Alan Greenspan told a U.S. committee this year. We are dealing with an overall market which is huge compared to our Strategic Petroleum Reserve. He said that adding from the reserve, quote, would not have a significant impact.

Where the impact is that I am concerned about is what the President is doing. We have the strategic oil reserve over here and, as I said, we have a 59-day supply and it is to be used for an emergency. That is our 911 call right there. We have over here a market, to give my colleagues an idea, a market on a monthly basis just for our country which looks about like this. So what you are doing by drawing down out of this is you are drawing in enough for a 36-hour dent in this market. Thirty-six hours. Proportionately that is not too far off from what the President has ordered. In the meantime, what you are doing is you are drawing down a significant portion of this emergency reserve here. The difficulty with that is at some point, especially when we see the volatility that is now taking place with the oil markets, it is a point in time I think that you should increase, not decrease your emergency reserves. Now, surely when you put this kind of fuel in for that 36-hour period of time, which is what it will supply for our country, when you put it into the market and I believe in the last 24 hours gasoline, not the gasoline but the Texas crude price has dropped a little in the last 24 hours, you are going to have some short-term benefit.

But, Mr. Speaker, the short-term benefit has a long-term expense associated with it. I think it is very clear, and it has been editorialized throughout the country, including this morning in the Wall Street Journal, but I think it is very clear that the policy of the Vice President and the timing consequently of the President to draw down on the Strategic Petroleum Reserve is in fact not an emergency but is a political convenience. It is a political tool. It is being used in a political manner. That policy is incorrect, the policy of those reserves.

All of us on this floor realize that politics is an everyday part of our life and when we are a month or 5 or 6 weeks out from an election, we are going to see more politics. But there are some areas that you have got to keep politics out of, no matter how

tempting it is, no matter how close to the election it is, the best interests of the Nation demand that you not use that, certain items, that you do not use these items or twist your policies for political expediency. Instead, what you think of first are the best interests of the country. And I am concerned that the policy of drawing down this reserve to make a very small dent for a short-term benefit and, by the way, the benefit would mostly be realized between now and election day, and right after the election we are going to be in the same problem we were in before but we are going to have less reserve. It is not a good policy. I think the President and the Vice President should stop trying or make no further attempts to draw down unless this country truly faces an emergency.

□ 2130

Ever since this was created in 1977, excuse me, in 1975, when we created this reserve, we have only drawn down on it three times. Two of the drawdowns, two of the drawdowns, one was for the Persian Gulf War. That was truly an emergency. I do not think any of my colleagues here argue the fact that the Persian Gulf, when we went to war, that justified a drawdown on our emergency reserves.

The other two times that we drew down on that reserve were practice drawdowns to see how quickly we could get it out, to make sure we had the logistics between the point of drawing out of the oil reserve and getting it into the refineries, that we had that system down pat. We did twice. We had two trial runs.

So, during the entire 25, almost 26 year history of this emergency reserve, never has it been drawn down for political purposes, never has it been drawn down because the price of gasoline got higher. It has only been drawn down really, in reality, when you take outside the practices, it has only been drawn down when we went to war.

But now the President and the Vice President decide, 4 weeks again now from the election, or 5 weeks out from the election, that it is time to draw it down.

My point tonight, colleagues, whether you are Democrat or Republican, is this ought to be hands off. This should not be, whether or not we draw down from the Emergency Petroleum Reserve, should not be determined by whether or not the general election is 6 weeks away. Our Department of Energy Secretary, frankly, needs to get to work and shape that Department up down there so they do not fall asleep at the wheel, which is fundamentally what he admitted they had done in the last couple of months.

Now, do we have an answer? Sure you have an answer. Any time you have high prices, there is that point of diminishing returns. OPEC knows about

it. OPEC does not want the prices to get too high. Why do they not want the prices too high? Well, if the prices get too high and the Government does not try and manipulate the prices, speaking of our government, then what happens is American ingenuity kicks in. One, you begin to see more conservation. I think that is a good, reasonable policy. And, two, you begin to get a re-examination of what we have done in our own country as far as exploration, what are we doing with resources in our own country.

