

fought on behalf of this country's Cold War efforts, working in the nuclear industry, the beryllium industry, the gaseous diffusion industry, and who are now dying or have died because of illnesses contracted as a part of their working life.

We have tried to bring that issue to bear in the current bills being worked on in the back rooms here somewhere. We have been told that those provisions have now been dropped from the bill.

I am here this afternoon to say, pay attention to what I am saying, because these Americans are veterans, just like those who fought on foreign soil or defended us here at home.

It is terrible to be a Member of Congress and to have someone walk into your office on a breathing machine and say to you, "Congresswoman KAPTUR, I worked in the beryllium industry, and I am dying, and I cannot get workman's compensation, I cannot get decent health benefits for myself, and what is going to happen to my family after my life is over?"

I stand here today in memory of Galen Lemke, just one of hundreds of people, patriotic Americans, who served, worked every day, and produced the weaponry that now has made America the premier military and economic power on the Earth. I would plead with the Defense conferees to listen to them, to care for their lives and their families, and to do what is right, what is just.

The Department of Energy, under the leadership of Secretary Bill Richardson, has produced a piece of legislation that covers most, but not all, of the workers who worked in the nuclear industry, the gaseous diffusion industry, and the beryllium industry.

We have a bipartisan effort here in the House comprised of people like the gentleman from Ohio (Mr. STRICKLAND) of Ohio, the gentleman from Kentucky (Mr. WHITFIELD), the gentleman from Texas (Mr. SMITH), the gentleman from Colorado (Mr. UDALL), myself, and, in the other body, several Members, including two Senators from my home state of Ohio, who are very supportive of this legislation.

There is absolutely no reason that this Congress cannot help these Americans, who are truly deserving of our respect, and, behind that respect, placing the kind of assistance they need in the most difficult moments of their lives.

If the American people were sitting here, they would vote on this 100 percent. They would not leave out one of those families. Yet we are poised to move bills through here which cast them aside. That is truly wrong, when we know it is a discrete number of workers, we know who they are, we know how they have suffered, and we have this time, this year, in the beginning of the year 2000, to put the unfinished business of the 20th century be-

hind us and to take care of these families, as we properly should.

So I would say to the defense conferees, to the conferees on the appropriations bill, there is no better time than now. Do what is right, do what is in the interest of America, and treat these families like the true American patriots and veterans that they are. Include these beryllium workers, gaseous diffusion workers and nuclear workers in a compensation bill that is no different than any other Federal compensation program that exists.

I would say to Secretary Richardson, thank you; and I would say to the Secretary of Defense, where are you? Where are you lobbying on behalf of people who helped this country win the Cold War?

Please conferees, do not do this to Americans who truly deserve the support of the American people.

"THE REST OF THE STORY" ON THE BUDGET SURPLUS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Texas (Mr. STENHOLM) is recognized for 60 minutes as the designee of the minority leader.

Mr. STENHOLM. Mr. Speaker, we will be taking this hour. I will be joined by many of my fellow Democrats, Blue Dogs, and perhaps several others today, to talk about the budget, to talk about debt reduction, and, as Paul Harvey says quite often, to talk about "the rest of the story," that which we are not hearing in much of the rhetoric that is going on today.

The first point I want to make is that through August 31, 2000, there has been no surplus, other than trust fund surpluses. You would not believe that with the carried-away rhetoric that all of us have been guilty of using of late.

The \$4.6 trillion projected surplus over the next 10 years, remember, that is projected. But, more important, remember that as of August 31 of this year, there still has been no surplus, other than trust funds, and, therefore, that is why many of us on this side of the aisle have been arguing that before we spend these projected surpluses, that we ought to fix Social Security and Medicare first, that we ought to be doing the Nation's business today. Instead of adjourning at 3 o'clock in the afternoon, or completing business at 2:15, we ought to be dealing in the respective committees with how do we fix Medicare and the tremendous needs of rural health care.

Why have we been on the floor for the last several weeks talking about tax cuts of \$1.3 trillion, when you add them all up, again spending projected surpluses, before we fix Social Security and Medicare? Again, let us calm ourselves and acknowledge the fact that as of August 31, there is no surplus, other than trust fund surpluses.

That is why today the Blue Dog Democrats reiterated the plan that we were talking about at the beginning of this session of Congress, the same plan that we brought to the floor of the House that got, if memory serves me correct, 177 votes, 144 Democrats and I believe 37 Republicans joined with us. That would be 181. Not quite a majority, but there was a significant bipartisan group that recognized that you needed a plan if you were going to accomplish all of the rhetoric that both sides take part in from time to time.

Today we come to the floor to discuss in quite some detail the plan that the Blue Dogs put forward months ago that we reiterate today. The Blue Dog outline demonstrates that it is still possible to reach an agreement on a fiscally responsible budget plan that pays off the debt, maintains fiscal discipline and provides substantial tax relief, including estate tax relief and marriage penalty repeal.

The Blue Dogs have been advocating debt reduction since surplus projections first materialized 2 years ago. The Republican leadership has adopted Blue Dog rhetoric in the last few days on debt reduction, but only for 1 year, and the question we ask today of the leadership of this House is why only 1 year? If debt reduction is truly something that we all agree on in a bipartisan way, why not do it over a 10-year period?

The Blue Dogs believe that to be meaningful, a commitment to debt reduction must be long-term. That is why we are calling on the leadership of this House to extend the principles of their debt reduction lockbox for 10 years. Under the Blue Dog framework, \$3.65 trillion, 80 percent of the unified surplus, would be devoted to debt reduction over 10 years. This would put us on the path to eliminate the publicly held debt by 2010.

