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House of Representatives

REPORT ON RESOLUTION IN THE MATTER OF CONTEMPT OF CONGRESS REPORT OF THE COMMITTEE ON RESOURCES

Mr. YOUNG of Alaska, from the Committee on Resources, submitted a privileged report (Rept. No. 106–801) together with dissenting views, on the refusals of Mr. Henry M. Banta, Mr. Robert A. Berman, Mr. Keith Rutter, Ms. Danielle Brian Stockton, and the Project on Government Oversight, a corporation organized in the District of Columbia, to comply with subpoenas issued by the Committee on Resources, which was referred to the House Calendar and ordered to be printed.

SOCIAL SECURITY BENEFITS TAX RELIEF ACT OF 2000

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 564, I call up the bill (H.R. 4865), to amend the Internal Revenue Code of 1986 to repeal the 1993 income tax increase on Social Security benefits, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution 564, the bill is considered read for amendment.

The text of H.R. 4865 is as follows:

H.R. 4865

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Social Security Benefits Tax Relief Act of 2000''.

SEC. 2. REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS.

(a) RESTORATION OF PRIOR LAW FORMULA.—Subsection (a) of section 86 of the Internal Revenue Code of 1986 is amended to read as follows:

''(a) IN GENERAL.—Gross income for the taxable year of any taxpayer described in subsection (b) (notwithstanding section 207 of the Social Security Act) includes social security benefits in an amount equal to the lesser of—

''(1) one-half of the social security benefits received during the taxable year, or

''(2) one-half of the excess described in subsection (b)(1).''

(b) REPEAL OF ADJUSTED BASE AMOUNT.—Subsection (c) of section 86 of such Code is amended to read as follows:

''(c) BASE AMOUNT.—For purposes of this section, the term 'base amount' means—

''(1) except as otherwise provided in this subsection, $25,000,

''(2) $32,000 in the case of a joint return, and

''(3) zero in the case of a taxpayer who—

''(A) is married as of the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such year, and

''(B) does not live apart from his spouse at all times during the taxable year.''

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 871(a)(3) of such Code is amended by striking ''85 percent'' and inserting ''50 percent''.

(2)(A) Subparagraph (A) of section 121(e)(1) of the Social Security Amendments of 1983 (Public Law 98–21) is amended—

(i) by striking ''(A) There'' and inserting ''There'';

(ii) by striking ''(i)'' immediately following ''amounts equivalent to''; and

(iii) by striking '', less (ii)'' and all that follows and inserting a period.

(B) Paragraph (1) of section 121(e) of such Act is amended by striking subparagraph (B).

(C) Paragraph (3) of section 121(e) of such Act is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(D) Paragraph (2) of section 121(e) of such Act is amended in the first sentence by striking ''paragraph (1)(A)'' and inserting ''paragraph (1)''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) SUBSECTION (c)(1).—The amendment made by subsection (c)(1) shall apply to benefits paid after December 31, 2000.

(3) SUBSECTION (c)(2).—The amendments made by subsection (c)(2) shall apply to tax liabilities for taxable years beginning after December 31, 2000.

SEC. 3. MAINTENANCE OF TRANSFERS TO HOSPITAL INSURANCE TRUST FUND.

There are hereby appropriated to the Hospital Insurance Trust Fund established under section 1817 of the Social Security Act amounts equal to the reduction in revenues to the Treasury by reason of the enactment of this Act. Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had this Act not been enacted.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 4865, as amended, is as follows:

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''(A) is married as of the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such year, and

''(B) does not live apart from his spouse at all times during the taxable year.''

(c) CONFORMING AMENDMENTS.—

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Printed on recycled paper.

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(b) REPORTS.—The Secretary of the Treasury or the Secretary's delegate shall annually report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the amounts and timing of the transfers under this section.

The SPEAKER pro tempore. After one hour of debate on the bill, as amended, it shall be in order to consider a further amendment printed in House Report 106–795 if offered by the gentleman from North Dakota (Mr. POMEROY) or his designee, which shall be considered read, and shall be debatable for one hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. ARCHER) and the gentleman from California (Mr. STARK) each will control 30 minutes of debate on the bill.

☐ 1445

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material in the bill H.R. 4865.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 4865. This is a bipartisan bill to repeal the 1993 tax on Social Security benefits. Several Democrats have cosponsored similar legislation and four Democrats in the Senate voted to repeal the tax just 2 weeks ago. So like other common sense tax relief bills that this House has approved this year, there is once again bipartisan support.

Seniors should not be taxed on their Social Security benefits, period. Social Security checks should not arrive in the mailbox with a bill from the IRS attached.

President Clinton and Vice President GORE created this tax on Social Security benefits to reduce the deficit. In 1993, the deficit was $255 billion a year. This year the surplus is $233 billion. We have no deficit and it is time to repeal the tax.

Seniors work their whole lives to earn these benefits. They should not have to pay taxes on them when they retire.

In effect, this tax changes the rules of the game in the middle of the lifestream of a worker in this country. They believe they will get benefits of a certain economic value. This takes away the value of those benefits.

There are many reasons to repeal this tax. It is a ticking time bomb that will explode on millions of seniors over the next generation because the income thresholds are not indexed for inflation. Almost 10 million seniors pay the tax today and more than 20 million retirees will be hit soon. This tax is a clear and present danger to their retirement security.

Second, taxing Social Security benefits is not good tax policy. Last week, this House voted overwhelmingly to give Americans tax incentives to save for retirement. What are we telling Americans by taxing these Social Security benefits? We are telling them not to save, because only if they save during their lifetime and have any other income are they faced with this tax. That does not make sense, particularly at a time when we need private savings in this country more than ever before.

Third, this tax serves to undermine Social Security. In a 1995 letter, AARP says the following, and I quote, ''The 1993 tax may serve to undermine the program. Dramatic changes that substantially erode net benefits will further undermine public confidence that the Social Security system will provide a fair return on contributions.''

At this point, I would include that letter in the RECORD.

AARP,
January 20, 1995.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHAIRMAN ARCHER: In the interest of time, I did not respond to Representative Cardin's question at the January 19th hearing regarding a rationale for taxing Social Security income differently from private pension income. I would appreciate your inserting my written response in the appropriate place in the hearing record.

Some maintain that Social Security is like a private pension, and therefore should be taxed more like a pension. While both programs provide income in retirement, the simple fact is that Social Security is not a private pension. Social Security is a mandatory, government-sponsored, portable program with almost universal coverage. The private pension system is a voluntary, employer-established program that is rarely portable and covers less than fifty percent of the workforce. Social Security is based on a progressive benefit formula that provides a greater rate of return for low-wage earners. The private pension system is based on myriad plan designs that more often favor the relatively higher income earner. Social Security is partially pre-funded with generally no access to contributions before retirement (or disability). Private pensions are generally advance-funded, and access to money pre-retirement is common. Social Security is social insurance and is the base of retirement security. Private pensions represent a privately sponsored, tax-subsidized income supplement.

Those who argue that Social Security should be taxed as a pension fail to fully recognize these substantial policy differences. In fact, policy goals often have led to different tax treatment where fundamental differences exist. For example, the tax code treats mortgage interest payments different than rental payments (even though both are for housing), and employer provided health benefits different than wages (even though both are forms of compensation). Similarly, Social Security is appropriately taxed differently than a pension.

The 1993 tax may serve to undermine the program. By adding additional taxes to an already progressive Social Security benefit formula, these changes risk undermining the widespread public support the system enjoys. Dramatic changes that substantially erode net benefits will further undermine public confidence that the Social Security system will provide a fair return on contributions.

Once again, thank you for letting the American Association of Retired Persons testify at the January 19th hearing.

Sincerely,

ROBERT SHREVE,
Chairman, AARP Board of Directors.

Finally, let me underscore that this bill protects Medicare because it requires that the annual general revenue transfer to Medicare be increased by an amount equal to revenues generated by this tax.

Every Member of the House knows that Congress routinely transfers general revenues to Medicare. Perhaps in the beginning this was not considered to be appropriate. I myself wish that we had never inserted general Treasury money into the Medicare Trust Fund, but it has happened. All we do is continue the very same process. So this bill would not set any precedent whatsoever.

On the contrary, the bill maintains Medicare's current financing; and Medicare's Office of the Actuary confirms that.

If Medicare were threatened in any way, shape or form by this bill, AARP would certainly be opposed, and they are not. So it is time to repeal this tax on millions of seniors. It is unfair. It is unnecessary, and it harms the retirement security of millions of Americans now and in the years to come.

Now, some may make the argument that this is not fiscally responsible, but I would turn that right back to them and say if they believed that we needed money to pay down the deficit, would they choose to tax senior citizens on their retirement benefits? And the answer would be a resounding no.

If we want to follow that route then perhaps those who believe in it would propose that we tax 100 percent of the senior citizens' Social Security benefits because of their concern about fiscal responsibility.

I think not. This is fiscally responsible, and it is fair and it is right. I urge a strong bipartisan vote for this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to this bill, not in support of taxes but in support of fairness and in support of the Medicare system which this bill gravely endangers for the seniors in our country.

This bill confirms what we Democrats in Congress and the American people have long suspected, that Republicans do not govern with a budget but with a tax-cut-a-day plan. If it is a tax cut, it is in the Republican budget, no questions. But there is a danger in this bill. There is unfairness in this bill, and it is important that the public and my colleagues realize that.

This bill, first of all, takes $10 billion a year or thereabouts out of the Medicare Trust Fund. It removes dedicated revenues. The Republicans say, oh, we are not taking the money out of Medicare; trust us.

It is clear there will no longer be a dedicated tax revenue, but we can trust the Republicans to make sure that they protect Medicare, just as they asked us to trust them to make sure that HMOs did not pull out of Medicare and leave seniors without important coverage.

These may be the same requests to trust the Republicans to lock away Medicare in a lockbox. Aha. Then with this very bill, we broke open the lockbox and we are spilling the contents of that lockbox into the pockets of a very few Social Security beneficiaries, the very richest ones. These are the same Republicans asking us to trust them with Medicare that have asked us to trust them to keep a budget and then invented gimmicks to get around their own budget.

Many Republicans have never liked Medicare from the beginning. Former Leader Robert Dole admitted, I was there fighting the fight, 1 of 12 voting against Medicare in 1965 because we knew it would not work. Our former Speaker, Newt Gingrich, once pledged he would let Medicare wither on the vine, and our own majority leader once called Medicare a program I would have no part of in a free world.

Those are not the leaders to which we should trust the medical care of our seniors.

As a matter of fact, if indeed we do want to give $10 billion back to Social Security recipients, and we might very well like to do that, $10 billion would cut all of the seniors' part B premiums in half. $10 billion would give every senior in the country $250 a year in a refundable tax credit which they could use to perhaps pay for a prescription drug benefit, which the Republicans will not bring to the floor. It could be used for a whole host of things, instead of giving just 6 or 7 million seniors all of this generosity. What happens to the other 35 million Social Security beneficiaries? They get nothing, and they risk losing their immediate care benefits if the Republicans continue down the path of draining the Medicare Trust Fund in the name of tax cuts to the very wealthy.

So, Mr. Speaker, I urge that my colleagues look carefully at this bill. It is not what it purports to be. It is a gift, an enticement to the very rich, who may very well be Republicans, but it cuts out 80 percent of the Social Security beneficiaries from any benefits and it puts at risk the viability of the Medicare system just one more way.

We have watched the Republicans try and privatize Social Security. We have watched them try and privatize Medicare. We have seen them vote in our committee. The gentleman from Florida (Mr. SHAW) voted twice in our committee to deny his senior constituents a discount on pharmaceutical drugs at no cost to the Federal Government. How can we trust leaders like that to protect our Medicare system when they are on the record time and time again of trying to deny seniors access to pharmaceutical drugs?

So this is a ploy. This is a ploy to ignore the President's outreach to say I would take some tax cuts if a pharmaceutical benefit would be agreed to; if a package is put together we can work together and we can talk about something that is reasonable in the light of the spending that will be necessary. But, no, it is all or nothing. It is another huge tax cut to a very few wealthy people and another attempt to destroy Medicare as we know it.

I urge my colleagues to oppose the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am sure that my friend, the gentleman from California (Mr. STARK) did not mean to mislead, but the words that he spoke were not accurate. The monies that are currently going into the Medicare Trust Fund are from general Treasury, from income tax revenues.

Now, there was no argument against that by the gentleman in 1993 when it happened. We are simply replacing one stream of income tax revenues with a stream from other sources so that the same number of dollars go into the Medicare Trust Fund. In no way is Medicare harmed. The gentleman knows that. It is not subject to appropriations every year. It is an entitlement under our bill, which will hold fast just as much as any other entitlement program under current law. Because, yes, any Congress can take any benefits away. They can do anything, unless it is written into the Constitution, but this will have the same degree of validity, stability and support as any other entitlement program. I think the gentleman knows that.

Of course, this tax that was unfairly put on senior citizens in 1993 was a product of one vote, done totally by the Democrat majority, and they cannot stand to give up what they put on the books.

☐ 1500

They have to defend it. Many of them know it is wrong. Some of them cosponsored our legislation, because they know it is wrong. It is one thing to say we should tax Social Security benefits the same as we tax private pensions; this goes far beyond that and taxes much more adversely than we tax private pensions. It is basically wrong, and it is time to repeal it.

Mr. Speaker, I reserve the balance of my time.

Mr. STARK. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. BONIOR), our minority whip.

Mr. BONIOR. Mr. Speaker, I thank the gentleman from California for yielding me this time.

Mr. Speaker, not very long ago I read about a man who won $5,000 in the State lottery, and when he was asked what he planned to do with the money, he said, I am going to go to Vegas.

Well, it is not uncommon, I think, for some lottery winners to do that, to go and gamble the money away; that happens for those who have a propensity to gamble. But it is unconscionably wrong when lawmakers try to do the same thing with public dollars, and that is what I believe the Republican program is all about.

If we add up all of the costs of the Republican programs and tax expenditures, we are coming close to $1 trillion, and then we add in all of the budget issues that revolve around this issue, as the gentleman from South Carolina (Mr. SPRATT) has so eloquently demonstrated. That shows that we are talking about another $1 trillion, we are talking $2 trillion, and what that does is eat up virtually all, in fact, it does eat up all, of the proposed surplus over the next decade. Gone. We do not even know if that surplus is going to be there in the first place anyway, because we do not know what is going to happen in year 4, 5, 6, 7, 8 or 9.

Mr. Speaker, make no mistake about it. The Republicans have gone on a gambling junket with America's surplus, and they are telling American families to pick up the tab. The dollars they need for better schools? Spent. The dollars to clean up the environment? Spent. To strengthen Social Security? Spent. To pay down the national debt? Gone, spent.

The fact is, Mr. Speaker, the Republican plan will leave the next generation with little else but empty promises and an enormous, an enormous Federal deficit.

Also, something else. It would saddle them with something else: their parents' prescription medicine bills. Because if the Republicans have their way, America will not have the money it takes to provide the prescription drug benefits that people need, real benefits that are guaranteed, that are part of the Medicare system, and that have decent catastrophic coverage.

Now, why would our friends on the other side of the aisle raid Medicare? Well, Willie Sutton once said when asked why he robs banks, he says, well, that is where the money is; and our Republican colleagues believe that is where the money is, in the Medicare account. But if they look closer, they will realize that Medicare is no cash cow. Since 1997, in my own State, Michigan hospitals have absorbed $2 billion in Medicare cuts. We have closed 29 nursing facilities. We have had 10,000 Michigan health care workers lose their jobs since 1997, 10,000 good jobs.

Now the Republicans are telling us, Medicare ought to be able to make due with less.

Mr. Speaker, there is an old proverb that says, ''The best throw of the dice is to throw the dice away.'' Today is a time to stop the Republican gambling junket once and for all. It is time to invest in Medicare, to strengthen Social Security, to pay down this debt, this national debt, this national disgrace that we have, and to provide for targeted tax relief for seniors and middle-income Americans.

It is time to decide that we have a responsibility never to lead this country adrift in the red ink that we have recently seen over the previous decades and that we have gotten ourselves out of due to courageous action on the part of this party that I proudly associate myself with.

The SPEAKER pro tempore (Mr. PEASE). Without objection, the gentleman from Florida (Mr. SHAW) will control the time previously allocated to the gentleman from Texas (Mr. ARCHER).

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I yield 2½ minutes to the gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Florida, the chairman of the Subcommittee on Social Security.

Mr. Speaker, I found it interesting to hear my good friend, the minority whip from Michigan, talk about Las Vegas, because perhaps there are those in this Chamber who contemplate a future career opening for Jerry Vale along the lines of an insult comedian. Because, Mr. Speaker, I am sure, quite unintentionally, the previous words in this Chamber served to insult the intelligence of the American people, and particularly the very seniors, Mr. Speaker, that our friends on the left claim to care so much about.

For the record, what this House will do today, in bipartisan fashion, is to strike a blow for tax fairness and remove the ultimate theft of money from the people who most need it. The gentleman from California (Mr. STARK) a few moments ago talked about how this would only help the wealthy few. Well, I guess there are different definitions for words in this grand land of ours, and people are free to use Orwellian definitions, when, in fact, what we want to do is make sure that the seniors who are single and earning $34,000 a year and married couples who are earning $44,000 a year have their Social Security taxes reduced. These are the wealthy few?

Mr. Speaker, how sad, the shameful catechism of the left, always embracing emotion and interesting definitions that fly in the face of fact.

The other fact is, there seems to also be confusion not only on the status of the wealthy, since we apparently find that those earning $30,000 are ''wealthy'' by the definition of our friends on the left, but there is also confusion in terms of the date on the calendar. Apparently our friends believe this is the final day of October, it is the day to scare folks, it is Halloween. So they hope to scare seniors by saying there is a raid on Medicare.

Mr. Speaker, we should not dare believe it. Our friends on the left continue to take revenue streams from the general accounting fund, the general revenue. We do not raid Medicare, we strengthen it, and we strengthen seniors by lowering their taxes.

I stand in support.

Mr. STARK. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MATSUI), the ranking member of the Subcommittee on Social Security.

Mr. MATSUI. Mr. Speaker, I would like to thank the gentleman from California (Mr. STARK) for yielding me this time.