Those are two good policies to follow. I mean, I think of myself the other day, to give you an example, I was driving off from the gas pump, I just paid the price for gasoline, and I said, what can we do for conservation? Is there something we can do immediately to help conserve the product that we are using?

You know what I did? I looked up in the left-hand side of the windshield of my car, and I see in my car that they recommend I change the oil for the vehicle that I was driving every 3,000 miles, and my recollection was that the driver's manual for that automobile recommended an oil change every 5,000 or 6,000 miles. So I got in the glove compartment, I looked at my owner's manual, and, sure enough, the people who built the car, the people who engineered the car and the people who guarantee the car say, look, for ultimate performance, all you need to do is change your oil every 5,000 or 6,000 miles. It did not say every 3,000; but obviously it says 5,000 or 6,000, which means not every 3,000.

If we found ourselves in a crunch, the American people could immediately conserve on consumption of oil products by actually having the oil changes on their automobiles when the manufacturer of the automobile recommends you do it.

I mean, that was just one idea. But I think putting in government manipulation right before an election, oh, it may have some political benefits for the President; but the fact is that in the long term, folks, it is going to be a very expensive way. It is not the proper method to approach the kind of fuel or oil difficulties that we are now facing. Save this for a true emergency. Wait until you have a real emergency before you go out and start drawing down on the petroleum reserves.

TAXES

Mr. Speaker, let me talk for a few moments now, kind of switch subjects, because I have heard a lot of discussions about taxes and surpluses. Tonight, while I was sitting in my office, I was thinking, you know, there really are some basic differences. Again, not to get personal, but I think it is important; and I think it is important when we talk to the young people of our country that we explain that there are

some differences, fundamental differences, between Democratic leadership and Republican leadership.

Now, not all Democrats vote always with the Democrats all the time. Not all Republicans always vote Republican with the Republican leadership all the time. As we know, a lot of votes back here are determined by geographical locations. For example, those of us in the West may have a difference of opinion than those in the East, regardless of whether they are Republicans or Democrats.

But clearly when it comes to government spending, there is a difference between the Democrats and the Republicans. I know as of late the Democrats have been criticizing tax reductions and tax cuts. I think we have to start with the basic philosophy of what is a surplus. I just looked it up, by the way. I just looked up over here in the dictionary "surplus," which sits behind me, and the definition is clear. A surplus is you have more than you need.

The Government is not in the business to make money. The United States Government was never intended by our forefathers when they drafted the Constitution, when they had this thought, this dream, of uniting these States, of putting these 13 States together and expanding into the continent, they never dreamed of putting the United States Government in business. What they wanted the Government to do was to have their role restricted to that which individuals could not do. That is what their concept of government was about.

What has happened recently, and I hear it more and more from the Democratic side, from your policies of your leadership, is somehow this surplus belongs to us; us, Congress here in Washington, D.C. "The taxpayers have not paid too much." Well, if you do not think that the taxpayers have paid too much, quit using the word "surplus," because surplus means it is extra.

You know, we are here to produce and to provide that which individuals cannot do as individuals, but we are not here to accumulate large amounts of money. Now, the difficulty is that you cannot leave a surplus in Washington, D.C. very long, because, it is very simple, it gets spent. That is what happens to it.

If you leave this surplus here in Washington, D.C., pretty soon you are going to have new programs and new programs and new programs. So the Republican Party and our leadership has made it very clear that we have two priorities: number one, the priority is to fund the Government so that it runs efficiently and that we provide the fundamental services to the American people that individuals could not provide on their own.

For example, we have tremendous responsibilities in education, and we stand up to those responsibilities. We

have tremendous responsibilities to defend for this country, to the military, to our transportation. But once we meet those responsibilities, and once we meet the responsibilities of spending those dollars in a responsible manner, then we have two other responsibilities: one, the next responsibility is that after, and, frankly, again not getting personal, but for 40 years the Democrats controlled the Congress, and take a look at what happened to so-called surpluses then. They were smoked. They were gone the minute they got here. We had deficits for 40 years.

So the next thing we do is, what about our overall debt? Our leadership, the Republican leadership, feels that we have an obligation to reduce that overall debt, and that we should take a portion of this surplus and reduce that debt.

