

healthy neighborhood, adequate infrastructure, transportation, clean air and clean water.

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This is what we all want for our families. What a business aspires to have is a sound basis of operation, and that is what we want for our Nation.

Congress' work is to look at our income of hard-earned tax money and use this money to provide a decent and functioning Nation; a Nation which we all can be proud of, a Nation of well-educated people, well housed, well fed, healthy, with a decent regard for themselves and for each other and the common good. We must have serious priorities for the serious business of being a sound Nation.

Now, the majority cuts taxes for the rich and ignores problems that are screaming for attention. We must pay down our debts to lower our interest rates, but we must also respond to our housing problems. We have over 5.5 million households that are in substandard housing. In my district alone, the waiting list for housing assistance opened for 1 day in May of 1997, and 15,000 applicants stood in line for a waiting list running up to 5 years. In my county of Alameda, the wait list has been closed since 1991. Taking care of our housing stock should be one of our national priorities.

Over 43 million do not have health coverage. In California, among working families of employed single adults with children, 55 percent have no insurance. The number of uninsured children has increased by 25 percent during these amazing economic times. About 8 million Californians are not covered at all. Prescription drugs are being priced out of the reach of seniors, and I fully support the President's plan to address this need. Provision of essential prescriptions should be one of our national priorities.

There will be more students. Our classrooms are crowded. A record 52.7 million children are enrolled in elementary and secondary schools, and this number will climb to 54.3 million by 2008. We do not train our teachers sufficiently, and we do not pay our teachers sufficiently. We do not have enough teachers. We do not have enough counselors. We do not have enough school buildings, and much of what we have is aging and must be rehabilitated. Most of our schools are not connected to the Internet. The Republican tax bill is silent on these issues and all of these needs. These educational needs must be one of our national priorities for attention.

Almost 70 percent of this tax freedom bill, as it is called, goes to reduce taxes of the wealthiest 10 percent of the people, with incomes over \$204,000 a year. Only 9 percent of this bill goes toward reducing the taxes of about 70 percent of our people.

There is hunger in our cities and there is hunger in many of our rural areas. The Washington Post reported

that our military personnel and their families depend upon second and third jobs, food stamps, and cast-away furniture in order to feed and house their families. Eliminating hunger should be a national priority. Providing adequate wages for working people should be a national priority.

This is our chance to do what is right. This is our chance. Our rivers can be cleaned, our air can be improved. This is our chance to take care of the physical conditions of our environs; a program to continue our Superfund and brown fields cleanup, reforestation, and preservation of endangered species.

We have important and essential work to do together to recognize that the priorities of our country should be putting people first. It should ensure that we make our country strong, physically, socially and economically.

ON THE BUDGET

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

Mr. SMITH of Michigan. Mr. Speaker, I want to also talk about where we go on the budget and also where we have been on this budget.

Mr. Speaker, the Republicans were elected as a majority back in 1995. For almost every year before that, for the previous 40 years, the Democrat majority in this House used every cent of the Social Security surplus and spent it on other government programs. When Republicans came in, in 1995, we came in with the enthusiasm to try to make government more efficient. We said, look, there has to be a balanced budget, and so we started cutting back on spending.

We actually had a rescission bill. We started our session in January of 1995; but already, because we operate on a fiscal year, we had gone through the first one quarter of the budget year. But, still, with three-quarters left, we decided to cut down on the spending authorized for the rest of that year. We were successful, and we held the line on increased spending.

The following year, with a great deal of effort and dedication, but also controversy, we did the same thing, because we were dedicated to the proposition that we should have a balanced budget and that Congress should live under the same logical, practical rules that every family has to live under, and that is that we had to try to pay down our debt and try to live within our means.

We took a great deal of criticism that year and through the next election and were charged with accusations such as "Republicans are taking food out of the mouths of children," and "they are radical," and "they are taking the security out of Social Security," and "they are reducing spending at the sacrifice of America and the sacrifice of our economy." Of course, that

did not happen, and we were successful in reaching a balanced budget.