So far, in the last 6 months, my Republican colleagues, in all of their tax bills that they have gotten through the House of Representatives, basically have spent $739 billion, almost $1 trillion if we count the debt service that goes with this. The breakdown of these tax cuts is if one makes $350,000 a year, one will be getting about $15,000 annually on these tax cuts. If one makes $40,000 a year, which most Americans do, that average tax cut will be about $350 per year. So everybody gets a little, but we know the wealthy are going to get tremendous tax breaks out of this.

Now, what this bill does, basically, is reduces the amount of taxation on Social Security benefits. The problem with this, the problem with this bill is that all of the revenues from this goes into the Medicare trust fund.

Now, the Republicans are saying, well, they are going to make this up with the budget surplus, and all of us have heard that we are going to have over the next 10 years about $2.2 trillion in budget surpluses outside of the Social Security system.

The problem is that my colleagues, our Republican friends, have spent that money already.

If we look at this graph here, we have $2.2 trillion in budget surpluses, we have $361 billion that has to be set aside for the Medicare trust fund. They spent $739 billion on tax cuts, plus another $183 billion for extension of the alternative, changing the alternative tax and changing the expiring tax provisions. Then, if we just talk very moderately and conservatively, since the Republicans have been in control how much they have spent on appropriations bills, we have to add another $284 billion; and we have $54 billion for additional exceptions that we already had, and then we have the prescription drug benefit program my colleagues on the other side of the aisle have proposed, $159 billion, then farm support programs; and then we have additional spending for health care benefits, a reimbursement that everybody is going to agree to by the end of this year. That brings us to a total of $2.2 trillion.

They have already spent the surplus. In fact, we have a deficit over the next 10 years of $88 billion.

Mr. Speaker, we cannot do anything for Medicare, we cannot do anything for Social Security, we cannot even pay down the debt. This means that the false promise that they made, that they are going to reimburse the Medicare trust fund with general fund monies will not happen, and that means our senior citizens are going to have to pay more in premiums. That means our senior citizens are going to have to either pay more in premiums or they are going to end up having lower benefits at a time when they are going to need health care the most. This means that probably prescription drugs will be limited to $159 billion over the next decade, and that means seniors will not get prescription drug promises, which all of them anticipate.

Mr. Speaker, this is a false promise. This will not happen. This will do major damage to the Medicare system of America and damage our senior citizens.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume to point out to my friend from California (Mr. MATSUI) that the Matsui Telephone Tax Repeal, I did not see it on the chart, but I certainly support it and congratulate him for his effort.

Mr. MATSUI. Mr. Speaker, if the gentleman will yield, I will vote against it, though, if it is in a package like this, because that is obviously overspending the surplus; and we will create a real problem for future generations.

Mr. SHAW. Mr. Speaker, reclaiming my time, I do not believe I yielded. I do not think that any of the Republican tax reductions that were on this chart are part of this package either.

Mr. Speaker, I yield 2½ minutes to the gentleman from Pennsylvania (Mr. ENGLISH), an esteemed member of the Committee on Ways and Means.

Mr. ENGLISH. Mr. Speaker, I thank the gentleman for yielding me this time, and I thank him for his advocacy of the Social Security system.

Mr. Speaker, it is a fundamental principle that Social Security benefits should be tax free and today, with this legislation, we make essential progress toward restoring that principle. Seniors should not have to shoulder a disproportionate share of the burden for the fiscal problems that have existed here in America. Yet under current law, a retired senior with an annual income of $39,600 that includes their savings, a part-time job, and their Social Security benefits, loses $580 that year because of this tax. It is just not fair.

With a non-Social Security surplus that is expected to top $2.17 trillion in hard numbers, our seniors should not have to continue to pay a tax that was established in 1993 when we were operating with record deficits. As a Republican, since the other side has made this such a partisan debate, I should point out that I am pleased to vote to roll back the Social Security tax that was imposed with Democratic votes only.

Mr. Speaker, this legislation rolls back the tax on Social Security benefits from 85 percent to 50 percent. If we do not repeal this tax, more than 8 million seniors will have to pay an average of $1,180 in taxes on their benefits in 2001. We must also remember that if we do not pass this bill, more and more seniors each year will be forced to pay. The income thresholds built into the current law are not indexed to inflation, meaning that additional people will pay the tax each year and people of more and more limited means. By 2010, at least 13 million seniors would expect to pay an average of $1,359.

Now, some on the tax-hungry left, looking to justify their vote against this vital legislation, may claim that we will be bankrupting Medicare by repealing this tax.

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This legislation requires the money from the general revenue already earmarked for Medicare be increased to max the amount that would be lost by rolling back this tax. With a surplus of the size that we have, this is no time to argue against repealing this reactionary tax.

I challenge everyone who purports to be an advocate of Social Security to vote today to remove this anvil from the shoulders of seniors and celebrate the fact that Congress has finally balanced the budget and run a surplus. Vote in favor of this legislation.

The SPEAKER pro tempore (Mr. PEASE). Without objection, the gentleman from California (Mr. MATSUI) will control the time previously allocated to the gentleman from California (Mr. STARK).

There was no objection.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. LEVIN) from the Committee on Ways and Means, the ranking member on the Subcommittee on Trade.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, the gentleman from Pennsylvania (Mr. ENGLISH), the preceding speaker on the Republican side, has joined others at throwing darts at President Clinton and Vice President GORE. About 1993, they are the last ones to do that, the last ones who should be doing it.

Here is what the gentleman from Texas (Mr. ARMEY) said about the 1993 act: ‘‘It is a recipe for disaster. The economy will sputter along.’’ The Speaker then, Mr. Gingrich, talked about that package leading ‘‘to a job killing recession.’’

The gentleman from Ohio (Mr. KASICH), the Republican chairman of the Committee on Budget, said about the 1993 act: ‘‘We will come back here next year and try to help you when this puts the economy in the gutter.’’

They were wrong then, and they are wrong now. They are on another deficit splurge, turning gold into lead. The gentleman from South Carolina (Mr. SPRATT) made clear how they have already exhausted the surplus. Their taxes are over $1 trillion. That is neither conservative nor is it compassionate. It is reckless, and it is cold politics.

I finish with this point. They take Medicare monies, and they say they are going to put them back. The Chair of the Committee on Ways and Means said it is just like any other entitlement, and I quote him. Well, title 20 is an entitlement along the lines that they would do with this. They have cut title 20 by 36 percent since 1995. The last people in the world to be trusted with Medicare is the Republican majority in the House of Representatives.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have heard a lot of rhetoric regarding Medicare. I would like to read a paragraph from a memorandum from the Department of Health and Human Services, from the chief actuary, Richard Foster, that is from the Department of Health and Human Services, in which he says that the proposal would have no financial impact on the HI Trust Fund, no financial impact. That is from Health and Human Services. That is not a question of a Republican administration adding this issue. So I think that it is a bogus argument.

The argument before the House is very, very clear. Do we want to give people or continue to tax Social Security benefits at 85 percent of amount received for people of incomes of $34,000 and more? To talk about this is some kind of a deal for our rich friends is absolutely ludicrous, unless my colleagues think people making $34,000 a year are rich.

Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. LEWIS), a member of the House Committee on Ways and Means.

Mr. LEWIS of Kentucky. Mr. Speaker, I thank the gentleman from Florida for yielding me this time.

Talk about historical revisionism, the former speaker talking about 1993. Well, I remember 1993. The Democrats had had Congress for 40 years. We had $5 trillion in debt, $200 billion deficits every year. The taxes kept going up. The deficits kept going up. So I do not think they were handling it very well.

It seems to me, over the last 6 years since we have taken the majority in this House, the deficits have been eliminated. The surpluses are going up. The taxes are going down. We have not voted for any new taxes in 6 years.

But let me just say this. The other day, when we were debating the Marriage Penalty Relief Act, many on that side kept saying, oh, gosh, yes, this will destroy the Social Security, it will take money away from that, Medicare, prescription drugs. All this is a disaster. We cannot give any money to married people and their families. Today they are saying we cannot give any tax relief to senior citizens because it will destroy Social Security and Medicare and all this.

But the reality of it is, right after we had that debate on the Marriage Penalty Relief Act, we had foreign aid come up. Every speaker, one right after another, could not give enough money in foreign aid. They did not worry about prescription drugs. They did not worry about Social Security. They did not worry about Medicare. They wanted to pile on more money. Nothing, nothing harmed them there.

When we talk about bigger and more government programs, there is just, you know, it is fine. We can just spend all the money we want. But that is what got us into trouble to begin with. As we are having these trillions upon trillions of dollars in surplus rolling in over the next many years, we need to allow the American people that are living under a debt burden of 40 percent of their income of local, State, and Federal taxes some tax relief.

It is about fairness. It is about letting our senior citizens keep more of their money and our married families, also.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. NEAL).

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, we meet once again to debate the tax cut de jour. Some of the proposals the Republicans have insisted on are strictly for the very wealthy, like the estate tax repeal. Some are spread out more evenly, like the telephone excise tax repeal. Some manage to do a certain amount of harm and a certain amount of good, like the pension bill.

But the bill that is in front of us today does real harm to the Medicare trust fund. But all of this legislation is aimed at the November elections.

Let us acknowledge one thing clearly today. The Republicans never liked Medicare to begin with. They certainly did not like Social Security. That is what they attempt to do with this line of reasoning of legislation today. It is to weaken the Medicare trust fund.

Under current law, the revenue generated from this tax that is being repealed goes into the Medicare trust fund. So, in effect, all citizens benefit from current law. Eighty percent of the senior citizens will not get anything from this legislation, and 20 percent of the well-off senior citizens will.

Mr. Speaker, I ask my colleagues to ask themselves one question: Is this a good trade-off? If it was such a good trade-off, why did they not do it 6 years ago when they took control of this institution? Why was it not proposed 3 years ago when we had the first major tax bill passed into law?

The reason is that this proposal does not look good when massive deficits are staring one in the face. One cannot sell this proposal when it seems clear that there is a need for strong discipline in the general budget to resolve our deficit crisis, as the Democrats did in this House in 1993.

But for the moment, while the projections are rosy, let us remind ourselves, there is no guarantee that those projections are ever going to come through as they relate to budget surpluses. There is an opportunity for all of us to be very prudent today and, even on the Democratic side, being conservative.

Reject this chicanery.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts (Mr. NEAL) must not have been on the floor when I read from the text of a July 18 memorandum from the Department of Health and Human Services stating that this proposal would have no financial impact on the HI trust fund. That is Medicare. It will have no effect on it.

I think that is something that we should always, always be very concerned about. We are concerned about it. That is why we are making up the revenue from general revenue, as it comes today, as it comes today.

But the point is, and the only difference is, as to the funding of the Medicare program, the only difference is that the existing law, the 1993 tax pinpoints a source, but it still comes out of general revenue. It comes out of the general fund.

We simply eliminate part of that source, which is taxing people of $34,000 and more per year, determined evidently by my friends in the Democrat Party as our wealthy friends. But I can tell my colleagues, to be a senior citizen living on $34,000 a year, go out and find me one that says that he is wealthy; and I will show my colleagues somebody that must have a trust fund that we do not know about.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York (Mr. RANGEL), the ranking member on the House Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, I would like to congratulate my Republican friends because they never seem to run out of creative ideas in how to hoodwink the American people. When they had the last tax bill, and it was $792 billion, oh what a big mistake.

But then they learned fast. They did not go to the Committee on Ways and Means and try to work out something in a bipartisan way. They went to someone that could probably send out a message how to pass a bill that never will become law, make certain that the President is going to veto it before you do it.

So knowing how sensitive senior citizens are to anything that would adversely affect their income, I was excited when the Republicans came up with the idea that they were going to reduce the taxes on some people in Social Security. Whether they were wealthy or not, as a Social Security beneficiary, they wanted to get some type of relief.

But I ask the gentleman from Florida (Mr. SHAW), where does the money come from? If one asks any Social Security beneficiary do they want relief, the answer has to be, yes, and I want it fast. But if one asks them, do you want it fast enough to come out of the Medicare trust fund, then they would say let us take another look.

Now, I know that my colleagues have some way to say that the money in the trust fund is the same as general revenues, but no one believes that. No one believes that the Social Security trust fund and the Medicare trust fund should be treated the same way one would general revenues.

If my colleagues wanted to give them a tax break, why did they not go directly into the general revenues and give them a tax break? The reason they did it is because they want to break the whole idea of entitlement. Once they get entitlements out of the way, then they would know that this precious trust fund that they are turning slowly on the tree, maybe, one day would disappear.

Well, it is not going to work with the seniors, and it is not going to work here in this House of Representatives.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I say to the gentleman from New York (Mr. RANGEL), and he is my friend, that the Republicans would like to take complete credit for this bill, but we do have allies on his side: the gentleman from New York (Mr. NADLER), the gentlewoman from New York (Mrs. LOWEY), the gentleman from Pennsylvania (Mr. DOYLE), the gentleman from West Virginia (Mr. RAHALL), the gentleman from Michigan (Mr. BARCIA), and the gentleman from New York (Mr. FORBES). They have all cosponsored similar legislation.

Let us go over to the Senate for a minute: Senator FEINSTEIN, Senator CONRAD, Senator DORGAN, Senator JOHNSON.

POINT OF ORDER

Mr. MCDERMOTT. Mr. Speaker, the gentleman from Florida (Mr. SHAW) is out of order.

The SPEAKER pro tempore. The gentleman from Florida (Mr. SHAW) controls the time.

PARLIAMENTARY INQUIRY

Mr. MCDERMOTT. Point of parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. If the gentleman will yield, the gentleman from Washington will state his parliamentary inquiry.

Mr. MCDERMOTT. Mr. Speaker, is it proper to refer to a Member of the other body by name?

The SPEAKER pro tempore. It is in order to refer to individual Members of the other body as sponsors of measures.

The gentleman from Florida (Mr. SHAW) controls the time.

Mr. SHAW. Mr. Speaker, these people have all voted to repeal this tax, this Republican tax, this Republican tax relief bill. I think it is extraordinarily important to look at what we are doing. This is not a question of doing this for any other reason except to get rid of this tax because this tax is wrong.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, I thank the gentleman from Florida for yielding me this time.

Mr. Speaker, I rise in strong support of the Social Security Benefits Tax Relief Act. In 1993, the Clinton-Gore administration increased the taxes on Social Security, arguably because we had a deficit. But I noticed it, I served notice at the time, that it seemed to be helping to pay for new Federal spending programs. I think that is why every Republican in the House and every Republican in the Senate opposed this increase on Social Security benefits. This tax was created when the Federal Government had a $255 billion deficit.

Today, the deficit is gone. We have increasing surpluses. Yet this tax remains. As a result, seniors' benefits are taxed at rates between 50 and 85 percent. Single retirees whose income exceeds as little as $34,000 are punished by this tax. This taxation in terms of fairness is grossly unfair. The income from which these benefits are derived has already been taxed. That is the point.

□ 1530

Taxing once more these benefits amounts to double taxation for these seniors on Social Security.

This tax results in lower benefits and translates into less income for many of America's seniors. The time has come to end this double taxation and restore some fairness for America's seniors.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from the State of Washington (Mr. MCDERMOTT), a member of the House Committee on Ways and Means.

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, let me begin by stating there is no Member of this body who wants to tax seniors. We are all against that. We would all like to give all the taxes back that we could. But having said that, we also want to give them benefits, Social Security and Medicare.

Now, whatever comes out of this debate, the main point is that this money is coming out of a trust fund for Medicare. The Republicans are operating under a theory that a tax cut a day keeps election defeat away, and we have seen one after another after another. The fact is that they are willing to sacrifice what we did in 1993 to bolster the Medicare trust fund. Now that things are going pretty well, they say, well, we do not need to; we can just take the money out of the trust fund and we will put some general fund in. We will kind of write an IOU on the general fund.

The gentleman from Florida, who is leading this debate on the other side, said, ''If you write yourself an IOU, it is not real.'' Now, here we have written an IOU to the general fund; we owe this over here to the Medicare trust fund, and my colleague says it is not real. That is what we are talking about here.

When my colleagues get in this election, they will be screaming all over the place when people get ads that say, ''You have taken $100 billion out of the Medicare Trust Fund,'' they will be squealing and hollering and saying, ''Yeah, but.'' Nobody believes the majority and they do not even believe it themselves or they would not have made this statement about the fact that an IOU that we write, we owe it to the people, is not worth anything in the next session if this money does not come in.

My colleague from California (Mr. MATSUI) says these issues are not for sure; we are projecting 10 years out into the future. There is not a soul on this floor who believes that those are absolutely real. But if we give away the trust fund, we have given it away. Vote ''no.''

Mr. MATSUI. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Florida (Mrs. THURMAN), a member of the House Committee on Ways and Means.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, let us start this debate with the words of Federal Reserve Chairman, Alan Greenspan, who said just last week, and I quote, ''Anything, whether it's tax cuts or expenditure increases, which significantly slows the rise in surpluses or eventually eliminates them would put the economy at greater risk than I would like to see it exposed to.''

Well, today, instead of following his advice, we are being asked to take up one more bill that not only eats away at the projected surplus but also removes an earmark source of funding for Medicare and replaces it with IOUs. Let us go back to June 20, when this House debated lockbox legislation for Medicare. I do not want to embarrass proponents of this bill with their comments, but let me remind them of what was being said in that debate. ''Simply adding IOUs to the trust fund in effect mandates that taxes will be increased on our kids and our grandkids.''

We are no longer dealing with a lockbox, we are opening Pandora's box. And this is a box I will not open.

Sunday, the majority whip said, and I quote, ''Everybody knows that the House of Representatives has already passed a prescription drug bill, but President Clinton wants universal coverage and government-run Medicare and we want seniors to have choice in the kind of health care they think is important for them.'' Tell that to the people in Hernando County in my district who just lost their HMO and have no prescription drug coverage. They have no choice. Nine hundred signatures here today saying we want a strong Medicare program with a prescription drug benefit.

But, before we can ever get to that and start looking at the major funding shortfalls in the Medicare program to hospitals and nursing homes and HMOs, we are here debating taking $100 billion out of Medicare. We are going to have to put $50 billion back in from the surplus already. I cannot say to the families in my district that we are going to be destabilizing Medicare. Should this measure become law, I am certain in years to come we will be paying the price.

Yesterday, the General Accounting Office estimated that with the stacking of tax bills, the unified budget deficits will reemerge in the year 2019. The GAO projection also showed, after 2019, the budget deficit and the debt explode, exactly the numbers that have been put out on this floor. We cannot leave this legacy for our children.