But the other fact that we have to consider is who is the customer? Who are the people that we represent? Whose money is coming in here? It is not our money. It is money sent to us with the idea that we will act in a fiduciary manner and spend that money in such a way that, one, we provide for government services; and, two, if we find out that the people we represent have overpaid, then in fact we should refund that.

Now, there are some other things we have to take into mind. Every once in a while when we are out there raising money, i.e., the Federal Government is out there on the taxpayer, and they ask the taxpayer, they say to the taxpayer, look, we need to fund the military, we need to fund education, we have highways. Here is our government budget; and in order to meet the budget, we need to have you pay out of your work, and, remember, the people paying are not the people that are not working. The people that pay taxes to the Government are hard-working men and women. They are the people that go to work for 8 hours every day.

You are asking them to take a part of their labor every day, a part of their labor every day; in fact, you are asking them to work full time from January 1, to, I think, around the first of May. You are asking them to work full time. That is what amount of time an individual has to work in this country just to pay off their taxes for that year. So you are asking them to fund this.

Once in a while when we do this, we find out that we have taxes that are unfair, taxes that just fundamentally are not sound. I thought I would point out a couple of those, because the Republicans this year, without much help, now, we did have, I will grant to you, we did have some help from some Democrats, but some of those Democrats who helped us switched back, unfortunately, in my opinion, because of the fact they were put under pressure by the President to uphold his policies,

so they would not override the vetoes. But let us talk about a couple of those taxes. I think the best way to do it is to talk about the middle class, because that is who we are really talking about here.

What happened is we discovered some taxes, that whether we have a surplus or not, we fundamentally disagree with the concept of these taxes. I will give you a good example.

The marriage penalty. That is a tax that Congress somehow in its history decided that marriage should be a taxable event. The Republican leadership this year, with the help of some Democrats, said to the President, and, by the way, obviously with the help of the United States Senate, said to the President, look, marriage should not be a taxable event. It is unfair to the middle class. It is unfair to anybody for the Federal Government, in an attempt to raise money for its operations, to go to people and say, simply because of the fact that you are married, we are going to impose a tax on you.

So what we did is we voted to eliminate the marriage tax. But the Democrats, through their leadership and through the President, put it back on the board. In their opinion, marriage is a taxable event; and the President's veto, he vetoed our process to eliminate the marriage tax, and the President put it back on the middle class of America, primarily, by the way.

The middle class pays, in my opinion, the biggest portion of taxes in this country. The middle class represents, quantity-wise, the largest number of workers. That is what you are doing. When the President and the Democratic policy, my colleagues here, when you put that marriage tax back on after we passed the bill to eliminate it, that is who you are taxing. And you are taxing our young people.

With our young people, we are trying to encourage marriage. We are trying to tell the young people, and boy, it is promising, we have some wonderful, wonderful people in the generation behind us, all of us know that. But is this the way to encourage that generation?

There is another tax we took a look at and said fundamentally, is it fair to tax death, the simple fact that somebody dies? Is that a fair tax? Is that a taxable event? Is that an event that our forefathers ever imagined in the Constitution would be the basis of this price, that we go to our taxpayers and say we want you to pay this price to be a citizen in this country? Is death a taxable event, that the middle class pay? And do not kid yourself, it affects every class in society.

The Democrats like to say, well, it is only the rich. They like to play this class warfare. It is not class warfare. You take money, regardless of how many people are in the community, take a community with 5,000 people who have a person that has to pay the

estate taxes, say a contractor or anybody, a contractor that owns a dump truck, a bulldozer and a couple of pickups, they are subject to the death tax. You go to those people, and you take it out of the community and you transfer that money right here to these Chambers in Washington, D.C. You are transferring money from local communities out in the United States out beyond the Potomac, and you are transferring it here. So it affects every class. So the fundamental question of fairness, that is an obligation we have, regardless of whether we have a surplus or not.

Now, it so happens we do have a surplus. But regardless of whether we have a surplus or not, should we tax the event of death? We said no. The Republicans said no, and, by the way, some Democrats joined us. They also said we should not tax death. We sent that bill to the President. The President vetoed it. He put it back on. The President said death is a taxable event.

