

So often in the past we have been told that it is difficult to find space in the Capitol or in the House buildings for additional artwork commemorating women. So adding pieces to commemorate the contributions of women has been limited. That argument will not be valid with respect to the new Capitol Visitors' Center, where we will have an opportunity to get it right from the beginning.

As our constituents, especially our young constituents, come into this Capitol they should be impressed with a sense of inclusion. America is made up of both men and women, mighty in strength and mighty in spirit, of Native Americans, of pilgrim Americans, of immigrant Americans and of recent Americans. Each and every one of these groups deserves to be recognized and celebrated for the contributions they have made to building this magnificent Republic.

Mr. Speaker, it is my sincere hope that at long last we can consider this resolution this year so we can begin to provide the level of recognition that the contributions of women to American society deserve, and I would implore my male colleagues, this is not a heavy lift. This is actually a fairly straightforward initiative that can be accomplished in regular order. Please give the women of America the recognition that they rightly deserve in these important buildings.

COMPARISON OF THE REPUBLICAN AND DEMOCRATIC BUDGETS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Texas (Mr. BENTSEN) is recognized for 60 minutes as the designee of the minority leader.

Mr. BENTSEN. Mr. Speaker, the House today adopted a budget which is pretty much in line with the budget that President Bush sent up to Congress just a few short weeks ago.

□ 1845

This budget, while it is a budget for one year, it would set America on a fiscal policy course impacting us for 10 years and really, quite frankly, impacting us for many years beyond that as it relates to very important and successful Federal programs, the Medicare program and the Social Security program.

Now, there is a clear divergence on which path to take between the Democrats and the Republicans. While there is commonality between the two parties in terms of many of the spending priorities on the discretionary side and, I would argue, commonality between the two parties in saying that there should be a tax cut, the diversion occurs really in two areas. It occurs as it relates to how much or what we will do with respect to Medicare and Social

Security; and it occurs in what we will do with respect to paying down our obligations, that is, the publicly held debt.

The Republican-passed budget is predicated in large part, if not in total, on funding a very large tax cut on the basis of 10-year economic assumptions, which I will talk about shortly. But the tax cut that the Republican budget assumes starts out at about \$1.6 trillion, the figure that the President used during the 2000 Presidential campaign. We know now that that tax cut is more around \$2 trillion to \$2.5 trillion before we include the additional interest on the debt associated with it. Because we know the income rate tax portion which the House has already adopted exceeds what the President assumed by about \$150 billion over 10 years, and we also know that the estate tax provision, the estate tax phaseout that the President proposed, is now estimated by the Joint Committee on Taxation, the nonpartisan arbiter and scorer of tax bills for the Congress, that bill is now estimated to cost about \$660 billion over 10 years as opposed to the \$250 billion that the President proposed. So already, we are seeing that the upper limit of the tax cut is increasing.

But what is important between the two parties is that the Republican budget not only does nothing to extend the solvency of Social Security and Medicare; in fact, we would argue that the budget proposal will hasten the insolvency of Social Security and Medicare. Let me start first with the President's and the Republicans' plan for Social Security.

The projected surplus for Social Security is about \$2.5 trillion over the next 10 years. Now, the Republicans and the Democrats agree that we ought to dedicate that to pay down the national debt, but the difference occurs in that the Republicans do not believe that we can pay down as much debt as the Democrats do. In fact, nobody really knows how much debt is payable. We would argue we ought to keep paying it down until we cannot buy any more bonds in the open market at a fair price. But nonetheless, the President's budget and the Republicans' budget assumes this would take about \$600 billion of the projected Social Security surplus and would use that for some form of privatization of the Social Security system.

Now, the problem is that any scheme which we have to privatize or reform Social Security is going to cost money on top of what is already projected to be spent on the program, because we have to make up for any changes that might affect current and what are called "near future" retirees, or near future beneficiaries. Those would be people who are about 50 to 55 years old who might be affected by the privatization plan. All of the proponents of privatization, as well as the opponents,

have come to the conclusion that the cost of a privatization plan much like what the President proposed during the campaign of diverting 2 percent of the FICA payroll tax to private accounts would cost about \$1 trillion on top of what is already obligated to the system.

Now, the President proposes in his budget that he is going to take \$600 billion of the projected proceeds under the current FICA tax scheme and use it against that \$1 trillion cost. The problem is, we can only spend that money once, we cannot spend it twice. So if we take the \$600 billion and we use it for something else, we end up taking money out of the Social Security revenue stream, which would cause the Social Security system as we know it today to incur a shortfall as much as 10 years earlier than what was projected just last week. That is, by taking the \$600 billion out of the Social Security trust fund and using it for privatization, we shorten the life span of Social Security as we know it today.

