

figure out how to use the tax code to take that savings. It is money in one's pocket every month.

That is what low interest rates are about. That is what it is about when we talk about using the lion's share of the surplus in the Social Security Trust Fund to pay down the debt.

Let me give my colleagues another example. Many children and adults in this country have student loans. As interest rates drop in response to us paying down the Federal debt, it will have a positive impact on people that are working so very desperately to repay their student loans.

In many parts of the country, the average student loan rate is about 8 1/4 percent and a balance of about \$35,000. There are a lot of students and former students in this country that owe a lot of money to the Federal Government. If interest rates continue to decline as we pay down the debt, one can see as much as a \$385 drop per month in student loans. That is money in one's pocket. That is better than most of the tax cuts one will hear advocated up here.

We are doing it in a way that is responsible. We are paying down the Federal debt. We are protecting Medicare. We are protecting Social Security by doing the same thing that each of us does at home, which is try to keep our checkbook in order.

So I support the President's position that we use the lion's share of the surplus in the Social Security Trust Fund to pay down the debt. It is the right thing to do. It is good for Social Security. It is good for Medicare. It will help consumers at home. It will lower interest rates.

MAKE 1999 THE YEAR OF THE TROOPS

The SPEAKER pro tempore (Mr. BURR of North Carolina). Under a previous order of the House, the gentleman from Missouri (Mr. SKELTON) is recognized for 5 minutes.

Mr. SKELTON. Mr. Speaker, under the Constitution, the Congress of the United States is responsible for the national security of our country. The first priority for 1999 should be to make this the year of the troops.

The service chiefs several days ago testified before the Committee on Armed Services on which I serve that their troops are the most important part of the military that is in need. Problems are there that must be addressed.

The first problem is that of retention, retaining the capable and bright young people in our military forces, whether it be the Army, Navy, Marines, or Air Force. We are having trouble retaining mid-career officers. We are having trouble retaining non-commissioned officers and those with critical skills, pilots, airplane mechanics, those that are skilled with computers and information systems.

Another problem is that of recruiting, causing young people to want to

join the services. All four of the services are having difficulty with recruiting. All of the services, with exception of the Marine Corps are not meeting their goals.

The Army will have a shortfall of some 3,000, maybe even as high as 6,000 people in their recruiting goals. The Navy could be as many as 4,000 short. The Air Force plans to buy television ads for the first time. If retention and recruiting are not improved, the services will be unable to make the end strengths, that is the numbers that are allocated by law, which by the way are already too low.

For example, the Army ended 1998, fiscal year, approximately 4,000 people under strength. All of this leads to a readiness problem, whether the forces are ready to perform their job at the highest level that the American people expect of them. The readiness problem deals with the services, high operations Tempo, and a shortage of spare parts that contribute to the reduction in this readiness.

In addition, the operational Tempo, that is being gone so much, puts a strain on families; and the spare parts shortage adds to job dissatisfaction. Both in turn contribute to the problems of recruiting and retention.

The Department of Defense proposal for military pay retirement is a good first step. I compliment the Secretary of Defense and those that have studied this issue on that initiative.

There is a pay triad that has three aspects that we need to look at regarding paying the young people who serve and those who serve for a career. First is the across-the-board pay increase for all service members, 4.4 percent, effective January 1 of the year 2000, with additional raises programmed for the year 2001 and 2005.

The second part of this triad is the pay table reform, additional raises to better reward performance by compensating service members for skills and education and years of experience.

Then there is the reform of the retirement system, a return to the 20-year retirement to 50 percent of the basic pay.

Congress can do these things, but we can and, frankly, we should do more. It was General Hughes Shelton, the chairman of the Joint Chiefs of Staff, who testified several days ago and said, "You can't pay our troops too much, but you can pay them too little."

We should consider a Military Thrift Savings Plan— which many corporations afford their employees. We need to take better care of the families by better family housing and improving their medical care, making sure that TriCare works the way we intend it to work, make sure that they have better barracks for those who are single and do not have families.