□ 2145

And by the way, I sit on the Committee on Ways and Means. I know what the President's budget is. The President's proposal this year was not only do not eliminate the death tax; he has actually proposed in his budget to increase the death tax by \$9.5 billion. So the Democratic policy and the President's policy, and again not getting personal here, but, look, there is a difference and the American people, we need to talk about these differences.

They want to keep the death tax in place. Not all of them, but most of the Democratic leadership. They want to add \$9.5 billion according to the President's new policy on taxes. We think that has gone too far. Now, there are some taxes that we have been able to persuade, that the Republican leadership has come forward with and has been able to put into the Tax Code. It is surprising how many of our constituents out there do not know that this Congress, the Republican Congress, passed a tax reduction that probably is the most significant tax break that any individual out there who owns a home has probably had in their career.

What am I talking about? Very briefly, let us take a look. What I want my colleagues to do is if any of my colleagues in here have constituents who own homes, at every town meeting they go to they should ask their constituents how many of them own homes. My guess is, and it is an exciting thing, most of the people in the audience will own homes. What is great about this country is our homeownership.

When I was younger, one expected to own their first home when they were approaching 30. Now this new generation is able to buy homes at a much earlier age. And it is an American dream. What we found happening, what

we talked about our Republican leadership and our philosophy was, look, it is unfair to tax these young, especially younger families who own a home and they sell their home. We hit them with a huge capital gains tax.

What the old law was, the law that we wanted to change, it said quite simply, look, if an American sells a house for a net profit, they make a net profit and we will take an example here. Here is an individual. Let us say an individual bought a home for \$100,000. They sold the home for \$350,000; and they had a profit of \$250,000. Under the old law, they were taxed, they had income of \$250,000.

We thought what we want to do, one of the things kind of like marriage, we encourage our younger generation to get married. We want our younger generation also to enjoy the economic benefits of homeownership. So what we decided to do, and it was the Republican leadership that did it, frankly, and I do not mind. Look, I know I am standing up here saying Republican and Democrat a lot, but we need to talk about this bill and who stood up when it was time to stand up.

I was surprised in the last couple of weeks. I thought the death tax was pretty nonpartisan. We had a lot of Democrats that joined our leadership in trying to do away with it. But a lot of them walked. We had a lot of Democrats who joined, many joined to get rid of the marriage tax. But they walked. So I think it is important for us to have discussions, because there are differences.

What the Republicans felt, we made a proposal. If an individual buys the home, same example, \$100,000. Same example, \$350,000. \$250,000 profit, under our bill, they will be taxed zero. And this passed. This passed. And for couples the news is even better. For couples it in essence doubles. If you own a home in the United States and you sell that home for a net profit. Not your equity in the home. You may buy a home for \$100,000. You pay down \$50,000 of it. You only own \$50,000. That balance is equity. I am talking about net profit.

Say a young couple buys a house and sells the house for a profit. What our bill does, and it was signed into law so it is now the law, they get to take that profit. They get to put that money into their pocket. No taxes up to \$250,000 per person or \$500,000 per couple. That is significant. That makes a big difference. That is tax policy that I think makes good sense.

In the last few days I have heard people, especially with the politics going around, people saying, well, tax cuts are bad. All the Republicans want are tax cuts. I think that what we want is a fairness in the Tax Code. I would bet anything that we would have a hard time finding a young couple, go pick a 21-year-old male or female college student or a 21-year-old male or female

that is working in a blue collar job and ask them do you think it is fundamentally wrong for one party wanting to advocate for changes in the Tax Code that would bring more fairness to the Tax Code? That would be an incentive to couples your age or single mothers to have the opportunity to buy a home? Of course they would agree with that.

Mr. Speaker, that is what the Republican leadership is talking about. George W. Bush and his campaign in the last month or 6 weeks has been talking about these tax reductions. He is not talking about going out and picking out the wealthiest people of the country. He is across the board. Read any analysis out there. Why? Because of the fairness of the Tax Code. When we are fairer to income producers, our income producers produce more income. That is just a fundamental law.

Let us talk about some other taxes that we have had. Capital gains, for example. It used to be the old Democratic argument was that capital gains is only for the rich. For many years I think the Democrats were probably right on that, because there were periods of time in our country where the only people who ever worried about paying capital gains taxation were the wealthy.