The only way that we can make up that \$600 billion is through benefit cuts in the Social Security system, which I have not heard anybody saying they want to do that; through raising payroll taxes, which I have not heard anybody say that they want to do that; or incurring even additional debt on top of the debt that is already outstanding.

So this is the first problem that we have with the Republican budget.

The second problem that we have with the Republican budget is that they take about \$400 billion of the projected Medicare hospital insurance trust fund, the part A portion of Medicare, the end-patient portion of Medicare for when one goes into the hospital, and they take \$153 billion of that and use it for their prescription drug program. They take the remaining \$240 billion of it and hold that for some form of Medicare modernization.

Now, we do not know exactly what that means, but we are told that that is some form of a privatization insolvency. Again, the same problem that would occur with the Social Security trust funds occurs with the Medicare trust funds. Because even if we take Medicare trust fund dollars and spend them on a new benefit within the Medicare system like the proposed prescription drug plan of the President, which is unworkable in any event, but if we spend it on that, we are not spending it on the benefits for which it is already obligated. As a result, we have to make up that \$150 billion; and we have again hastened the insolvency of the Medicare trust fund, and we have a chart to show that.

Again, like the Social Security, where just last week the actuaries for the Medicare trust fund said that Medicare hospital insurance, part A of Medicare, would be solvent until about 2028, this proposal, the Republican proposal of carving out at least \$150 billion

would have the effect of shortening the life span of the Medicare trust fund by as much as about 6 to 8 years. So the only way we can make that up again is by cutting benefits, raising payroll taxes, or incurring more debt.

Now, the problem with that is that if we incur more debt, we are going in the opposite direction than we want to be going in at a time when we are achieving some surpluses in the economy. It is a misuse of the trust funds on the part of the President's and the Republicans' budget resolution.

Now, on top of that, we believe that the Republican budget resolution cuts it a little too close in trying to build around this huge tax cut, in addition to including the President's own new spending request. The President in his budget resolution requests \$260 billion of new Federal spending on top of that that is already there, not including other programs that he says will come later. Defense buildup, national missile defense, which is estimated to cost from as much as \$100 billion, additional educational funding that the President wants. So the President's own budget increases Federal spending and, at the same time, puts at risk the trust funds. It is all predicated on these very rosy scenario projections of what the surplus is going to be.

If we look at what CBO tells us about the surplus, we know right now the projected 10-year surplus is to be about \$5.6 trillion over 10 years, with two-thirds of it occurring in the latter 5 years. But what CBO, the Congressional Budget Office, the nonpartisan budget arbiter of the Congress, tells us is that the margin of error increases dramatically the further out we go in that 10-year period. In fact, we could increase to the good, but we could also increase very much to the bad. They tell us that the margin of error on the first year is about 1 percent of GDP. The margin of error over 5 years is about 2 percent of GDP; and with respect to the margin of error over 10 years, the CBO tells us quite frankly, they do not have any confidence in giving us an estimate of what the margin of error would be.

What that means is that we have a budget which may not pay down very much debt and may, in fact, drive us back into deficits, and most certainly could end up and would end up spending Social Security and Medicare trust fund dollars today that are obligated for tomorrow.

Again, there are really only a few ways to make it up: cut benefits, raise payroll taxes, or incur more debt. What is the problem with incurring more debt? Because we know in the out-years, long beyond this 10-year window that we are looking at, when the baby boomers retire in earnest, and keep in mind that the baby boomers start retiring in just 8 short years, but in about 20 years when they are retiring

in earnest, we know that the debt-to-GDP ratio will go much higher than we have seen since the Second World War. So if we do not prepare ourselves today, we will find ourselves in a much more difficult situation.

The Democrats believe that we can do better. We believe that we ought to dedicate more to debt reduction; and at the same time, we also believe, rather than cutting the solvency of Medicare and Social Security, we believe we ought to extend the solvency of Social Security and Medicare. That is what we propose in our budget resolution.

On top of that, Democrats believe that rather than taking money that is already obligated for Medicare beneficiaries and the hospital insurance trust fund that people have paid with their FICA tax every month or every week on their paycheck and taking that money and spending it on something else that if the American people really want a prescription drug program under the Medicare program, and we believe they do; in fact, both major Presidential candidates in the last election believed it, so much that they offered it, that we ought to be willing to put one up that is not only a real plan that benefits all senior citizens who want to participate in it, but also is a plan that does not shorten the life span of the Medicare trust fund.

At this point, Mr. Speaker, I would like to yield to the gentleman from Washington (Mr. MCDERMOTT), my colleague on the Committee on the Budget and a member also of the Committee on Ways and Means, who has worked on this issue for many years to talk about our prescription drug plan.