Now, I think everybody agrees, the President included, that a balanced budget is reasonable. The question and the challenge is do we continue down the road we have had for so many years, the last 45 years, of moving for a bigger, more expensive, more intrusive Federal Government, really on the road to socialism; or do we set some priorities and do we say what is reasonable for taxpayers to pay in terms of the money they earn?

Right now the average taxpayer in the United States pays about 40 cents out of every dollar they earn in taxes to local, State and Federal Government. If we include the regulations that we impose on business, then it gets up to about 50 cents. So the first question is, how big should government be in terms of what earnings and income is? I say it is at its largest. Our taxes today are larger than they have ever been in the history of this country except for World War II.

Now, should we pay down the debt or reduce taxes with some of the surpluses that are projected? In the budget we passed this year, we took what many of us have been preaching for the last several years, and that is to say that we were not going to use any of the Social Security surplus for any other government spending, and we came up with this idea of a lockbox.

The lockbox is simply using every penny of the surplus coming into Social Security and using that money to pay down the debt held by the public. So it does not solve the Social Security problem, but at least it does not spend it for other government programs.

Now, the challenge is, as we look at approximately a trillion dollars coming in over the next 10 years in income taxes, and another definition for surpluses in income taxes is somebody that is being overtaxed, how much of that money should go towards paying down the debt; how much of that money should be used for expanded government spending; and how much of that money should go into tax relief, or giving back to the American people? Or a better way to say that is let the American people keep a few more dollars of what they have earned.

This tax reduction bill we passed the other day does both; it is a demand on paying down the debt as well as a tax cut for every American.

We have defined our goal of reducing the debt in terms of how much the debt service costs in this country. Alan Greenspan told our Committee on the Budget that a good way to measure the imposition of how big the debt is in this country is to measure the debt service cost. That is how much interest we pay out. That is \$360 billion a year. We need to bring that down. That interest rate is now tied to whether or not we have across-the-board tax reductions. So we set back the across-the-board tax reduction for any year that we do not reduce the interest cost.

So I think it is correct, and I hope most of us agree, that we save Social Security and Medicare, but we also work at paying down the debt and we let the American people keep a few more dollars of what they have earned. They already work 4 months and 11 days during the year for taxes. That is enough.

OPPOSITION TO H.R. 2398

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nevada (Ms. BERKLEY) is recognized for 5 minutes.

Ms. BERKLEY. Mr. Speaker, I rise this evening to voice my strong opposition to H.R. 2398, a bill that would have disastrous consequences for the economy of my district, Las Vegas, Nevada.

H.R. 2398, referred to the Committee on Ways and Means, is an example of the worst type of Federal Government meddling in local matters and senseless overregulation. I believe this is an issue of importance to Members of Congress and local governments across the country.

Here is the situation in a nutshell: the Las Vegas Convention and Visitors' Authority needs to expand its convention center to accommodate the growing needs of major trade shows and conventions. This type of business is the lifeblood of the economy of my district, and hundreds of thousands of jobs depend on it. I know, because I worked in the tourism business for many, many years before coming here, and I served as a business consultant trying to meet the needs of the convention industry in my hometown. I know firsthand how critically important it is for Las Vegas to expand its convention center, and I know how important these facilities are to dozens of other communities around the Nation.

Just 3 weeks ago, the Las Vegas Convention and Visitors' Authority was ready to issue revenue bonds exempt from Federal taxes. As my colleagues know, local government entities routinely issue tax exempt bonds to meet their building needs. The bond measure would allow my hometown convention center to add enough floor space to meet the needs of the convention business and maintain our reputation as one of the finest convention venues in the world into the 21st century.

The bond measure was the result of responsible local government planning for the future, to maintain a strong economy for the benefit of the 1.3 million residents of southern Nevada.

Then something shocking and outrageous happened, and it happened right here in this House. From 2,500 miles away, one of my district's most important economic development projects was torpedoed, but only temporarily, I hope. At the last minute the convention authority was forced to postpone its sale of bonds after H.R. 2398 was introduced by the gentleman from Texas (Mr. DELAY) on June 30.

The remarks of the gentleman from Texas in the CONGRESSIONAL RECORD

indicate Houston, his hometown, cannot compete with Las Vegas as a convention destination. He targeted Las Vegas with legislation designed to stop the expansion of the new convention center.

