

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

billion over 10 years. Actually, that will be \$1.02 trillion when we consider the extra interest that will be paid because we do not, as the President has proposed and as we propose, pay down the national debt and save literally the American taxpayer billions and billions and billions of dollars in interest that they would otherwise pay if we did not reduce, as we propose to do, the debt. It will add an additional 1 trillion in public debt over the next 10 years and balloon to 3 trillion over the following 10 years.

Now I have three children and two grandchildren. I do not want them to have to pay off that added debt. I think it is immoral for us to follow that course. I think it is incumbent upon us as a generation that is doing very well to pay our debts and to leave the next generation, the young people of America, in a position where they can invest their money in the priorities of their time, not of our time.

Who would end up paying for this increase in interest rates if we do not pay down the debt? Consumers, home purchasers, farmers and small businesses in the form of higher interest rates. So while on the one hand they would have thought they got a tax reduction, in fact they will get an increase because of the interest rates.

By proposing a tax cut, the Republicans also in my opinion ignore something that every American depends upon every day, a strong and creditable defense. If this tax cut is realized, defense spending would be \$200 billion almost, less than the President's plan over 10 years. This, Mr. Speaker, is in my opinion unacceptable and unsafe in this unstable and dangerous international community.

I have shortened my discussion just a little bit because I have so many of my distinguished colleagues that have joined me.

The balanced budget agreement cut defense spending to a level dictated by an arbitrary formula. That was what we adopted in 1997. I voted for it because in that time we had large debt, not surpluses, confronting us. That formula, which was as a result, has removed the careful considered judgment of the President, civilian and military leaders and this body in deciding appropriate spending levels.

My colleagues saw the gentleman from California (Mr. GEORGE MILLER) a little earlier say the assumption of the Republican tax cut is that everything will stay on hold, all domestic and defense discretionary spending, essentially on hold. There is no question that defense spending has diminished below the point many of us would like to see, but the cause of this cannot and should not be the subject of partisan finger pointing at one party or the other. We have heard too often recently the Republican side of the aisle, quick to blame the President for what they allege to be a hollowing out of our military.

The President's record on defense spending has not created, in my opin-

ion, and I think the record reflects, a hollow force. On the contrary, today's Armed Forces are well prepared, well trained and dedicated as ever. But we must continue to invest. We must continue to ensure that our military is ready, prepared for whatever eventualities may occur. Our equipment remains effective and superior to our adversaries, as we have just seen. The performance of our men and women in uniform has been and continues to this day to be outstanding. Our military needs to be supported in a responsible manner.

Now frankly my Republican colleagues say that that is what they want to do, but then they propose a tax cut which will inevitably lead, as it did from 1986 to just a couple of years ago, 1986 to essentially, and the gentleman from Missouri (Mr. SKELTON) will perhaps tell us, but 1995 and 1996, to a continuing decrease in effective net defense spending. That was not prudent. We ought not to follow that course, but the tax cut will inevitably lead us to that end.

The Armed Services must compete with the robust economy which has provided a market rich for the technical, mature, educated product that our Armed Forces has produced.

□ 2000

The President has kept the Nation's armed forces strong and our military is the envy of the world. Mr. Speaker, just as we agreed in 1997 to work together to solve our economic crisis of dangerous deficit spending, we must now work together to ensure a continued, strong national defense and a continued, strong economy, and a continued reduction of the debt so that the American public and our children will be out of debt and keep interest rates low. That is the best thing we can do for our public.

Tomorrow, we will debate perhaps, we do not know yet, they are talking about it, the tax scheme which, among many things, will jeopardize our fiscal commitment to our Nation's defense. We in Congress must vow never, never, never to sacrifice our Nation's defense for the sake of partisan politics, and we must pledge to work together to ensure a ready superior force, prepared always to defend our Nation and its interests throughout the world.

Mr. SKELTON. Madam. Speaker, will the gentleman yield?

Mr. HOYER. I yield to the very distinguished ranking member of the Committee on Armed Services from the State of Missouri (Mr. SKELTON).

Mr. SKELTON. Madam Speaker, I certainly thank the gentleman, and I also compliment the gentleman on asking for and receiving this Special Order.

Mr. Speaker, we are talking this evening about priorities for spending this surplus budget. Of course, we hope to reduce the Federal debt, we hope to protect Social Security, we hope to protect Medicare; we must fully fund

the military as the gentleman talked about so well. As a matter of fact, I have declared this year, and we have worked for and I think successfully in the bill that we have passed, and we are now in conference on with the Senate, I have named this the Year of the Troops, because we have done good things in this bill to make conditions better for them, their pay raise and potential pensions better for them, and this really is, this year, the Year of the Troops. There are recruiting problems, there are retention problems, keeping those fine young men and women in uniform rather than going home discouraged, urging them to recruit, to come in and join the magnificent adventure that we know as the American military.

Madam Speaker, one thing that concerns me is our military retirees. Let us look at this whole issue through the eyes of a military family. The father is one who has spent 20 years in the military and retired as a sergeant first class. He has done well. And he has a son who is now in the military and has been in the military some 6 or 7 years, and that son has a wife and children, and they look at Congress as to what does the future hold for us?

Well, first, let us look at the young man, the young corporal who is in the military at the present time. His wife is working hard because of the fact that they have 3 children. They are on food stamps. This is not acceptable for any member of our military to have to receive food stamps to feed them. And yet, that is the case in this particular family.

Let us look at the father who spent some 20 years in active duty, an honorable discharge, one who performed his duty well, whose time had been under fire in adverse conditions, receiving commendations therefor. And this man, this military retiree develops a serious health problem and goes to a nearby military post and asks for help, and he is turned away because of his age, because of the fact that there are no facilities to take care of him. And he is bitter. He said, but when I joined the Army and they asked me to stay for 20 years for a full commitment that they would take care of my health problems for life, and then he finds that that is not the case.

