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CAPITAL BUDGETING AND ITS RELATION TO THE BALANCED BUDGET AMENDMENT

The SPEAKER pro tempore (Mr. GEKAS). Under a previous order of the House, the Gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, tonight what I would like to discuss is capital budgeting and its relation to the balanced budget amendment of the Constitution, for one of the amendments that will be on the floor tomorrow will be the amendment that I appreciate the Committee on Rules making in order, my amendment, the Wise amendment, that says that the budget must be balanced by the year 2002. It takes Social Security off budget, and it puts in place capital budgeting for physical infrastructure. A real mouthful. What does it mean? It simply means that it permits that kind of investment that produces much more economic return than it costs. It permits investment to be included in any kind of balanced budget approach.

It recognizes there is a difference between the dollar that you spend for consumption and the dollar you spend for investment. I call this the family budget amendment, because what it does is to recognize what the American family does. The American family sits down at its kitchen table every month to balance the checkbook and it writes out checks for the heating bill, the food bill, the doctor, whatever that consumption, and also those investments that the family made because it was important for the family to be able to grow in the house, the investment for the car, and the investment for the college education.

What is the significance of capital budgeting? I have two charts that I think tell this story well. What we are talking about here is being able to account for our infrastructure, our roads, our bridges, or highway systems, our airports, our water and sewer systems, those things that make us grow, to account for them in the same way every State and business does.

What is it important? The first chart, I think, bears this out. Studies are now showing, and these studies are now showing and particularly from Dr. David Aschaur, that there is a direct correlation between productivity increases and capital budgeting and infrastructure investments.

Because the United States has not been investing at the same rate that it once did in its roads, its bridges, its infrastructure, its productivity has been essentially a flat line of 1 percent growth a year since the year 1978. And yet look what has happened to Canada, Italy, France, and Japan who are all investing far more in relation to their gross domestic product than the United States. The United States is investing somewhere around 1 percent, and it sees about a 1 percent productivity gain a year. Japan has consistently in-

vested 4 to 5 percent, and it sees a corresponding productivity increase.

Incidentally, Japan, with half the population and about 60 percent the size of economy of ours, has productivity growth far exceeding.

The next chart, I think, is also important. It shows it a little differently. These are all different countries, and it shows the percent of gross domestic product that they put into their public infrastructure, and then it also shows growth of those economies, and once again, you see the United States a flat line relative to all the other nations, and so you can see the more you invest in your infrastructure the more return you get in productivity which means your economy grows, your payrolls grow, your jobs grow.

We do not have that system here. What I am asking for in this balanced budget amendment is that we recognize investment, that we recognize investment in physical infrastructure, that we recognize what all of these other nations do, and that we create an incentive for investment.

People do not want the balanced budget amendment simply to cut a deficit and yet at the same time leave us in bankruptcy. What they want is a balanced budget amendment to bring us to truly end our deficit but at the same time to do it so that we are a growing economy.

You cannot do it if you are going to shut off this kind of investment. And so what we will do with our balanced budget amendment is to say Social Security is off budget, and most importantly, capital investment will be recognized for physical infrastructure, not for other things. It is not a grab bag you can count your way out of any problem, but for physical infrastructure only, highways, roads, bridges, airports, water, and sewers, buildings, those kinds of things.

In the domestic budget, discretionary budget, \$60 billion roughly goes to capital investment. That is nondefense. If you choose to include defense in there as well, the battleships and those things that protect us, aircraft carriers, the fighters and so on and amortize them over the life of the asset, then you are talking about another \$60 billion, but I think you are talking about something else as well.

Right now there is a disincentive, strong reasons not to do this kind of investment, because it is not rewarded in our Federal accounting system.

Under our budget amendment, it is rewarded. It is recognized. Is this something radical, different? Please check every State. We say we want to model this after the States as well as the families. Please check every State. You will find every State has a capital budget. The United States can do the same.