Now, I am not one who believes in class warfare, and I say that to my colleagues. I think over the long run, class warfare is not what the American system is about. That is not what has made the American system great. But the fact is we did at one point in time decades ago, decades ago have one segment of our society that only benefited from capital gains.

But what has happened in the last 10 or 15 years, we have lots more people investing in land. We have a lot of people in the lower-income brackets who own their homes. We have a lot of people whose employer or on their own or through their employer have gone into 401(k) plans, or they are invested in mutual funds. Now all of the sudden a much broader population faces capital gains taxation, and yet we cannot get the Democratic leadership, it was very difficult to get them to come to our side to reduce that taxation.

The reduction of that taxation was not just a reduction in taxation to the wealthy, it came across the board. And, finally, they admitted it. But now the rhetoric that I have heard the last couple of weeks, because the elections are coming up, is that any consideration of a Tax Code revision or a tax cut such as marriage tax, get rid of it, or the death tax, get rid of it, or capital gains or elimination of the taxes on the profit of the sale of your home. Some of my colleagues on the left, the liberal aspect, act as if we are going to ruin the budget, act as if that is what led to the deficit.

Remember, in my opinion, I think a fair Tax Code is a conservative approach. I think a fair Tax Code is a moderate approach. But I do not think a fair Tax Code is a liberal approach. I think the liberal approach is bringing the money any way you can, that money belongs in Washington, D.C., it ought to be spent in Washington, D.C., as a collective benefit for the country or for people to take the individual responsibilities, move those individual responsibilities to Washington, D.C., and fund it as a collective issue.

Mr. Speaker, I disagree fundamentally with that policy, and so do a lot of American people.

But I think we have kind of disclosures in truth when we go out and speak to our constituents. I think we have an obligation when we go out there and say, look, "tax cuts" is a very broad term. Let us talk specifically what we mean when we talk about tax cuts. We are talking about things like the capital gains tax issue. We are talking about things like elimination of the death tax. We are talking about things like the marriage penalty. We are talking about the fact why do we go to our young people, of whom we have an obligation to act in a responsible manner for their future, why do we go to them and penalize them for being married when in fact we encourage them to be married? Those are policies that I think are fair game because they are fair on their face.

So, Mr. Speaker, I hope that my colleagues, as they go out there during this election process, that they take the time to talk to some, and by the way not just the young people. The policies for the taxes of the young, but take a look as well at what we, the Republican leadership, did, the moderate approach did for our seniors. We not only talked about the death tax issue, we not only talked about the marriage penalty, we not only reduced the capital gains taxation under Republican leadership, we not only eliminated the taxation up to \$250,000 when we sell our home out here in America. But we also went to the seniors and said we have discovered another thing that is unfair with our Tax Code. We are finding out just because of the fact you are between the years 65 and 69, we are going to penalize you on your Social Security if you hold a job outside of your home.

Where is the fairness of that? For years it was like pulling teeth from the liberal contingents. From the liberals it was like pulling their teeth to get them to admit that that was unfair to seniors. Finally, this year, frankly because of some good editorials written across this country, the liberal segment of our politics back here conceded and gave in on that and we passed that into law.

I commend the moderates on this floor, and I commend the conservatives on this floor that were able to see that

earnings limitation on Social Security trashed. And I also want to say, even though we did not get it passed because the President vetoed it, and by the way it is the Vice President's policy as well, I still commend my colleagues for stepping forward and standing up to the fact that death is not a taxable event and that should have been thrown out the window, that marriage is not a taxable event and that should have been thrown out the window.

Mr. Speaker, we need to have fairness and we can talk about income tax bracketing as well. But the fact is we have an obligation, a fiduciary obligation to the taxpayers and to the citizens of this country to have a Tax Code that is fair.

Let me move on to another area, one of my favorite areas: Social Security. First of all, I want to tell about what the Government does for its employees. And I am one of those employees. I hear a lot, of course, out there on the campaign trail or when I am out there in my town meetings. I go back to my district every weekend. My district is larger than the State of Florida. I put about 50,000 miles a year in my district in the car. I listen to people. I stop at the coffee shop.