In closing, let me remind my colleagues of one more statement made. ''If you write yourself an IOU, it's not an economic asset. These notes are going to be paid out of the hides of future taxpayers.''

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume, and I must advise my colleague from Florida that any monies going into the Medicare Trust Fund is replaced with Treasury bills.

Let me finish. It is replaced with Treasury bills. This is what the gentlewoman is referring to as IOUs. That is what it is under existing law; that is what it would do under this particular bill. If the money is not spent, it is invested in Treasury bills, just as it is today.

So I must correct the gentlewoman. We do not have a bucket of cash that sits in there. That money that is coming out of the senior citizen's Social Security check every month and paying the income tax on it, that we are going to give them some relief from, that money goes into the Medicare Trust Fund and is replaced with Treasury bills and comes back into the general fund. Under the Republican plan here, or I should say bipartisan plan because I have already made it known that there are many Democrats who are supporting this type of legislation, it does exactly the same thing.

Mrs. THURMAN. Mr. Speaker, will the gentleman yield?

Mr. SHAW. I yield to the gentlewoman from Florida very quickly, because I must retain my time.

Mrs. THURMAN. I will be very brief.

In the gentleman's debate he said, ''If you write yourself an IOU, it is not a real economic asset. Treasury bills are not real economic assets. Those notes are going to be paid off out of the hides of future taxpayers.'' This was said by the gentleman in the lockbox legislation.

Mr. SHAW. Reclaiming my time, Mr. Speaker, the gentlewoman hears me but she is obviously not listening. If she would listen, what I am saying is that the same Treasury bills that are put into the Medicare Trust Fund today will be put into the Medicare Trust Fund with this legislation. It is exactly the same. It is exactly the same.

The gentlewoman can stand here and say this is not a real economic asset, but if it is not a real economic asset under the Republican bipartisan plan that we are arguing today, it is not a real economic asset today because it is the same Treasury bills. That is exactly the point that I am trying to make. So let us not get this confused.

I do not blame the people who are opposing this bill for not wanting to talk about giving seniors some tax relief, the taxpayers who just make a little over $34,000 a year, I am not blaming my colleagues for wanting to talk about something else, but let us keep this record straight and let us be very clear on what we are speaking to.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, may I inquire of the amount of time each side has?

The SPEAKER pro tempore. The gentleman from California (Mr. MATSUI) has 6½ minutes remaining, and the gentleman from Florida (Mr. SHAW) has 8½ minutes remaining.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, this is a bad proposal. It is not entitled ''supply side economics,'' it is not entitled ''voodoo economics,'' however, this tax bill we are debating today and its reckless siblings threaten to pull the plug on our unprecedented prosperity and plunge us right back into the dark days of budget deficits.

Even worse, this bill today is a direct threat to the Medicare Trust Fund. To the extent we take funds out of the general fund, they are funds we cannot use to pay down the debt. And to the extent that our extrinsic debt does not go down, our intrinsic debt is tougher. Over the next 10 years, it will drain $117 billion from Medicare. Hear me now: This bill would drain over the next 10 years $117 billion from Medicare.

Whatever shell game my colleagues may argue, those are the facts. Every Member of this House knows the real danger of this bill becomes clear when it is added to the tax cuts we have already passed: $900 billion plus. My colleagues, be fiscally responsible, protect Medicare, and vote against this bill.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BECERRA), a member of the House Committee on Ways and Means.

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me this time.

In a letter dated July 24, 2000, the National Council of Senior Citizens described this bill that we are debating today as an irresponsible political gesture to upper-income persons which will have severe consequences for the Social Security System and the solvency of the Medicare part A trust fund.

Today, my colleagues, 12 million Medicare benefits lack prescription drug coverage. Twelve million seniors who, on a daily basis, have to decide, ''Do I buy my prescription drugs or do I buy my food? Do I pay my rent or do I pay for my medicine?'' Twelve million. And today we are talking about a bill that will take $117 billion out of a system which right now cannot even provide prescription drug coverage to 12 million of those senior citizens.

Mr. Speaker, we are here today debating a bill that does absolutely nothing for four out of five of those seniors when we talk about tax cuts. Let me say that again because it gets lost in the shuffle of all these words. This is a tax cut bill that will cost $117 billion over the next 10 years; $117 billion that will go to people out in America in a tax cut, who are seniors, but only to one out of every five of those seniors. Four of those five seniors will get nothing because this bill benefits only 20 percent of the most affluent of our seniors who are retired.

On top of that, we do nothing in the future about prescription drug coverage. We do not talk about doing something on education for our kids, we cannot talk about retiring the debt this Nation has, but what we are talking about is pulling out one of these things we see so often. My colleagues probably know about this. When we go to the store to buy some things and our kids say, ''Oh, can you get me that, daddy? Can you get me that?'' My daughters say that to me all the time. They think I have all sorts of money. So what a lot of people do is say, well, I will charge it. Put it on my card. I will charge it again. And before we know it, we have put so much on this card, that somebody has to pay for it. And if it cannot be us, it will be the future.

Let us not do this to the future or to our seniors. Let us not get caught up in politics.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume, and say to the gentleman who just spoke, the gentleman from California, when he talks about prescription drugs, I support making prescription drugs part of Medicare. And I hope this Congress can finally come together in a bipartisan way and approve a plan where we can give our seniors some relief.

The gentleman is absolutely right. There are people out there that are having to make the tough choice between whether to buy groceries or to buy prescription drugs. The problem is a lot of people out there just making a little over $34,000 a year, they do not have a choice as to whether to pay taxes on their Social Security benefits or to buy prescription drugs.

This tax is morally wrong, and that is why we are trying to pass this bill and will pass this bill, and we will get a lot of help from our Democratic friends in doing so.

Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. COLLINS), a member of the Committee on Ways and Means.

Mr. COLLINS. Mr. Speaker, I thank the gentleman for yielding me this time.

The theme here from the other side is that we are harming Medicare insurance for our seniors. Well, as a Member of Congress and as an individual, that is the farthest thing from my mind. Good Lord willing, one of these days I will be covered under this Medicare insurance myself. Do my colleagues think I want to do something that will destroy it? Heavens, no.

A lot has been said about the fact that this is going to take $117 billion over the next 10 years from the Medicare Trust Fund. It will not. The additional tax or additional income that was subjected to tax in the 1993 tax bill was an income tax. Income tax goes into the treasury, into the general fund.

□ 1545

There was a provision in that bill at that time that required a like amount to be transferred to the Medicare trust fund account or credited to it.

This does the same thing. The only thing this does, it repeals the provision of law that was implemented in 1993. But it still requires a like amount to go into the Medicare or credited to the Medicare account, not one red cent less. We are not taking anything from the Medicare trust fund.

If I think back correctly about 3 or 4 years ago, the trustees of the Medicare trust fund stated that the trust fund would have problems in the year 2001, it would have deficit spending, begin to put out more money or pay more in insurance for seniors and money was coming in through the payroll tax and even through this additional fund here and then it is transferred in like amount to the trust fund.

But thank goodness that the majority of this Congress saw that coming and made changes to the Medicare program and Medicare insurance that extended this solvency, the life of Medicare insurance for our seniors.

Now those same trustees say 2015 before we begin to have a deficit in cash flow. No one on this side of the aisle, no one in this Congress from either side of the aisle, Mr. Speaker, wants to do anything that would jeopardize health care insurance for our seniors and the disabled.

To stand here with all of this rhetoric is wrong, just trying to make political points. The fact is we believe in the Medicare insurance program for our seniors. We support. One of these days we will all be facing it, God willing.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. DOGGETT), a member of the Committee on Ways and Means.

Mr. DOGGETT. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, at a time when the demands for seniors for real relief on prescription drugs are thwarted in this House, at a time when this House does absolutely nothing about the pharmaceutical companies that engage in price discrimination against our seniors that literally treat them worse than dogs, at a time when seniors find one health care provider after another who will not take Medicare patients because the reimbursements are so low, at this time, of all times, for the Republicans to come forward and engage in this cynical ploy is truly wrong.

Having opposed Medicare from its outset back in the days when Lyndon Johnson was working so hard to get it, these Republicans are determined to fulfill the pledge of their so recently departed leader to let Medicare wither on the vine.

That is why the National Council of Senior Citizens has condemned this measure as an irresponsible political gesture with ''severe consequences for Social Security and the solvency of the Medicare Trust Fund.''

The millions of seniors who rely on Social Security for most or all of their income will not get anything from this proposal. The gentleman referred to the person who has to choose between groceries and prescriptions. That person is not going to get any relief out of this bill.

Indeed, four out of five seniors will not get a nickel from this proposal that is up before us today. But I guarantee my colleagues that five out of five seniors, every one of them, will be less secure with regard to Medicare if this measure is approved.

The bipartisan Concord Coalition, cochaired by a Republican, has urged the House to reject this proposal on the grounds of fiscal responsibility and tax fairness. And this is one of those times that making the tough choice for fiscal responsibility goes hand in hand with meeting the needs of our seniors.

They do not want an IOU, I would tell the gentleman from Florida (Mr. SHAW). Do not be the undertaker for Social Security. Stand up for our seniors. It is a trust fund. We do not want to fill it with IOUs.

We say to all of the do-not-wither-on-the-vine crowd to keep their hands off the Medicare trust fund.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would remind the former speaker, the gentleman from Texas (Mr. DOGGETT), that what he is referring to, the Treasury bill, as IOUs is all that is in there right now. So this makes absolutely no difference.

Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. TERRY).

Mr. TERRY. Mr. Speaker, I rise in support of our senior citizens. We are here today fighting on their behalf.

Mr. Speaker, let me tell my colleagues, a few months ago when I was elected, I went to all parts of my city, my district, and talked to senior citizen groups. And in the low and moderate area of south Omaha, a group of seniors, I asked them, ''What can we do for you?'' Repeatedly they told me of their frustration of being taxed on their Social Security benefits.

I heard that they listened to Roosevelt and that they worked hard, they did what they were asked to do, they paid into the Social Security system, but they had their pension from the meat packing plants and the other factories they worked at in Nebraska and they worked hard to save. But yet, today they are penalized for that.

They were promised that they would have their Social Security benefits. But what this does by taxing it at 50 percent or even the 85 percent level that we are here to repeal today is we are confiscating their benefits. That is wrong. That is simply wrong.

What that confiscation of their benefits does, that is a back-door way of means testing. It just astounds me that my friends from the other side of the aisle stand up and say they are against means testing, but they will certainly have an 85 percent tax bracket on half of those benefits based on the amount of income that they have from their pensions and their savings. That is wrong.

So I ask our colleagues from the other side of the aisle, unlike in 1993 when it was nearly unanimous to pass this tax on our senior citizens, join us today to do the right thing, join us for fighting for our senior citizens, letting them keep the benefits that they were promised when they were young workers. Vote for this act.

Mr. SHAW. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. WELLER), a member of the Committee on Ways and Means.

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, let me remind some of my good friends on the other side of the aisle in listening to the rhetoric that one of their own appointees over at the Department of Health and Human Services, the official actuary that is respected by both, says, ''The proposal would have no financial impact on the HI trust fund. Program income would not be affected, and the estimated year of exhaustion for the HI trust fund would continue to be 2025, as under present law.'' So that is all rhetoric and not fact.

My colleagues, we are talking about lowering taxes on senior citizens. When my friends on the other side of the aisle, and I point out that every Republican voted no on placing this tax on senior citizens in 1993, when they voted to impose this new tax of 85 percent on Social Security benefits, it only affected 5 million seniors. They figured it was not a big deal. But today it now punishes or soon will punish almost 17.5 million Social Security beneficiaries.

When the tax took effect in 1994, one in 10 seniors was punished by this tax. Today one in five is punished. And by the year 2010, one in three will be punished by this tax.

It is all about fairness.

When Congress and the President so long ago created this, they said that if they pay in, they are going to get their benefits as part of the deal. Let us make sure they get their part of the deal.

The SPEAKER pro tempore (Mr. PEASE). The gentleman from California (Mr. MATSUI) has 1½ minutes remaining, and the gentleman from Florida (Mr. SHAW) has 1½ minutes remaining and the right to close.

Mr. MATSUI. Mr. Speaker, I yield the balance of my time to the distinguished gentleman from New York (Mr. RANGEL), the ranking Democrat on the House Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, there is some talk on the other side that there will be no financial impact on the Medicare trust fund. And this would be so if they could be trusted to put the money back in.

The question has to be, did they take out the money in the first place?

I do not think in their closing statement that anyone on that side of the aisle can deny that if we remove the tax that the Medicare trust fund will be short $10 billion a year. But they say not to worry; trust us.

Have they not played three-card Molly? Do they not know that once we show them what is under the shell, if it is not there, we will go to the general revenues and put it back? And that is what makes it having no financial impact.

I would ask the question, what happens if the Congress decides that it has a priority? Maybe we want to take care of prescription drugs. Maybe we want to take care of the Patients' Bill of Rights. Maybe we want to protect the small businessperson or the farmer.

Suppose the speculated surplus does not show up. One thing we know that my colleagues cannot deny is that there is an irreplaceable source and stream of income coming into the Medicare trust fund now.

What they are saying is, let me just take it out and give relief to one-fifth of them at the expense of the other things we may want to do.

Mr. SHAW. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, we have this afternoon talked about from the other side of the aisle just about everything except the taxpayer, just about everything except what is really going on here.

What we are trying to do is to give some relief to our senior citizens, who, incidentally, the monies that they put into the Social Security trust fund they were taxed on. These were not pretax dollars. The employee's portion is taxed. So why should we have to say it is taxed when they put it in, and it is taxed when they take it out? That is wrong.

The whole idea of having this thing taxed on only 50 percent is because that was the monies that were put in by the employer that were not ever taxed to the employee. We need to go back to that.

A lot has been said about what are we going to do if we are running the Government at a deficit. Well, I have to remind my colleagues from the other side of the aisle, when this tax was put in place, this was in 1993, the Democrats were in charge of the House of Representatives, and there was a deficit. There was a deficit every year. The money was found. It came out of the general revenue stream.

That is exactly where it is going to come from now. We are just not pinpointing that it is going to come out of a tax that is morally wrong. It is wrong to tax people on getting their own money back.

Mr. Speaker, I urge a ''no'' vote on the Democratic substitute, and I would ask for a ''yes'' vote on the bipartisan tax relief bill.

Mr. MORAN of Virginia. Mr. Speaker, I rise today in opposition to H.R. 4865, the Social Security Benefits Tax Relief Act. Although I do not support this bill, I fully support providing much needed tax relief to recipients of Social Security benefits. For this reason, I will be voting for the Democratic substitute proposal.

Mr. Speaker, it is imperative to our national strength and prosperity that tough and prudent fiscal strategies be pursued. These strategies have brought this country the largest surpluses and longest economic expansion in history. Unfortunately, on the basis of inherently uncertain projections about the future surplus, members on the other side of the aisle have chosen to spend the entire surplus on one tax break at a time.

Mr. Speaker, this bill is another in a long series of fiscally imprudent tax cuts passed in this session of Congress which drain our hard-earned budget surplus and put at risk any chance of extending the life of Social Security or Medicare. Specifically, this bill threatens to raise interest rates, slow investment and productivity growth, increase dependence on foreign capital, and compromise our flexibility to deal with potential future budgetary problems. Moreover, this Republican proposal provides relatively few benefits for the vast majority of our working families.

H.R. 4865 will provide about as much relief to the top 1 percent of taxpayers as to the millions of working people who make up the bottom 80 percent of taxpayers. Although we are currently in an era of surpluses, we should not forget that Medicare's fiscal future is troubled. Part A will begin running cash deficits again by 2010, according to the most recent trustees report. Beyond 2010, its cash deficits will grow ever larger, totaling nearly $7 trillion by 2040. Despite these looming deficits, the Republican bill would weaken, rather than strengthen, Medicare financing by depriving the program of roughly $100 billion in dedicated revenues over the next ten years and $464 billion through 2024. Without this income, Medicare Part A will go into the red again on a cash basis 5 years earlier than under current law. This bill will only threaten the viability of the Medicare Program for future generations, but it will force an even greater squeeze on hospitals and other health care providers dependent upon Medicare payments.

Mr. Speaker, this bill will cost more than $100 billion over 10 years. Instead of devoting these resources toward a Medicare prescription drug benefit that would benefit all seniors and eligible people with disabilities, this proposal would leave more than four out of five Social Security beneficiaries with no more than they have today. While a budget surplus exists, we must utilize the surplus wisely to balance targeted tax cuts with paying down our national debt.

Mr. Speaker, I urge my colleagues to vote for the Democratic substitute and reject the underlying bill.

Mr. COYNE. Mr. Speaker, I rise in opposition to H.R. 4865. This bill would jeopardize the solvency of the Medicare Hospital Trust Fund. The revenue from this tax goes directly into the Medicare Hospital Trust Fund. The loss of this revenue would be about $110 billion over the next 10 years or $13.6 trillion over the next 75 years. If this legislation were to be adopted, absent any other action on the part of Congress, the Medicare Hospital Trust Fund would be depleted 5 years earlier, in 2030 instead of 2035. The sponsors of H.R. 4865 tell us that this bill will not jeopardize Medicare because the legislation will require the Federal Government to make up the $14 trillion difference. This is an easy promise to keep while we have record budget surpluses. But when the Medicare Trust Fund gets close to zero, there may be no surplus. The same projections that have produced the estimates of budget surpluses over the next 10 years project annual deficits in subsequent years. At that point, we will have to reinstate the tax or raise the tax burden on working families to keep Medicare going. Even now, the bill will use up some of the surplus. Consequently, this revenue will be unavailable to use for other programs, such as a prescription drug benefit that will help all seniors. This revenue will also not be available to pay down our national debt, leading to billions of dollars in increased interest payments.

Moreover, this is only one of many tax cuts the Republicans have proposed that will benefit wealthier people in the coming years and which will leave working families in the lurch. These tax cuts will crowd out funding for vital programs such as education, housing and medical research. And, unlike earlier proposed tax cuts, this one directly threatens the solvency of Medicare. I urge my colleagues to vote against this bill because it does not benefit the large majority of seniors and risks the future of Medicare.