We are letting down two generations of young military and senior military people. We cannot allow that to happen.

How do we stop it? We look toward this fortunate budget surplus that we have. And I might say, Madam Speaker, that I was very proud to be a part of the beginning and the continuation of the budget surplus through the votes that we held here through the years. We must take care of this family and families just like them.

The Committee on Ways and Means is marking up the reconciliation bill that will provide for billions of dollars in tax cuts over the next 10 years. I am very concerned that these tax cuts are

being contemplated when we have not ensured that adequate health care will be available to our Nation's seniors.

I am particularly concerned about providing health care to military retirees. When they joined the military, many of them during the Second World War, they were promised lifetime health care facilities if they completed 20 years or more of military service. My hat is off to them for doing that.

Tom Brokaw recently wrote a book entitled *The Greatest Generation*, and these are the men and the women of that generation that helped build America. They came through the Depression, won the war on both ends of the earth, in Europe and in the Asian area, came back and built our economy and strengthened our freedom and made us the grandest civilization ever known to the history of mankind, and these are the same ones that are being deprived of medical health care, even though they have performed their 20 and 20 plus years of active military service. It is not right for them.

We must do a better job. We must look very seriously at this budget surplus. We must take care not just of the troops that we have now, and I am so proud of them. I am so proud of them, what they did in the effort regarding Kosovo is a new chapter in American military history. But yet, those who are retirees wrote their own chapters in military history. I am proud of them so much as well.

So I must say to my colleagues, let us think hard and long on this. Let us use this budget surplus to help those young men and young women in uniform today and those who wore the uniforms so ably and so well in yesterday. We can do it. It is a matter of reason, a matter of taking care of first priorities first.

Our national security is the first challenge, it is the very first precept that we in Congress have is to have a national defense for our Nation. In doing so, we must not break faith with those in the past, we must not break faith with those young men and young women in uniform today.

So I compliment the gentleman, and I look forward to using the budget surplus well and not let it be taken away from the military, from the national defense of our beloved country. I yield back.

Mr. HOYER. Madam Speaker, I thank the very distinguished gentleman from Missouri who, if our party were in control, which we are not, would be the chairman of the Committee on Armed Services, who has served on that committee with great distinction for some 2 decades and who has made enormous contributions to the strength of this Nation.

I would again reiterate that he and I and others who will speak, while we are saying that we need to make sure that the military component of our country is strong and fully funded, we are saying that the majority of the surplus ought to pay down that debt, because

then our entire country and our economy will be strong, and we will have the resources to keep not only a strong defense, but a strong educational system as well, and to save and ensure the security of Social Security and Medicare, so that we can accomplish those objectives which will benefit all of our Nation and the international community as well.

Madam Speaker, at this time I would now like to yield to my good friend, the gentleman from Mississippi (Mr. TAYLOR), and the ranking member, who also would be a chairman of a very important subcommittee of the Committee on Armed Services. I thank the gentleman for joining us.

Mr. TAYLOR of Mississippi. Madam Speaker, I would like to clarify a couple of things, because the folks back home often hear about a surplus. I guess the President started saying it, the Republican leadership tried to one-up him, but I think it is accurate to say that through this month, there really is no budget surplus.

For the first months of fiscal year 1999, that is October through May, the Treasury reported a cumulative surplus of \$40.7 billion. But it is composed of an off-budget surplus of \$78.8 billion. That is things like Social Security taxes that are supposed to be set aside for paying Social Security benefits and nothing else. To spend them in any other way is to steal from the American people. There is an on-budget deficit of \$38.1 billion. The Office of Management and Budget estimates a fiscal unified surplus of \$98 billion to be composed of \$123 billion surplus, but that is off-budget, minus a \$24.8 billion on-budget deficit.

Folks, Social Security trust funds are a promise between the American Congress and the American people. It is a special line item in your taxes. It is a promise that that money will be collected and set aside for your benefits and your spouse's benefits when that time comes in your life when you need them. For this Nation to spend them on anything, to give someone else a tax break with your Social Security money, is a crime against you.

The Federal debt is still growing. At the end of May, the public debt was \$5.6 trillion. For someone from Bay St. Louis, Mississippi, that is pretty hard to comprehend. For the first 8 months of this fiscal year, the public debt actually increased by \$78 billion.

Now, something we may not realize is that your government borrows money, and when your government borrows money to have to pay interest just as you would on your Visa card, on your home loan or on your car loan, the interest on the Nation's debt is the single largest item on the Federal budget.

In fiscal year 1998, last fiscal year, \$363 billion was spent on interest. That is your money, that is your money that could have gone for education, it could have gone towards the military, it could have gone to build roads. Instead

it went to some banker or some lending institution that lent this money to the Nation, and one-third of that money went to foreign lending institutions, because that is who owns one-third of our debt.

Through the first 8 months of this fiscal year, the Treasury has already paid out \$222.7 billion of your money on interest. Just to let you know, since the gentleman from Missouri (Mr. SKELTON) and I serve on the Committee on National Security. For the first 8 months of this year, we have spent \$50 billion more on interest on the debt than we have on the military, and the year is not over yet.

Lastly, the point I want to make is we cannot undo 40 years of deficit spending with a couple of months worth of surpluses. The last time our Nation had an on-budget surplus was in 1960. Since then, the debt has increased by \$5.7 trillion at an average of \$136 billion each year. For my Republican colleagues to say that there is plenty of money to give the wealthiest Americans a tax break is totally false. The only way they can do it is to take your Social Security Trust Fund, your taxes, and give someone else a tax break with your taxes. That is not why I came here. I came here to try to do the right thing, not the easy thing. They want to do the easy thing.