H.R. 2398 bears the obscure and seemingly harmless title of The Private Activity Bond Clarification Act of 1999. In reality, this measure would drop a bomb on the proposed Las Vegas convention center expansion and on every other public building project in the United States that uses similar tax exempt financing.

The Las Vegas convention center expansion project is a model of prudent use of public monies and sound planning. The bonds were to be repaid through hotel room tax revenues, exactly the revenues that would grow because there would be more convention space, attracting more visitors to southern Nevada.

With a Federal tax exemption, the cost of the convention center bonds would be low and the convention center will be able to accommodate conventions that otherwise would be turned away. The financing through tax exempt bonds meets every State and Federal rule and regulation.

But now, out of the blue, comes H.R. 2398. This bill seeks to kill the Federal tax exemption by changing the IRS codes, even though the current IRS codes set clear qualifications for projects in order to be tax exempt. And I might add that this project in Las Vegas meets all of these current qualifications.

H.R. 2398 is simply a solution in search of a problem. It sets out to fix something that ain't broke, and in the process H.R. 2398 could do a whole lot of damage throughout the United States. H.R. 2398 could drive up the costs of convention centers and arenas around the country by banning tax exempt bonds for those projects. It promotes the absurd concept that the Federal Government should tax local governments.

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For no good reason, H.R. 2398 gobbles up local dollars by forcing local entities such as the Las Vegas Convention and Visitors Authority to borrow money at higher interest rates because they would no longer qualify for Federal tax-exempt status. This amounts to an unfunded mandate and an onerous burden on our cities and our towns. I say we should be encouraging the economic boost that convention centers bring to a community, not discouraging them.

H.R. 2398 is totally out of step with the times. I know the gentleman from Texas (Mr. DELAY) must be aware that we are in an era of streamlining the IRS, not expanding it. We are in an era of reducing government intrusion on State and local matters, not meddling in them. We are in an era that recognizes the value of public-private partnerships to stimulate economic

growth. And we are certainly in an era when we are all trying to lower the tax burdens, not raise them. H.R. 2398 is on the wrong side of all of these issues and we must reject it for the economic health of our local communities. The defeat of H.R. 2398 will also defeat Federal Government meddling in local affairs and defeat overregulation and it will be a victory for common sense.

WHITHER THE SURPLUS

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

Mr. KINGSTON. Mr. Speaker, we have a surplus now. It is the first time since 1969 that we have had a surplus. We have this for two reasons: Number one, Congress has finally slowed down the rate of growth in government. Very important concept. We are questioning bureaucrats on how they spend our money. But, number two, and most importantly, we have a surplus because the American people have worked their tails off in the last several years and they have put in 50 and 60 hours a week and the revenues to our coffers have increased tremendously.

So now we have a big debate, a good debate going on, what to do with this surplus. I believe that there are three essential things that we should do, and that was what the debate last week was, on tax reduction.

Number one, what we should do with this surplus is pay our Social Security debts. Protect and preserve Social Security and Medicare. The President of the United States in January stood right where you are, Mr. Speaker, and said, "Let's protect 62 percent of the Social Security surplus." But the Republican Party said, "No, Mr. President, we want to protect 100 percent of the Social Security surplus and not just protect it on paper but put it in a lockbox so that it cannot be used for roads and bridges and pay raises and new entitlement programs but that money will be there for your mom and your dad's retirement."

And so, Mr. Speaker, this bill puts aside 100 percent of the Social Security surplus to the tune of \$1.9 trillion, protecting and preserving Social Security and Medicare.

Number two, this bill pays down the debt. For 40 years, because of irresponsible congressional spending, we have accumulated a \$5.4 trillion debt. This bill takes the first serious step of paying down approximately \$2 trillion of that debt by having a trigger device. The trigger device says that if you want to get a tax reduction, you have to pay down the debt. And unless the debt is paid down, then the tax reduction portion is not triggered. It is the first time that has ever been done by the House.

The third thing, of course, that the bill does is it provides the American people with \$792 billion of their money