Ms. BALDWIN. Mr. Speaker, it is clear that most of the Members of this institution want to provide help to seniors who receive Medicare and Social Security benefits. There are two proposals that we are considering today which purport to help those seniors. One bill will provide seniors with a tax cut, including the wealthiest in our society . . . which is virtually guaranteed to deplete the Medicare Trust Fund and jeopardize the future of this vital program.

This legislation to repeal the 1993 tax provision will make it more difficult for the government to finance adequate Medicare prescription drug coverage, as well as other improvements that ultimately should be included in the Medicare benefit package, such as catastrophic costs and long-term care. This legislation is a hundred billion dollar raid on the Medicare Trust Fund and replaces the money with an IOU.

Although we are currently in the era of surpluses, we should not forget that Medicare's fiscal future is troubled. After several years of deficits in the 1990s, the Part A trust fund is now running a small cash surplus. This is only temporary, however—Part A will begin running cash deficits again by 2010, according to the most recent Medicare Trust Fund trustees report. Beyond 2010, its cash deficits will grow larger, totaling nearly $7 trillion in the next 40 years.

Despite these looming deficits, this legislation would weaken, rather than strengthen Medicare financing by depriving the program of roughly $100 billion in dedicated revenue over the next ten years and nearly half a trillion dollars in the next 25 years. Without this income, Medicare Part A will go into the red again five years earlier than under current law. This will not only threaten the viability of the Medicare program for future generations, but it will force an even greater squeeze on hospitals and other health care providers dependent on Medicare payments. This revenue loss will be permanent, while the projected budget surpluses are temporary.

Fortunately, we have a more fiscally responsible alternative. The substitute measure also cuts taxes for 95 percent of Social Security beneficiaries. Seniors living alone who make less than $80,000 a year and couples with a joint income of less than $100,000 a year would be eligible for the tax cut. In addition, the alternative maintains the financial integrity of the Medicare program by forcing the Treasury Secretary to guarantee that the funds will be available, before depleting the Trust Fund and providing the tax cut.

Mr. Chairman, if we really care about seniors, we must ensure we maintain the financial stability of Social Security and Medicare, while providing responsible tax cuts. The alternative we are considering today does both and I urge its adoption.

Ms. ESHOO. Mr. Speaker, when I was first elected to Congress in 1992, I promised my constituents that I would do everything in my power to abstain from the spending spree that had run up the largest budget deficit in American history. I consistently voted against irresponsible spending bills and for legislation to balance the budget and bring our fiscal house back to order.

Today, we're reaping the benefits of our fiscal restraint. We are now in our third year of budget surpluses and unprecedented economic progress. The United States is enjoying the longest economic expansion in history, the lowest poverty rate in twenty years, and the lowest unemployment rate since the 1970s. Whereas in 1992 we suffered under the weight of a $290 billion budget deficit, today we are buoyed by a $211 billion surplus.

And yet, it seems that our Republican colleagues have forgotten the lessons we learned just eight short years ago and are spending the surpluses as fast as they come in. Last year, the Republicans tried to enact their tax cut agenda at a cost of $929 billion over 10 years. This sweeping bill failed because it was obvious that such a large package shoved aside all other priorities and put the nation's fiscal health in jeopardy.

This year, Republicans have devised a more clever political strategy of breaking up their tax agenda, allowing them to focus attention on the same attractions of each part of their agenda while obscuring the total cost. But the cost is the same. So far this year, Republicans have pushed through tax cuts that would eat up $739 billion of the budget surpluses. When you add this to other tax cuts and spending increases they vow to bring up, the Republicans will have spent $88 billion more than is available once Social Security and Medicare are protected.

Today, Congress is on its way to invading Medicare as well. While we are currently in an era of surpluses, we must not forget that Medicare's fiscal future is troubled. According to the most recent Trustees Report, Part A will begin running cash deficits again by 2010, totaling nearly $7 trillion by 2040.

Despite these looming deficits, the Republicans have introduced yet another tax cut that robs the Medicare program of roughly $100 billion in dedicated revenues over the next ten years and $464 billion through 2024. The Social Security Benefits Tax Relief Act (H.R. 4865), repeals a portion of the tax on Social Security benefits thereby eliminating a dedicated source of revenues to the Medicare Trust Fund. Without this income, Medicare Part A will go into the red again five years earlier than under current law. The result will be a significant threat to the viability of the Medicare program for future generations, and an even greater squeeze on hospitals and other health care providers dependent upon Medicare payments.

H.R. 4865 purports to replace the lost revenue to the Medicare trust fund from the projected on-budget surplus. However, while the revenue loss to the Medicare trust fund is guaranteed, the budget surplus exists only in projections and faces many other competing demands. Furthermore, the revenue loss to the Medicare trust fund would be permanent, while the projected budget surpluses are temporary. Once the projected surpluses run out, the Medicare trust fund will be left with a large hole unless a future Congress is willing to raise taxes or cut other programs.

Perhaps most egregious, like other Republican tax cuts, H.R. 4865 only benefits the wealthiest Americans. The National Council of Senior Citizens calls H.R. 4865 ''an irresponsible political gesture to upper income persons which will have severe consequences for the Social Security system and the solvency of the Medicare Part A trust fund.'' The massive amount of general revenues that would be consumed by this bill will leave fewer resources extending the solvency of the Medicare program and creating a Medicare prescription drug benefit.

The Democratic substitute amendment, on the other hand, provides the same tax relief as the Republican bill but offers it to more seniors at about half the cost. Whereas the Republican bill only benefits the wealthiest 20 percent of Social Security recipients, the Democratic substitute would provide tax relief to 95 percent of seniors. Rather than eliminating the tax for all seniors, the Democratic substitute keeps the tax in place for only the very wealthiest—singles earning more than $80,000 and couples earning more than $100,000 a year.

The Democratic substitute is also more fiscally responsible. Unlike the Republican bill, the Democratic substitute protects Social Security and Medicare by conditioning the tax cut on a certification from the Secretary of the Treasury that the on-budget surplus is sufficient to replenish the lost tax revenue. Thus, it can't go into effect in years in which there is not enough of an on-budget surplus to replace lost revenues.

We are at a historic ''fork in the road.'' If we continue down the path of irresponsible tax cuts for the wealthy, there will be nothing left for shoring up Medicare and Social Security, enacting a Medicare prescription drug benefit, or paying down the public debt. I urge my colleagues to vote yes on the Democratic substitute and no on the underlying bill. Congress must reverse its course and get back on the road to fiscal discipline.

Mr. WELDON of Florida. Mr. Speaker, the ''Social Security Benefits Tax Relief Act of 2000'' (H.R. 4865) repeals the tax on Social Security benefits created in the 1993 Clinton-Gore budget plan. This tax costs more than 8 million seniors an average of $1,180 a year.

In 1993, Vice-President GORE cast the Senate tie-breaking vote to join with the Democrat-led House that imposed this tax on Social Security. I believe seniors should be able to keep their hundred bucks a month instead of having to send it to Washington.

It's time to repeal the tax on Social Security to let Florida's seniors keep more of the benefits they earned. In an era of budget surpluses, it's wrong to punish seniors with a tax that's outlived its purpose. Social Security checks shouldn't arrive in the mailbox with a bill from the IRS attached.

I am committed to improving the lives of Florida's seniors. Earlier this year, I voted to eliminate the Social Security earnings limit and in favor of a prescription drug benefit. These were done in addition to ending the 40-year Democrat raid on the Social Security trust fund.

I am deeply disturbed that the President refuses to help America's seniors and is indicating that he will veto this tax equity bill for our senior citizens.

Mr. REYES. Mr. Speaker, I rise in strong opposition to this bill, another in a series of fiscally irresponsible tax cuts. Our current budget surplus has put us in a position to extend the life of Social Security and Medicare, to ensure that we are able to provide a Medicare prescription drug benefit, invest in education, and pay down the national debt.

But the Congressional majority's strategy is not to extend the solvency of Social Security or Medicare by even one day or address other important domestic issues like education. They would rather use uncertain projections about the future surplus to provide irresponsible tax breaks. According to the Department of Treasury, the Congressional majority's tax schemes provide relatively few benefits for the vast majority of working families.

As a result of the tax cuts passed this year, the average family in the top 1 percent would receive a tax cut of over $16,000—compare that to the $220 tax cut that middle income families received. We should provide fair and equitable tax cuts that allow working families to send their kids to college, pay for child care, and care for sick family members while still strengthening Social Security and Medicare and paying down the national debt. President Clinton's tax cut package would have done just that.

In contrast, this reckless bill will deprive Medicare of roughly $100 billion in dedicated revenues over the next ten years and half a trillion by 2024. This bill attempts to solve that problem by replacing the lost revenue with money from the projected surplus. There is no guarantee that we will have years of budget surpluses to work with and replace the lost revenue. Pass this bill and we are guaranteed to drain resources from the Medicare trust fund.

Mr. Speaker, I urge all of my colleagues to stop playing politics and focus on good policy.

Mr. COX. Mr. Speaker, I rise in strong support of H.R. 4865, long overdue legislation to repeal the 1993 Clinton-Gore tax increase on Social Security beneficiaries.

The media has begun calling this tax the ''Gore Tax'' because Vice President AL GORE cast the tie-breaking vote in the Senate needed to send the bill to President Clinton for his signature.

The Gore Tax impose a 70 percent income tax rate increase or retired couples making as little as $22,000 each, and single retirees earning as little as $34,000.

These low-income senior citizens don't qualify in anyone's book as ''rich.'' In fact, they earn barely enough to keep them out of the government's official definition of ''poverty.'' Yet AL GORE cast the deciding vote to significantly increase taxes on these low-income senior citizens.

How costly has this tax increase been? This year, the Gore Tax will hit 10 million retirees, and force each of them to pay an average of $1,200 in additional taxes. This tax burden is made all the more devastating because of the fact that so many low-income seniors live largely on their Social Security income.

The Gore Tax is not only terrible tax policy because it unfairly burdens low-income Americans. It's also bad tax policy because it discourages Americans from working and saving for retirement.

Instead of encouraging hard work and thrift, the Gore Tax severely punishes Americans who set money aside for retirement—and retirees who want to stay productive and in the workforce during their golden years—by forcing them to pay thousands of dollars more in income taxes.

This tax is indefensible. I urge my colleagues to vote for H.R. 4865, so that we can at long last repeal the Gore Tax and its unfair and punitive burden on America's senior citizens.

Mr. CROWLEY. Mr. Speaker, I rise in strong support of the Social Security Benefits Tax Relief Act of 2000. This legislation will reduce the tax burden on millions of older americans who are enjoying their golden years.

In 1993, the Congress and the Administration recognized that in order to shore up our nation's Medicare system and pay down the ballooning deficits caused by the fiscal imprudence of President George Bush, some unpopular decisions would need to be made.

In 1993 and today, I salute the actions of the Democrats in Congress and President Clinton to address the pressing needs of Medicare and our nation's budget concerns. Six years later, thanks in large part to the first Clinton administration budget and the brave Democratic Party that took the right, yet politicallly unpopular path, our nation is enjoying unparalleled economic growth.

Budget surpluses are projected for the next decade, unemployment rates are at their lowest peacetime rate in American history, homeownership is at a record high, most importantly, and every community in America is benefiting from increased wealth and job creation.

This is a far different picture from the dark days of the last Republican Administration of President George Bush. President Bush provided our nation with high debts, a bankrupted Medicare system and high unemployment rates.

Today, thanks to the great work and keen insight of President Bill Clinton, Vice President AL GORE and the Democrats in Congress, we now enjoy a budget surplus that continues to grow beyond even the wildest and most optimistic scenarios of every credible economist regardless of ideology.

These funds allow Congress the ability to scale back the heavy tax burden on working families, senior citizens and small businesses. For that reason, I am pleased to rise in support of this legislation to provide sensible tax relief to American seniors.

This bill will ensure that those middle class seniors, many of whom also benefited from the repeal of the Social Security Earnings Limit earlier this year, will now be able to keep more of their income.

I am pleased to work in a bipartisan way today to support this legislation and provide the seniors of my Congressional district in Queens and the Bronx, a tax cut on average of $1200 a year.

In the best traditions of the Democratic Party, I will support this legislation to improve the quality of life for our nation's seniors.

Mr. CRANE. Mr. Speaker, I rise in support of this important legislation to relieve some of the tax burden on our seniors by reversing the mistake made in 1993 by the Clinton/Gore Administration and the Democratic-led Congress.

The 1993 Clinton/Gore tax increase, raising the percentage of some senior's Social Security benefits subject to income tax from 85 percent to 50 percent, was not only unfair to seniors, but it was also just plain bad tax policy. Under current law, when an employer collects his half of the Social Security tax, the employer is allowed to deduct that amount from gross income as an expense. The individual paying payroll tax, however, is subject to individual income tax on the amount of payroll tax directly subtracted from his paycheck. In other words, half of the individual's total payroll tax contribution is subject to tax and half is not. The correct policy then, when considering taxing Social Security benefits, is to tax half the benefits. That assures that we achieve a basic goal of sound tax policy—tax all income once, but only once. The bill before us would once again lower the percentage of income subject to tax back down to 50 percent, where it belongs.

The 1993 tax did much more than raise taxes on the elderly. It effectively reduced seniors' Social Security benefits. Of course, Clinton/Gore and the Democratic Congress didn't cut seniors' benefits by changing the benefit formula. But raising the tax on seniors' benefits certainly had the same effect. Every month, millions of seniors who rely on Social Security benefits had less money to spend. It makes no difference to them whether they have less money because their benefits are cut or because the tax on the benefits is higher. The bottom line—they have less money.

Mr. Speaker, President Clinton is quoted as saying yesterday, ''I say to Congress: Stop passing tax bills you know I'll veto.''

I say to President Clinton, stop vetoing the tax cut bills we are sending you. You threaten to veto a bill to relieve the patently unfair marriage penalty. You threaten to veto a bill to repeal the grossly unfair and immoral death tax. Now you threaten to veto a bill to relieve an unfair burden on seniors. Mr. President, this is not your money. Let us return it to the people who earned it.

The Administration likes to talk about all the total cost of the bills we have sent to him or plan to send. That is a little like adding up the total cost of all the items on a restaurant's menu. Mr. President, we are hoping that a couple of these tax cut bills at least will look good enough for you to sign them. Then we can start talking bout the total cost. Until you do, we will continue sending up dishes for your approval. Until you do start signing them, it is the height of folly to talk about their total cost as though you had signed them.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I am pleased that we are bringing legislation to the floor today to repeal this unfair tax on seniors. Our senior citizens have worked their entire lives to build the savings that will enable them to enjoy a safe and secure retirement. The 85 percent tax created in the 1993 Clinton budget penalizes those seniors who have done what we are encouraging them to do, build their own personal savings for retirement.

The worst thing about this tax is that the income levels that trigger it have not changed since the law was enacted—even though the cost of living has certainly increased since then. Therefore, more and more people become affected by it each year. According to the Congressional Budget Office, this year 10 million seniors (that's one out of every five seniors) will have to pay additional taxes, and by 2010 that number will reach 17 million—or one-third of seniors. With the income levels at $32,000 for individuals and $44,000 for couples, this is not a tax on upper income seniors—it is a tax on middle income seniors. And in Connecticut it hits seniors even harder because of our higher cost of living.

In a letter to Chairman ARCHER, the AARP expresses its concerns about the tax. Their letter states: ''The 1993 tax may serve to undermine the program. By adding additional taxes to an already progressive Social Security benefit formula, these changes risk undermining the widespread public support the system enjoys.''

This tax was created as part of a deficit reduction program. Now that we are enjoying unprecedented budget surpluses, we owe it to our seniors to repeal the tax. In 1993, the deficit was $255 billion. For fiscal year 2000, the surplus is $233 billion. This tax helped create that surplus, so we owe it to our seniors and working Americans to repay the favor.

Repealing this increase is a matter of fairness and will help senior citizens, especially those with moderate incomes, keep more of their money in their own pockets. I urge my colleagues to support this piece of critical tax relief.

Mrs. BIGGERT. Mr. Speaker, I cannot believe what I am hearing from the other side of the Chamber today.

When the Democrat-controlled Congress passed this tax increase on seniors in 1993, they told them that the purpose was deficit reduction. It was to balance the federal budget.

Now, seven years later, there is no federal budget deficit. There was no federal budget deficit last year. There will be no budget deficit next year or the following year. We look ahead, and as far as any projection ventures forward, there will be no federal budget deficits.

Seniors know this. Everyone in this Chamber knows this. So who are we attempting to fool?

And why do we continue to force this budget deficit reduction tax on America's seniors when there is no budget deficit?

The answer is that we owe it to our seniors to repeal this onerous tax. For seven years, ten million American seniors have paid more than their fair share to reduce federal budget deficits. They have succeeded.

The very least we now can do is to repeal this tax.

To do less would be to engage in the worst kind of bait-and-switch tactic.

What are we to say? In 1993, the tax was needed for deficit reduction. In 2000, there is no budget deficit so it is needed for spending? That's dishonest and unfair.

Let's face it, this Democrat substitute is little more than an attempt to do justice for some and not for others.

Let's do the right thing for all seniors—the honest thing—and repeal this tax.

Mr. PASTOR. Mr. Speaker, we are very fortunate to be enjoying the prosperity and fiscal opportunities that come with a strong economy. Americans should be proud of the productive labor force and technological achievement that have led to current and projected budget surpluses. But we must not lose sight of the big picture and squander our opportunity to use current prosperity to safeguard our future.

The tax cut we are debating today does not consider the big picture. This bill would reduce funds that could be used to strengthen the Social Security system for the benefit of our children and grandchildren. It would jeopardize our ability to extend the life of the Medicare trust fund and create a Medicare drug benefit that is long overdue. Whey would we do this at a time when my constituents in Arizona, and Americans across the country, have made it clear that strengthening Social Security and Medicare are among the highest legislative priorities for American families?

Republicans have argued that this proposal benefits seniors by reducing their tax obligation. In fact, this bill is a break for only the top 16 percent of Social Security beneficiaries and a threat to the majority of seniors who favor a Medicare drug benefit. It is a threat to the future of younger generations, who already lack confidence in Congress's ability to ensure that Social Security will be there for them. This bill puts benefits for the wealthiest seniors before the needs of the most vulnerable Americans and puts short term political considerations before investment in our Nation's future.