Madam Speaker, that is not the worst of it. The gentleman from Missouri (Mr. SKELTON) pointed out the horrible injustice done to our Nation's military retirees, people who spent years in places like Vietnam, in Korea, in Germany, now in Bosnia, Kosovo, people who dedicated the prime of their lives to defending you and me and our families. They were promised, every single one of them was promised free health care for themselves and for their families for the rest of their lives if they served honorably for 20 years. When I enlisted in 1971, the promise was made to me. I did not stick around for 20 years, so I did not earn it. But those who did earned it. It was in the Army's recruiting brochure all the way up until 1991. It was a promise that was made, a promise that has to be kept. How on earth do you keep that promise if you give all the money away in tax breaks?

The gentleman from Missouri (Mr. SKELTON) did not mention it by name, but the program that would allow military retirees to continue going to the base hospital, even after they turn 65, is called Medicare Subvention and it is a very simple concept. It would allow that base hospital, be it Keesler Air Force Base in Mississippi or a Naval air station or a Marine Air Corps base, to send a bill to Medicare for providing medical care to a veteran who has served our Nation for 20 years, just like they would the private sector doctor who treats that same person. It would cost our Nation \$1.2 billion to fulfill that promise of health care to our veterans, to our military retirees.

□ 2015

Is it in this bill? No. There is \$800 billion worth of goodies for their big contributor friends, but not a penny to take care of our military retirees, not one cent.

Those who paid the price come home with the least. Why? Because they do not have lobbyists down the street. They do not have lobbyists at the Capital Grill and the other four and five star hotels and restaurants here in Washington.

They can barely get by. They can barely pay for their prescriptions. So in the eyes of my Republican colleagues, they do not count. They will not make a big campaign contribution so they do not get just \$1.2 billion to fulfill that promise that has been made by every recruiter in our country for the past 50 years. And they are going to say that this is good for the Nation? That is baloney.

It gets worse. It gets worse, because I was talking about retirees. What about the active force right now? What about the typical soldier who is spending 120 days a year away from his family, a typical Marine 150 days, a typical airman about 120 days, a typical sailor, 180 days out of this and every year away from his family; not seeing his kids growing up, not being there for the piano recital, his kid's Little League ball game. He is giving up half his life to defend us.

What do they have in it for him? After 5 years of Republican control of Congress, what do they do for them?

This is a lady named Lisa Joles. She was on the front page of today's Washington Post. She is the wife of a United States Marine. She is picking up a used mattress off the curb at the Quantico Marine Base on Saturday. She and other spouses do this on a periodic basis to make furniture available for the people serving our country, defending our country, as we speak.

What is in this package of \$800 billion of goodies for the special interests, the big bucks contributors, that are right now over at the Capitol Hill Club, right now at the Capital Grill, right now at the Mayflower and all the other fancy hotels and restaurants in Washington? What is in it for Lisa and her family? Absolutely nothing, because the truth of the matter is, after 5 years of Republican control, the defense budget is still about \$30 billion less than it was just 8 years ago.

They said this was the folks they were for. What do my colleagues think Lisa gets out of that bill? My guess is she does not get a doggone thing.

That is not the worst of it. Look at this guy, a United States Marine. How hard did he have to work to earn that title? In addition to all the things he went through just to earn that title, he is gone from his family about 150 days a year, defending us, front line of freedom, toughest guys we have out there.

This gentleman is in today's Washington Post, and I hope everyone will forgive me if I get his name wrong. He

is Lance Corporal Harry Schein. His son's name is Devantre.

The reason he is in today's Washington Post is to make the point that he works two part-time jobs so he can live on his Marine salary and take care of his son.

That is not the worst of it. The real tragedy is that what I have shown are not exceptions. They are the norm. After 5 years of Republican control, the guys who said they were going to come here and make national defense their first priority, we are seeing what their first priority is tomorrow: \$800 billion in tax breaks, mostly geared to the top 1 percent of income earners in America. The top 1 percent get more than half of the money.

I do not think there is one person in this room that falls in that category. There is probably not one person watching this on television that falls into that category. They are probably at the Capitol Hill Club. They are probably at the Capital Grill, the Mayflower. They are probably writing some Republican a thousand dollar check because, boy, they are going to get it back with that tax bill; they are going to get it back tenfold. When someone gets, even under their plan, a 10 percent break, the guy who pays \$1,000 in taxes gets back \$100; but the guy who pays \$50,000 in taxes, oh, my goodness, he gets \$5,000 back.

They say it is fair? I do not think so. I came here to look out for the little guy, and believe me, the rich guys do not need any more representation here in Washington. They are overrepresented. I think the little guys need some representation for a while.

Just look at these numbers. These are the people who are defending our country right now. They are in crummy places like Kosovo. They are in crummy places like Bosnia. Heck, some of them are in Colombia; they are in Panama. Some of them are sitting on the tip of Cuba in a place called Guantanamo. They are sitting on the aircraft carriers for 6 months at a time. They are sitting under the sea in submarines for months at a time.

Fort Belvoir, an allotment for food stamps for United States active duty military, \$66,000. For the women, infants and children's program, active duty military, their families, \$138,000.

What of that \$800 billion is for them? Nothing, because they pay the most, and they do not have lobbyists and they cannot buy dinners at the Capitol Hill Club or the Capital Grill or the Mayflower. So they get nothing.

If this bill passes, and \$800 billion worth of revenue is taken out of the stream, it never gets fixed, because as I said at the beginning there is no surplus yet. We are getting mighty close to it. I am proud that we are getting close to it, but they do not take care of those folks. They are not only robbing senior citizens' Social Security trust fund, they are depriving those who pay the most of an opportunity to make a little bit more money.