We should ensure that the people in the military do not get left behind in the booming economy that we have, or else they tend to leave the military behind.

We have a highly capable military force, I think the finest our Nation has ever had. But the key, of course, is the people, qualified, motivated, intelligent, hardworking people of whom we are so proud.

We need to keep and attract quality people, to train them, and ensure that their morale remains high. It will require a multiyear effort. Mr. Speaker, we should begin that effort now by making the year 1999 the year of the troops.

USE SURPLUS TO PAY DOWN NATIONAL DEBT

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

Mr. DOOLEY of California. Mr. Speaker, this year marked a real turning part in the recent history of our country as this was the first year in over a couple decades that we actually could no longer talk about our country running a deficit but actually talk about our country running a surplus.

When I first was elected to Congress over 8 years ago, we were talking about budget deficits that were approaching \$290 billion a year. Today, this year, because of the great leadership of President Clinton and Republicans as well as Democrats in Congress, we have made the tough choices that have put us on the path of greater fiscal responsibility.

This year in Congress, we are once again going to be called upon to make some tough choices about how should we proceed in terms of making decisions to ensure that we maintain a path of fiscal responsibility.

I am here to argue that it is the interest of our families, it is in the interest of our children that we commit ourselves to paying down the national debt, that we support President Clinton's decision to use these surplus dollars that we are going to be generating over the next 15 years to try to pay off the \$3.7 trillion in national debt that have accumulated over the last 20 years.

It does not matter if we are a supporter of defense or if we are a supporter of education. It is in all of our interest to pay down the national debt. The reason for that is very simple to understand. When we look at how the government spends every tax dollar that we receive, I think half of us would be surprised when we identify that the third largest expenditure of the Federal Government is on interest on the national debt. Fourteen cents of every tax dollar collected is going to pay interest on the national debt. By comparison, we are only spending \$55 billion on education or 3 cents on every dollar.

So the decision by the President and many of us in the Democratic Party to commit ourselves to paying down the national debt, what it means in effect is that we are going to reduce this \$243

billion that we are spending every year on interest in order that we can ensure that we will have the ability to meet a lot of other pressing needs, whether it be national defense or whether it be education.

As I said earlier, this is in the interest of all of our families because, by paying down the national debt, we are also going to be alleviating the burden on an average family of four today who is paying, in effect, \$3,644 a year to finance that interest.

We had earlier speakers that talked about what it means in terms of mortgage payments. If we paid down the national debt, we are going to see an expected reduction of interest rates of 2 percent, which again means the difference in a monthly mortgage payment of \$155 a month.

When people talk about making a tax cut or providing all of our citizens with a tax cut, I can think of no better tax cut than paying down the national debt because we are, in effect, reducing the burden of this interest payment.

I myself, besides being a Member of Congress, am a farmer. As most farmers, we have to borrow money in order to operate our enterprises. An average operating loan of maybe \$250,000 a year, that 2 percent reduction in interest rate means \$5,000 in the bottom line in profits to a farmer.

When we purchase a new piece of equipment, which are becoming increasingly expensive, an average combine today costing \$200,000, again the benefits of paying down our national debt, which will reduce interest rates, will manifest itself in a total savings on interest on the purchase of one combine of over \$11,000 a year.

So in this Congress, when there is going to be a debate among those who are supporting a policy that the President is advocating of paying down the national debt in order to try to keep this economy on a sound path, in order to ensure that we can see even lower interest rates than we see today, that is a course we should take.

I think we ought to be very cautious in succumbing to the allure of tax cuts which would pose a great jeopardy to the country if they are not paid for by reductions of spending in other components in our budget, because they have the danger of taking us once again down a path that will lead to increased deficits and increased national debt, which will undermine the solvency of our economy and certainly will continue to obligate our families and future generations the responsibility of continuing to pay the carrying cost of our excess spending of today.

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DISCUSSION ON THE SURPLUS

The SPEAKER pro tempore (Mr. BURR of North Carolina). Under a previous order of the House, the gentleman from California (Mr. CUNNINGHAM) is recognized for 5 minutes.