□ 1500

That is what we say we are for.

Why do we not have policies on this floor that do that which we say? Why do we continue on having political rallies talking about debt reduction when we really do not mean it except for 1 year? That is a question we ask, and hopefully someone will come to the floor and answer that question. It would be nice to have some simple discussions of these points, instead of just one side talking to the other in the absence of the other. We will be here.

By contrast, the debt reduction lockbox passed last week would only reserve 60 percent of the unified surplus for debt reduction over the next 10 years. Blue Dogs say 80, Republican leadership says 60, and still says we are doing a better job. We do not understand that.

The Blue Dog framework would result in the budget being balanced without counting any trust funds beginning in 2001.

The gentleman from Mississippi (Mr. TAYLOR) has been the one that continues to bring the record from Treasury, source monthly statement of the public debt that anyone can pick up, which is what I was talking about when I started my comments today. There is no surplus except trust fund surpluses. If we are conservative in our approach, we can begin paying off the debt without using any of the trust fund surpluses beginning in 2001.

If we can only reach an agreement on a 10-year debt reduction plan, it will establish a foundation that will make it much easier to reach an agreement on significant tax cuts, including estate tax relief and repeal of the marriage penalty, without jeopardizing fiscal discipline.

The Blue Dogs are prepared to work within the 90/10 framework for fiscal year 2001 to balance competing priorities. Ironically, where we have been talking about 50/25/25, for 10 years, 90/10 fits almost exactly with where we believe we ought to be in the year 2001.

The Blue Dogs believe that it is important that Congress and the President look beyond the short-term cost of legislation and keep in mind the long-term impact of budget decisions we make today. Before agreeing on any tax cuts or new spending programs, we need to know how all of these proposals add up over the next 5 to 10 years, even if they fit within the 90/10 framework for next year. It is important that this Congress consider the 10-year costs of any tax cuts and new spending initiatives, not just the cost in fiscal 2001.

Likewise, once Congress and the President agree on the level of discretionary spending for next year, and this is what is being fought out. It bothered me considerably when I see on the front page of the Washington Post this morning that members of the other body in the other party are talking about "spending is going to go out of the window." It should not. All we have to do is agree on a framework of what spending should be this year, in a bipartisan way, working with the White House. I believe that is achievable. That is the Blue Dog plan.

Mr. Speaker, we have looked at the President's proposals. We have looked at the Republican budget, and we have said somewhere in between is where we need to be, close to the middle. I think if all of our colleagues on both sides of the aisle would look at this proposal, we hope they would find the same degree of enthusiasm for it that we bring to the floor today.

Once we get through the 90/10 for 2001, let us talk about the 10 percent. How do we propose spending that 10 percent of the projected surplus? Remember, there is no surplus as yet. It is projected. But we do believe if we stay fiscally conservative with our spending and our tax-cutting euphoria, that what I am saying today can be achieved.

We have a projected surplus of \$268 billion for fiscal year 2001. Ten percent of that is \$26.8 billion, and that is to be divided between tax cuts and spending, divided equally between Medicare provider restorations and discretionary spending and tax cuts. The Blue Dog framework would allow a tax cut of \$8.5 billion in 2001 and \$377 billion over the next 10 years. This will allow for estate tax and marriage tax penalty relief with room for other tax cuts of \$4.4 billion in 2001 and approximately \$200 billion over the next 10 years.

Why should we be considering today going home without dealing responsibly with the marriage tax penalty? Why should we be going home in a few weeks or days without dealing responsibly with the death tax, when everyone in this body knows there is a good, sound, conservative middle ground that would be very appealing to every single small businessman and woman in the United States and give significant relief to everyone above \$4 million in estates? Why would we go home without completing our work?

Devoting an additional \$8.5 billion for discretionary spending will provide room to increase spending in the appropriation bills to fund agricultural disaster relief, increase funding levels for education, health care, veterans and military retiree health care, all of which have bipartisan agreement that we do need to make some increases in those areas.

We also provide for \$8.5 billion in 2001 to address problems facing health care providers as a result of the reductions of the 1997 balanced budget agreement, the kind that our rural hospitals are clamoring, praying for the relief so that they do not have to close. All of this can be achieved within the framework of debt reduction, sincere debt reduction, recognizing also that the surpluses that everybody talks about are projected.

One of the fundamental questions this body should be concerned a little bit about is when we look at this debt that we are talking about, one-third of it is owned by foreign interests and the question that we all want to answer, I think, sooner than later, how much longer can our economy continue to grow at the unprecedented rate that it has for the last 8 years? How much longer can we go in the longest sustained peacetime economic expansion in the history of our country? Can we go another 2 months, 3 months, 6 months, 1 year, 2 years? No one knows the answer to that question.

But the Blue Dogs believe that the most conservative thing we can do right now is spend our time discussing how we fix Social Security and Medicare for the future. And until we do that, let us pay down the debt and let us be very fiscally prudent with the expenditure of our taxpayer dollars. That is our message.

Mr. Speaker, at this point I am glad to yield to the gentleman from Louisiana (Mr. JOHN).

Mr. JOHN. Mr. Speaker, I thank the gentleman from Texas (Mr. STENHOLM) for yielding to me, and I also thank him for his work on this issue. He has been a real bulldog at dealing with fiscal matters of this Nation.