What did they do for them in this year's defense bill? A 4.8 percent increase. Now, let me say, everything is relative. Everybody knows Congressmen make good money; 4.8 percent of a Congressman's salary is good money. 4.8 percent of nothing is nothing. And they say this is fair? They say this is good for the country? Who is kidding whom?

We have a chance to change that tomorrow. We really have a chance on this House floor to decide whether or not we listen to the American people or we listen to the big bucks lobbyists. Do voices count or do state dinners at the Capitol Hill Club, the Capital Grill, the Mayflower? Do thousand dollar contributions from the few mean more than doing the right thing for the many?

Oh, they are going to say, it solves the marriage tax penalty. It does, but these are the guys who are paying the price. These are the guys who are paying the price. It does nothing for them. All it does is ensure there will never be any money to fix those problems.

Do not take my word for it. I have served on the Committee on Armed Services for almost 10 years now. Let me quote some of my Republican colleagues. Let me quote a great man, the gentleman from South Carolina (Mr. SPENCE), himself a veteran, who is the chairman of that committee. This is a publication he put out in February. "The President's fiscal year 2000 defense budget falls at least \$18 billion short of what the Nation's military leaders have identified as unfunded requirements in the coming year, and nearly \$70 billion short over the next 6 years."

I would say to the gentleman from South Carolina (Mr. SPENCE), I agree, but if they give it all away to the fat cats, where are they going to find the \$70 billion to solve that problem?

Another Vietnam veteran, great American, the gentleman from California (Mr. HUNTER), quote from just last month, "The war I am concerned about, Mr. Chairman, is the next war, and I am concerned about the stocks of ammunition that are now very low. I am also concerned about those young men and women who have served us so well in the air war that has taken place over the past 78 days. The best way we can serve those men and women in uniform is to see to it that we get a large number of them off of food stamps. I am talking about the 10,000 military families that are currently on food stamps." This is the gentleman from California (Mr. HUNTER), chairman of the Subcommittee on Military Procurement, House Committee on Armed Services.

"Another way we can serve them is to see to it that we have the spare parts to get our mission capability rates up above 70 percent and to get that crash rate which last year was 55 aircraft crashing resulting in 55 deaths," of brave young Americans, "during peacetime operations down to

a lower level, if not an acceptable level. All of that is going to take money."

I would say to the gentleman from California (Mr. HUNTER), he is right; it is going to take money, but if we give it away to the fat cats and defense cuts, that money not only will not be there, it will not be there for the next 20 years because they give away \$800 billion in the first 10, and then they give away an additional \$2 trillion in the next 10.

It goes on. The gentleman from Pennsylvania (Mr. WELDON), a leader on this House floor for national missile defense, no one understands the subject better than he. He is sincere when he says these things, and I am going to remind everyone of what he has to say. "In fact, if we look at the record over the past 7 years, the only major area of the Federal budget that has in fact been cut in real terms is the defense portion of our budget. In fact, it has gone down for 13 consecutive years. In the past 3 years, I have been a Republican and as chairman of the Subcommittee on Military Research and Development, voting consistently against the B-2 bomber, it is not that I do not like the technology. I think the technology is critically important, but I just do not think we can afford the B-2 bomber with the budget limitations we have and with other problems we face as a Nation."

I would say to the gentleman from Pennsylvania (Mr. WELDON), we will never solve those problems if we give away \$800 billion to the fat cats tomorrow and another \$2 trillion 10 years after that.

Lastly, the Republican majority leader, the gentleman from Texas (Mr. ARMEY), April 19, 1999: "Since the end of the Gulf War, our military has shrunk by 40 percent. Army divisions have dropped from 18 to 10; fighter wings from 24 to 13. The Navy used to have 546 ships. Now it has only 333. At the same time our deployments have increased. As the gentleman from Pennsylvania (Mr. WELDON) often points out, we have had 33 Army deployments in the 1990s alone, compared with 10 for the entire period from 1950 to 1989. Funding has been inadequate to meet demands. The result has been lower troop retention, slow recruitment, shortage of spare parts, deficient training. Clearly this Congress must pass on an urgent basis legislation to reverse the decline of our military. Only by doing so will we prevent trouble from breaking out in many parts of the world."

Again, that is not me. That is the gentleman from Texas (Mr. ARMEY), the Republican majority leader.

So I call on the names that I just mentioned, the gentleman from South Carolina (Mr. SPENCE), the gentleman from California (Mr. HUNTER), the gentleman from Pennsylvania (Mr. WELDON), the gentleman from Texas (Mr. ARMEY). Tell me how are they going to solve the problems that they

have so articulately spelled out and deprive this Nation of first \$800 billion and then \$2 trillion after that, when we are already running a deficit? The answer is, they cannot.

So I mention I serve on the House Committee on Armed Services, and for the first hour of every meeting I hear my Republican colleagues, one after another, talk about the shortfalls in defense spending. They have every right to do so, because they are there and they are real.

I also have every right, and I am putting them on notice right now, that should they vote to deprive this Nation's military of \$800 billion tomorrow, I will remind them at every meeting, as long as I serve on that committee, that they contributed to the problem. They can vote to help solve it tomorrow. They can vote to help contribute to the problem. I hope they will do as they said when they pointed out our Nation's defense needs.