I cannot support this irresponsible legislation. I am tired of the Republican leadership wasting what little time we have on proposals to benefit the wealthiest Americans when there is so much important work left undone. Let us do the responsible thing. Let us focus first on reinforcing the social foundation on which this Nation's future security and prosperity will grow.

Mr. HOLT. Mr. Speaker, I rise today in support of H.R. 4865 to repeal the 1993 tax on Social Security benefits. I have spoken to and heard from many residents in Central New Jersey who want to see this Social Security tax eliminated.

Since coming to Congress, I have stood for targeted and reasonable tax reductions, I have crossed party lines to phase out the estate tax, and to eliminate the marriage penalty. I also support ending the 1993 tax on Social Security benefits.

As I do, however, I want to be sure that this body understands and appreciates the context in which this tax was enacted. The 1993 tax on Social Security benefits was a small part of the Omnibus Budget Reconciliation Act of 1993, which paved the way for significant deficit reduction, and the large budget surpluses we enjoy today. OBRA, particularly the 1993 Social Security tax, was initially unpopular. Many Members in fact lost their seats in this House for voting for it. But it was enacted for a good cause—to reduce the deficit and help shore up the Medicare program.

It's important to remember the status of the Medicare Trust funds at that time. Medicare was in far graver condition than Social Security and was rapidly nearing insolvency. In fact, the 1993 Medicare Trustees report projected that Medicare would become insolvent just six years after the report in 1999. Thanks to the cumulative effects of the 1993 package, however, as well as changes made in 1997, the Medicare program is projected to remain solvent through at least 2025. That is a remarkable turn around, and we have a lot of courageous Members of Congress who are no longer with us today to thank for it.

These measures also helped to create a budget surplus that we could never have imagined just a few years ago. We have gone from budget deficits of over $200 billion per year—deficits which, by the way, included Social Security surpluses—to record on-budget surpluses today.

Now that budget surpluses have been created and are projected to continue into the next decade we can make reasonable and targeted tax cuts.

But we must not get complacent about the condition of Medicare or Social Security, or minimize the challenges that will only increase as the baby boom generation reaches retirement. It is crucial that we maintain the strength and long term solvency of Medicare and Social Security through whatever tax reductions are ultimately passed, following the negotiations that will take place with the leadership of Congress and the White House.

I am satisfied that H.R. 4865 provides a general revenue offset to replenish the loss of revenue from repealing the 1993 tax—revenue that is dedicated to the Medicare trust funds. But this also means that these are now funds that cannot be used to meet the many other varied needs a rapidly aging population presents.

I challenge this Congress not to neglect the other essential needs of our seniors and our communities. While passing meaningful tax relief is essential, I also intend, and hope Members on both sides of the aisle will work with me, in seeing that a real prescription drug benefit is provided under Medicare. This is what our seniors want and are asking for. It is especially critical that a prescription drug benefit be a central part of Medicare and not as an add-on. We know Medicare. Medicare works.

Insurance companies, on the other hand, have not demonstrated a dedication to guaranteeing coverage to seniors, and indeed, their business is not geared towards that goal. Their representatives have made that clear.

I also hope we can begin to work in a bipartisan way to establish a long-term care insurance program for older Americans and persons with severe disabilities. By reauthorizing the Older Americans Act and by creating a tax credit for caregivers, we are making promising strides in that area. But there is a long way to go, and meeting the needs of our rapidly aging population will require our utmost attention.

Mr. Speaker, while we take action to provide meaningful tax relief here today, we must not lose sight of the larger overall need to maintain our budget surplus and continue to preserve Medicare and Social Security for today's and tomorrow's workers.

Mr. REYES. Mr. Speaker, I rise in support of the Democratic substitute and in strong opposition to the fiscally irresponsible Republican tax scheme. The substitute would raise from $44,000 to $100,000 the annual income level at which couples must include 85 percent of their Social Security benefits as taxable income. By raising these levels, the substitute would provide the same tax relief as in the reported bill for approximately 95 percent of beneficiaries.

The tax reductions in the Democratic bill would be contingent on a year-by-year certification by the Secretary of the Treasury that there are sufficient surpluses outside the Social Security and Medicare programs to make the general fund transfers necessary to reimburse the Medicare Trust Fund. Thus, before the Medicare Trust Fund is depleted, the substitute guarantees that the budget surpluses exist to ensure these appropriations will actually be made to the Medicare Trust Fund to replace the lost revenue.

Our proposal can only go into effect in years in which there is enough of an on-budget surplus to replace lost revenues in the Medicare Trust Fund. The Republican bill makes no such guarantees and merely relies on continued surpluses year after year. Furthermore, the Republican bill requires huge transfers of federal funds from general revenues into Medicare. It takes money out of one pocket and puts it back in the other pocket. These transfers jeopardize the program's solvency and could result in increased Medicare premiums.

Our seniors deserve better than political games. I urge all of my colleagues to vote for the Democratic substitute and against the risky Republican tax scheme.

Ms. KILPATRICK. Mr. Speaker, I rise today in strong and stringent opposition to H.R. 4865, the Social Security Tax Benefits Relief Act. First and foremost I must say that I am for providing tax relief to our nation's citizens. There are seniors and others in our country who are clearly in need of tax relief. However, any tax proposals that we consider should not solely benefit those at the top of the economy who are least in need of a tax break. We, as Democrats, have tried to structure targeted tax proposals that will benefit those in the middle and lowest rungs of the economic latter.

This bill will benefit only the top one-fifth of Social Security beneficiaries. While many of these people are not rich, this regressive distribution of the benefits from the GOP bill is consistent with favor-of-the-wealthy trend of previous Republican tax cuts. According to the Department of Treasury, roughly half of the tax cuts passed by the House this year will go to the wealthiest 5 percent of households. The other 95 percent will share the other half.

I say to those listening, do not be fooled by the misleading title given this legislation. This bill will jeopardize all that we have done to ensure that the budget is balanced in a manner that protects the longevity of Social Security and Medicare while also leaving enough aside to provide the prescription drug benefit that our nation's seniors need. This tax cut will raise the aggregate amount of tax expenditures of nearly $740 billion—rivaling the amount they attempted to pass in the 1999 tax-cut bill vetoed by the president ($792 billion). This amount threatens to liquidate nearly all of the projected budget surpluses.

This latest Republican tax proposal while appearing to be a straight forward tax cut for some Social Security beneficiaries is truly a dangerous scheme that particularly threatens the solvency of medicare. The revenues collected from this tax go directly to fund the Medicare Hospital Trust fund. By depriving Medicare of this dedicated revenue stream, Republicans would create a massive, unfunded promise that explodes in the future years. Medicare actuaries estimate cumulative losses at roughly $13.7 trillion in dedicated revenue over the next 75 years. Republicans would replace a sure-thing with an IOU to be drawn on the trust fund forever. Nothing guarantees that Congress will offset this cost elswehere in the budget, or curtail other tax cuts enough to guarantee this money will be there for Medicare.

Like all of the other tax cuts that the Republicans are pushing through, they are doing so knowing that this measusre is clearly headed to the long line of other bills that the President has indicated he will veto. Instead of working with the President to come up with bipartisan tax legislation the Republicans insist on pushing through thoughtless and unwise tax legislation that threatens Medicare and other important programs only to score political points in an election year. In 1995, this very same drill brought the government to a shutdown. In subsequent years, in an effort to thwart the budgetary goals of the President, they have done the same thing they are doing now, only to see their efforts stall under the weight of presidential vetoes.

It is frustrating to vote against measures like this that proclaim to do good while failing to meet the clear needs of our citizens. Given the frustration we all feel here in Congress, I extend a plea to those on the other side to discontinue their efforts to score political points. I urge Members on both sides of the aisle to reflect on the successes and failures that we have experienced here during the course of the District work period, so that when we return, we can come together and address the pressing needs of the American people.

Mrs. MEEK of Florida. Mr. Speaker, I ask unanimous consent to revise and extend my remarks. I thank the Gentleman from New York, Mr. RANGEL, for yielding.

Mr. Speaker, I rise in strong opposition to this legislation. This is a bad bill which moves us in the wrong direction. It fundamentally weakens Medicare at a time when we still need to be protecting and strengthening it. If the majority party believed in truth in advertising instead of putting attractive names on awful bills, they would call this bill ''The Sunset on Medicare Act''. For we surely put Medicare at enormous risk by making it more dependent on annual appropriations.

If there is anyone who believes that we are strengthening Medicare by eliminating a dedicated source of $117 billlion in revenues over the next ten years ($13.7 trilllion over the 75 year solvency period for the program) and substituting general revenues, please see me when this debate concludes and I'll sell you the Brooklyn Bridge! No one can seriously assert that Medicare is made more secure by replacing a dedicated tax source with a promise to make payments to Medicare from the General Fund.

Relying on annual appropriations from general revenues to make up the shortfall that this legislation will create is a very dangerous strategy, particularly given the Majority's insistence on adopting huge, reckless tax cuts for the wealthy, rather than targeted tax relief for the middle class.

This bill will jeopardize our ability to add a much-needed prescription drug benefit to Medicare and will endanger other important domestic priorities. It is especially irresponsible because we know that the start of retirement among the Baby Boomer generation will cause the number of people using Medicare to double from 40 million to 80 million between now and 2030.

We know that good economic times do not last forever. What will happen when there is a downturn in our economy or if the Republicans push through even larger tax cuts? The general revenue "promise" to replace funds taken from Medicare will prove to be worthless.

We have a solemn responsibility to strengthen and secure Medicare and Social Security not just for today's beneficiaries, but for future beneficiaries. I will not be a party to weakening Medicare when we need to strengthen and protect it. Reject this irresponsible bill.

Mr. McCOLLUM. Mr. Speaker, I rise today in strong support of H.R. 4865, the Social Security Benefits Tax Relief Act of 2000. This legislation would repeal the burdensome tax on Social Security benefits imposed by the Clinton-Gore Administration back in 1993. The Administration created this proposal during a time when the nation was attempting to reduce the Federal budget deficit, but now that we enjoy a plentiful surplus, it is only right to repeal this unduly high level of taxation on our senior citizens.

Mr. Speaker, in 1993, the Clinton-Gore Administration imposed the Tier II tax on up to 85% of Social Security benefits. Consequently, an individual recipient whose income exceeds $34,000, and a married couple whose income exceeds $44,000, find themselves having 85 percent of their benefits taxed rather than the previous 50 percent of their benefits. This abrupt change in law hurt our senor citizens who have worked hard toward a fiscally-responsible retirement plan based on the 50 percent taxable benefit level. The Administration claims it was necessary to increase this taxable base in 1993 to reduce the Federal budget deficit, but that deficit is gone now and it is time to return to the nation's senior citizens the money that is rightfully theirs.

This is not just a tax on the rich, but rather, a tax that hits the average senior citizen. In this year alone, 10 million beneficiaries are affected by this tax. By 2010, over 17.5 million beneficiaries will be affected. For seniors who fall within range of this income threshold, a great disincentive was created in 1993 for seniors to continue to work or save additional money for fear that an increase in income would cause more of their Social Security benefits to become taxable at this outrageous rate.

Not only is the tax burdensome, the income thresholds are not indexed for inflation, which means that more and more lower income people are affected by the tax each year. Although it may have appeared reasonable to tax an individual's income which exceeded $34,000 back in 1993, without indexing that income threshold for inflation, we are continuing to tax more lower income beneficiaries every year.

When many of us signed the Contract With America back in 1994, we pledged to do away with this burdensome Tier II tax by this year. Well, Mr. Speaker, the time has come to follow through with our promise and to allow America's seniors to keep more of their money.

I thank Congressman ARCHER for his efforts in bringing this measure to the floor. I enthusiastically support H.R. 4865, the Social Security Benefits Tax Relief Act of 2000, and encourage my colleagues to vote in support of this important legislation.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. POMEROY

Mr. POMEROY. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. POMEROY:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security Benefits Tax Relief Act of 2000".

SEC. 2. INCREASE IN ADJUSTED BASE AMOUNT CONTINGENT ON AVAILABILITY OF BUDGET SURPLUSES.

(a) IN GENERAL.—Section 86 of the Internal Revenue Code of 1986 (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new subsection:

"(g) INCREASE IN ADJUSTED BASE AMOUNT CONTINGENT ON AVAILABILITY OF BUDGET SURPLUSES.—

"(1) IN GENERAL.—For any taxable year beginning after December 31, 2000, subsection (c)(2) shall be applied—

"(A) by substituting '$80,000' for '$34,000' in subparagraph (A) thereof, and

"(B) by substituting '$100,000' for '$44,000' in subparagraph (B) thereof.

"(2) CONTINGENCY.—

"(A) IN GENERAL.—Paragraph (1) shall apply to taxable years beginning in any calendar year only if the Secretary of the Treasury certifies (before the close of such calendar year) that the condition specified in subparagraph (B) is met with respect to such calendar year.

"(B) CONDITION.—The condition specified in this subparagraph is met for any calendar year if the projected on-budget surplus for the fiscal year beginning in such calendar year (determined by excluding the receipts and disbursements of part A of the medicare program) is greater than the projected appropriations that would be required by section 3 of the Social Security Benefits Tax Relief Act of 2000 for such fiscal year if paragraph (1) had been in effect for all taxable years after 2000.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. MAINTENANCE OF TRANSFERS TO HOSPITAL INSURANCE TRUST FUND.

(a) IN GENERAL.—There are hereby appropriated to the Hospital Insurance Trust Fund established under section 1817 of the Social Security Act amounts equal to the reduction in revenues to the Treasury by reason of the enactment of this Act. Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had this Act not been enacted.

(b) REPORTS.—The Secretary of the Treasury or the Secretary's delegate shall annually report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the amounts and timing of the transfers under this section.

The SPEAKER pro tempore. Pursuant to House Resolution 564, the gentleman from North Dakota (Mr. POMEROY) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from North Dakota (Mr. POMEROY).

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Mr. POMEROY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, the Democrat substitute provides tax relief for senior citizens that is fiscally responsible and safeguards the Social Security and Medicare trust funds. The amendment provides the same tax relief as the underlying bill to 95 percent of Social Security recipients but reduces the cost of the bill by $43 billion over 10 years. The amendment replenishes the revenue lost to the Medicare trust fund with revenue dedicated from the general fund surplus. Most importantly, unlike the Republican bill, the Democrat substitute protects Social Security and Medicare by requiring the Treasury Secretary to certify that the Medicare and Social Security trust funds are not being used to underwrite this tax relief.

Nearly 80 percent of our senior citizens will not be affected by either the majority or minority substitute. They do not pay this tax. Now, of those that do pay the tax, the Democrat substitute takes care of all but those 5 percent earning as a household over $100,000.

Now, in doing so, we ensure, first of all, 95 percent of all Social Security recipients are covered, but we save over the course of the bill $43 billion. At that point in time, it becomes a matter of priorities. Where do you want these resources to be allocated? Is the highest purpose for this $43 billion the tax relief purpose of households over $100,000, senior citizens with outside income of $100,000 or greater? Or could it be applied more appropriately? For example, as the chart indicates, that $43 billion saved in the Democrat substitute could go a long way to funding very meaningful prescription drug coverage for our seniors.

Finally, the Democrat substitute protects Social Security and Medicare by requiring that before the tax cut takes effect, the Secretary of Treasury must certify that the budget surplus, excluding the Medicare and Social Security trust funds, is sufficient to cover the projected revenue loss.

This is very important. Because the majority proposal, while it talks about transferring general fund revenues to cover the revenue lost in this tax measure, does not address the circumstance of if there are no general fund revenues available.

Look at this third and final chart. Under the projections that we have now put together of their spending and tax plans, they completely exhaust the surplus within the 10-year period of time, and in fact are $88 billion into the red, right back into Republican deficits of old, no funds available for the type of transfer envisioned in their bill.

Now, the Democrat substitute ensures that the Medicare trust fund will never be raided by this measure and therefore is a preferable way.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). Does the gentleman from Florida (Mr. SHAW) claim the time in opposition?

Mr. SHAW. Yes, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Florida (Mr. SHAW) is recognized for 30 minutes.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume. It is interesting to sit here and if you listen to all of the debate, it is very interesting to note, and I will say that the gentleman who was just in the well certainly, I cannot accuse him of any hypocrisy because he was not a part of the debate on the general debate that we just concluded, so my remarks are not in any way aimed towards him.

Like the Republican bill, he depends on general revenue. Unlike the Republican bill, he has a certification as to certain surpluses. As a former CPA and a lawyer, I have great trouble with that. How would I as a CPA advise my clients as to whether or not there was going to be a surplus? How is the IRS going to even prepare the income tax forms that have to be gotten out? And how can we depend upon guesses every year coming from somewhere as to whether there is going to be a surplus? These are all very difficult questions.

I would like to also point out to my colleagues on the other side of the aisle, how did we make these transfers in the past when we did have deficits? Under the 1993 tax bill that we are trying to nullify here, these transfers were made to Medicare in 1993, 1994, 1995, 1996, 1997 and 1998, even though we had deficits in all of those years. We had a deficit in every one of those years. This argument simply does not hold water. When the money is transferred to Medicare, it stays inside the Government. The size of the surplus or the deficit does not really make a difference.

I would like to also mention the question as to whether the dedicated stream of income as coming out of the Social Security recipient's hide is any more reliable than the bill that is before us today that this substitute is trying to change. Any Congress can change what the previous Congress did. There is no question about that. But both bills, both the 1993 bill and the bill that is before us today, does not require any congressional action next year. The underlying bill does not require any congressional action next year. It automatically happens unless Congress decides to change the law. So the whole argument that has been made here that somehow Medicare is put at risk under the bill before the House, the principal bill before the House, simply does not hold water at all.

I think it has gotten to be the question when you do not want to talk about the facts, you talk about something else. Anyone who has practiced law and had any type of trial practice, if the facts are not with you, you talk about something else. That is exactly what has been happening here today.

I compliment the gentleman on his bill. It is certainly an improvement over existing law. But it does not get by the basic test. Is it morally right to tax 85 percent of the benefits that seniors are receiving under Social Security regardless of their income? If it is morally wrong, it is wrong. If it is wrong; it is wrong. This is what we are trying to reverse.

Mr. Speaker, I reserve the balance of my time.