I just left a Blue Dog press conference just hours ago, and our message was very simple. It is that there is still time in this Congress to get something done. I believe that there are some people in this Congress that have thrown in the towel, have raised the white flag and said: we are not getting what we want, so we are going to go home. Go back to the American people and say they would not let us do anything.

Mr. Speaker, I believe that is the wrong approach. I think we give up a golden opportunity to do something because we have it in hand. What we heard the gentleman from Texas so eloquently articulate, our position, is not a new position. It is a position that we have been advocating for over 2 years now: 50 percent for debt reduction, 25 percent for targeted tax cuts, 25 percent for priority spending.

But we underscored today in our press conference that it was good 2 years ago, it was good last year, it was good 2 weeks ago, and it is better today because there is no other plan on the table as comprehensive as this is today.

I believe it is reasonable for this body to come together and do what I think the American people want us to do: be conservative with their money. I frankly think being conservative with their money is being conservative, is looking at it as we would in our families, in our businesses. What is the first thing we do with a windfall? Pay down our debt. The Blue Dogs have talked about debt reduction until we are blue in the face, frankly; and it finally caught some traction. Now everyone is talking about it. No one was talking about it a year ago; but now they are talking about it, and I think it is a good thing.

The best tax cut that we could give our children and our grandchildren is keeping down the interest rates on our credit cards and our mortgages. How do we do that? We get out of debt with this country. That is what the centerpiece of our proposal is. Whatever the surplus is, let us pay down the national debt.

Another piece of our puzzle is 25 percent targeted tax cuts. We go home, and we have heard in this Congress a lot of rhetoric about tax cuts. Well, I am for this tax cut, I am for that tax cut, I am going to be for this, and I am going to be for that. But I believe that it has been all rhetoric up to this point in time.

Frankly, that is the legislative process. We take 2 years to debate, talk

about different angles, let everyone come in. That is the American way. It is representative democracy at its best, and it has worked.

But now is the time to fish or cut bait, as we say back home in Louisiana. This is the only program on the table that can be done. It is doable. It is reasonable. It is affordable.

In the area of tax cuts, I believe we would be derelict in our duties in this Congress not to go home with a significant tax cut. A reasonable tax cut. Something we can afford. We could not afford a trillion dollars. That is why the program failed. But I believe there is room for it, and this is the way to go.

Estate tax. Everyone talks about estate tax. I left a press conference just 30 minutes ago, right after our Blue Dog press conference, where we unveiled the Estate Tax Relief Now plan of the gentleman from Tennessee (Mr. TANNER). A wonderful plan. If my colleagues are truly for estate tax relief, they must embrace this plan. It is the only plan on the table. It is a plan that my friends on the other side of the aisle have basically abandoned, saying we either want repeal or no repeal.

Well, I have come to this Congress to compromise. We do it in our business life every day. We do it in our married life every day. We do it in State legislatures, and it is done here every day. Compromise. And if we do not do it, we go home with nothing; and I think that is a serious mistake.

What does the Tanner bill do for estate tax? It cuts the rate in January 1, 2001, 20 percent. I have heard from every person in my district, from the coffee shops to the bus stops, to the rice fields, to the boats that we need to cut the rates. We ought not to pay 55 percent of our income just because one of our loved ones has passed away. Well, Mr. Speaker, I think they are correct; and that is what this bill does. And it does not backload it, and it does not phase in. It starts January 1. It cuts the rate 20 percent.

What else does it do? It doubles the deduction from \$675,000 to \$1.3 million, which is \$2.6 million for couples. It is a reasonable plan. It covers most small businesses and also small farms, and it is what we should be doing. It fits in the Blue Dog proposal. It fits in any reasonable proposal. It fits very well.

The marriage penalty, I think we ought to do it. I have voted for it in the past. It was vetoed by the President. But what do we do? Take our marbles and go home? I do not believe that. I think if we look at marriage penalty and double the deduction, for a married couple double the deduction, that is marriage tax penalty relief in its truest form.

Mr. Speaker, I believe that there are so many more other smaller tax cuts that we can do if we live within the means and not just go off on some

spending spree and say we are going to do all of these tax cuts or we are not going to do any. I would tell my colleagues, there is middle ground and this is it.

The other part of our program is 25 percent of whatever the surplus is to priority spending. My farmers in southwest Louisiana have been devastated. Salt water intrusions in our wells have killed our rice crop. Prices are low because this Congress has not been able to, I believe, fulfill our promise in the Freedom to Farm bill and open new markets, especially Cuba. We need to give our farmers a break.

Disaster relief. Something that we can do that fits in priority spending. Veterans and health care. Education. Our Conservation and Reinvestment Act that is now in the midst of being enacted into law. We need some priority spending and we ought to spend it on programs that are important to the American people.

□ 1515

That is your program. Our program is very simple and very straightforward. And it is very serious. It is a proposal that I commend and I beg the other side that we need to get engaged with, with only 2½ weeks left, because I can say all I want about how I fought for my people of the seventh district, but I do not want to go home and say we could not get a budget package together, a framework, and bring us forward for the next 10 years, because I know I would do that in my business, and I know my constituents want me to do that.

Mr. Speaker, I ask my colleagues to look at the Blue Dog plan seriously. I beg of the Senate, the administration and the other aisle, because I think it is the way that we should go. And as we say so many times, "follow the Dogs, we'll lead you out of this problem."

Mr. STENHOLM. Mr. Speaker, I yield to the gentleman from the 4th District of Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Speaker, I thank the gentleman from Texas (Mr. STENHOLM) for allowing me to be up here and thank him for yielding to me.