Mr. HOYER. Mr. Speaker, I thank the gentleman from Mississippi (Mr. TAYLOR) for his contribution. I do not think we have any stronger fighter for personnel in the House and the average personnel, the guys and gals who really make it happen when this Nation needs to have it happen. I thank the gentleman from Mississippi (Mr. TAYLOR) for also pointing out that there is no free lunch; that actions have consequence. While it is nice to talk about cutting taxes, it is difficult to do that when talking about \$800 billion and then \$2 trillion and say at the same time we want to save Social Security, save Medicare, pay down the debt so we can keep interest rates low and bring them down even further, and maintain a strong defense.

□ 2030

Madam Speaker, I hope that, when they try to say that, I know the gentleman from Mississippi (Mr. TAYLOR) will remind them on a regular basis that it is easy to say and tough to do.

Madam Speaker, I yield to the gentleman from Indiana (Mr. HILL), one of our most able, new Members.

Mr. HILL of Indiana. Madam Speaker, I want to repeat as a freshman Member of Congress what has already been said by the previous speakers. We have no budget surplus.

According to the Congressional Budget Office, we will have an on-budget deficit of \$4 billion in the fiscal year of 1999. If we take away the surplus in Social Security, our budget is still running a deficit. If we read the fine print of the CBO report, we will not have a real budget surplus next year either. CBO estimates that we will have a \$3 billion deficit for fiscal year 2000.

I do not believe that it is fiscally responsible to spend money that we do not have and that we may not have in the future. After 30 years of budget deficits, this Congress has still not learned it cannot spend money it does not have.

As we stand on the bridge of finally balancing our budget and beginning to

pay down our \$5 trillion debt, the leadership of this House has put forward a bill that could blow a giant new hole in our budget and create trillions of new dollars of debt that our children and grandchildren will have to pay.

What happens if the budget forecasts change and our economy does not produce the surpluses the experts are now predicting? We will turn again to Social Security and its trust fund and use the Social Security trust surpluses to conceal the irresponsible behavior just like Congress has done for the last 30 years. This is wrong.

The decisions we make this week about our budget priorities will affect millions of Americans, including our veterans, the people who put themselves in harm's way for our country.

I just received a seat on the Committee on Veterans' Affairs, and I am learning how many unmet needs there are in our veterans' community. Many veterans are not receiving the health care, as was previously mentioned, and other benefits they were promised when they enlisted to defend our country.

Over the next few years, Congress must act to make sure that we keep the promises that we made to our veterans when they enlisted in our armed services. We will not be able to keep these promises if we pass a bill this week that soaks up every cent of our projected budget surplus for the next 10 years. We will have no money to fix the problems that plague our veterans' health care system.

So, Madam Speaker, I urge this body to set aside whatever real surpluses we have over the next few years to pay down our God-awful debt that we have collected and to protect Social Security, Medicare, and our country's veterans. This is the responsible thing to do.

Mr. HOYER. Madam Speaker, I thank the gentleman for his contribution, and I think he articulated it very well, very concisely. That really is the alternative we have of acting responsibly or acting irresponsibly, very frankly, as we did when we quadrupled the national debt and put that on our kids and the next generation. I think the gentleman's contribution was very, very significant.

Madam Speaker, it gives me a great deal of pleasure to yield to the gentleman from Mississippi (Mr. SHOWS), one of our newest Members of Congress, but one of our most able Members of Congress.

Mr. SHOWS. Madam Speaker, I appreciate the opportunity to be here. I do not know if I can articulate it as well as the gentleman from Mississippi (Mr. TAYLOR) did with his 10 years of experience on the Committee on Armed Services.

I think we are all here tonight saying we do not oppose tax cuts, but I think they ought to be targeted tax cuts, I mean real tax breaks to help real people, help folks like with college tuition, nursing home expenses, starting

small businesses, and to help our American farmer.

What I do not support is a tax plan that is irresponsible and how it adversely affects children, senior citizens, agriculture, our veterans, and our national defense.

Tonight, I want to focus on our veterans, those who have protected the gates to democracy, have stood on foreign soil, and battled adverse odds so that we can stand here tonight.

I have got to mention my father, Clifford Shows, who fought in World War II and was captured at the Battle of the Bulge, almost amputated his feet when he got out, Madam Speaker. He spent 6 months as a POW, marching in the snow as a prisoner of war. He and the thousands of others from this generation have carried us through a Great Depression and won a world war.

Like Tom Brokaw says, "I believe they are our greatest generation. These veterans, and the others from Korea, Vietnam, the Gulf War, and all those who have stood so strong that our flag can proudly fly today are our veterans, and they deserve our strong respect and support."

I am a new Member of Congress and a new Member on the Committee on Veterans' Affairs. I have sat through testimony after testimony about the President's budget. I have sat through testimony about the state of the VA health care system. I have read about VA plans to lay off 1,100 workers at veterans' hospitals.

Right now, if it was not for the volunteers who are working in our veterans' hospitals, I do not know what the staff of these hospitals would do. Needless to say, this has not been an encouraging few months with regards to the needs of our veterans.

Now, over an \$800 billion tax cut is being proposed, one that only provides real savings to the wealthiest in our Nation. This proposal comes at a time when the VA is struggling to maintain the health care needs of veterans. These tax cuts are just irresponsible.

When my father goes to VA, he has to drive 2½, 3 hours to get to a VA hospital. We want satellite facilities, but can we afford to do it under this proposal?

This Congress passed a budget resolution that would increase funding for veterans' health care by \$1.7 billion, and it is not enough. We must focus on keeping that commitment.

Now is the time to stay focused on the needs of our veterans. Did my colleagues know that veterans' hospitals across the country have to rely on these volunteers, or we would not be able to give them the basic service they have right now; that the number of hospital beds are being decreased; and that veterans cannot receive the attentions from doctors that they deserve?

The World War II veterans right now are dying at a rate of over 150,000 per month. I hate thinking about that. But we must, and we must not only think

about it, we must take action to fix it. We can fix it, and we can take action.