Mr. POMEROY. Mr. Speaker, I yield myself 30 seconds to make some brief responses. I imagine the gentleman, my friend and colleague, was a very good lawyer from the way he spun his argument back. The fact of the matter is if there is not a risk that there will not be sufficient general fund revenues to flow into these trust funds to make certain the Medicare trust fund is whole, lawyers and accountants would not have any issue advising their clients. The fact of the matter is, as the third chart I showed earlier demonstrates, very conceivably the plans of the majority would erode the surplus and leave this Nation in the position of having money come from Social Security or Medicare. That is what the substitute wants to avoid.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I want to thank the gentleman from North Dakota (Mr. POMEROY) and the gentleman from Massachusetts (Mr. CAPUANO) for working together on this substitute. I think it offers a sensible and cost-effective substitute for the Republican plan. I share some of the concern of my Republican colleagues because we do have a surplus. Let us give some of it back. The difference is the Democratic substitute does that. It raises the caps from $34,000 to $80,000 for individuals and from $44,000 per couple to $100,000. It retains some of the money in the Medicare trust fund. But even better, even better than just talking about the tax cuts, these cuts will not be taken out of the Social Security surplus.

We have a problem in Washington because oftentimes we pay for tax cuts and spending with Social Security surplus funds. We are no longer doing that, thank goodness. But in adding even more so better than the Republican bill, we make sure that the Medicare trust fund is whole every year. Instead of just a promise that every year it will go in there, it requires that certification.

The issue my colleague from Florida brought up, I do my own taxes and my taxes are not due until April 15. The IRS does not send me my form until the end of December. So I would assume during that year somewhere the certification would be made.

Our proposal will relieve middle-income seniors of the burden of the tax without busting the Federal budget. While I did not agree wholeheartedly with the imposition of the tax, I think cutting it now would have an adverse effect on both the budget and the Medicare program as a whole. Rather than eliminating the tax for all seniors, our legislation again only leaves it to the 5 percent of the wealthiest compared to the 20 percent who pay it now. Let me say it again, that our bill allows the tax cut to take place only if there is a surplus to pay for it in the Medicare trust fund.

Unfortunately, at the rate my Republican colleagues are spending it as my colleague showed, there is not going to be any of that surplus left, so this is just a wink for the Medicare trust fund. Between spending $739 billion in tax cuts plus entitlement and discretionary spending, we will be $88 billion in the hole.

Mr. Speaker, I urge a vote for the Democratic substitute.

Mr. POMEROY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. CAPUANO), cosponsor of the Democrat substitute.

Mr. CAPUANO. Mr. Speaker, I would just like to ask a question. It seems to me from all the debate that I have heard in the last several hours that somehow the tax on Social Security is going to disappear. Well, for those people who understand the tax forms, who still do them, who still read the tax laws, I have one question. Will line 20(b) on the 1040 tax form disappear under your proposal?

I will answer the question. The answer is no. The answer is no. Every single person, every single one who is currently paying taxes on any part of their Social Security will still pay taxes on their Social Security after the Republican proposal. I want to say that again. No single person will go to no tax on their Social Security because of their proposal. Not one.

I also want to turn the clock back just a little bit. To hear it today, the world started in 1993. My God, it is amazing. I have to turn the clock back just a little bit further and go to 1983. 1983 was the year, the first time a single penny on Social Security income was taxed by anybody. This Congress voted it under President Reagan and Vice President George Bush's administration. They voted, along with 97 Republicans. Of those 97 Republicans who voted to tax Social Security, the gentleman from Florida was amongst that group, as was a gentleman named Mr. Cheney from Wyoming. They both voted to tax Social Security income. This bill will not do anything about that tax.

My question is, if that is so good, what is so bad about our proposal to raise the tax level so that only the richest people in America get hit a little bit? If it is so morally reprehensible or morally wrong, to quote several comments made today, what is so morally right about a 1983 tax? The answer can only be, because in 1993 we had Clinton-Gore, and in 1983 we had Reagan-Bush. Somehow Reagan-Bush taxes are morally okay, but Clinton-Gore taxes are morally wrong. That is absurd. That is absurd and it is offensive to say it. I understand if you want to slash the tax, cut the whole thing out. After the proposal is passed today by the Republican majority, there will still be, this year, this year if this is ever passed into law, $13.8 billion still raised on the taxes on Social Security. I do not want anyone at home, including my mother who is here today, to go home thinking that they will not be paying taxes on their Social Security. They will be.

This whole discussion is about politics. That is what it is about. It is about a convention coming up next week. People want to say, We voted to cut taxes. It is not true. It is a misnomer. It is as misleading as anything I have heard.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

I would like to remind the gentleman from Massachusetts that none of the Social Security recipients today would be receiving their benefits if it were not for that 1983 tax bill. It was necessary.

Mr. CAPUANO. If the gentleman will yield, I would not have opposed it. I would have voted with him.

Mr. SHAW. I thought the gentleman was trying to make a point there that needed clarification. I am very proud that we have kept Social Security. Line 20(b) on the tax return, is that the first tier on Social Security, the first tier tax?

Mr. CAPUANO. If the gentleman recalls his tax law, he would understand that they are both combined together on page 25 of the instructions.

Mr. SHAW. I congratulate the gentleman on his sense of humor, but if that is the first tier, the tax on the first tier, then that would certainly remain under both bills. I do not have the tax return. The gentleman obviously has one before him. I might say that I would be glad to take a look at it and discuss the tax return with him.

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But I think the question is, and we seem to be losing our way here, the question is whether or not we are going to give tax relief to our seniors.

Back when this tax, this 85 percent tax, was passed by this Congress, there was a deficit of $255 billion. If you go back and look at the argument and the reasons for the tax, it was to get rid of the deficit or to cut down the deficit.

Now, I did not support picking out the seniors and going after them for this, but that is exactly what the majority party did at that time; and that is when the Democrats ran the House.

Now, we do not have a deficit of $255 billion under the Republican House; we now have a surplus of $233 billion, $233 billion. If this tax was for the purpose of getting rid of the deficit or getting the deficit down, now is the time to give it back. This was a tax that was supposed to pay down the deficit. The deficit is gone. We picked out the seniors to do it. We now have a surplus of $233 billion, and it is time to get rid of this tax.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, for two reasons, what the chairman says is correct. The increased tax on Social Security benefits passed in 1993 was for the purpose of reducing deficit spending, even though the money of the tax was earmarked for Medicare. As far as its justification for deficit reduction, it is appropriate that we repeal this tax increase. We are now experiencing huge surpluses and make up that money to Medicare. Therefore, to continue to justify this tax for deficit reduction is not appropriate.

Let me offer another reason why it is appropriate to reduce this tax. Higher-income retirees tend to be workers who paid in more Social Security taxes than lower-wage earners; and because the Social Security system is so progressive, higher-income wage earners already receive a much smaller percentage of what they paid in in terms of the benefits they receive. It is not fair in a relative sense that they be additionally penalized by this tax.

Now, it is my opinion that eventually, as we lower the tax rate overall, as suggested by Governor Bush, we should tax Social Security benefits the way we tax private pensions. We now tax private pensions, but we only tax the value of the employer's contribution plus total interest as a percentage of the whole. We do not tax the recipient's contribution. That amount in a typical Social Security pension received from high wage earners is 15 percent. In contrast, an average low wage earner retiree has already received in benefits about seven times his or her after-tax contribution.

So our goal should be to lower the tax overall and to treat those higher-income recipients that are already in a progressive state at a fair tax level related to the lower tax level.

Mr. POMEROY. Mr. Speaker, I yield 2½ minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, I want to compliment my colleague from Florida, the attorney. He said a couple of things that I think are noteworthy. Number one is when the facts are not on your side, talk about everything but the facts.

My colleague from Florida, the facts are not on your side. I am not a lawyer, but I can read the Treasury report. The Treasury report that came out on June 30 of this year has some extremely interesting facts.

Number one, there is still no surplus, other than the trust funds, and the trust funds raised about $170 billion. Yet we have a cumulative surplus of only about $176. Why is that? Because they stole $11 billion from somebody's trust fund to pay the bills.

The second thing is I have heard over and over we are paying down the debt. Again, according to the Treasury's own figures, the debt has grown by $42 billion of public debt this year. This year we have spent, as of today, $300 billion of the taxpayers' dollars down a rat hole called interest on the national debt. It is not taking care of old folks, it is not educating kids, and we are going to keep throwing money down that rat hole until we pay down the debt, and you do not pay down the debt unless you balance your budget.

Again, this is coming from the Bureau of Public Debt. This is June 30, 1999. The publicly held debt was $5.636 trillion. One year later, June 30, 27 days ago, the public debt is $5.685 trillion, an increase of over $40 billion.

Again, I would say to the gentleman from Florida (Mr. SHAW), I am not a lawyer, but I can read.

To the point: Where did they steal the $11 billion? Did it come out of Social Security? Did it come out of Medicare? Did it come out of the approximately $10 billion of the Military Retiree Trust Fund? Because they certainly stole $11 billion from somebody's trust fund under this charade of a balanced budget.

I urge Members to reject the Republican proposal. I urge this generation of Americans that has run up $5 trillion of the $5.7 trillion worth of debt which has been incurred in our lifetimes, let us pay our bills and not stick our kids with them.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to ask the gentleman in the well, was he speaking for or against the substitute?

Mr. TAYLOR of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Speaker, I will not be able to support either of them, because I think this generation ought to pay its bills.

Mr. POMEROY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank my friend for yielding me time.

Mr. Speaker, I rise in strong support of the substitute and in opposition to the final bill. I feel that the substitute is much more fiscally responsible than the attempt in the final version to basically bet the entire budget surplus on the hopes that the surplus money projected out in 10 years will in fact materialize. But I have always felt that, given the current economic numbers, we can provide some tax relief to Americans and working families, and even to seniors who need it, as long as it is done in a fiscally responsible way.

The substitute creates an exemption for individuals up to $80,000, up to $100,000 for married couples, and will exempt 95 percent of seniors in our country, and yet it will not bet the entire farm by the complete elimination that the final bill calls for.

I also think it is fair to do it that way as well, because when you look at current earnings and what they are taxed on for FICA purposes, it phases out at roughly $76,000 in the current year. That means those earning more than $76,000 no longer pay FICA taxes, yet working families below that level are taxed on every dollar that they earn.

The other point that I want to make, Mr. Speaker, is this: this body has never been accused of being consistent philosophically on a lot of issues, and we are not in this instance. Earlier this summer when gasoline prices were spiking around the country, there was a lot of talk and excitement out here about repealing the Federal gas tax to provide relief. But when people realized that that would mean taking money out of the Highway Trust Fund to do it, a dedicated revenue stream, they said, oh, no, no, no, we cannot do that, we should not touch that, because it will jeopardize roads and highways and bridges.

Now, all of a sudden, when we have a dedicated revenue stream that goes into Medicare and a tax cut proposal is on the table to withdraw funds from that, that seems to be acceptable. That seems to be okay if we do it, even if it may jeopardize the long-term solvency of the Medicare program.

We could not do it with the gas tax repeal, which is a more regressive tax than what we are talking about in this instance, but we are willing to jeopardize the Medicare program under virtually the same exact circumstances.

At least the substitute ensures that surpluses in fact materialize to pay for the revenue shortfall in the Medicare Trust Fund that the tax repeal will create.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to advise the gentleman who just spoke that neither the bill in chief, H.R. 4865, nor the substitute, puts Medicare in jeopardy. There is a replacement of the money coming out of general revenue under both bills. So I think this is very clear.

Mr. KIND. Mr. Speaker, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Wisconsin.

Mr. KIND. We could have done the same exact thing with the gas tax with the Federal Highway Trust Fund, but that was not acceptable because there was a dedicated revenue stream for our infrastructure needs, just as there is right now with the Medicare.

Mr. SHAW. Mr. Speaker, reclaiming my time, the gas tax is a use tax to pay for highways. What we are talking about now is Social Security. It is quite different. And to say that it is right to tax some folks and it is wrong to tax other folks on the same type of income and moneys that they are receiving under Social Security, which they have paid for, this is not a welfare program, this is an earned benefit. That is what Social Security is, an earned benefit under which all American employees have been duly taxed at the time it was earned and paid into the Social Security trust fund.

We just simply have a difference of opinion. The gentleman from North Dakota wants to give his tax relief to people under $85,000. We think if it is wrong, it is wrong, it is wrong for all people; and that is an honest disagreement.

But neither program, and I want to repeat this, neither the Democrat substitute nor the bill that is mainly under consideration here in any way jeopardizes the Medicare fund. That is a blue herring. It is weird that anybody would really come in to say this, when the bills, both bills, in black and white, specifically state that those funds will be put into the Medicare fund.

Mr. POMEROY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman from North Dakota (Mr. POMEROY); and I thank the gentleman from Texas (Mr. GREEN), as well as the gentleman from Massachusetts (Mr. CAPUANO).

To the distinguished gentleman from Florida, I think the issue is a holistic approach to what we are trying to do. Frankly, I think it is important to distinguish why I am here opposing the Republican plan, and supporting, and gratefully supporting, the Democratic substitute, because I cannot in good faith close hospitals, as they would be closing in my community, or throw senior citizens off of Medicare.

What we have in the substitute is a plan that spends $75 billion, but in refuting the comments by the gentleman from Florida, the substitute ties the funding to certifying that the Medicare Trust Fund is solvent.

If you take all of the expenditures that our good friends on the Republican side of the aisle have been spending on tax cuts, of which the American people have said, I want a solvent Social Security, a solvent Medicare, and I want other opportunities, it is almost $2 trillion. If we are trying to get a prescription drug benefit, debt reduction, Social Security and Medicare solvency, this is what the Republican plan leaves us with, a deficit of $88 billion, meaning that we have no way of paying for those items that are so needed.

Let me share with you the fact that the American Association of Health Plans indicates that at least 711,000 Medicare beneficiaries, your parents, my parents, aunts and uncles, 711,000 Medicare beneficiaries will suffer the loss of their current health benefits in January of 2001 because the Medicare Choice programs are being forced to exit.

Let me also share with Members, in my own hometown, Aetna U.S. Healthcare has moved out and seniors are being thrown off these plans. My own concerned citizen called me and said, What do I do? I do not have an HMO choice. So more of them are going to need more Medicare.

It is to shore up this program that I support the substitute, and I would hope that we would support the saving of Social Security and Medicare.

Mr. Speaker, I rise in strong support of the Democratic Substitute to H.R. 4865, Social Security Benefits Tax Relief Act of 2000. I am urging my colleagues to support this measure so that all, not just a minuscule fraction, of America's seniors get the benefits they are entitled to.

There is an undeniable Medicare/Social Security crisis in America. HMOs are withdrawing from communities across the nation leaving seniors without adequate choices for health care coverage. One of the biggest insurers in my state of Texas will not renew its contract to offer Medicare+Choice HMO for the entire state. According to the American Association of Health Plans (AAHP), at least 711,000 Medicare beneficiaries will suffer the loss of their current health coverage in January of 2001 because Medicare+Choice plans are being forced to exit the program.

For instance, Aetna U.S. Healthcare (Aetna) has announced its withdrawal from certain Medicare markets in the Houston metropolitan area. Mr. Speaker, that is of serious concerns to seniors in my district that are unaccustomed to shopping around for some other plan that may be less than adequate. Overall, Aetna is withdrawing from 11 states and from certain counties in three other states. These withdrawals will affect approximately 355,000 seniors currently enrolled in Aetna affiliated Medicare plans throughout the country.

Allow me to take a moment to share the frustration that seniors in Texas and elsewhere must go through when seniors are forced out of their health coverage. In 1999, about 53 percent of CIGNA healthCare members disenrolled, 32 percent of Texas Health Choice members disenrolled, and 22 percent of Prudential Health Care members disenrolled. Those seniors had to find alternative means to pay their bills with fewer, sometimes higher expensive alternatives.

A concerned senior citizen recently called my office when she was informed that her Medicare HMO was going out of business. She quickly realized—with some discomfort—that she would have to sign up for another plan. She was confused by the suddenness of this call and understandably concerned about alternative health coverage. She is one of many such seniors that are faced with highly uncomfortable choices.

We need to bring some relief to seniors to offset Medicare's escalating costs and to reduce taxes for our seniors. Many of my colleagues here share the goal of reducing the tax burden on middle-income seniors. I do strongly support a fair repeal of Social Security benefits subject to tax. That is why I strongly support the substitute, which seeks to both reduce the tax burden of all income levels while maintaining fiscal responsibility.

At the same time, we must ensure that Medicare's solvency is maintained. Unlike the Republican proposal, the substitute will not jeopardize Medicare's future. That is absolutely vital to the aged population of our nation that rely on these funds.

Under the current bill, the tax repeal for Social Security benefits only benefits the wealthiest 20 percent of seniors. According to the Center on Budget and Policy Priorities, H.R. 4865 would benefit ''higher-income beneficiaries while requiring $14 trillion in general-revenue transfers over 75 years.'' We need to strengthen and modernize Medicare and Social Security, not weaken it.

The substitute would raise from $44,000 to $100,000 the annual income level at which couples must include 85 percent of their Social Security benefits as taxable income. The annual income level for single Social Security beneficiaries would go from $34,000 to $80,000. By raising these levels, the substitute would provide the same tax relief as in the reported bill for 95 percent of the beneficiaries while continuing a dedicated revenue stream to Medicare.

The substitute would also include the appropriations language in the reported legislation that would provide for general fund transfers to the Medicare Trust Fund equal to the tax reductions under the bill.

It is critical that the tax reductions in the substitute depend on a year-by-year certification by the Secretary of the Treasury that there are sufficient surpluses outside Social Security and Medicare programs to make the general fund transfers necessary to reimburse the Medicare Trust Fund. Therefore, before the Medicare Trust Fund is depleted, the substitute guarantees that the budget surpluses exist to ensure these appropriations will actually be made to the Medicare trust fund to replace the lost revenue.

America's seniors are depending on us to balance the need for tax relief with the need for Medicare solvency. If we come together today, we could bring real relief to our most vulnerable seniors. That is the least we can do for our seniors.

I urge my colleagues to pass the substitute to H.R. 4865.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to address a statement made by the former speaker, the gentlewoman from Texas. The gentleman from North Dakota can correct me if it is in his bill, but I do not believe either bill has anything to do with any certification that the Medicare Trust Fund is solvent. I believe what the gentleman refers to is a projection as to the surplus, and it does not address any projections as to the Medicare Trust Fund. That is not in either bill, as I understand it.