Mr. Speaker, I guess this gets down to priorities; and when we are talking about priorities do we care more about tax cuts or do we care more about protecting and giving our country a future? I was talking to the Rotary Club and a lot of businessmen were in the Rotary Club, and one of the gentlemen asked me a question, "do you think it is more important to give tax cuts or pay down our national debt?" I said to him paying down our national debt, and when I got on the stand, there was applause for me for making that recommendation, because it is true; the future in this country is in us paying down our national debt. The Blue Dogs have the right idea, that is the reason I am proud to be a Blue Dog.

We have our 50-25-25 plan to lower the national debt, protect Social Security and Medicare, lower taxes, secure health care, promote family life policy and in supporting and helping our farmers. It is the safest, most affordable and workable plan being offered today, and I am proud to be a part of it.

Let us think about what are we going to do with Social Security. Well, the first thing we ought to do, let us say this is the Social Security surplus, we ought to set it in a trust fund and take it off budget and let us leave it off budget and let us leave it for Social Security. The same thing with Medicare. That way we are working with a true budget surplus, 50 percent of the non-Social Security and nonbudget Medicare budget surplus will eliminate the national debt by 2010.

Let us think about it, 50-25-25. We take Medicare, Social Security, Medicare off budget, we operate from a true budget surplus. We take 50 percent of our budget surplus and pay down our national debt. Within several years, we will have our debt down to what it was in 1970. Helping to lower interest rates, what does that do? That keeps businesses going.

What started the economy going any way was lowering interest rates. These are the things that are going to give our children and our country a future.

What do we do with the rest of it? We have 25 percent that we can use for tax cuts. We were talking about this estate tax in the press conference that went on a while ago. And I guess all of us here supported some kind of elimination of the estate tax one way or the other or cutting down on it, that is something we should do.

The marriage penalty tax, we ought to do something about that. Tax incentives for retirement savings; tax incentives for small business for employers to provide their employees with insurance, give them tax credits for that; tax credits to expand access to health insurance, which we have already said; tax incentives for school construction and educational tax breaks; tax incentives to encourage economic development in distressed communities.

There are so many things that we can do to help reinvest into our people in this country, and we ought to be looking for that.

The other thing we ought to go look at is the other 25 percent of the balanced budget surplus, that ought to go into priority spending programs. We were talking about prescription medicine.

I will tell this story. I did a bus tour in our district last year. We made 17 speeches in 4 days, and what we did, we took 30 Federal agencies and State agencies in the district and we went to courthouses and we asked people to sit there, and the people who were having problems to meet there, having problems with housing, medical, health

care, farming issues and agendas, something like this, to meet with us there and we would subdivide the group up.

Mr. Speaker, I was standing there in the front and this elderly couple came walking up to me and said we need to talk about our hospital bill and prescriptions and our health care. Well, I directed them over to the lady that was handling them. Well, I was talking to some other folks, and I looked over there and the elderly man was crying and his wife was crying and the lady who was helping them was crying. We all started crying because of the situation.

Well, what happened to this man? Here is a person, part of the greatest generation of this country, he worked hard, he was a carpenter. He provided for kids, they have good jobs and gone out on their own, and now he is having a problem with his health care. He was self-employed, and he cannot pay his hospital bills.

He cannot buy the medicine for his prescriptions, now he is being turned in for bad credit because he cannot pay his hospital bills.

These are the priorities we ought to be talking about. These are the priorities we ought to be investing into, we should be investing in our people. That is not throwing money away, reinvesting back into the people.

Think about it, 50 percent of the budget surplus going to national debt, 25 percent of it going to priority spending, tax cuts, and then 25 percent of it going for discretionary spending on priority programs, such as Medicare, prescription drug benefits, restored Medicare cuts that hurt our small health care providers, improving and extending safety net for our farmers who are going out of business and the gentleman from Texas was good enough to come talk to our farmers not too long ago, and our foreign military retirees, the men and women who have saved this country, who have given to this country so we can get on the floor and talk today about what we can do for this country. We are not keeping the promise to them, they are broken promises.

The military retirees should have better health care benefits. Veterans, we are not providing those kinds of benefits, because we need to take this budget surplus and reinvest back in the people. Also increase defense spending, pass a patients' bill of rights, discretionary spending, with some increases in inflation for these hospitals, and for education, health care to our veterans.

These are issues that are really close to our heart, and we feel really serious about it. Remember the formula, 50-25-25. It is the best deal in town, and we ought to take. I appreciate the gentleman from Texas (Mr. STENHOLM) for this time.

Mr. STENHOLM. I thank the gentleman from Mississippi (Mr. SHOWS)

for his contribution today and for his contribution to the 106th Congress and to the Blue Dogs. He has been one of our real bulldogs, as we heard him saying, in sticking with the plan.

Before I yield to the gentleman from Texas (Mr. TURNER), my fellow colleague, let me kind of refocus why we are here. We are supposed to complete our work in this body by September 30, that is what the Constitution requires. We do not always do that. When Democrats were in control, we quite often did not accomplish that goal, but usually we ended up with a plan of how we were going to complete our work.

We now have only two appropriation bills that have been completed. It seems to those of us on the outside of the appropriation process that the leadership of the House and the Senate are having a difficult time coming up with a plan to get us out of here. We are submitting the Blue Dogs' perspective that this is a plan that can get bipartisan support. We believe that it not only can get bipartisan support here, but that it can get Presidential support, that is what it is going to take for us to complete our work. And when we complete our work, it is something that we all want to go home and take a little credit for and take credit for it in an honest way.

Mr. Speaker, so often around here, most of us tell the truth most of the time, if not all of the time, but many of us do not tell the truth, the whole truth and nothing but the truth, and what the Blue Dogs are trying to say today is the rest of the story, the truth, the whole truth and nothing but the truth. There is no surplus yet through August the 31st.

When we hear \$4.6 trillion in projected surpluses, the word that should be emphasized is projected. We readily acknowledge that this is your money and we are just trying to give some of it back to you. And in the rhetoric prior to last week, certainly Congress has no money, other than what we take from the American people in the way of taxes, it is your money.

But the Blue Dogs also remind you it is your debt, the \$5 trillion 678 billion debt as of August 31, 2000, which is \$21 billion more debt than we had 1 year ago.

It is your debt, and that is why we have suggested the 50-25-25, and that is why we come back to the floor today and reiterate debt reduction, program priorities, tax cuts targeted carefully towards meeting a real human need.

Mr. Speaker, I yield to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, I thank the gentleman from Texas (Mr. STENHOLM) for yielding to me, and I certainly want to thank him for the leadership that he has shown for so many years now on these budgetary issues.

I am pleased to join with him and my fellow colleagues in the Blue Dog Dem-

ocrat Coalition, our group of about 30 or so Democrats, who believe in the balanced budget, who believe in paying off the debt, who believe in a responsible tax cut plan. I think that the reason that we have come to the floor today is because of our mutual sense that the leadership of this Congress has failed in the area of budgetary policy.

The Republican leadership started off this year with a big tax cut plan. Now, we all know it was based on some estimates of a future surplus that may never arrive, and so the Blue Dog Democrats put together our own budget plan.

As has been said by previous speakers, it is really a pretty simple plan. It says keep your hands off the surplus and the Social Security trust fund, keep your hands off the surplus that accrues in the Medicare trust fund. And with regard to the general fund surplus, we call it the on-budget surplus, let us use 50 percent of that money to pay down the national debt, 25 percent to give reasonable and meaningful tax cuts to the American people, and let us reserve 25 percent for spending priorities. That is the plan shown on the chart to my right, the Blue Dog budget.

Mr. Speaker, it provides debt reduction of \$955 billion over the next 10 years from the on-budget surplus, a net tax cut of \$387 billion plus the savings of \$91 billion in interest costs since we are paying down the debt with \$955 billion. And program priorities, things like being sure we save our rural hospitals, who are struggling today to keep the doors open, to be sure that we have money set aside so that when the baby boomers retire and the stresses and strains come on the Social Security trust fund and the Medicare trust fund, we will be able to take care of that generation; priorities like strengthening national defense.

Within the Blue Dog budget, we take care of program priorities, areas where we can all agree we need to spend dollars, and yet we provide a meaningful tax cut for the American people.

Our Blue Dog plan, I think, is the most fiscally responsible plan, and it is also the plan that recognizes as a priority debt reduction.

On the chart that I am showing my colleagues now, we can see the comparison of the debt reduction plans that have been presented to this Congress. The first one that is mentioned is the Blue Dog plan that I have referred to which reduces the national debt \$3.6 trillion over the next 10 years. That reduction, debt reduction plan, will totally eliminate the publicly held debt over the next 10 years.

We went 30 years in this Congress spending more money every year than we took in. We are just now at the point where we are able to say we have a balanced Federal budget, that is because of the fiscal restraint that we

have exercised, and that is because the American people have worked hard to produce a prosperous economy. And those additional tax revenues have brought us to the balanced Federal budget.

While times are good, we need to take advantage of what is, I think, a historic opportunity to pay off that national debt so our children and our grandchildren will not inherit the free spending practices of the past generation. And if we can pay off the national debt, we will, in fact, give our people the best tax cut they could ever have.

Even the trillion dollars tax package that the Republican leadership advocated in this House, that would only give middle-income families about a dollar a day in tax relief. If we pay down the national debt, economists tell us that it will lower interest rates across the board for everybody that has to borrow money.

□ 1530

In fact, the economists tell us, and Alan Greenspan himself has testified before this Congress many times, that the best use of the surplus is to pay off the national debt. If we get the government out of the business of borrowing so much money every year and rolling that debt over year after year, the economists say that it will take this pressure off the credit markets, and interest rates will go down.

So folks trying to borrow money to own a home, folks borrowing money to buy a car, people who borrow money to send their children to college, they will all experience lower interest rates. A 2 percent reduction in interest rates for a family that has a \$100,000 home mortgage they are paying on, it would save them \$2,000 a year. That is a much better tax cut than the \$323 that a middle-income family would get under the trillion dollars Republican tax cut plan.

Yes, we Blue Dog Democrats and all Democrats believe in tax cuts, but we believe that they must be granted within the context of reality. The reality is that, even though the surplus we are talking about is about \$2 trillion over the next 10 years, it is just an estimate. If we cut taxes with about 70 to 80 percent of that number, which is Governor Bush's plan, we may very well find out that the surplus has never materialized. If the economy is not as strong as we assume it may be, that surplus may never arrive; and we, as the Federal Government, will be back into deficit spending again.

Our Blue Dog plan leaves room for \$77 billion of tax cuts over 10 years. That is a conservative plan. That is a realistic plan. That is a plan that will keep us on the road to economic prosperity by lowering interest rates for the American people.