A lot of people do not realize that government employees have almost essentially the same type of retirement plan, in addition to Social Security, we also have Social Security. Congress, for example, I saw somebody e-mail me the other day that they got something off the Internet that Congressmen do not have to pay Social Security. Of course we pay Social Security. But we have got about 2 or 3 million government employees on a system that is very similar to the system that George W. Bush has proposed.

Mr. Speaker, I am amazed. I am amazed of the number of my colleagues who are trashing George W. Bush's proposal on Social Security when, in fact, on the other hand, we live within a policy or a program here provided for all government employees that is almost identical to what he is proposing.

What is it? It is called "personal choice." Let me explain very briefly how the government program works. The government program works this way. Every government employee has an amount of money taken out of their pay to provide for their retirement. It is an amount of money that they have no choice of how it is spent or where it is invested. On the other hand, while they have no voice or input as to what happens with that, they also get a guaranteed retirement after they put in a certain amount of years and turn a certain age; and after they vest, they get a certain guaranteed retirement. They have a safety net there. It is not a lot, but it is there and it is funded by the amount of money that they have drawn out of their check. We as government employees, all 3 million of us, have drawn out of our check.

But there is a second program in addition to Social Security, and that program is called the Thrift Savings Program. What that allows government employees to do, such as myself, I am allowed, as are 3 million other Federal employees, we are allowed to by personal choice take an amount money up to 10 percent of our pay, and we are allowed to invest that in the Thrift Savings Program, and the Federal Government will match it up to the first 5 percent. They will match the first 5 percent, although we are entitled to put in 10 percent, and we get a choice. You can put it in a risky fund like the stock market, although the higher the risk the higher the return. We can put it in a safer fund, or we can put it in a guaranteed savings fund which has low return but almost zero risk.

□ 2200

We have that right to make that choice, but it is only with 10 percent of our income, so we never overstep or never get in over our heads, so to speak, on the amount of money that we put in, and we personally get to choose how to invest it. Do you know how many people in the Federal Government participate in that program? A very, very high percentage.

Mr. Speaker, I would bet that every one of my colleagues sitting here on the floor participates in that program. Participates in choice. Why can we not do that for Social Security? If it is good for us, why is it not good for the rest of America? If it is good for us, our system, the Thrift Savings Plan works, why is not George W. Bush's plan good for the rest of America?

I know that some people have said this kind of policy is a risky policy. Risky? We have tried it and we tested it, and the government employees like it. They get involved in it. They get personal choice; that is the avenue that all of us should approach in trying to figure out how to rehabilitate the Social Security system.

Now, as you know, our Social Security system, there are some factors that put it into trouble. I mean we know that in 1935, for every worker that was retired, every person that was retired in 1935, when Social Security came in, we had 42 workers, 42 workers over here, providing for that 1 person that is retired. Today, for every person that is retired, we only have 3 workers providing for them, because we have so many people retired.

Back then in 1935, the average person lived to about, I do not know, it was probably 61, I think, for men and 65, somewhere in that range, today it is pushing the 80s. People are living longer. That is good news, but it also puts more of a burden on Social Security. And as a result of that, while Social Security is cash-rich, in other words, on a cash flow basis, the money coming in today, our Social Security is in the black.

The fact is, on an actuarial basis, the basis of which we look into the future and say can Social Security make it, on that basis, Social Security's bankrupt. So what do we do?

First of all, if we are going to make changes in Social Security, we have to do what George W. Bush has proposed and what a number of us support very strongly; that is, one, we have to guarantee that the people like, for example, my age and the generation ahead of me are not going to lose their benefits. They are not. There is nobody on Social Security today or nobody from age 40 or above say, for example, that is going to have their benefits threatened.

The Social Security benefits will be there, and do not let the liberals use the fear tactics of telling you that we cannot be bold in Social Security, that we should not try something new, that we ought to stay with the same old thing, even though it is not working in the long run.

We have to have some kind of assurance to the workers presently in the later stages of their career that your benefits are okay. I am telling you, the generation, the X generation, or the younger generation, whatever you want to call them, these people are bright people. They are energetic people. They want choice more than ever in the history of this country. This generation following us wants independence, and they are bright enough to handle it.