The integrity of our budget, real reduction in the national debt, saving Social Security and Medicare, supporting our veterans and targeting tax cuts that really help folks can be done. Playing politics with tax money, making irresponsible 10-year projections about surpluses that can change as quickly as the projections must not be done.

Sound bites are fine and dandy. But what we need are real solutions for real problems that touches the lives of real people is what this Chamber must be about. Let us do these things that are right. Let us support our veterans. They have supported us. They have fought for us, and they have protected us. We are free today to be here today because of our veterans.

Mr. HOYER. Madam Speaker, I appreciate very much the intervention of the gentleman from Mississippi (Mr. SHOWS), and I hope that he will take back to his dad our thanks, not just from those of us who have heard him speak tonight, but from a grateful Nation.

I think we all agree with Tom Brokaw that this was one of the great generations of all time in this country who, when the challenges came, knew that the costs would be high, but they were willing to pay it.

My opinion is the American public knows that freedom is not free, that keeping our promises to our veterans is not free, that paying down that debt is not free. They have to pay down their debt all the time, and they know that, when they do, their families are better off. The gentleman from Mississippi (Mr. SHOWS) makes the point that that is what we need to do as well, and I appreciate his contribution.

Madam Speaker, I yield to the gentleman from Washington (Mr. DICKS), one of our most distinguished senior members of the Congress of the United States who, in my opinion, is one of probably 10 of the real experts on defense issues and the readiness issues and the status of our Armed Forces here and around the world that we have in the Congress of the United States.

He is from Washington State. He has been a Member of Congress for over 20 years. He is the second ranking member on the Committee on Appropriations Subcommittee on Defense, and I am very pleased that he joined us tonight.

Mr. DICKS. Madam Speaker, I want to thank the gentleman from Maryland (Mr. HOYER) for taking out this special order. I must say, over the years, I have enjoyed working with STENY HOYER, because I think he is one of the most serious and most reflective Members of this institution.

I must tell my colleagues that I am very, very concerned that we are going to repeat a mistake that we made in the 1980s when we passed a major tax cut bill in 1981. We had a defense buildup that only lasted until 1985, midway

through the Reagan administration. Then we went for many years cutting defense every single year simply because we did not have the money.

Now we are faced with a situation in, let us face it, a post-Cold War era where we realize that we have cut defense now by 37 percent. We are faced with the problem that, with discretionary spending being cut, as it has been over these last several years, that if we have another major tax cut that will take up a lot of discretionary authority, that we will wind up not being able to do for defense what we need to do.

Now, one of the great myths in this institution is that the Republicans are for more money for defense. But the facts do not really tell that story. The President's budget request between fiscal year 2000 and fiscal year 2005 is \$198 billion higher than the Republicans.

Now, I think there is a few Republicans, if they knew that, they might follow the gentleman from New York (Mr. FORBES) and come our way. But the reality is that, if we have another major tax cut, that we are not going to be able to take care of the needs of defense in the future.

I worry about this because President Clinton put \$112 billion additional money in the defense budget. Even with that, we are still having a major problem with readiness, with training, with replacing the older weapons systems that need to be replaced.

So I hope that the Republicans who claim that they want to increase defense will realize that, if they pass these huge, massive tax cuts, that there simply will not be the money in the future to adequately take care of the defense needs of our country.

We are faced with decisions this year already in the defense mark-up about whether we can afford certain weapon systems because the Chief of Staff of the Air Force sends over a list of \$18 billion in unmet needs that he has. That is one of the services. Also, we are seeing a situation where the Navy and the Air Force, for the first time, are not able to meet recruiting goals. So we have got serious problems.

I think the Democratic alternative of having a tax cut with a more targeted tax cut that will not take up as much money in the future is a much sounder policy and will allow us to have the resources necessary in the future to take care of our defense needs. Having gone through this once in the 1980s, I would prefer not to go through it again.

I appreciate the gentleman from Maryland (Mr. HOYER) for taking out this special order tonight to give those of us who are concerned about defense a chance to mention these important facts. If my colleagues remember the great story of the fact that, between George Washington and Jimmy Carter, we had a deficit of only about \$980 billion, and then, after the tax cut in 1981, we had a \$4.5 trillion increase in the debt.

Now, even with the good news in the economy, it would still take us 2015 to

pay off that entire debt if we were using restraint.

I will tell my colleagues in my district, my constituents would say pay off the debt before we do another tax cut and make sure we have got enough money to protect defense, Social Security, and Medicare. Those are the right priorities.

□ 2045

Mr. HOYER. Madam Speaker, I want to thank the gentleman very much, and I could not agree with him more; that those are the right priorities. And that, of course, is the point of this special order, and the remarks of my colleagues who have spoken, have spoken of those priorities.

The gentleman from Washington and I went through the 1981 experience together, and we do not want to relive that.

Madam Speaker, I will now yield to my good friend, the gentleman from Texas (Mr. TURNER), a former State Senator now Member of Congress from Texas, who has now been here for a number of years and has really become an expert on a number of matters.

Mr. TURNER. Madam Speaker, I thank the gentleman and appreciate his having this hour for us to talk about perhaps the most important issue that this Congress will face in this session. The proposal to reduce taxes at a time when we are just now beginning to see a balanced budget is indeed an issue that we must all confront with a great deal of concern.

The chart to my left shows the history of Washington spending more money than it has taken in. In fact, we have gone for 29 years in Washington spending more money than was taken in. This chart shows the history by presidential administration.