But let us compare the plans. The Blue Dog plan reduces the national

debt \$3.65 trillion over the next 10 years. That is equal to using 80 percent of what we call the unified surplus for debt reduction. The unified surplus simply means we devote all of the Social Security trust fund surplus to paying down that debt. We devote 100 percent of the Medicare trust fund to paying down debt, and we devote 50 percent of the general fund, the so-called on-budget surplus, to paying down debt. So 80 percent of the surplus that will accrue over the next 10 years goes to debt reduction.

The Clinton administration budget allocates 75 percent of the unified surplus to paying down debt. Vice President GORE's proposal that he has talked about in his campaign dedicates 68.5 percent of the unified surplus to paying down the debt.

If we look on the other hand at the Republican proposals, the Republican proposal in this House would dedicate 60 percent of the unified surplus to paying down debt. Governor Bush's proposal would dedicate only 58 percent of the unified surplus to paying down the national debt.

The question I ask my colleagues is, who are the fiscal conservatives in the Congress? I think it is the party that advocates paying off the national debt. The Blue Dog plan would pay it off the fastest. This plan would pay it off in 10 years. Governor Bush's plan, by our calculations, would still, after 10 years, leave us owing a trillion dollars. We believe the thing that we should do for the American people is pay down the national debt over the next 10 years.

It is interesting that our 50/25/25 budget plan has received bipartisan support. During the budget debates on the floor of this House, our plan was presented. As the gentleman from Texas (Mr. STENHOLM) mentioned, it received over 170 votes in this 435 Member House. Thirty-three Republicans joined with Democrats in supporting that Blue Dog plan.

It is the right plan for the American people. It will ensure our future prosperity. It represents what my daddy always taught me, and that is, the first thing you do if you have a little extra money is pay off what you owe. That rule applies at my colleagues' house, it applies at my house, and it should apply in the people's house here in the United States House of Representatives.

So we hope that our Republican leadership will adopt our plan. Frankly, I was disappointed in the Republican leadership after they so vigorously pushed for over a trillion dollars in tax cuts, not setting the priority that we wanted to on paying down the national debt. After their plans were vetoed, as the President vetoed tax cut after tax cut, they threw in the towel and said, well, we will just forget about tax cuts.

Democrats in this House believe the American people need tax relief. We

just believe that we need to give that tax relief within the framework of a sound and sensible Federal budget.

With \$377 billion in tax cuts under our plan, we can eliminate the marriage penalty; we can reduce estate tax. For all estates of \$2 million or less, that means a family, husband and wife, could be worth \$4 million and pay absolutely no estate tax under our plan. It reduces all estate tax rates above that 20 percent.

We believe that within our \$377 billion plan, we can increase the amount that families can put in an IRA or put in their 401(k) plan, saving more for the future, and being able to deduct more on their income tax return.

We believe we can provide some relief for our seniors, many of whom have to pay tax on their Social Security benefits. We believe we can provide meaningful tax relief to allow urban and rural areas some incentives to invest and do projects that would renew their communities.

These are tax cuts that make sense for the American people. They are tax cuts that fit within an overall budget plan that will allow us to pay off the national debt over the next 10 years.

I believe and I hope that our Republican colleagues will listen to this plan and listen to our appeal and join with us in these closing weeks of this session to put America on the right course for the next decade.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman from Texas (Mr. TURNER) for his contribution today and, again, for the last several months as he has been, again, one of our Blue Dog bulldogs.

When my colleagues sit here and they listen to what we are saying today and they listen to what our colleagues from the other side of the aisle are saying, I get confused sometimes as to what are we fussing about. What is it that divides us so much? What is it that causes colleague after colleague on the other side of the aisle to come over and point the finger at this side of the aisle and blame us for the impasse in the Congress?

We Democrats are in the minority. We got there the old fashioned way in 1994. We earned it. We are no longer in the majority.

It is my understanding the majority leader will be coming over to take his hour after we finish. I would be glad to yield the remainder of my time for an honest discussion with the gentleman from Texas (Mr. ARMEY) regarding the plan that we are talking about and what is wrong with it. Perhaps we can change it.

The Blue Dogs have suggested all along that bipartisanship is what it is going to take for us to do the Nation's work. A lot of times, we will hear we are spending too much. Well, perhaps we are. But let us work that out.

The Committee on Appropriations gets blamed for doing a lot of things.

But if we give them the numbers of what they have to spend, they usually stay within that. But it is the majority of this body that determines what we are going to spend, and the majority is now in the other side of the aisle's hands.

If we do not want to spend any more money on Medicare, say so. Let us tell our hospitals we are not going to spend any additional money. The solution for our Nation is to close the hospitals that cannot cut it with the balance-the-budget agreement, the plan that was put into effect in 1997 that was supposed to be the salvation of health care. Well, it has not worked out that way.

Come to the floor and say we are not going to spend on Medicare. Come to the floor and say we are not going to deal with veterans and military retirees; that we are not going to deliver on the promise that we have made; that we have been shortchanging. Come to the floor and say we are not going to recognize the disasters that have occurred, weather related, fire, drought. Come to the floor and say we do not give a rip whether communities will not have drinking water because we do not wish to spend any more than the budget we submitted 6 months ago.

That is an honest debate. It is an honest discussion to have. I think we will find that we will have bipartisan agreement, that we can find something close to what the Blue Dogs are suggesting.