□ 1900

Mr. MCDERMOTT. Mr. Speaker, I think this issue of Medicare is one that I think people have a lot of interest in, and earlier today we have talked about some of the kind of shell game aspects of this whole business.

I brought this out here. The gentleman knows this, of course, is the blueprint for New Beginnings. That is what President Bush stood up here and outlined for us a few weeks ago.

On page 14, he says that we have a \$645 billion shortfall over the next 10 years in Medicare. That means we are \$645 billion short of paying for what we actually promised people.

I put this chart up here because he says right on page 14 of his budget that we are \$645 billion short. But if we read further, and we always have to read the whole thing, if we go back to page 51, and by that time most people are asleep, but if we read it, he says, I am going to put in \$156 billion.

Mr. Speaker, we do not have to be a rocket scientist or a CPA or a great investment banker or anything to see that that is not enough money to fill that hole. I do not know how they could put something together like this and have it be so obvious.

Now, that is for the program of Medicare that already exists. Now, they play another game here which is a sort of interesting one. They talk about the fact that they are going to have this surplus in the Medicare plan of \$526 million. It is interesting, that is what the House says they have, but the President says they only have \$392 million. So we have CBO and OMB giving different figures about all this business.

But the President says, we have this \$526 billion. He is going to put it in a contingency fund. He is going to save it, use it in the future only for Medicare. Then he comes out here and proposes a \$153 billion Medicare prescription drug benefit out of that \$500 million.

Now, we saw that we have a \$600 billion problem, which the \$500 million would seem to fill, almost. But no, no, they are going to use some of that money for the drug benefit.

Last year the gentleman and I sat through on the Committee on Ways and Means when we passed a bill, or I am on the Committee on Ways and Means, and the gentleman is on the Committee on the Budget with me, but we sat in our committees and watched them propose out here a prescription drug benefit for \$153 billion, for \$153 billion. He says he is going to put \$156 billion into it now, but the CBO has already said that that is really \$200 billion that it would take to do that. They reestimated the figures. So what they are promising people is not even going to be there.

It is the most complicated shell game. I got going today in thinking about how this works. When I was a kid, we went down to central Illinois or southern Illinois, and there was a county fair. There was a guy there who had this game. We had to guess where the pea was, a little tiny pea.

He had these four walnut shells. He put the pea down, put a walnut shell over it, he had these three there, and he started moving the shells around. Our job, we would bet \$1, was that we would be able to figure out where it is.

Members have all seen me put it here, so they know where it is. They have not forgotten. If I move it around over here, bring this around over here, Members would still be able to find it, right? That is what this game is. They are double-counting. They are moving the money around between a contingency fund and fixing Medicare and buying a prescription drug benefit. They are going to use the same money for three different things.

If I was sitting at home, and my mother watches this stuff, she is 91, she is sitting there wondering if she is going to get a prescription benefit or not. The answer I would have to give her is, I do not know which pea it is going to be under, which shell it is going to be under, because they are

using it to buy benefits, they are using it for shoring up the whole issue, and they are still saying, we are going to give a wonderful drug benefit.

The Democrats in our budget today offered \$330 billion in drug benefits, twice as much as the Republicans. It is what CBO says we would have to put into the program to actually make it work.

What the President is proposing with that \$153 billion is to give little bits of money to every State; he calls it Helping Hands. What that means is he gives the Governor of Texas or the Governor of Oregon, as my colleagues are here, or the Governor of the State of Washington, gives them some money and says, "Put together a program to help the poor old people in your State."

So if one's mother is poor and has drug needs, pharmaceutical needs, she has to go down to the State and say, "I am poor, and I need some money to help me pay for my prescriptions." What kind of dignity is there in that?

The Democrats are spending \$330 billion because we want it to be for all seniors. We do not want to make old people say, "I am poor, and I need help." Most of these people, they have raised us, they have put us through college, they have taken care of us, and now when they get old, we say, we will help you if you are poor enough. That is what the Helping Hands program of President Bush is. It is not a program that goes for everybody in Medicare.

The gentleman's point made earlier was absolutely correct. If we do not keep this half a trillion dollars for use between now and 2011, we are going to have a bigger hole.

It is easy to explain why that is true. If there is a diet, let us say I am going to lose 10 pounds between now and the first of the year. I am going to lose 1 pound between now and the first of September, and then by the first of November I am going to lose a second pound, and then I am going to lose 8 pounds in the last 2 months of the year, through the Christmas and Thanksgiving season. If I said that, everybody would laugh. They would say, "That is a stupid diet. You have to lose 1 pound a month and get into a rhythm of doing it."

If we do not start saving money now, when those baby boomers, those people who are right now about 55 years old, when they come to 2010 and they get on the Medicare program, the numbers in Medicare are going to go from 40 million to 80 million, double. That is what is happening to us. We know it. They are all out there living, paying taxes and so forth. They all believe that Medicare is going to be there for them.

If we do not save this money now, we are not going to have it when they get there and come to need their hospital benefits. I think that the hardest thing for those of us who are in the Congress, and the gentleman has been here al-

most as long as I have, people do not want to think about something 10 years out. It is kind of too far out beyond. I am only elected for 2 years. I could be gone in a year. My term ends next year. I have to get elected four more times to get down to 2010.

People tend to think, let us give them a big tax break. That is why the President has given \$1.6 billion. He is looking at the 2004 election. That is the only thing on his mind, is how do I give this money back to the people, and they will think I am a wonderful guy, and they will reelect me in 4 years. That is what it is all about.

As an additional benefit, though, for the Republicans who do not want to do social services, there will not be any money left. This particular thing, which says that we start with a \$5.6 trillion excess and take out the \$2.5 trillion for Social Security the gentleman was talking about earlier, and then we take out the half a trillion for Social Security, then we only have \$2.5 trillion left. Then we take the \$1.6 trillion that the President is promising as a tax break for everybody, take it and run, have a good time.

What he does not tell us is that if we do not use that money to pay off debt, we wind up paying another \$400 million in interest, because the government has to borrow that money. So if we do not take the \$1.6 and pay down the debt, we wind up having to borrow more money.

The second thing that happens with this new proposal of the President that he never tells anybody about is that because of the tax law, there are going to be about 28 million people who start to have to figure their income tax twice.

We have something called the AMT. That is the adjusted minimum tax. That is put into the law because we do not want rich people to some way figure out how to not pay anything, so we have said that everybody ought to pay at least a minimum tax.

All this machination is going to wind up with 25 million people, instead of 2 million today, 2 million have to figure it twice. Suddenly it is going to 25 million. If we fix that in the Congress, which I think we will, it is going to be \$300 million.

Now, that leaves us \$200 billion for everything else that could happen to the country in 2010, if we believe this estimate, as the gentleman showed in this chart. Who knows what is going to be in 10 years? But if we believe that there is going to be \$5.6 trillion, we have \$200 billion to deal with all the problem.

The President has promised this prescription drug benefit. He has promised defense. There is not anybody in this building who believes that defense is not going to get a boost up.

How about if we are going to do something about education? Everybody

says we cannot leave any child behind, and we have to do educational things, so that is going to come out of that \$200 billion. Conservation; shall we save land, save parks and so forth? Or dealing with crime, that all has to come out of that \$200 billion over the next 10 years. That is \$20 billion a year.

If we want to give tax cuts to people for long-term care, that is, buying nursing home insurance, and if someone buys their own health insurance, that is another \$40 billion. And then we have the faith-based initiatives. We are going to give money to churches to do various things. That all comes out of the \$200 billion.

That does not talk about crop failures. My good friend, the gentlewoman from North Carolina (Mrs. CLAYTON), is going to be here to talk about agriculture. It does not say anything about crop failures or earthquakes, like we just went through in Seattle. It does not say anything about any natural disasters or wars, or any kind of military action we get into, like Bosnia or anything else. Every bit of that has to come out of this \$207 billion.

That is just reckless. This is a reckless plan because of that \$1.6 trillion. It is particularly reckless for a program like Medicare.

I appreciate that the gentleman would take the time to come out here and run this special order here tonight, because I think people need to sit and think about the three shells: How much can they move this money around? Can they confuse the people? It really is based on making the people believe something is over here when, in fact, we are also using it in two other places.

People get confused. Even listening to me, I am sure people do not really understand all the technicalities. I am telling the Members that I have been doing this for 30 years. This is the biggest shell game I have ever witnessed. The people are the ones who are going to suffer.

Mr. BENTSEN. I appreciate the gentleman taking the time. I might quickly ask a question. I think there are a couple of points here.

One is, I think, as the gentleman points out, in the Democratic prescription drug plan not only do we fund a universal prescription drug plan for every senior who wants to participate in it, but in addition to that, we do not fund it out of the Medicare Trust Fund.

The other point that I think is important is we heard a lot during the debate on the budget last night and today that Democrats were just trying to scare senior citizens about this. I think I would ask the gentleman, before I yield to my colleague, the gentlewoman from Oregon, are we not trying to explain what our proposal is versus the consequences of their proposal?

Sometimes people do not like to hear consequences, but, in fact, again, the

truth is the truth. If we take money out of the trust funds and spend it on something else, we are going to have to make it up. That may seem scary to some, but is that not the truth?

Mr. McDERMOTT. Mr. Speaker, I thank the gentleman for asking. I sat on the Medicare Commission for a year listening to this whole debate. People want to talk about it, and they use the word "modernization," and use all these fancy words, but what they are talking about is trying to move senior citizens from a program where they have guaranteed benefits, hospitalization, seeing the doctor, laboratory work, X-rays, and adding the pharmaceutical benefit, that is a guaranteed benefit package; what the Republicans are trying to do when they say "modernization," what they mean is we are moving to a guaranteed contribution. That is, they give a voucher. They give a voucher to my mother and to the gentleman's mother. Everybody gets the same amount in the whole country. Every senior citizen would get about \$5,500.

□ 1915

Mr. Speaker, with that \$5,500, they would have to go out and buy their own plan.

My mother is 91. I do not know how old other people's mothers are, but there are not very many insurance companies who want to insure somebody who is 91. Here, instead of guaranteeing my mother gets these benefits, they say to her, here, Mrs. McDermott, here is your \$5,500, you can go out and shop and find the deal you can. That is what is in their presentation.

We are not scaring anybody. That is what they said in the Medicare commission.

Mr. BENTSEN. Mr. Speaker, reclaiming my time, I might also say that one of the sponsors of that in the other body, the senior senator from Louisiana, has even said that that program alone will not achieve the savings that are proposed to modernize or privatize, but certainly to extend the solvency of Medicare, that there must be other things that have to be done.

Mr. McDERMOTT. We will have another night to talk about this issue.

Mr. BENTSEN. Mr. Speaker, I thank the gentleman for his remarks.

Mr. Speaker, I yield to the gentleman from Oregon (Ms. HOOLEY), my colleague who is also a member of the Committee on the Budget.

Ms. HOOLEY of Oregon. Mr. Speaker, I thank the gentleman from Texas (Mr. BENTSEN), my colleague, and I am going to talk about something very specific tonight. When you do a budget, whether you do it at home or you do it for any agency, one of the things you do is you have priorities, you put money into those priorities.

For example, you just watched the gentleman from Washington (Mr.

McDERMOTT), my colleague, go through the budget. The Republican budget tax cuts are a priority, they have \$1.6 trillion over a 10-year period on estimated surpluses, that is coming in over 10 years.

They also talk about a priority being education. Part of the problem with that priority is they have not put any money in that priority.

We had started a program, for example, to reduce class sizes. Well, why do you want to reduce class sizes? You want to reduce class sizes because if you do that, particularly in kindergarten through third grade, kids learn better. They do better in school and they do better in school, not only in kindergarten through third grade, but they do better in school throughout their educational career.

We started a program saying let us put 100,000 new teachers in the schools to help reduce class sizes. That program is going away.

When you talk to school districts, they say what is really important. We have across this country about \$100 billion worth of school repair and modernization that needs to occur. Again, this budget diverts \$1.2 billion out of that program, and then it eliminates it for the next year.

There are still things in the budget. For example, President Bush has suggested testing, vouchers and so forth, that all has to come out of their budget, but their budget is only a 5.7 percent increase, which has to take care of inflation, new programs and population increase.

Mr. Speaker, one of those programs that I am terribly concerned about is a promise that we made 26 years ago to our school districts and to our students and to the people in our districts that said those students that have disabilities are special needs students, they need an appropriate free education like every student does. And the Federal Government said, school districts, if you do this, we are going to pay 40 percent of those excess costs. Well, we have not done that.

I grew up in a family that said if you make a promise, you have to keep a promise. If you make a commitment, you have to keep a commitment. We have said we want to fund that at 40 percent and, yet, right now, we are only at 14.9 percent. So we have a long ways to go.

The Democratic budget is \$129 billion over 10 years more than the Republican budget. We have put our money where our mouth is and we say education is important. Here is what we want to do for our school districts. We wanted to reduce the classroom size. We want to help with modernization for schools, because that is a perfect program for the Federal Government.

We have said we want to help with special education, with students with disability. So we put money into those

programs. And you heard from the gentleman from Washington (Mr. McDERMOTT), my colleague, talking about that money that is left over, which is \$200 billion over the next 10 years.

If you funded the disability excess costs to our schools and you did it over the next 5 years, getting up to that 40 percent level, which is what the Federal Government promised, just that program alone is \$3 billion a year each year for the next 5 years.

If you divide that 10 years into the \$200 billion, \$20 billion a year, and you are trying to in one little program take \$3 billion out of it, you can see that money does not go very far.

Again, if you believe that education is a priority, then you show that it is a priority, not by just talking about it, but by putting your money there. I know that is what the Democrats have done. They have put that additional money into education. We have set it as a priority. We need to have the best education system in the world.

We are the richest Nation. We are the most powerful Nation, and that is one thing that we should do for all of our students is to give them opportunities by funding education. I would like to see us increase that education budget.

I would like to see us keep our commitment to individuals with disabilities. And, again, I think if you make it a priority, you have to put your money there.

Mr. BENTSEN. Mr. Speaker, I thank the gentlewoman from Oregon (Ms. HOOLEY) for her remarks. I think the gentlewoman made an interesting point, I think what the Democrats are saying is that we are trying to keep the promises that we made. The promises we made on special education, but also the promises we made on Social Security and Medicare.

Really, the difference we have with our Republican colleagues is we believe that they are overcommitting. They are overcommitting on the basis of overly optimistic projections. They are overcommitting on the basis of using the Medicare and Social Security trust funds while not extending the solvency of those programs.

We laid out in our budget alternative our idea for extending solvency of Social Security and Medicare and meeting the public's desire for prescription drug coverage.

We do not believe that the Republicans or the President have adequately laid that out. In fact, while they have problems mathematically, we also have concerns because they give us a lot of adjectives as to modernization and privatization, but they do not fill in the details and tell us what it is. All we are saying is mathematically, you have a problem.

If you reduce the solvency of Social Security or Medicare, the solvency time period, you have to make it up,

and there are only three ways to make it up; more debt, higher payroll taxes, or reduced benefits.

All we are saying is, if that is the proposal, then lay that proposal on the table, but do not overcommit us to the point where we either drive the country back into more debt or that we have to make those choices as a last resort, without having to debate those with the American people.

We do not favor those choices. We favor paying down more debt. We favor extending the solvency of Social Security and Medicare. And we think we can do that and have a tax cut, but we do not believe you can overcommit and achieve those goals.

Mr. Speaker, I yield to the gentlewoman from North Carolina (Mrs. CLAYTON), my colleague.

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman from Texas (Mr. BENTSEN) for yielding to me.

I also thank the gentleman for holding this important hearing and Special Order on our budget and, in particular, I want to focus again on Medicare trust funds, because we are so worried about that, and as my other colleagues said, I would be remiss if I did not talk about agriculture.

Let me say I think that the Democratic budget approach was a very simple approach; that we were at a unique opportunity where we could indeed give a tax cut. We could indeed be fiscally responsible, and apply one-third of those funds for writing down the debt, and one-third of those would be for priorities like securing Medicare and Social Security trust funds.

That is the principle, not that we should not give a tax cut, but it should be a reasonable tax cut that all working Americans could benefit from, not just the rich. When you start from the premise that only the rich get it, you, indeed, have difficulties.

We surely have to do everything to ensure the integrity of the Medicare trust fund, because this is a major health issue. There are thousands and thousands of senior citizens in my district who would get no health care whatsoever, unless they are dependent on Medicare. It is not sufficient, but indeed it is the only thing they have.

As I said, the President's proposed \$1.6 trillion tax cut over the next 10 years has now been passed, and if that is the case, it is going to cost approximately \$2 trillion, not \$1.6 trillion when you account for the debt that is involved.

The Congressional Budget Office has reminded us that the Medicare beneficiaries are expected to pay \$1.5 trillion for prescription drugs during the next 10 years. So we do not cover that. That is the costs that are coming out of senior citizens pockets or their children's pockets or they are doing without that care.

The Medicare trust fund indeed will be further encumbered by the fact, the

gentleman from Texas (Mr. BENTSEN) is right, that the \$153 billion they proposed, that amount comes out of the Medicare trust fund. So the trust fund which, indeed, must be there for the 77 billion new baby boomers that we know actually will be drawing on that. They will have to know now that there will be less to draw on, because we need to deal with the prescription drug.

I agree with the majority that we need to work on prescription drugs. I just think we need to fund it in a separate way rather than taking from already committed funds for another cause to do that. We agree on the need to have a prescription drug, because in my district, I can tell you the population is getting older. Because of the climate and the weather we have in our areas, a number of retirees are coming to the community; and we are going to find ourselves in a community where there are less working people and mostly senior citizens and yet they will be drawing on the resources of local government. And it would be unfortunate if they would not be able to do that.

If we do not do that, by the year 2029, when they say that we have moved the insolvency, we are going to find it not to be solvent because we, indeed, draw these extra dollars from that.

If President Bush's plan, as it has now been passed, which is unfortunate, if we act under the assumption, and this is what he says, he says that he makes the assertion that Medicare is not running a surplus. That is in his blueprint. It is not running a surplus. He is not taking the surplus from Medicare.

If he is making that assertion then, would you not think if indeed he is adding a new program of \$153 billion, would he not be adding that to it, or if not that amount, be adding as much of a surplus from other resources to the Medicare surplus if his assumption is true that we do not have a surplus?

I think we do have a surplus in Medicare, because the Medicare surplus is based on Social Security and those who are paying for Social Security are paying for their Medicare. It is just a matter of how they want to describe that. I predict in 10 years, indeed, we do not have to predict, we know that the 77 million baby boomers will become and will retire by year 2010.

Let me just say a word about this ever-dependent contingency fund. We have more claims on this contingency fund than there really are dollars. Anything you asked in the Committee on the Budget, we have this reserve fund. We have this contingency fund. They say the contingency fund is larger than that, the truth of the matter is the contingency fund really has fuzzy numbers. At best, given this number to be true, we need to not only secure a Medicare trust fund, but we also need to keep the commitment that we say we are going to do about defense.

We do not know what that will cost. We also are talking about agriculture policy. We are writing a farm bill this year which means that we should anticipate putting new initiatives and new opportunities to make our farmers more competitive internationally. Yet, at the baseline, we are not even considering our last 3-year experience.

Let us not say what we will do for the next 5 years, we do not even consider the experience that has been documented, \$9 billion consecutively for 3 years.

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We simply ask them just put it in at what our experience has been, \$9 billion. Now, most of the agriculture sector that is coming to the Committee on Agriculture said that we need more than the \$9 billion, we need \$12 billion. The Blue Dogs put that in their budget.

So, indeed, if we find that this ever-shrinking contingency fund is going to meet all this need, this is really going to be a false promise. There is no way that the budget that we have passed can be the budget that will indeed secure the opportunity for having the priorities and the opportunities as we go forward.

We can give a tax cut, and we should give a tax cut, but we also ought to pay down the debt. We ought to be meeting the ever-evolving priorities and those emergencies as we know it. Education, prescription drugs, our defense, our environment, and our agriculture, those are issues we know that are evolving. The energy issues, those are evolving. They will be greater issues, not less of an issue. We see them. We do not have to wait for them.

I come from an area that was flooded 2 years ago. I can tell my colleagues I hope that does not happen to anyone else. But it is going to happen somewhere, maybe even my State. We have not planned for those contingencies. So not only Medicare and agriculture, but all of the priorities and the contingencies that are so necessary to respond to the needs of the American people.

I will say all the money belongs to the American people, not just to a select people. All of the tax revenues belong to all of the American people, not a select people. All working people pay taxes. They may not pay their taxes as income, but they pay Federal taxes in proportion to their income. Many of them pay higher proportion for payroll than some people pay for their income.

So I think it is disingenuous to suggest and to segregate and to make one taxpayer seem less honorable than another taxpayer. If we are going to have a tax break and give a tax incentive, and the President is now saying the tax incentive is to respond to the recession, well, what better way of making that tax break more affordable and accessible to those who would use the

dollars and be consumers than to put it back in the economy.

By the way, most of the taxes that we just passed on the tax bill will not be retroactive, not like we passed it. So they would have to do something else to that bill in order to make it effective to stimulate the economy.

So not only is it failing to stimulate the economy, not only are we not being fiscally responsible, not paying down our debt, but, also, we are not having the opportunity to meet our priorities, and we are not making that tax cut as equitable and fair as we have. So it is a misopportunity.

I hope, indeed, that the Senate will improve upon the product that we are sending them. I thank the gentleman from Texas (Mr. BENTSEN) for giving me this opportunity.

Mr. BENTSEN. Mr. Speaker, I thank the gentlewoman from North Carolina (Mrs. CLAYTON) for giving us her views.

Let me just close, if I might, Mr. Speaker, in making a couple of brief comments. Our Republican friends like to say, "We want a tax cut. We think it is your money, not the government's money. And the Democrats really do not want a tax cut." I think that is wrong.

The Democrats have put forth a tax cut time and again. But we also say, in addition to wanting a tax cut for the American people, we also want to meet the obligations that we have made. We want to be honest about meeting those obligations, be it Social Security, be it Medicare, be it paying down the national debt.

We have had this argument of how much debt we can pay down. The President in his budget said there is \$1.1 trillion, \$1.2 trillion that we absolutely cannot pay down. The Congressional Budget Office said there is about \$880 billion that we think we might not be able to pay down without paying a premium. The Republican budget ended up being closer to the CBO number than the President's number. But, in fact, nobody really knows.