Mr. POMEROY. Mr. Speaker, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from North Dakota.

Mr. POMEROY. The certification requirement in our substitute does ensure that the Medicare Trust Fund stays solvent, because it requires, before the effect of the tax in a given year, it requires certification there are sufficient general fund revenues to move into the Medicare Trust Fund.

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Without that certification, we believe one could find themselves in a situation where there was no general fund revenue available to move into the Medicare Trust Fund.

Mr. SHAW. Reclaiming my time, I would only point out to the gentleman that general revenue, since 1993, has been going into the trust fund and we did not run surpluses until 1998. So the Republican plan, as the gentleman refers to it, or I refer to it as the bipartisan plan, it keeps Medicare funded. There is no question about that. Neither bill addresses what is paid to hospitals. That is another problem.

The gentlewoman from Texas (Ms. JACKSON-LEE) brought this up and that is a problem across the country. We know that and we are looking at it in the Committee on Ways and Means and elsewhere in this Congress. But I would say that this does not in any way increase the funding for Medicare. It does not affect the benefits one way or another. It does not increase it. It does not decrease it. Both bills completely, do completely, replace the money in the Medicare Trust Fund that is taken out to give the Social Security beneficiaries some tax relief, and I am talking about people between $3,000 and $4,000.

Mr. POMEROY. Mr. Speaker, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from North Dakota.

Mr. POMEROY. On the point of the gentleman, well made but I take issue with it, that in those years when we ran deficits we transferred money from the general fund, I think a more appropriate way to view what was occurring is trust fund dollars were being spent, dollars from the Social Security trust fund, dollars more appropriately allocated to the Medicare Trust Fund. The majority and minority have found a point of consensus that we do not want anymore to spend the Social Security Trust Fund on anything but Social Security.

We believe, therefore, that this certification requirement requiring before that revenue is lost in a given year, there be general fund revenue available to replace it in the Medicare Trust Fund, is the only way that will ensure the solvency of the Medicare Trust Fund without using funds from either the Social Security or Medicare Trust Fund to keep it whole.

Mr. SHAW. Reclaiming my time, I would say to the gentleman that Medicare is going to be funded whether we get into new deficit spending or if we continue to run a surplus. I think the gentleman realizes that. The Congress is not going to cut Medicare funding. There is a stream coming out of both bills that keeps Medicare whole.

So I think we need to redirect the argument as to who is going to get the tax relief.

There are going to be some people in this House, such as the gentleman from Mississippi (Mr. TAYLOR), and he stated his reason for doing that, that he is going to oppose both bills. He stated his reason for it. That is an honest argument. But to say that one bill is going to run up deficits and the other is not is certainly not the right way to debate so that we can get all the facts out here on the table.

I think we need to redirect the debate back to what is before us, and that is who is going to get the tax relief. That is the only question that is before us at this particular moment as to the substitute.

Mr. Speaker, I reserve the balance of my time.

Mr. POMEROY. I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I thank my friend, the gentleman from North Dakota (Mr. POMEROY), for yielding me this time.

Mr. Speaker, I rise in strong opposition to the underlying bill and in support of the Democratic substitute. The underlying bill violates a hard-won national consensus on fiscal policy. I thought we had learned and agreed in two ugly decades of moral and economic bankruptcy in this country that we should base our governance not upon what we desire and wish to do but on what we can afford. I thought we had agreed that we should base our decisions not on the money that we hoped will be there but on the funds that we know that are there.

The underlying bill, I believe, violates this consensus because it contributes to a proposition in which the majority says that for every extra dollar that we think we are going to have, we are prepared to spend a $1.05. That consensus in this country would say that, first of all, we should not spend $1.05 for every dollar that is brought in and we should not assume that we are really going to have that dollar because it is based upon guesswork, economic sorcery and a desire for funds that may or may not be there.

I thought we had learned that we cannot have everything. I do not like this tax on Social Security benefits. I do not like the tax on gasoline. I do not like the tax on capital gains. I do not like a lot of things that we levy taxes on. But the one thing I really do not like is telling people they can have everything, higher defense spending, debt reduction, save Social Security, a prescription drug benefit, more spending on education, more spending on health care, and an immense tax cut as well.

The real deficit in this country for 20 years was not in dollars and cents. It was in credibility. Let us not renew that deficit. Let us oppose this bill.

Mr. POMEROY. Mr. Speaker, I yield 4 minutes to the gentleman from Missouri (Mr. GEPHARDT), the minority leader of the House.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, this is a bad piece of legislation and I hope it is not passed, and I hope that the alternative that we have before the House could be passed in its stead.

I think this bill should be renamed. It should be the Savage the Medicare Trust Fund bill, because this bill takes $116 billion out of the Medicare Trust Fund.

Now, why is that a concern? We have been worried for months and years about the Medicare Trust Fund. We have been saying how are we going to get enough money into the Medicare Trust Fund to extend its solvency? This bill will cut its solvency by 5 years.

Now remember that we are in a time when we have the need to do something to put more money out of the Medicare Trust Fund to take care of problems from the 1997 Balanced Budget Act. We all have nursing home operators coming to see us because they do not have enough reimbursement out of the Medicare Trust Fund. Half the nursing homes in the country are bankrupt today because of the cut in reimbursements from the Medicare Trust Fund.

The academic health institutions, I am visited by Washington University and St. Louis University in my town. They have been cut by the Medicare 1997 bill. They want restorations.

The home health care people cannot get out to do the home health care visits and so we are probably, before we leave in this Congress, going to restore funding out of the Medicare Trust Fund for them.

If we put it altogether, the savings from the 1997 Act over 10 years comes to over $200 billion. If we did half in terms of give-backs, that would be as much as this bill costs.

So instead of talking about hitting the trust fund for $100 billion, we are going to hit it for $200 billion. That will cut its solvency 10 years.

So this is the Savage the Medicare Trust Fund Act. That is what it is.

Now, the Republicans say, well, we will put the money back from general revenue. We will put it back from the surplus, the vaunted surplus. If we look at this chart, we can see that if we just take their trillion dollar tax cut, and I will get back to that in a minute, and put realistic spending projections in debt service, we already are running a deficit even with present projections. Let us remember these are projections.

How many have heard of Ed McMahon sending the envelope from Publisher's Clearinghouse saying one may have won $10 million? Has anyone gotten one? If they have, I bet they did not go out and spend the $10 million because it might not show up.

Well, these projections may not come true, and then where will we be? That is why our alternative is contingent on the surplus actually being there, so that each and every year we will figure out whether or not what we hope would happen actually happened.

Now, the other problem we have here is that this is just one more tax cut in the tax-cut-a-week program, which is really dividing the big chocolate cake we had out here last year from the Republicans. They had a $750 billion tax cut. They passed it, I think, probably about this time last year and they were going to go home in August and excite the American people about the great things about this tax cut. Guess what? The President vetoed it and when they came back they have never tried to override the veto.

If it was such a great bill, why did they not try to override the veto? No. Instead, they cut that big cake into pieces and this bill today is one of the pieces. Guess what? The cake is even bigger than it was last year. It is a trillion dollars.

Why, in the name of common sense, would we want to go back to the deficits that we suffered in this country from 1981 to 1995, fifteen years of deficits?

There were times in this House many Members felt like trustees in bankruptcy, $200 billion, $300 billion a year, and passage of all these tax cuts together will take us right back to the deficit spending and the red ink we had in those years.

Finally, let me say we can do tax cuts this year. You bet we can do tax cuts this year, if they are sensible, if they are targeted, if they do not spend so much of the surplus that we get back to deficits.

The President talked about expanding educational opportunities by making tuition deductible, tax relief through a for long-term care, a home health care credit, a child care credit, expanding the earned income credit, helping families save for retirement, relief from the marriage penalty and estate tax for family-owned businesses and farms.

Under the President's plan, a family of four making $31,000 a year gets over $350 in tax cuts. Under the Republican chocolate cake that cost a trillion dollars, they get $131. Under the President's plan, a family earning over a million dollars gets about $100 in tax cuts but under their plan they get $23,000 in tax cuts. That is the difference.

You bet we can do tax cuts. We can even do a big piece of this tax cut if we do not give it to the high rollers, as we do not do in our alternative.

You bet we can deliver tax relief to the ordinary families of this country if we were not so obsessed with giving huge amounts of money to the wealthiest families in this country. You bet we can do tax cuts.

Finally, let me say this, I say to my friends in the other party we need to do tax cuts this year. This tax cut, if it is passed and sent to the President, will be vetoed. Their marriage tax penalty, which was focused on the wealthy, will be vetoed. Their estate tax relief, again focused on the wealthiest Americans, will be vetoed.

If one is a family out there today watching this, an elderly family, a middle income family, an average family, working hard every day, they want tax cuts now that mean something to them. In the name of sense, why can we not sit down at a table and work out all of these tax cuts so that the President will sign them, so they fit in a budget that is sensible and prudent and let us get the tax relief for the American people this year?

Vetoes and press releases get us nowhere. Let us pass real tax cuts that will help the hard-pressed working American family.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, just a couple of observations I would like to make, and it is interesting, the minority leader whom I have a great deal of respect for, it is interesting they talk about how the Republican tax cut is going to savage Medicare but the minority substitute will not when they are both tax cuts. We both replace this money. It is absolutely unbelievable that these arguments are being made this way.

I would like to also point out, there is a lot of things that we should sit down and talk about. I would love nothing better than to sit down and talk to the gentleman from Missouri (Mr. GEPHARDT) and members of the minority party. I would contribute my entire August break to sitting down and talking about Social Security and getting this thing done. I would like to also talk to the President about getting Social Security reform done, and do it this year and do it on this President's watch. I think this would be a wonderful thing. It would be a wonderful legacy that the President can leave, but we are getting stonewalled. We are getting stonewalled from the minority side. This type of legislation is not going to go forward and it is not going to go forward unless the leadership and the Democrat party tears down that wall and lets us proceed.

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Neither of these bills, and I will say it again, and this is getting so repetitious, neither of these bills in any way jeopardizes Medicare, it absolutely is not going to happen under either the substitute or the bill, main bill itself. Again, I must point out to the House that the letter that we have received from the administration's Department of Health and Human Services says, and it says very forthrightly, that this proposal will have no financial impact on the Medicare trust fund. It is in writing, it is dated July 18.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Speaker, I want to thank the chairman of the Subcommittee on Social Security for his fine work and his defense of Social Security and his defense of the legislation we have before us today.

I rise to oppose the substitute, because the substitute is a last gasp attempt by the minority to preserve a tax increase that they passed when there was a deficit and when they were in the majority, and it was passed with their votes alone. The trouble with the substitute that they offer is very simple. It is an attempt to preserve this tax on Social Security benefits against the day when it is inevitably going to be shifted back on to the middle class.

Why do I say that? It is because they have not indexed their provisions for inflation. They have raised the caps on what this tax is going to apply to, they have expanded the exemption, but at the same time, they have not indexed those changes for inflation.

So over time, we are going to experience the same difficulty that we are facing now. The tax will apply to more and more Social Security recipients, and in the end, I think the only solution to dealing with this Social Security tax that they passed is to repeal it outright. If they want to go after high-income Americans and tax them, there are fairer ways to do it than by taxing Social Security benefits because when we tax Social Security benefits, we violate a principle.

Mr. Speaker, Social Security benefits should not be taxed. We should leave in place a healthy Social Security system and leave the benefits completely free from taxation. It is a priority, if we are going to preserve the Social Security system in the long term, to make sure that those benefits are tax free. By preserving this surtax, that they and they alone passed, they are attempting to leave the camel's nose under the tent. We cannot allow that to happen.

Mr. Speaker, what we are passing today is fiscally sound, it is a recognition of the fact that we are now running gigantic surpluses, and that having run those surpluses, the time has come to roll back some of those taxes that we have imposed on the taxpayer back when we were running deficits.

This is common sense legislation; it is one that enjoys broad support, and I hope that we can have bipartisan support not only to pass this legislation, but also to block the substitute which is a last-ditch attempt to preserve this tax.

Mr. POMEROY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. STENHOLM).

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, the gentleman from Florida was correct a moment ago when he said, this is all about who is going to get a tax cut, and that is precisely why I oppose both the substitute and, even more strongly, the base bill. Because the gentleman from Florida knows that the Archer-Shaw bill, for the future of Social Security, requires this $116 billion in order to fund it. Therefore, the tax cut they are perfectly willing to give back today will jeopardize the very plan my Republican colleagues have worked very hard for.

The gentleman from Florida also knows that this gentleman is ready to reach out and to work with my colleagues on the other side on a meaningful Social Security fix. However, I would submit to my colleagues, and why I so strongly oppose this so-called tax cut, is because we are misleading the senior citizens of this country. Because no matter how many times the gentleman from Florida stands on the floor and says nothing in his bill will jeopardize Medicare, how can he say that, when the removal of that will require $14 trillion over the next 75 years to replace it.

Now, the gentleman will say that he is going to replace it, and both bills replace it, but let me point out legislating general revenue transfers to the Medicare trust fund simply to tread water in terms of solvency is a dangerous precedent. I have joined with the gentleman from Florida on his side of the aisle for criticizing our President for proposing that, but now the gentleman brings a bill that transfers $4 billion more than the President has proposed, the gentleman criticizes him, but suddenly today, because this is being advertised as a tax cut, he is for it.

Now, it is time for us to get serious about legislating. I wish we could do this, but not before political conventions. I understand that, because the short-term political appeal of this legislation is so great. But anyone that looks at the results and anyone that looks at the facts knows better. We remember the gentleman from Mississippi (Mr. TAYLOR) standing here just a moment ago and showing all of us, there is no surplus; when we consider all of the trust funds, there is no surplus.

While I understand the short-term political appeal of this legislation, before you cast your vote I would ask my colleagues to consider the long-term ramifications this bill will have for Social Security and Medicare.

Although we are currently in an era of surpluses, we should not forget that Medicare's financial future is troubled. The legislation before us would weaken, rather than strengthen Medicare financing by depriving the program of roughly $14 trillion in dedicated revenues over the next seventy-five years. This will not only threaten the viability of the Medicare program for future generations, but it will force an even greater squeeze on hospitals and other health care providers dependent upon Medicare payments.

While the revenue loss to the Medicare trust fund is guaranteed, the budget surplus that is supposed to replace the lost revenues exists only in projections and faces many other competing demands. Once the projected surpluses run out, the Medicare trust fund will be left with a large hole unless a future Congress is willing to raise taxes or cut other programs.

Legislating general revenue transfers to the Medicare Trust Fund simply to tread water in terms of solvency is a dangerous precedent that will significantly affect our ability to enact fiscally responsible Social Security and Medicare reform. I have joined with many of my colleagues on the other side of the aisle criticizing the President for proposing general revenue transfers to prop up the Social Security and Medicare trust funds without reforming those programs. I would point out to my Republican colleagues that the general revenue transfers in this bill are nearly $4 trillion more than the total general revenue transfers to the Social Security and Medicare trust funds combined under the President's budget.

We should be working to address the long-term financial problems facing Social Security and Medicare instead of voting on the tax cut of the week. Unfortunately, the majority's plan to use all of the surplus on tax cuts will take away the resources that we will need to finance Social Security reform plans such as the Archer-Shaw bill.

I urge my colleagues to preserve the integrity of the Medicare program and vote against this bill.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume to respond basically to the comments made by the gentleman from Texas. He is quite right, he has reached out across the aisle in order to solve the problems of Social Security, but I would correct him in one statement. For the next 15 years, the Archer-Shaw plan uses the Social Security surplus to save Social Security. After that, there is a period of time when general revenue does come in. That is 15 years out. I believe the gentleman's plan does depend upon general revenue right from the very beginning.

Mr. STENHOLM. Mr. Speaker, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, according to the scores of Social Security by CBO, both of our plans require the very same dollars that the gentleman proposed to give back today in the long term. We would not disagree on that.

I would just say, we are consistent. What the gentleman has said about our plan is correct, and what I have said about the Republican plan is correct. Let us not split hairs. We need that money. If the gentleman gives it back today, as he proposes, he is going to do damage to Medicare unless we somehow find the magic money somewhere else.

I thank the gentleman for yielding.

Mr. SHAW. Mr. Speaker, I reserve the balance of my time.

Mr. POMEROY. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. WYNN).

Mr. WYNN. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in strong opposition to the Republican tax cut proposal for the rich, and I rise in support of the Democratic alternative.

There are many of us in this House who would like to roll back taxes on Social Security. The problem is, we do not believe we ought to do it for the very rich or the super rich.

The Democratic alternative quite simply says, we can provide tax relief for Social Security recipients, 95 percent of them, and do it in a fiscally sound manner. It seems to me now the Republicans have to answer the question: why should we give tax relief to people who make over $100,000, those seniors who make over $100,000 and who only represent 5 percent of the senior population. There is a fundamental question of fairness here.

Second, there is the question of fiscal prudency. They take $117 billion out of the Medicare trust fund. They tell us well, we will put this money back by taking money out of the general fund and putting it back into Medicare.

However, as has been pointed out time and time again, we have red ink. We will not have, when they get through tax cutting and spending, we will not have any money to put back into the trust fund. So on that score, this plan simply will not work.

The Democratic alternative, on the other hand, saves $45 billion and makes much more fiscal sense, while still providing sensible tax relief.

Second, there is a question of fairness. We will hear the Republicans talk about seniors who make $34,000, and that is not a lot of money. I agree, but why do they give a tax break to seniors who make $300,000 a year? That does not make any sense.

Finally, I think we ought to consider something really important. Prescription drug coverage. We have 12 million seniors in Medicare who do not have prescription drug coverage, and I assure my colleagues, if we have this tax giveaway as propounded by the Republicans, we will not be able to provide a prescription drug benefit.

So when we analyze the entire package, we get an excessive Republican plan and a fiscally responsible Democratic plan. I urge adoption of the Democratic alternative.

Mr. SHAW. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, regardless of what both sides are talking about in terms of numbers and fixes, there should be certain principles. The American people are taxed too high, both on the high end and on the low end of the spectrum.

In 1993, when my colleagues on that side controlled the White House, the House and the Senate, they increased the tax on Social Security in their tax bill. They also spent every single dime of the Social Security Trust Fund, and now they argue that they want to save it. They also spent every dime out of the Medicare trust fund for great socialized spending, which drove this Nation deeper and deeper in debt. In 1994, when we took the majority and said, we are going to save Medicare, and we did, some joined us, but most, including the Democrat leadership, fought everything against a balanced budget and welfare reform and Social Security lockbox, because it eliminated their spending.