They have experience in business. They want to have choice. They want to be able to choose. They want to choose more than ever, whether they live in the country or here, they want to choose whether their kids go to public school or private school. I think George W. Bush has hit the button right on the top of it, this generation, this young generation wants to make some choice in Social Security.

We have a plan that is tried, true and tried, so to speak, right here. We are part of it. What is the opposition to going to the Social Security and putting that into effect, the same kind of plan that every one on the floor of the House of Representatives and almost three million other Federal employees enjoy. It works. I think we ought to try it.

Mr. Speaker, I will tell my colleagues the biggest mistake we can make here and biggest misservice we can do to our constituents here is to sit idle. Look, this is election time, in the next 4 weeks, 5 weeks, or 6 weeks, we are going to have a lot of political rhetoric, but the minute that goes by, in 6 weeks, I think we have an obligation to step up to the plate and do it; get it done; get this train back on course.

Now, I think there is always going to be a disagreement between what I would call moderate and conservative on economics and the liberal philo-

sophy. The liberal philosophy, in my opinion, has a huge safety net that takes care of everybody and does it on a collective basis.

Now, I am not sure how they pay for it, but they feel that the responsibility of the individual is the obligation of the government, but the moderate and the conservatives feel that the responsibility of the individual is exactly that, the responsibility of the individual with the assistance from the government, where the individual cannot provide.

I think doing something with Social Security fits in the latter category. It is allowing individuals to have some choice. It does not give them complete choice because we do not want a person who loses all of their money to still look to us and put the blame on us, the government; what we want an individual to do is to have some choice. It is at that point where I think people are economically savvy enough to make some of these choices.

Mr. Speaker, a lot of people, a lot of workers, no matter what kind of job they have decided to participate in mutual funds. They are making more choices on their personal finances. They are becoming more and more knowledgeable about it. They are becoming more and more confident about it. We have a good economy.

What is interesting, too, is when we have those down days on the stock market, these people do not hit the panic button. It is not like the great panic in the early last century. These people are more patient with it. So why can we not be? I mean we work for them. We work for the people.

Why do we not step forward and let them have more choice in the Social Security plan that they want to participate in? I mean it is a big part of their future, and they ought to play as active a role in that as they can possibly do it.

Frankly, I think the plan that the Republicans and some Democrats and George W. Bush has put forward is worth looking at. I am amazed in these last few weeks how it has been trashed and trashed and trashed, when, in fact, as I said earlier in my comments, 3 million government employees are on that type of plan right now, and it works for us. It will work for our constituents.

Let me wrap up and conclude my remarks this evening.

First of all, I think it is a mistake. And I think it has driven the policy, as underlying as its foundation, to take oil from our strategic petroleum reserve, that reserve should be restricted to true emergencies.

The fact that our gasoline prices have gone up is discouraging. Who is not angry about that? Who does not think that there is not some gouging going on out there? Sure, it is discouraging, but is that really, truly the type

of emergency that we would envision, or is that driven by political policy? My position is the policy of the President is not that policy that was intended when we created the strategic petroleum reserve.

Second of all, tax; when they talk out there on the political trail and they talk about tax reductions, make a question, is it fair? Should it be there in the first place?

Third of all, give us some choice in Social Security. We need a new, bold plan that protects current beneficiaries of Social Security, guarantees certain benefits for future generations of Social Security, but also let these beneficiaries participate and help choose and help direct the investments they make with that program.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ENGLISH (at the request of Mr. ARMEY) for today on account of weather and traffic conditions.

Mr. POMBO (at the request of Mr. ARMEY) for today on account of travel delays.

Mr. SMITH of Michigan (at the request of Mr. ARMEY) for today and September 26 on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BROWN of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. BROWN of Ohio, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. PASCRELL, for 5 minutes, today.

Ms. SLAUGHTER, for 5 minutes, today.

(The following Members (at the request of Mr. HYDE) to revise and extend their remarks and include extraneous material:)

Mr. NETHERCUTT, for 5 minutes, September 26.

Mr. SOUDER, for 5 minutes, today.

Mr. PORTER, for 5 minutes, September 27.

Mr. HYDE, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today and September 26, 27, 28, 29.

Mr. BILIRAKIS, for 5 minutes, October 2.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows: