

(H.R. 1501) to provide grants to ensure increased accountability for juvenile offenders, to insist that (1) the committee of conference would this week have its first substantive meeting to offer amendments and motions, including gun safety amendments and motions; and (2) the committee of conference should meet every weekday in public session until the committee of conference agreed to recommend a substitute.

After debate,

By unanimous consent, the previous question was ordered on the motion to instruct the managers on the part of the House.

The question being put, *viva voce*,

Will the House now order the previous question on said motion?

The SPEAKER pro tempore, Mr. HANSEN, announced that the nays had it.

Ms. LOFGREN demanded that the vote be taken by the yeas and nays, which demand was supported by one-fifth of the Members present, so the yeas and nays were ordered.

The SPEAKER pro tempore, Mr. HANSEN, pursuant to clause 8, rule XX, announced that further proceedings on the motion were postponed until Friday, September 24, 1999.

#### ¶100.21 MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

#### ¶100.22 NOTICE—MOTION TO INSTRUCT CONFEREES—H.R. 1501

Ms. LOFGREN, pursuant to clause 7(c)(1)(B) of rule XXII, announced his intention to instruct the managers on the part of the House at the conference with the Senate on the disagreeing votes of the two Houses on the bill (H.R. 1501) to provide grants to ensure increased accountability for juvenile offenders, that the committee on the conference recommend a conference substitute that includes provisions within the scope of conference which are consistent with the Second Amendment to the United States Constitution e.g., (1) requiring unlicensed dealers at gun shows to conduct background checks; (2) banning the juvenile possession of assault weapons; (3) requiring that child safety locks be sold with every handgun; and (4) Juvenile Brady.

#### ¶100.23 MESSAGE FROM THE PRESIDENT—VETO OF H.R. 2488

The SPEAKER pro tempore, Mr. HANSEN, laid before the House a message from the President, which was read as follows:

*To the House of Representatives:*

I am returning herewith without my approval H.R. 2488, the "Taxpayer Refund and Relief Act of 1999," because it ignores the principles that have led us to the sound economy we enjoy today and emphasizes tax reduction for those who need it the least.

We have a strong economy because my Administration and the Congress

have followed the proper economic course over the past 6 years. We have focused on reducing deficits, paying down debt held by the public, bringing down interest rates, investing in our people, and opening markets. There is \$1.7 trillion less debt held by the public today than was forecast in 1993. This has contributed to lower interest rates, record business investment, greater productivity growth, low inflation, low unemployment, and broad-based growth in real wages—and the first back-to-back budget surpluses in almost half a century.

This legislation would reverse the fiscal discipline that has helped make the American economy the strongest it has been in generations. By using projected surpluses to provide a risky tax cut, H.R. 2488 could lead to higher interest rates, thereby undercutting any benefits for most Americans by increasing home mortgage payments, car loan payments, and credit card rates. We must put first things first, pay down publicly held debt, and address the long-term solvency of Medicare and Social Security. My Mid-Session Review of the Budget presented a framework in which we could accomplish all of these things and also provide an affordable tax cut.

The magnitude of the tax cuts in H.R. 2488 and the associated debt service costs would be virtually as great as all of the on-budget surpluses the Congressional Budget Office projects for the next 10 years. This would leave virtually none of the projected on-budget surplus available for addressing the long-term solvency of Medicare, which is currently projected by its Trustees to be insolvent by 2015, or of Social Security, which then will be in a negative cash-flow position, or for critical funding for priorities like national security, education, health care, law enforcement, science and technology, the environment, and veterans' programs.

The bill would cause the Nation to forgo the unique opportunity to eliminate completely the burden of the debt held by the public by 2015 as proposed by my Administration's Mid-Session Review. The elimination of this debt would have a beneficial effect on interest rates, investment, and the growth of the economy. Moreover, paying down debt is tantamount to cutting taxes. Each one-percentage point decline in interest rates would mean a cut of \$200 billion to \$250 billion in mortgage costs borne by American consumers over the next 10 years. Also, if we do not erase the debt held by the public, our children and grandchildren will have to pay higher taxes to offset the higher Federal interest costs on this debt.

Budget projections are inherently uncertain. For example, the Congressional Budget Office found that, over the last 11 years, estimates of annual deficits or surpluses 5 years into the future erred by an average of 13 percent of annual outlays—a rate that in 2004 would translate into an error of about \$250 billion. Projections of budget sur-

pluses 10 years into the future are surely even more uncertain. The prudent course in the face of these uncertainties is to avoid making financial commitments—such as massive tax cuts—that will be very difficult to reverse.

The bill relies on an implausible legislative assumption that many of its major provisions expire after 9 years and all of the provisions are repealed after 10 years. This scenario would create uncertainty and confusion for taxpayers, and it is highly unlikely that it would ever be implemented. Moreover, this artifice causes estimated 10-year costs to be understated by about \$100 billion, at the same time that it sweeps under the rug the exploding costs beyond the budget window. If the tax cut were continued, its budgetary impact would grow even more severe, reaching about \$2.7 trillion between 2010 and 2019, just at the time when the baby boomers begin to retire, Medicare becomes insolvent, and Social Security comes under strain. If the bill were to become law, it would leave America permanently in debt. The bill as a whole would disproportionately benefit the wealthiest Americans by, for example, lowering capital gains rates, repealing the estate and gift tax, increasing maximum IRA and retirement plan contribution limits, and weakening pension anti-discrimination protections for moderate- and lower-income workers.

The bill would not meet the Budget Act's existing pay-as-you-go requirements which have helped provide the discipline necessary to bring us from an era of large and growing budget deficits to the potential for substantial surpluses. It would also automatically trigger across-the-board cuts (or sequesters) in a number of Federal programs. These cuts would result in a reduction of more than \$40 billion in the Medicare program over the next 5 years. Starting in 2002, they would also lead to the elimination of numerous programs with broad support, including: crop insurance, without which most farmers and ranchers could not secure the financing from banks needed to operate their farms and ranches; veterans readjustment benefits, denying education and training to more than 450,000 veterans, reservists, and dependents; Federal support for programs such as child care for low-income families and Meals on Wheels for senior citizens; and many others.

As I have repeatedly stressed, I want to find common ground with the Congress on a fiscal plan that will best serve the American people. I have profound differences, however, with the extreme approach that the Republican majority has adopted. It would provide a tax cut for the wealthiest Americans and would hurt average Americans by denying them the benefits of debt reduction and depriving them of the certainty that my proposals for Medicare and Social Security solvency would provide as they plan for their retirement.