Mr. CUNNINGHAM. Mr. Speaker, there has been a lot of discussion on the surplus, not just how to spend it but how we got here. Different people can take a different view of both, but I would like to point out some actual facts.

First of all, in 1993, the White House under President Clinton, they had the House, the Senate and the White House. They gave us in 1993 what the Democrats called an economic stimulus package, which raised taxes to the highest level ever on the American people, and they state that that brought us the surplus.

I would claim that that is inaccurate. Because in 1995, when the Republicans took over the House and Senate, we rejected over 90 percent of that economic stimulus package. We are not even operating under that stimulus package.

And what did that stimulus package do? It increased the tax on Social Security. It increased the tax on middle-income working families. I do not use the term "middle-class." I do not think there is any such thing as a middle-class citizen. There are middle-income citizens. And for the first time, in 1995 we decreased the amount of tax on Social Security that the 1993 bill did. And when people fill out their tax forms this April, for the first time, they will receive a \$400 deduction per child. Next year that will go to \$500 per child.

They can also receive tax credits. But we repealed the 1993 bill to actually give more dollars back to working Americans instead of the Government itself.

Take a look at welfare reform, when the Democrats said they were responsible for the deficit. First of all, the President vetoed the balanced budget. And I think we can all remember he said, well, it will take two years. It will take four years. It will take six. It will take eight. And finally, after the third time, he came around and signed it and gave us the same Medicare program that they put over \$100 million in ads demonizing the Republicans for and he signed that. But for 40 years they took money out of the Social Security account and paid for welfare.

The President just said in his State of the Union, look, we have less than one half of the welfare rolls that we did before. Now, instead of government having to pay people on welfare and take out of the budget, now the Welfare to Work program, we have people actually working and contributing to the budget and adding to that. That is more money.

The billions of dollars that we gave to welfare recipients, the average, Mr. Speaker, was 16 years, the average, on welfare. That is wrong. All of those savings and the quality of life for those families and for those children that were on welfare is better.

Are there people that need welfare money? Absolutely. And we do not mind giving our tax dollars to that. But 16 years is too much. But yet many of the progressive caucus would just

give more money and more money and more money without managing the program. That is what led a lot to the deficits that we had in the different budgets.

If we take a look at the balanced budget, the balanced budget, according to Alan Greenspan, has lowered interest rates between 2 and 8 percent. Look at what that has done to the markets and the increase in the markets, in the economy. Capital gains reductions paid for itself.

If we take a look at the other tax breaks that we gave to American people so that they spent the dollars, not the government, the surpluses are due because the Republicans gave money back to working people instead of taking it away.

FISCAL DISCIPLINE AND REDUCING NATIONAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Oregon (Ms. HOOLEY) is recognized for 5 minutes.

Ms. HOOLEY of Oregon. Mr. Speaker, Americans now are looking at the longest peacetime expansion of the United States economy since the start of the 20th century. The outlook for our future is rosy. Economic growth is expected to continue to rise, and unemployment is predicted to stay below 5 percent. Inflation is expected to remain low, and it is believed that the interest rates on mortgages and loans will continue to remain attractive.

This booming Federal economy has passed on some benefits to the Federal Government. The most notable are the increased tax revenues and Social Security dollars that result from a fully employed workforce. With this economy, Congress is faced with a new and interesting predicament of deciding what to do with those Social Security surpluses.

If we look only at the short term, we might be tempted to spend those funds on what later generations would call reckless tax cuts. Now, I support cutting taxes and I hope we can find some room this year to do just that. But the American public is more savvy and will not condone irresponsible use of projected budget surpluses.

My constituents, if they retired, would not go out and spend all of their retirement on a new sailboat the day they retired. Well, I think they want us to show that same fiscal restraint and discipline.

While economists are predicting good times ahead, our future also holds a growing number of baby-boomers who will be moving from the work force into retirement. They have paid into Social Security and they should know it will be there for them in the future.

The youngest citizens of our Nation also need to know that we are thinking ahead. If we work to save Social Security and Medicare now and pay down our national debt, we will leave them