The principle is that the American people are taxed too much; we want to give some of their money back. It is not our money.

Mr. POMEROY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I rise in opposition to H.R. 4865. I want to make a couple of points.

It is interesting that we are seeing this bill again. This particular tax issue has not been on the House floor since 1995, but the Republicans have decided to drag it out of the barn right before the Republican convention and stick it up there so they can go and campaign on it. They do not care that it drains all of this money out of the Medicare trust fund, and they say, we will make that up out of general revenues, even though we have not done that before with respect to the Medicare insurance trust fund. My colleagues will remember, it was not too many years ago that we were concerned that the trust fund was going to become insolvent. Both sides were trying to figure out a way to do it. Now it is solvent until 2027, I think, and now we are going to drain money out of it.

But the thing that is also ironic about it is, on the budget resolution and I worked on the budget, the Republicans said we only had $40 billion of general revenues to spend on Medicare to improve the Medicare program, and we could not put a real prescription drug program on the floor because we could only spend $40 billion over 5 years.

Well, they passed their fig leaf plan that had bipartisan opposition to it, that spent $40 billion, they are talking about doing a Medicare give-back bill that will spend $25 billion, and today they are going to spend $44.5 billion of general revenues of the projected surplus for this tax cut bill that they want to do. They are spending the general revenues more times than we spent the spectrum, and they are doing it under false pretenses. That is the problem with this bill. They drain the Medicare trust fund, they do not stick by their budget resolution; they are doing for purely political reasons, and it is a real shame.

Mr. Speaker, I would love to get together with the gentleman from Florida and work through these problems, but nobody is ready to legislate and they are certainly not going to legislate before the Republican convention this next week in Philadelphia, so perhaps we can come back in September, sit down, figure out a sound fiscal policy that both parties can agree upon and give senior citizens prescription drug relief, in addition to tax relief, let us give them relief from rising prescription drugs.

Mr. POMEROY. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. CAPUANO), a cosponsor of the democratic substitute.

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Mr. CAPUANO. Mr. Speaker, again I rise at the end of the day simply to draw the line as I did earlier about what I think this proposal is, this substitute. The difference between the substitute and the main bill is simple, very, very simple.

We believe in the concept that tax cuts should first go to those who need it most. I understand there was a philosophical difference of opinion on that, and I respect that; but that is our belief.

When one has to balance out where pennies should go, where dollars should go, where even billions should go, they should go to those who need it most first. That is why our proposal raises the levels to $80,000 for a single person and $100,000 for married couples.

The second most important part of this bill has to do with how this gets done. Under the Republican proposal, it is a political promise; and that is all it is. Under our proposal, it remains a dedicated revenue stream.

There is a distinct difference, and it is a difference that I generally hear from the majority side. The difference is that people do not trust us. I happen to agree. They do not.

Mr. POMEROY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GREEN), another cosponsor of the substitute.

Mr. GREEN of Texas. Mr. Speaker, to follow up on my colleague from Erie, Pennsylvania, where he said this is the last gasp, this is the last gasp to try to make sure we do not raid the Medicare Trust Fund.

I know the argument from my colleagues on the other side said there is no difference in the substitute and the bill. There is a big difference, that each year that the Medicare Trust Fund, they have to be certified that is there is a surplus that can go into the trust fund, not automatically tax cuts and then hope there is money to pay for the trust fund.

The same would apply to the Social Security Trust Fund, Social Security surplus that we are building up now. We would not use the Social Security surplus to take it out of one senior's pocket and put it in the other for a tax cut. That is just wrong. Our seniors in our country know better than that, Mr. Speaker.

That is why the substitute should be adopted. We need to make sure that we give seniors a tax cut, but we do not raid the Medicare Trust Fund or take it out of their social security surplus that not only they paid but we are all paying.

Mr. POMEROY. Mr. Speaker, does the gentleman from Florida (Mr. SHAW) have any additional speakers?

Mr. SHAW. Mr. Speaker, we had a couple Pages that wanted to speak on this side, but I do not think they would be in order. We have one more speaker and that will be to close.

Mr. POMEROY. Mr. Speaker, I believe we have the right to close.

The SPEAKER pro tempore (Mr. PEASE). The gentleman from Florida (Mr. SHAW) has the right to close.

Mr. POMEROY. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. DAVIS).

Mr. DAVIS of Florida. Mr. Speaker, we are squandering a golden opportunity here today to preserve this surplus, to protect Social Security and Medicare, and pay down the debt.

As has been mentioned earlier, when one adds up all the spending and tax cuts this House is passing, we have already used up the entire surplus. That is why the argument that general revenues replacing this tax cut protect

Medicare simply does not fly on the facts.

Now, what does the motion to recommit represent? It represents an honest statement that there should be a legitimate debate about the extent to which seniors should contribute to the cost of Medicare in the years that go forward.

Yes, I say to the gentleman from Florida (Mr. SHAW), I think one can make some legitimate points about reducing this tax once we have the general revenue in place for Medicare. But that should be part of a broader debate on Medicare reform.

We should not be doing Medicare reform ala carte. We ought to be having an honest and open debate about what fairness represents in terms of the share of the baby boomers like myself are going to pay, what share seniors are going to pay, how we are going to structure prescription drugs we all agree upon. Those are the facts. That is why we should defeat this bill and adopt the motion to recommit.

Mr. SHAW. Mr. Speaker, I yield the balance of our time to the gentleman from Texas (Mr. ARCHER), chairman of the Committee on Ways and Means.

Mr. ARCHER. Mr. Speaker, I thank the gentleman for yielding me this time, and I compliment him on the outstanding work that he has done as chairman of the Subcommittee on Social Security to protect the rights of seniors. That is what we are about today.

Those Members who have listened to the rhetoric, if they were trying to be objective, sure must be puzzled because they have heard trillions of dollars thrown around. They have heard they are going to jeopardize Medicare. They have heard all types of comments.

Why? Why is there such desperation on the part of the minority to undo a wrong? Is it because they have got to defend what they did in 1993 even though it was wrong? They will defend it at any cost with whatever rhetoric, because it is basically wrong to tax senior citizens on their Social Security benefits, then say we are doing it to balance the budget. That is the wrong way, if in fact that truly is the rationale.

We are here to right a wrong today. So what is the response of the Democrat substitute? To do precisely what we do in our base bill in transferring general Treasury revenues into the Medicare Trust Fund. Now, if they really believed in the argument that they have made against our base bill that it jeopardizes Medicare, then why are they doing the very same thing? All they are doing is leaving the tax in place, continuing the wrong, helping some people and saying, well, we are for targeted tax relief. This is targeted tax relief. But the Democrats' idea of the target is leave the bull's eye out. We do not want to truly score for the right thing.

If one was going to find a tax and claim we need this to balance the budget, the last tax one would pick would be to tax the Social Security benefits and destroy the value of those benefits that people work a lifetime to achieve and then say, well, that is okay. It is not okay.

This is not political for me. I oppose this tax vehemently when it was first put in place. I opposed even the original tax to tax 50 percent of the benefits because it is wrong.

No matter how one couches it, no matter how one says, the President is going to veto it, why will he veto this? He will veto it only to defend the wrong that he put on the books in 1993.

But we are going to do the right thing. It is responsible.

But when I look at the Democrat substitute, I realize that it is a typical sleight-of-hand approach. First, you see it, then you do not. It says to seniors, well, we will give some of you some relief, but only if the budget is balanced. So maybe they get it; maybe they do not.

How does one know how to plan what the value of one's Social Security benefits is going to be in advance? One cannot under the Democrat substitute. They put seniors on a yo-yo string and say look what we are doing for you. It is like Peanuts when Charlie Brown is told kick the ball; and just as he gets to the ball, Lucy pulls the ball away. That is the Democrat substitute. I do not think seniors want that with their benefits and the value of their benefits.

In addition, they do what AARP has told us over and over again is in violation of the Social Security contract. They means test the Social Security benefits. They say to seniors, you have not really earned these benefits. You are not really entitled to them. We are going to determine whether you get them or not.

Then they also say to young workers, do not save, because if you save, you are going to lose your Social Security benefits. Only if you save will you lose your Social Security benefits. That is a terrible signal to send to young workers at a time when we need savings more and more and more.

Maybe that is the worst part of it. But it is bad through and through and through.

We are here to correct a wrong and to do the right thing. We will not be deterred by the smoke screen that is put up on the other side of the aisle in defense of the wrong that they put on the books in 1993.

I say to my colleagues, because I know we are going to get votes from people who are objective and know the right thing on the Democrat side, I say to all of my colleagues, vote against this substitute and vote for the bill. It is the right thing to do.

Ms. PELOSI. Mr. Speaker, over the past few month, it has become increasingly clear that the Republicans' only real agenda is tax breaks. I am not against cutting taxes. However, the Democratic approach of targeted tax cuts that go to those who need them most is better for our country.

The reduction of taxes for our nation's seniors is certainly a worthy goal, but we must not reach that goal by placing Medicare in jeopardy. The problem with the tax cut in the Republican bill is that it eliminates a dedicated tax source for the Medicare Trust Fund and replaces it with an IOU from the general fund.

As a result, we will have $100 billion less over the next 10 years to use to extend Medicare solvency, offset Medicare reductions made in 1997, and provide all seniors a true Medicare prescription drug benefit. These are vitally important goals and they should not be sacrificed for tax cuts.

The Democratic alternative targets this tax cut to low and middle-income seniors by raising the income threshold at which Social Security benefits are subject to taxation from $34,000 to $80,000. This provides tax relief while protecting the Medicare Trust Fund from losses. Protecting Medicare and Social Security must be a priority for this Congress. We must avoid losses to Medicare that will force seniors to pay higher out-of-pocket payments for the health care that they deserve.

I urge my colleagues to support the Democratic substitute.

Mr. SHAW. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to House Resolution 564, the previous question is ordered on the bill and on the amendment by the gentleman from North Dakota (Mr. POMEROY).

The question is on the amendment in the nature of a substitute offered by the gentleman from North Dakota (Mr. POMEROY).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. POMEROY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 169, nays 256, not voting 10, as follows:

[Roll No. 449]

YEAS—169

Abercrombie	Cramer	Hall (TX)
Ackerman	Crowley	Hill (IN)
Andrews	Cummings	Hilliard
Baca	Davis (FL)	Hinchey
Baird	Davis (IL)	Hinojosa
Baldacci	DeFazio	Holt
Baldwin	DeGette	Hooley
Barcia	Delahunt	Jackson (IL)
Barrett (WI)	DeLauro	Jackson-Lee (TX)
Becerra	Deutsch	Jefferson
Bentsen	Dicks	John
Berkley	Dingell	Johnson, E. B.
Berman	Dixon	Jones (OH)
Bishop	Dooley	Kaptur
Blagojevich	Doyle	Kennedy
Bonior	Engel	Kildee
Boswell	Eshoo	Kilpatrick
Boucher	Etheridge	Kind (WI)
Brown (FL)	Evans	Kleczka
Brown (OH)	Farr	Klink
Capps	Filner	Kucinich
Capuano	Frost	LaFalce
Carson	Gejdenson	Lampson
Clay	Gephardt	Lantos
Clayton	Gonzalez	Larson
Clement	Gordon	Lee
Clyburn	Green (TX)	Levin
Condit	Gutierrez	Lofgren
Conyers	Hall (OH)	

Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Mink
Moakley
Moore
Moran (VA)
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Price (NC)
Rahall
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Stabenow
Stark
Strickland
Stupak
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wilson
Wise
Woolsey
Wu
Wynn

NAYS—256

Aderholt
Allen
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Berry
Biggert
Bilbray
Bilirakis
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boyd
Brady (PA)
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cook
Cooksey
Costello
Cox
Coyne
Crane
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doggett
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Everett
Fattah
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoeffel
Hoekstra
Holden
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Johnson (CT)
Johnson, Sam
Jones (NC)
Kanjorski
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Manzullo
Martinez
McCollum
McCrery
McDermott
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Miller, George
Minge
Mollohan
Moran (KS)
Morella
Murtha
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOT VOTING—10

Barton
Ewing
Gilman
Jenkins
Largent
McIntosh
Myrick
Smith (WA)
Spratt
Vento

□ 1732

Messrs. WHITFIELD, TANNER, CANNON, SALMON, HERGER, BILBRAY, KINGSTON, BRADY of Pennsylvania and GREENWOOD changed their vote from ''yea'' to ''nay.''

Ms. DEGETTE, Ms. KILPATRICK and Mr. MEEKS of New York changed their vote from ''nay'' to ''yea.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. PEASE). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ARCHER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 265, noes 159, not voting 11, as follows:

[Roll No. 450]

AYES—265

Abercrombie
Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bereuter
Berkley
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Castle
Chabot
Chambliss
Chenoweth-Hage
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crowley
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeFazio
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Evans
Everett
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Holt
Hooley
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Johnson (CT)
Johnson, Sam
Jones (NC)
Kaptur
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kucinich
Kuykendall
LaHood
Lampson
Larson
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Martinez
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McKeon
McKinney
Mica
Miller (FL)
Miller, Gary
Mink
Moore
Moran (KS)
Nadler
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanchez
Sandlin
Saxton
Scarborough
Schaffer
Schakowsky
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stabenow
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wise
Wolf
Wu
Young (AK)
Young (FL)

NOES—159

Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Blumenauer
Bonior
Borski
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capuano
Cardin
Carson
Clay
Clayton
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (FL)
Davis (IL)
DeGette
Delahunt
DeLauro
Dicks
Dingell
Dixon
Doggett
Doyle
Edwards
Eshoo
Etheridge
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Houghton
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
LaFalce
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Markey
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett

Pomeroy	Scott	Thurman
Price (NC)	Serrano	Tierney
Rahall	Sherman	Towns
Rangel	Skelton	Udall (CO)
Reyes	Slaughter	Udall (NM)
Rivers	Snyder	Velazquez
Rodriguez	Stark	Visclosky
Rothman	Stenholm	Waters
Roybal-Allard	Strickland	Watt (NC)
Rush	Stupak	Waxman
Sabo	Tanner	Weygand
Sanders	Taylor (MS)	Woolsey
Sanford	Thompson (CA)	Wynn
Sawyer	Thompson (MS)	

NOT VOTING—11

Barton	Largent	Smith (WA)
Ewing	McIntosh	Spratt
Gilman	Metcalf	Vento
Jenkins	Myrick	

□ 1748

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2909. An act to provide for implementation by the United States of the Hague Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4576) ‘‘An Act making appropriations for the Department of Defense for the fiscal year ending September 30, 2001, and for other purposes.’’

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3703

Mrs. BIGGERT. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 3703.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4892

Mr. LEWIS of Georgia. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 4892.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMISSION TO INSERT OMITTED REMARKS ON H.R. 4942, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2001

Mr. MORAN of Virginia. Mr. Speaker, I understand that in my remarks yesterday, some of those remarks were inadvertently left out of the Journal. I ask unanimous consent to insert those remarks in their entirety.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The text of the remarks as originally delivered is as follows:

Mr. MORAN of Virginia. Madam Chairman, perhaps some people take umbrage at the passion of the gentlewoman from the District of Columbia (Ms. NORTON), but I would expect that any of us if facing the same level of frustration and unfairness would not react in the same passionate manner.

She is defending, not only her constituents but a process, a democratic process, that she believes in that caused all of us to get into public service, and the fact is, she is right, Madam Chairman. The mayor of the District of Columbia said he is going to pocket veto this bill. We have to believe. I cannot believe any of us do not believe that he is going to do that. So if we believe he is going to do that, why are we doing this?

He is going to insist that there be a religious exemption clause. People that have moral objections are going to be able to raise them. So why are we doing this, putting this offensive language in this bill? Just to show that we are more powerful than them, just to show them. She is right. This is wrong.

Now, let me also say it is wrong for insurance companies to cover viagra for men and not cover contraception for women. Let us just tell it like it is. What could be more unfair? All this contraceptive equity provision says is that insurance companies ought to be fair and start respecting women, when contraception is the largest single expense, out-of-pocket expense, for women during most of their lives, and that is because of men’s irresponsibility that, darn it, it ought to be covered.

So it is the right legislation. They should have passed this legislation, and it is also true that most of these Catholic institutions are self-insured. It does not even apply to them. They are self-insured.

Let me also say something, and I can only say this, I certainly would never say this if my own life were different, but having been educated in Catholic schools all my life, if I were a gay man, I would feel the same sense of frustration and disappointment that Councilman Jim Graham expressed on the D.C. council.

That disappointment and the intolerance and, yes, the hypocrisy of the Catholic church as an institution towards homosexuality ought to be addressed. So I do not blame them for saying that. I know he wishes he had not said that, but these are debates that belonged in the D.C. council. These are debates and issues that should be settled, should be settled by the D.C. government.

The Catholic institutions within the D.C. government have plenty of access. They are well respected, deservedly so. They contribute tremendous benefits to D.C. government and its society. They will be fully reflected in the legislation that becomes law, and that is the way it ought to be. We have no business getting involved in this issue, particularly when we have no legitimate role to play.

The gentlewoman from the District of Columbia (Ms. NORTON) is absolutely right. The mayor is going to take care of that situation. Let him take care of the situation. He will be held accountable. He should be held accountable. He is elected. He understands it. He has a solution for it, and that is the way it should be, and what we are doing on this floor is not what should be done by this Congress. Madam Chairman, I gather we are going to continue this debate tomorrow.

RESIGNATION AS MEMBER OF COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on House Administration:

HOUSE OF REPRESENTATIVES,
Washington, DC, July 27, 2000.

Hon. J. DENNIS HASTERT,
House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I am writing to submit to you my resignation from the Committee on House Administration. It has been a pleasure to serve on this committee during the 106th Congress. I will consider my resignation effective immediately.

Cordially,

THOMAS W. EWING,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF MEMBER TO COMMITTEE ON HOUSE ADMINISTRATION

Mrs. BIGGERT. Mr. Speaker, I offer a resolution (H. Res. 569), and I ask unanimous consent for its immediate consideration in the House.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 569

Resolved, That the following named Member be, and he is hereby, elected to the following standing committee of the House of Representatives:

Committee on House Administration: Mr. LINDER of Georgia.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.