My colleagues will notice that President Johnson was the last president to have a balanced budget. Through the years of President Nixon we had budget deficits. They got larger through President Ford. They got larger through the administrations of President Carter. They got much larger through the administrations of Ronald Reagan. They got even larger during the administration of George Bush. And it has only been during the Clinton administration that we have begun to see reductions in the annual Federal debt.

In fact, this past year was the first time that the annual deficit was not there. In fact, we had a surplus in the overall Federal budget. And it will be only next year that we will actually have a true surplus based on the projections when we look just at the general operating fund of the Federal Government and do not look at the surplus in Social Security.

The next chart reveals what has happened through all those years of accumulating annual deficits, spending more money every year than we took in. We can see we have accumulated an increasingly large national debt, until today we owe over \$5.6 trillion.

When we look at where money is spent in the Federal Government, and these are figures from fiscal year 1998, we see that interest on the Federal debt is now the second largest category of Federal spending. In fact, in the blue we see that in 1998 we spent \$364 billion just to cover the interest on this \$5.5 trillion national debt. Only Social Security was an area where we spent in the Federal Government more money.

If we look at the green, we can see that national defense, the third largest area of expenditure, was only \$268 billion, falling beneath the amount that we spend every year just to cover the interest on the national debt.

We also know that defense spending has gone down since 1962. Defense spending back in 1962 constituted one-half of the Federal budget. Today, it only constitutes 16 percent.

When we hear all this talk about the surplus, we need to understand that the surplus is just an estimate of what the Congressional Budget Office thinks we might see in the years ahead. And, in fact, it is based on some assumptions and some projections that may not turn out to be true. In fact, we may not really have a \$2.9 billion surplus. If any of these four things were to happen at one time, we would have no surplus.

For example, if Federal spending increases, instead of going down, as is projected under the Balanced Budget Act of 1997, just kept up with inflation for the next 10 years, 18 percent of that surplus would disappear.

If Medicare spending grows at just 1 percent faster than is projected, 12 percent of the surplus disappears.

If productivity grows at the rate of 1.1 percent per year, the average since 1973, instead of the number the Congressional Budget Office used of 1.8, then 53 percent of the surplus disappears.

And if the unemployment rate just goes up one quarter of 1 percent, 17 percent disappears and there is no surplus.

BUDGET, DEFENSE, AND VETERANS' ISSUES

The SPEAKER pro tempore (Mrs. WILSON). Under a previous order of the House, the gentleman from Mississippi (Mr. TAYLOR) is recognized for 5 minutes.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield to the gentleman from Texas (Mr. TURNER) to continue his discussion.

Mr. TURNER. In summary, Madam Speaker, if each of those four assumptions turn out to not be true, we will find out there is, in fact, no surplus.

When we have needs in Social Security, needs in Medicare, needs in national defense, all of these require us to have additional funds. And if we want to pay down the national debt and not pass on that burden to our children and grandchildren, we need to reject this blockbuster \$864 billion tax cut that will be before the House this week.

Mr. TAYLOR of Mississippi. Madam Speaker, I yield to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Madam Speaker, I rise today to ask Congress to maintain fis-

cal discipline and to work to reduce the national debt.

In the coming weeks, we are going to be talking about tax cut packages and what to do with the projected budget surplus.

I underline projected. It does not exist, it is just imagined.

The Congressional Budget Office earlier this month revised its budget outlook upward saying the budget surplus would reach a total of \$996 billion over the next 10 years assuming existing revenue and spending policies remain in place and the economy continues growing at rates at least equal to its performance today.

The Office of Management and Budget, relying on the same kinds of assumptions, projected the budget surplus would grow to \$1.08 trillion over the next 10 years.

These projections are very dangerous.

Only three years ago they were projecting deficits for as far as we could see.

Now it is surpluses.

We simply should not spend money we do not have, and when we get some extra, we should pay off the debt.

A new study by the Center on Budget and Policy Priorities shows the projected budget surpluses may not come true.

This study shows that the majority of this so-called surplus is based on Congress maintaining the budget caps set in the 1997 Balanced Budget Act.

But, Mr. Speaker, Congress this year alone has already broken those caps by almost \$30 billion in unanticipated spending.

If we set aside the Social Security trust fund, as we should, protect Medicare and deal with emergencies, there will be a small surplus, and it should go to pay off the debt.

While some folks are getting caught up in a surplus feeding frenzy, we should be conservative and be careful before spending projected surpluses that may not materialize.

We should not rely on ten and fifteen year budget projections to justify large tax cuts or new spending programs.

Budget projections for the next ten years have improved by nearly \$2 trillion in the last twelve months—they could go the other way just as quickly.

Today's budgetary projections are headed in the right direction but they are simply best guesses.

If a surplus actually appears, we should use it to get our budget on a solid long-term path by paying down our debt and dealing with Social Security and Medicare first.

Paying down the national debt is the most important thing Congress can do to maintain a strong and growing economy with low inflation.

Madam Speaker, we talk about these projected surpluses like they were real money, but there is an old joke in the part of the country where I come from where they talk about the board of directors that was going to hire a new CEO.

They brought in an accountant and they interviewed him, and they said, what is two and two? And he said, well, it depends on whether it is a deficit two or whatever column you put it in. So they rejected him. They brought in an engineer and they said, what is two and two? He said, well, it depends on whether it is a plus two or a minus two. It depends on how you put it together. You can get different answers.

Then they brought in a Republican budget forecaster and asked him. They said, what is two and two? He looked under the table, in the closet, behind the curtains, under the chairs, and then he looked at the board of directors and he said, what do you want it to be?

That is what we are looking at here. We have numbers here that do not mean anything. It is someone's imagination. We should not take the chance when we do not have the money and ignore the fact that we have to save Social Security, we have to save Medicare, we have to take care of our veterans and our farmers and educating our children.