Do not take our marbles and go home because we did not get the tax cuts we were for. Respect some of us on this side of the aisle that say we are for dealing with the estate tax, the death tax. We just believe it ought to be done from a fiscally responsible way; that we ought not to leave the problems of Social Security 10 years from today to some future Congress because we want to deal with the repeal of the death tax in 2010. Some of us believe we ought to deal with it in 2001, but deal with it in a fiscally responsible way, an honest discussion, an honest debate. I feel very strongly that we could come to a bipartisan agreement.

Understand the process around this place. The process is, if we have got 218 votes and 51 votes and a presidential signature, it becomes law. If we do not have 218 votes, 51 votes, and a presidential signature, it does not become law. That means we have to sit down and, in a good-faith effort, with folks on the other side of the aisle, if one is in the majority, to find that middle ground. That is the way our Founding Fathers intended that this place should work.

Where have we lost that? Why is there no sincere effort ever to reach out to this side of the aisle from the current leadership when we are here extending the hand of saying we are prepared to work with you, and we

offer a plan to start with? Did we say it is perfect? No. Can it be improved? Absolutely.

Spending. We proposed today that we should not have abandoned caps on discretionary spending that worked pretty darn good for 3 years before we began to run into the unrealistic level of the caps. Because even those in the majority party refuse to live up to what they said we were going to do because it could not have been done. We would have gutted Defense had we done that.

We are suggesting now, let us agree on the spending levels for this year within the 90/10 philosophy that we have heard espoused. Then let us set a new set of caps for the next 5 years at this year's level with inflation and demographic adjustment. We believe that that is a very fiscally prudent way for us to handle the prospects of future spending. If my colleagues disagree, come to the floor and disagree with us.

October 6 is going to be here before we know it. What is the plan for getting out? Remember, we have to get a presidential signature or we do not go home, nor should we. But what is the plan? What is the plan that can get the kind of bipartisan support that is going to be required?

This is what the Blue Dogs are saying today, and we say it not in a confrontational way. We remind our friends on the other side of the aisle, we were here in February, in March, in April, in May, in June and July and August. Now here we are in September saying the same thing that we have been saying all year. Here is a plan that can get support including presidential support. But somehow, some way, and I do not point this finger in an accusing way, because I was reminded a long time ago, when you point the finger, Mr. Speaker, there is always three pointing back at you. I accept the three pointing back at me.

But I do not sincerely understand why the leadership of this House has chosen not to come forward and to have a serious discussion regarding how do we get out of this place and complete the 106th Congress.

Mr. TURNER. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I am happy to yield to the gentleman from Texas.

Mr. TURNER. Mr. Speaker, I think one of the points that the gentleman from Texas (Mr. STENHOLM) made there deserves our further discussion. I noted, when the Republican leadership abandoned their plans for tax cuts, they came back and began to talk as we have for 2 years now about debt reduction as a priority. I think they have said for this year it would be okay with them to use a portion of that surplus for debt reduction.

I believe that when we look at what they have proposed for the next year, if we could just persuade them to put

that in place, that plan for the next 10 years, we could basically have the Blue Dog budget plan that we have advocated.

So I think we are really at a point where we could possibly reach some accord with regard to the future Federal budget and probably do the American people a great service by letting them know now that, in 10 years, we will pay down the publicly held national debt, and we will provide some meaningful tax relief to the American people.

□ 1545

I think it all comes down to what the gentleman said earlier, and that is it comes down to one's view of how this process is supposed to work. The Republican leadership knew before they passed their almost trillion dollar tax cut bill that the President was going to veto it. He told them that. It was passed anyway. And that is fine, that is the process working its will. But once that occurred, then it seems to me that the right thing to do was to realize that a half a loaf, from their point of view, would have been better for the American people than none at all.

And if we come back to a more realistic Federal budget plan that puts a priority on the national debt and that provides about \$377 billion, as we have in our plan, in tax cuts, then we can tell the American people that we have done the people's work; that we have set our Nation on a course of fiscal responsibility and we have taken the good times that we have and the projected surplus and we have allocated it in a way that is going to work for the American people and work to keep this prosperous economy going.

So I hope that this hour has not been spent in vain. I hope our Republican leadership will take a look at the Blue Dog plan, which we have advocated for 2 years now, and perhaps get us back to the point where we can come together and do the job the American people expect us to do, both Democrats and Republicans, and do the right thing. Even though it might not be what everybody wants, it will at least represents a true compromise. And after all, that is what the legislative process is all about.

So I really appreciate the time that we have had here to talk about this issue. And again I thank the gentleman from Texas (Mr. STENHOLM) for his leadership on this issue on our side of the aisle.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman, and will now yield to the gentleman from the 19th District of Illinois (Mr. PHELPS), one of our Blue Puppies, that has now achieved the full rank of Blue Dog in this year.

Mr. PHELPS. Mr. Speaker, I thank the gentleman from Texas (Mr. STENHOLM) and the gentleman from Texas (Mr. TURNER), and I want to also commend the gentleman from Alabama

(Mr. CRAMER) and the gentleman from Tennessee (Mr. TANNER) and many others. The leadership of the Blue Dog organization has been right on target and made me feel very comfortable in being a part of the membership. I have learned a lot as a new Member in looking at this budget.

And I want to thank the Blue Dogs for being consistent. To me that is very important. My father gave me some advice a long time ago. He said, "Don't reject an idea just because it is not your own." I think that is what we are coming down to here.