NUTRITION AND THE FAMILY-FRIENDLY CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

woman from North Carolina [Mrs. Clayton] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, there is much talk in this House about this being a family-friendly Congress. What constitutes a family-friendly Congress. Is it just that we are given a schedule which allows us time to spend with our families? This of course is very important to all of us. But as leaders we have the responsibility of also being friendly to the families which we represent. In being friendly to these families, we should be able to ensure them that they will be given the option of meeting their basic needs—such as clean water to drink, fresh air to breathe, and food to eat. During the recent debates on the unfunded mandates, we have discussed in great detail the clean water and fresh air issues. It is now time to focus our attention on nutrition.

I believe that we have come to a consensus on both sides of the aisle that our current welfare system needs major reform. But reform should be directed at moving people out of poverty—not into poverty. The President said on last evening, we need a lean but not mean government. It should not mean cutting nutrition programs which are essential to the well-being of million of our citizens—the disadvantaged, our children, our elderly and the disabled. These are the groups of people who in many instances cannot fend for themselves and need assistance for their basic existence. They are not asking for much—just a little sustenance to help them through the day—to keep their children alert in class or help the adults be productive on their jobs. I am speaking specifically of the nutrition programs which in many cases provide the only nutritious food many of our Nation's poor receive daily. We are all aware that poor nutrition breeds poor development in children and low productivity in adults. I am not necessarily speaking of the homeless population—I am speaking of those people who, although they are working, are still struggling to make ends meet—and cannot afford to feed their families—one-fifth of families receiving food stamps are working families who have gross incomes below the poverty level. Aren't these people suffering enough? Can we in good conscience say to these citizens that feeding your family is not important to the Members of Congress.

Currently the Food Stamp Program serves over 27 million people in the United States—over half of them are children—51 percent. Seven percent are elderly. The program allows only 75 cents per person per meal—75 cents per person per meal—when was the last time you were able to buy a 75 cent lunch in the cafeteria? Have you noticed the price of a McDonald's happy meal lately? Not even a happy meal for

the kids. Are we saying that the Federal Government can't afford to buy a hungry child lunch?

It is essential that we continue these nutritional programs. The School Breakfast Program as we know it today provides a child with one-fourth of the daily recommended dietary allowance. The School Lunch Program—which serves over 13 million children—provides about one-third or more of the daily recommended dietary allowance for children. These nutritional programs have standardized dietary allowance by the Federal Government. If we remove the Federal Government's input, it will be up to each State to set dietary standards for their program. This could mean 50 different sets of standards to feed our Nation's children. Is it fair to expect the States to maintain these nutrition programs and still feed hungry children when in fact they will receive a reduction in Federal assistance? We will be asking them to do more with less.

Over the past several days, I have received a great number of letters from elderly constituents in my congressional district. They ask only one thing—please do not eliminate the meal programs which serve the elderly population—such as the Meals on Wheels Program.

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These programs are funded through the Older Americans Act and are not considered welfare programs. Yet these programs are being considered in the welfare reform package and to be block grant to States. Great reductions are proposed.

It is apparent that nutrition is essential for people to be productive members of their communities. Malnutrition, or undernutrition, will only promote poor health and productivity problems—as well as social problems. Let's face it, people will do whatever is necessary to feed their children.

Again, I agree that the welfare system needs reform. But why cut programs that are working. We can't lay the blame of an unbalanced budget solely on the cost of these programs since less than 3 percent of the budget is targeted for feeding the hungry. And statistics indicate that for every dollar spent on WIC, between \$2 and \$4 are saved in health care costs. As for the elderly, it is a fact that a hospital stay for a malnourished senior citizen may double in comparison to a well-nourished senior—inflating the cost to Medicare an additional \$2,000 to \$10,000 a day.

I come from a very rural, very poor district. Making cuts in these nutrition programs will certainly be adverse to my district, and to many of my constituents.

Let's stop picking on our elderly—let's stop picking on the children—let's stop picking on the poor—let's make some cuts, sure, but let's make them to the people who can afford them—not by taking food out of the mouths of children and senior citizens.

The Republican welfare reform really goes too far to deny poor children and senior citizens from a needed healthy meal.