Most of all, we owe it to our children to pay off this debt. We simply cannot let this debt go on and on and on. With this money, when the surplus does exist, we should recognize our responsibilities and not pass this debt on to our children and grandchildren.

Mr. TAYLOR of Mississippi. Madam Speaker, I yield to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Madam Speaker, what has been the point of this special order? The point of this special order is that we ought not to throw the dice again as we did in 1981. We threw the dice in 1981 and said we are going to balance the budget; we are going to cut \$750 billion in taxes. And lo and behold we thought we were going to cut spending. But what happened? For 12 years Presidents Reagan and Bush suggested that we increase spending. And they asked for more spending over those 12 years than the Congress appropriated. We quadrupled the national debt and we pushed down our kids and their generation and the generations to come.

The point of this special order is to say, let us not do it again. Let us not gamble on that surplus existing. Let us take it prudently and apply it to reduction of debt, saving of Social Security, stabilizing and ensuring Medicare, and investing in our national defense and other domestic priorities, to the extent that we can, so that the next generation of Americans to come will say, "That was a fiscally responsible generation, and, as a result, our economy continued to grow, to create jobs and opportunities for our young people and good times for our families."

The gentleman from Mississippi (Mr. TAYLOR) talked about families, many of whom serve in the military. We need to take care of them before we take care of those who have so much.

Madam Speaker, I hope, we all hope, that tomorrow, or whenever that tax bill is brought to the floor, that we look the American public in the eye and tell them honestly, "We will manage your money so that your debt will be reduced, your economy will remain strong, and the fiscal management of America will continue to be responsible."

TAX RELIEF FOR THE AMERICAN PEOPLE

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

Mr. SCHAFFER. Madam Speaker, I would invite all Members of the Republican majority and our Republican conference to join me on the House floor for this special order. This is an hour I have secured on behalf of our conference, and I know there are many who are eager to come to the floor today and have expressed their desire to come to speak about the prospect of passing real tax relief for the American people.

The debate over this topic is an interesting one, and it is one that we have heard part of so far tonight. But I want to tell the other side of that story and alert House Members and those throughout the country who are perhaps monitoring tonight's proceedings precisely what is at stake with the debate on the projected taxpayers' surplus, or overpayment of tax revenues, and the prospect of tax relief for American families.

We just heard the previous speaker talk about his assurances that the government will manage the taxpayers' money. And they will propose to do it well. I have no question or doubt about that. I believe all Members of Congress are sincere and that those of us who are charged with the responsibility of keeping track of the taxpayers' cash would like to do that in a responsible way and would like to manage that money well. But that really neglects the underlying debate, and that is who should be managing the money of the taxpayers?

Now, those dollars that have legitimate cause to come to Washington to be spent should be managed well, certainly, and that is our job as Members of Congress, but the fact of the matter is the American taxpayers are overpaying when it comes to their taxes. They are sending more cash to Washington, D.C. than is necessary to legitimately run the government. So the question becomes: What do we do with the projected taxpayers' surplus?

Now, the core principles of tomorrow's debate and the debate that is ongoing in Washington, in fact the difference between liberals, those we just heard, and conservatives, that we will hear now, is on the following basis:

Conservatives, the Republican Party, believes in personal freedom, and that is as opposed to our opponents' objectives, those we just heard, of government control. And I emphasize the notion of government control again by citing the quote that we had just heard on the floor; that government will manage the taxpayers' money.

Conservatives believe in personal freedom; our opponents on the House floor, who oppose tax relief, believe that government should control the taxpayers' cash.

Republicans are for lower taxes versus higher taxes. Republicans are for limited government versus big government. We are also for economic growth versus the bureaucratic control of our economy. And we are for more jobs versus red tape.

The debate on tax relief and what to do with the tax overpayment could not be boiled down any more simply than that which we see here.

So let me carry on on those very points, and let me start by referring to some of my own constituents. I, like many other Members of Congress, meet with constituents as often as I possibly can. In fact, I hold a town meeting in my Congressional District every Monday morning before I hop on a plane to come here to Washington. I also send out public opinion surveys to my constituency and ask them to give me their opinions on a host of issues.

I ask questions like, "What is the single most important issue facing the country today?" "What is the single most important issue facing your family?" "What do you think are the biggest challenges for our schools?" And so on.

I just grabbed a handful as I was walking out of the office today. We read these as they come in. Question number seven on my "Congressman Bob Schaffer Public Opinion Survey" is: "What should be done with any Federal budget surpluses?"

□ 2100

A respondent, Kirk and Kathy Brush from Fort Collins, Colorado, write in, "True surpluses should result in tax cuts."

Here is another one. Again question No. 7, what should be done with any Federal budget surpluses? "To strengthen Social Security and reduce taxes." That from James Sanden of Fort Collins, Colorado.

Mr. and Mrs. Gerald Simmons say of the surpluses, "Any surpluses should be returned to the taxpayers."

I have more. Here is a gentleman who sent a letter in with his response. This is another individual from Fort Collins, Colorado, Mr. Ray. Mr. Ray says that taxes are the number one issue when it comes to the surplus. Relief for retired persons living on pension income. While the contribution to most allocated pension accounts were made tax-deferred and the earnings deferred, I believe the tax upon withdrawal should be less than the rate for ordinary income. After all, that money which mostly goes into the stock market enables corporations to have additional capital to expand, thereby advancing our economy which generates additional revenue for the government."

He hits it right on the head. Here is another one. The McFarlands, Mr. and Mrs. McFarland. They wrote in, again the question, what should be done with the Federal budget surpluses? My constituents, the McFarlands, tell me, "It should be returned to the taxpayers who worked all of their lives to earn it."