Mr. Speaker, as the budget discussions continue, I encourage my colleagues on both sides of the aisle to look at the Blue Dog budget framework as a workable fiscally sound solution. This budget framework shows that it is still possible to responsibly pay down the debt while providing critical funding for education and health care programs.

I am pleased to see that both sides are now focused on paying down the debt, something the Blue Dogs have supported from the very beginning. Under the Blue Dog plan, the debt reduction lockbox would be extended 10 years to save 100 percent of the Social Security and Medicare surpluses, plus half of the on-budget surpluses for debt reduction.

We owe it to our children to not squander the surplus but invest it into their future by paying down what we already owe. At the same time, this budget would suggest that 10 percent of the fiscal year 2001 surplus be divided between tax cuts, BBA relief, and discretionary spending. I have favored some of the tax cuts proposed this year, and I will continue to do so, but we must provide necessary funds for the problems we are now facing in health care and education.

In my district these are critical funds. In my district, for example, education funding is critical to providing our students, especially those with special needs, with the education they need to make it in the real world.

In my district, home health and rural health centers are the only point of access to health care for many people. Funding of these programs and providing them with BBA relief, which is included in the Blue Dog alternative, literally can mean life or death for these programs and the patients they serve.

In 1997, with the Balanced Budget Amendment, we asked our citizens to accept cuts to put us on the path to a fiscally secure future. Well, now we are fiscally responsible and we have a surplus. It is our duty to also use the surplus responsibly by investing in our kids' education and providing access to necessary health care for our citizens. The Blue Dog alternative best meets these goals.

It is not too late to come to agreement on a fiscally sound budget that

pays down the debt, gives tax relief, and provides for health and education. I ask my colleagues to use the Blue Dog framework and agreement to come to the end of this budget impasse. I hope that we all are reasonable and will come forward and be sure that we act responsibly on behalf of our citizens.

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for his contribution.

In closing, I would just say, Mr. Speaker, that we have taken this hour in good faith, in the spirit of which we have spoken. We believe that we have some ideas worthy of consideration, Mr. Speaker, and we hope that our colleagues will give them their just due.

HUNGER

The SPEAKER pro tempore (Mr. NEY). Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, hunger is an issue that many in America would prefer to ignore, and I perhaps wish I did not have to speak on it. I have spoken on this before and have said many of the things I must repeat again.

The economy is soaring for some. In fact, it is good for most. Unemployment is at a 30-year low. Welfare rolls have been slashed. Still, every day in America, 31 million Americans, 31 million Americans, are either hungry or living under the specter of hunger. The economy is sinking for far too many of our citizens: Those who are hungry.

There is evidence of hunger in 3.6 percent of all households in America. Close to 4 million children are hungry. Fourteen million children, 20 percent of the population of children, live in food insecure homes. In food insecure homes, meals are skipped or the size of the meal is reduced. More than 10 percent of all households in America are food insecure.

Because there is such hunger and food insecurity, there is also infant mortality, growth stunting, iron deficiency, anemia, poor learning, and increased chances for disease. Because there is such hunger and food insecurity, the poor are more likely to remain poor and the hungry more likely to remain hungry.

It seems strange that we must fight for food for those who cannot fight for themselves. It really is time to stop picking on the poor. Less than 3 percent, less than 3 percent of the budget goes to feed the hungry. It is for those reasons that Congress should, Congress must pass hunger relief legislation. If we do, we can achieve several important goals: We will build on the bipartisan progress we made in 1998 with the passage of the Agriculture Research Act. In that act we restored some benefits for legal immigrants.

In legislation I have co-sponsored in this Congress, we restore food stamp benefits for all immigrants, including the working poor, families with young children, and needy seniors. With the Hunger Relief Act of 1999, we also seek to update the food stamp rules.

We change the vehicle limit so that families can retain a reliable car without losing food stamp benefits. We change the shelter cap, raising it from \$275 to now \$340 over the next 4 years, and then we index it to inflation. Finally, the Hunger Relief Act authorizes another \$100 million over 5 years for commodity purchases and food distribution.

With the will, we can pass this act this Congress. We cannot move from poverty to progress without a fair chance for all. We cannot prepare our children for the future if we insist upon policies that relegate them to the past. We cannot ensure the quality of life for every citizen if we fail to provide programs for all of our citizens. And we cannot protect and preserve our communities if we do not adequately provide the most basic commodity for living: Something to eat.

Nutritional programs are essential for the well-being of millions of our citizens. The disadvantaged, our children, the elderly, and the disabled, these are groups of people who often cannot provide for themselves and need help for their existence. They do not ask for much: Just a little help to sustain them through the day; just a little help to keep children alert in classes and adults to be productive in their jobs or as they search for jobs.

The Hunger Relief Act provides that help. Food for all is worth fighting for. And as we end this Congress, we have a chance to change this shocking and the scandalous situation. I am so proud to have joined 181 of my colleagues in the House and 38 Senators, Republicans and Democrats, in support of legislation that focuses on food and takes notice of this Nation's nutritional needs.

The Hunger Relief Act, H.R. 3192 in the House and S. 1805 in the Senate will help the one in ten families in our Nation who are affected by hunger. Mr. Speaker, let us pass this act before we end this Congress.

VICE PRESIDENT'S ECONOMIC PLAN

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Texas (Mr. ARMEY) is recognized for 60 minutes as the designee of the majority leader.

Mr. ARMEY. Mr. Speaker, a few of my colleagues will soon be joining me and we will be spending the next hour discussing the details of the Vice President's economic plan. Certainly during that period of time we will have a broad overview, but at this point I