There has been an argument that we would not want to pay any premium whatsoever in paying down the debt when, in fact, that has been our debt management policy for the last several years when we have been buying back debt and paying down debt.

Just like every American who refinances their mortgage when rates come down, sometimes it is economically efficient to pay a slight premium. We should try and pay down every dollar of debt we can as quickly as we can.

But on top of that, we are concerned that the Republicans are overcommitting on the tax side. The \$1.6 trillion tax cut grows dramatically every day, not including interest on the debt. Already, as I mentioned, the income tax rate cut that the House passed a couple of weeks ago is almost \$150 billion greater than what the President pro-

posed in his budget. The estate and gift tax bill that the President proposed has now been scored by the Joint Committee on Taxation as \$400 billion greater than what the President proposed. So, quickly, we are pushing harder and harder against that contingency fund.

What concerns us as Democrats is, not only that we will not meet our obligations, but because of the hard work done by the American taxpayers and the American economy over the last 18 years to dig us out of the hole of debt that quadrupled our national debt when we had deficits as high as \$300 billion a year to now when we are finally seeing blue skies with surpluses and not deficits, that we might miss this window of opportunity so soon before the baby boomers retire and push us back into a much more difficult economic situation in the future.

We have our differences with the Republicans and with the President on this. We believe there can be a tax cut, but we believe we must meet our obligations equally with that tax cut. That is a very distinct difference that we have with the Republicans.

We will continue to work as we spend the rest of this year putting through this budget and trying to put through a budget that, not only gives tax relief to American families, but also ensures that American families will not be saddled with more debt today and in the future.

ANGEL OF REBUTTAL

The SPEAKER pro tempore (Mr. CRENSHAW). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes.

Mr. MCINNIS. Mr. Speaker, as becoming customary around these facilities, I find myself being the angel of rebuttal. I sat here for the last 30 or 40 minutes and heard my colleagues from the Democratic side of the aisle, I would add from the liberal side of the Democratic side of the aisle, because I think some of the views being espoused by the liberal side of the Democrats does not track with some of those views that are being shared or espoused by the conservative Democrats. So I think we should split that out.

I would like to rebut just a few of the comments that have been made by preceding speakers whom were not rebutted. There was no opportunity to rebut them. Those are the rules. I understand that. This is my chance, however, to explain or at least discuss what I believe are some of the liberal attacks on President Bush's policy.

Let me begin by saying that I heard repeatedly, especially from the gentleman from Texas, that the Republicans for some reason are mathematically challenged. We do not have time, we do not need to spend our time this

evening making those little kind of, in my opinion, cheap shots.

If one wants to take a look at mathematics, it does not take a lot of understanding to understand and to have some kind of comprehension as to what is happening in our stock market, what is happening in our economy.

From my liberal friends from the Democratic Party, this just did not happen in the last 8 weeks since President Bush has had office. This has happened. We began to see the trend several months ago. This is exactly, frankly, what their side of the aisle has handed President Bush.

Now, President Bush has not spent his time out there expressing anger about the economy that the Democratic leadership through Bill Clinton has given to him. Instead, he has gone to their side of the aisle, he has gone to the Democratic side of the aisle and said, "All blame aside, let us keep the ship afloat. Before we decide who put the hole in the side of the ship, why do we not try and patch the hole? Before we put any more water in the bucket, why do we not patch the holes in the bucket. Let us see if we cannot resolve this as a team."

Many of my colleagues on the liberal side of the Democratic Party have been down to the White House to have discussions with President Bush. President Bush in a very professional, non-partisan, bipartisan manner has extended his hand. He is attempting to work with them.

But night after night, they are down here at this microphone bashing President Bush. Night after night, they are down here at this microphone talking about how this will not work and that will not work and this is not going to go, and it is Mr. No on that side of the aisle, from the liberal side of the aisle.

I am telling my colleagues, this economy is in trouble. My colleagues can say what they want, they can say all the feel-good things out there, but take a look at the layoffs that have occurred just in the last 6 weeks. This is not the time to bash President Bush. This is not the time to bash his economic plan simply for the reason of being in opposition, of expressing or being in political opposition to it.

I understand that there is a difference between the Democratic and Republican Party. I understand we have to take political positions. But, look, when the ship could sink, and I am not saying it is sinking, but it has a hole in the side, and when there is a hole in the side, maybe my colleagues should do something other than for the sake of opposition and for the sake of standing at this microphone and bashing this stuff. Why do they not step forward and work in a positive fashion. I think that the President has done that with them. I think the Republican side has done that with them.

Frankly, there are many Democrats, fortunately of conservative leaning,