IMMIGRANTS AND THE NUTRITION BLOCK GRANT

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

Mr. BECERRA. Mr. Speaker, I too would like to speak on the issue of welfare reform and specifically the legislation proffered by the majority party in the Contract on America, H.R. 4. I want to rise today to voice my concerns with that portion of H.R. 4 which talks about block granting all the nutrition programs that currently exist to provide assistance to our young children in this country who are unfortunate enough to be poor.

H.R. 4 calls for the elimination of all the Federal food assistance programs, which would include WIC, food stamps, and school lunches. It would clump all of them together in a block grant at substantially reduced funding levels. Reduced funding levels will lead to fewer people being served and also will not take into account the increased need for food assistant program during economic downturns.

As hard as it may be to believe, this is not the only disconcerting aspect of H.R. 4. This bill not only proposes to limit funds provided for nutrition, it also intends to cut off immigrants, legal immigrants from the very start of any program. No service or assistance to legal immigrant children, even though their parents are here at the invitation of this country, even though these parents pay every single same tax that American citizens pay and even though these parents are obligated and do serve in our military in time of war. All responsibilities are there for the parents of these legal immigrant children. Yet the services paid for in part by the tax dollars of these legal immigrant parents would not be there for these children.

Though they receive less attention, the immigrant children, in this whole debate on welfare reform, the provisions of H.R. 4 which deal with immigrant eligibility for Federal benefits need to have clarity. H.R. 4 would completely withdraw the safety net from nearly all legal immigrants, immigrants, as I said before, who came to this country with every right to be here because they were told by this country that they could come in.

Sixty programs would be eliminated from participation of immigrants and their children. Immigrants would be barred from all of the major Federal programs for job training, human investment, as well as those that provide nonemergency health care, housing, nutrition, cash assistance for women, children, seniors, and persons with disabilities.

This means, for example, a 6-month-old baby who came here with his mother would be ineligible for basic vaccinations.

A 7-year-old legally present in the United States would be denied foster

care and adoption assistance upon the death of her parents.

A 23-year-old woman legally present in the United States, forced from her home in flight from an abusive husband, would be denied job training, child care, and other services coordinated by a battered women's shelter.

A 35-year-old man granted political asylum here after fleeing torture in his native land for his religious beliefs would be ineligible to receive canned goods from the food bank run by his local church.

A 60-year-old woman who emigrated legally when she was 15 years old and who has worked in the United States all of her life would be rendered ineligible for Medicaid to treat her dangerous heart condition.

These things would occur because this is where the new majority party thinks it could find so-called savings. In fact, the savings which result from denying benefits to legal immigrants represents less than 3 percent of the 5-year budget of the affected programs.

I strongly support a reappraisal of our welfare system and Government spending. However, in this case, it seems that a great number of people would be hurt for an almost insignificant financial gain.

What is the practical application of H.R. 4's restriction? How would this work in the following scenarios, for example? Looking at school breakfast and lunch, a brother and sister whose parents have recently become unemployed begin their school year.

Will the brother, who was born in this country, be eligible for a subsidized lunch while his sister, born in Russia, will be ineligible because she is not yet a citizen?

Will poor immigrant children be further stigmatized because their family cannot afford lunch money for their kids? Will they stay out of the lunchroom altogether because they are embarrassed because they are immigrants?

Is this constitutional? Based on the Supreme Court decision in Plyler versus Doe, immigration status is irrelevant when the right to education is considered. Following World War II, Congress approved the National School Lunch Act as a measure of national security to safeguard the health and well-being of our Nation's children.

I think it becomes clear, Mr. Speaker, to say it makes no sense to deny these children the basic benefits, and I would hope that we would reevaluate H.R. 4.

Mr. Speaker, further, the Child Nutrition Act of 1966 was enacted "in recognition of the demonstrated relationship between food and good nutrition in the capacity of children to develop and learn." Is the health and well-being of our children no longer an issue of national security? Is there some new evidence disproving the relationship between nutrition and learning? Is it the intent of H.R. 4 to change our Constitution?

Looking at the Women Infants and Children Program [WIC], which provides coupons for