

people in Washington have the audacity to say it is their money.

And so tomorrow we are going to have a big debate on tax reduction and you are going to hear over and over again that Washington cannot afford these tax cuts. It is the same rhetoric they said over and over again during Ronald Reagan when he passed one of the largest tax cuts in the history of this town. Eighteen million new jobs were created because people had more money to spend on goods and services, and so the economy thrived, interest rates went down, and this is a statistical fact. I do not know why people here are trying to mislead the American public.

Something else happened. Now, at the time we were involved in a Cold War and this Congress, where spending originates, Mr. Speaker, did run up the deficit, and Republicans are partially to blame on that, even though it was a Democrat House. I would say Republicans certainly, Mr. Reagan signed the bill, so I want to share the blame, but I am not going to attribute it to one sector of government. But the fact is that had nothing to do with the tax cut. That had to do with the Cold War and escalation of military spending to defeat the Soviet Union which is what happened and it was done without losing lives unlike previous wars.

But now we are going to also hear about how great the fiscal responsibility was of the Democrats during the Clinton tax increase in 1993 which was the largest tax increase in the history of the country. Liberals in Washington are going to tell you that is why this economy is strong today. I will ask you this question, my liberal friends. Why do we not increase taxes again? Why do we not have more government stimulus programs if it was so good? We all know the answer. The economy thrived despite the Clinton tax increase, not because of it.

What we will be doing tomorrow is returning to the American public their overpayment, and that is why it is the right thing to do. I strongly urge my colleagues to support the tax reductions to the American working class tomorrow.

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

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

Mr. CALVERT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

DEMOCRATIC PERSPECTIVE OF REPUBLICAN TAX CUT BILL

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

tleman from California (Mr. GEORGE MILLER) is recognized for 5 minutes.

Mr. GEORGE MILLER of California. Mr. Speaker, I enjoyed listening to my colleague from Georgia who was just at the microphone talking about how the Republicans are working on an agenda and one of the parts of their BEST program was saving Social Security.

I also note with interest that right after the Republicans passed their \$3 trillion tax bill, the Wall Street Journal wrote that in order to pay for it, they are going to have to dip into Social Security and take \$25 billion out of Social Security to pay for this tax bill.

The fact of the matter is that America is enjoying the greatest economy in the history of our country, the longest economic recovery since the Second World War, we have more people working, more people are buying houses, more people are entering the workforce from people who historically have not been able to find a place in our economy than any time in the country and we have had relatively low interest rates. All of that has happened since the 1993 economic program of the Clinton-Gore administration when this Congress took a courageous vote but was only able to pass it with Democratic Members of the House and Senate, not a single Republican voted for that.

When we voted for that and the Clinton-Gore plan passed, they said that everything was going to go downhill, that interest rates were going to soar, that people were going to be unemployed, the economy is going in the tank, the Dow is going to crash. None of that has come to pass over the last 8 years.

It has taken us 20 years to get out of the hole that Ronald Reagan's tax cuts put us in in 1981. In 1981, we had a huge tax cut that we could not afford. It was sort of like increasing your kids' allowance after you have been unemployed. It sounds good, but it does not make a lot of sense. For 20 years, we have tried to dig our way out of that hole. For the first time we are now looking at surpluses and we are looking at surpluses over the coming years.

But what the Republicans are asking us to do is to take all that economic prosperity, to take those low interest rates, to take that job creation, to take that employment, to take those new homes and roll the dice with those with the tax bill that is \$800 billion in the first 10 years and then goes to \$3 trillion in the second 10 years.

Now, in order to do that, they tell you that everything is going to stay the same over the next 15 years. You have to believe that nothing is going to change in a negative fashion over the next 15 years. But if you go back to the Wall Street Journal, we already see that the Republicans are starting to think of ways of breaking the current budget caps because they cannot live within them. But the surplus that they want to give people back in tax cuts is predicated upon the fact that those

budget caps will not only be enforced at their current levels, they will be reduced so there will be less spending, and yet the Republicans are trying to figure out ways to increase the spending this year because they cannot live under the cap.

I think the American people are on to something. When we look at all of the data, what the American people are saying is we know we have a \$5 trillion debt that has been run up over the past history of this country. Now the sun is shining on our economy and people are working and they are buying houses and taxes are being generated. Why do we not pay down the debt? Why do we not save that \$150 billion in interest? Why do we not take that interest and apply it to the debt just like a family would if they had a windfall? You would pay off the MasterCard, you would pay off the Visa bill, you would try to get out of debt; and the interest you save, you might use to buy your kids some clothes or you might use for whatever purposes you want. And the interest you save on low interest rates would be applied to your family income. You would be able to refinance your home that so many millions of Americans already have under this economic recovery.

For all of this we are going to pass a \$3 trillion tax bill that the Washington Post tells us mainly benefits relatively few people. The wealthiest people in the country get most of that tax cut. But what does it put at risk? It puts at risk every family's well-being. Because even Alan Greenspan said that if he had his way, he would not cut taxes, he would not increase spending, he would just take the savings we are making now in the surplus and apply it to the debt and let the surpluses continue to run because he knows that not every day is going to be a sunny day for the American economy. The clouds are going to come, the economic cycles are going to reoccur and we are going to have some bad times.

What better to go into bad times with than a little bit of extra in your savings account to tide you over? Just like a family does, that is what a Nation has to do. We are going to have some options over tomorrow and the next day. We can decide whether we are going to be prudent, whether we are going to take care of this economic recovery, whether we are going to allow it to last longer so more people can participate, or whether we are going to pick up those dice and just roll them out there on the crap table and see whether we can put it all at risk.

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I vote to believe. I vote to believe that we ought to be prudent, that we ought not to take Social Security and Medicare and the education of our children and put it at risk because, understand, if you take the Republican proposal, and you take a \$3 trillion tax cut, there is no money for anything else.

That is why again, as the Wall Street Journal points out, they are already trying to play shenanigans with the spending programs to hide spending; they are already prepared to go in and take \$25 billion out of a Social Security Trust Fund that is already broke. That is how they finance their tax cut.

Mr. Speaker, I do not think that is a program that American families want to endorse.

HEALTH CARE FOR OUR VETERANS

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

Mr. MOORE. Mr. Speaker, on June 19 I had community hours in Kansas City, Kansas, which is in my district. There were about 75 people who showed up to talk to me during a 2-hour block of period that Saturday morning. One of them was a man by the name of Jack Valentine.

Jack appeared to me to be in his mid-60s and sat down and was very disturbed and started his conversation and our interview, our meeting, by handing me a copy of his Veterans Administration card and a copy of a letter Jack had received from the Veterans Administration.

The letter read:

Dear Mr. Valentine, I am pleased to confirm your enrollment with the Department of Veterans Affairs Health Care System. You are in Enrollment Priority Group 7. For this fiscal year through September 30, 1999, we are enrolling veterans in Priority Group 7; however, we cannot assure that VA will be able to continue your enrollment after September 30, 1999.

What this letter told Jack Valentine was that in all likelihood his veterans' benefits, as far as prescription medication, would be terminated after September 30, 1999.

Mr. Speaker, after Jack handed me the letter and I read the letter, he said to me:

I have had three strokes, Congressman MOORE. I have been in the hospital three times. My doctor told me that I need this blood pressure medication. If I do not have it, the next time I have a stroke, it will kill me.

Jack has been told by his doctor that if he does not take his blood pressure medication, he is going to die. Jack has been told by the Veterans Administration that his prescription medication, his benefits, will most likely terminate on September 30, 1999.

Jack Valentine is a 64-year-old veteran from Kansas City, Kansas, whose father, his grandfather, and great grandfather were all buried in military cemeteries. But on September 30, 1999, his Veterans Administration medical coverage will likely terminate and put him at risk for a stroke, a fatal stroke. He does not have any other health insurance. He is in Priority Group 7, which means he is above the low-in-

come threshold of \$26,000 for a household of two, and his medical case is non-service related.

This has become standard operating procedure for our Veterans Administration, delay until the last possible moment or deny the procedure until they just give up all hope.

Jack was there and talked to me. Jack, when he handed me his card and his letter, started crying, and Jack said to me, Congressman MOORE, I don't know where to go from here. I am so upset about this. I have thought about going to the Veterans Administration, up on the hospital steps there, Veterans Hospital, and committing suicide.

Jack was at the end of his rope, and I was his last recourse. I say to my fellow colleagues: we are Jack's last recourse. For the past 5 years, Congress has flat-lined the Veterans Administration budget. This is not any way to treat people to whom we owe a debt we can never repay. We should demand a quick turnaround time for claims. We should demand quality health care for our veterans. We need to fulfill our promise to our veterans. They laid down their lives in some cases, they gave of their time and their energy and sacrificed for us. We have a debt to those people, and we should repay the debt before, before we start massive, massive tax cuts. At the very least, we can fulfill the promise and the obligation we have to our veterans in this country.

Do not make me go back home and tell Jack Valentine his veterans benefits, his medical coverage, his prescription benefits are going to terminate on September 30, 1999. As a Nation, we need to do the right and the honorable thing for our veterans. We need to fulfill the promise.

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

BUDGET, DEFENSE, AND VETERANS' ISSUES

Mr. HOYER. Mr. Speaker, I am pleased to have this opportunity to discuss with some of the real experts on defense and budget some of the issues that confront this Congress and the American public as it relates to budget, defense and veterans' issues. I want to thank the gentleman from Kansas (Mr. MOORE) for his comments just now on the impact of the budget on veterans.

We plan to use the next hour, Mr. Speaker, to discuss the issue of defense spending and to dispel the misguided rhetoric and unjustified claims from the other side of the aisle that the President is hollowing out this Nation's military forces. We will show that not only is the President providing a strong defense, but because of his fiscal discipline, joined by the Con-

gress and in many respects led by the Congress, a surplus exists, a surplus that if the Republicans have their way, would not be used to fund critical military readiness needs or other discretionary programs, but instead provide a fiscally unsound tax cut.

Let me first address the over \$800 billion Republican tax proposal which perhaps will be debated tomorrow. How do they pay for this? They pay for it by using the projected on-budget surplus, not paying down the debt, not saving Social Security or Medicare, not investing in readiness, research, development, T and E, but a tax cut.

We are here today talking about the largest surplus ever recorded in dollar terms and the largest since 1951. Let me repeat that. We are here today talking about the largest surplus ever recorded in dollar terms under this administration and the largest since 1951 when Harry Truman was President of the United States, the largest since 1951 as a percentage of the gross domestic product, because the President's economic plan passed in 1993, and the Democratic Congress, without a Republican vote, it focused on reducing deficits, paying down debt held by the public, investing in our people and opening markets.

Our publicly held debt today is \$1.7 trillion below what it was forecast to be by President Bush's director of the Office of Management and Budget. Let me mention that again. In 1992, in December, President's Bush's director of OMB, Dick Darman, submitted an analysis to the Congress in which he said today's deficit was going to be \$1.7 trillion more than it actually is. It is less than projected because of that economic program.

This fiscal prudence has resulted in many achievements. Our Nation is seeing record economic growth for 5 years in a row. We have an unemployment rate which is the lowest peacetime rate in over 4 decades.

I would say, as the gentleman from California (Mr. GEORGE MILLER) said, that is a result of a program that was universally, unanimously opposed by our Republican colleagues. Real family income is up, real hourly wages are up, private sector growth is booming at the fastest rate since Lyndon Johnson was President. Business investment is at a higher rate than at any time since President Kennedy was in office, and Federal Government spending has been reduced to the lowest level in a quarter of a century.

The tax cut plan by the Republican majority would bring us back unfortunately and fearfully to deficits realized during the Reagan-Bush years where we went from \$985 billion in debt in 1981 to \$3.2 trillion just 12 years later. We tripled, almost quadrupled, the national debt in 12 years.

Let me remind everyone here that debt held by the public in 1981 was, as I said, 985 billion. Now 3.247 trillion; not now, in 1993. The tax plan that is being proposed will cost more than 864