

With the will, we can pass this act this Congress. We cannot move from poverty to progress without a fair chance for all. We cannot prepare our children for the future if we insist upon policies that relegate them to the past. We cannot ensure the quality of life for every citizen if we fail to provide programs for all of our citizens. And we cannot protect and preserve our communities if we do not adequately provide the most basic commodity for living: Something to eat.

Nutritional programs are essential for the well-being of millions of our citizens. The disadvantaged, our children, the elderly, and the disabled, these are groups of people who often cannot provide for themselves and need help for their existence. They do not ask for much: Just a little help to sustain them through the day; just a little help to keep children alert in classes and adults to be productive in their jobs or as they search for jobs.

The Hunger Relief Act provides that help. Food for all is worth fighting for. And as we end this Congress, we have a chance to change this shocking and the scandalous situation. I am so proud to have joined 181 of my colleagues in the House and 38 Senators, Republicans and Democrats, in support of legislation that focuses on food and takes notice of this Nation's nutritional needs.

The Hunger Relief Act, H.R. 3192 in the House and S. 1805 in the Senate will help the one in ten families in our Nation who are affected by hunger. Mr. Speaker, let us pass this act before we end this Congress.

VICE PRESIDENT'S ECONOMIC PLAN

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

Mr. ARMEY. Mr. Speaker, a few of my colleagues will soon be joining me and we will be spending the next hour discussing the details of the Vice President's economic plan. Certainly during that period of time we will have a broad overview, but at this point I would like to just focus very narrowly on one aspect of the Vice President's plan.

My colleagues may recall, Mr. Speaker, that the Vice President was one of many voices that urged the President of the United States to veto the marriage penalty tax relief that was passed by this Congress and sent to the President. Soon after the President vetoed the marriage penalty tax relief, the Vice President announced that he would give marriage penalty relief by doubling the standard deduction.

Mr. Speaker, I think it is probably worth our while to realize what this means exactly in terms of the Vice President's claim that it is marriage penalty tax relief; certainly what it means by way of comparison with the

marriage penalty tax relief that was granted by this Congress and vetoed by the President.

The first thing my colleagues should realize is that in the congressional bill, written by the Republicans and passed on to the President, vetoed by the President, all married couples, irrespective of their filing status, received relief from the unfair marriage penalty. The Vice President's proposal that he now outlines only gives relief to those people who do not itemize their taxes.

If a couple owns a home and decides to deduct their mortgage interest, they will get no marriage penalty relief under the Vice President's plan. If a couple gives to their church and deducts charitable contributions, they get no marriage penalty relief under the Vice President's plan.

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If you, your spouse, or your child is ill and you deduct your skyrocketing medical bills, you get no marriage penalty relief under the Vice President's plan. If you or your spouse work at home and deduct the cost of a home office, you get no marriage penalty relief under the Vice President's plan. And, Mr. Speaker, if you jump through hoops to become eligible for one of the new credits that the Vice President has proposed, complicating our Tax Code even further than it is now, than the Vice President will not give you relief from the unfair marriage penalty. And, Mr. Speaker, that is wrong.

Mr. Speaker, that is just the beginning of the serious concern I have with the details of the Vice President's plan.

Let me say, Mr. Speaker, it is a commonplace observation in this town that the devil is in the details. Arme's axiom is, if you make a deal with the devil, you are the junior partner. And I am about to demonstrate in this next hour that indeed the devil that we do not want to make a deal with is in the details of the Vice President's plan.

Let us take a look at the big picture first. The Vice President would spend the on-budget surplus, he would rob the Social Security trust fund, and he would provide a measly tax cut designed to manipulate behavior instead of giving meaningful tax relief.

Madam Speaker, one of the things that we are very proud of in this Congress, one of the things that we have been able to do, thanks primarily to the success of the American people in creating an enormous economic success story here in America and the revenues that have accrued to the Government out of our economic success, is that we have managed to stop the raid on Social Security.

Not only do we set aside 100 percent of all Social Security tax dollars that people find in their payroll stubs as FICA tax, 100 percent of all Medicare tax surpluses set aside by this Congress, thus ending the 40-year raid on Social Security and Medicare; but we have even managed in this Congress to

set aside a large portion of the on-budget budget surplus.

What is the on-budget budget surplus? That is the part of the budget surplus that accrues to the Government from your Social Security taxes, not from your Medicare taxes, but from your income taxes. So that we are now setting 90 percent of all budget surplus aside for debt reduction.

The Vice President's plan would take all of that income tax surplus, which we call on-budget surplus, and he would spend it. But worse than that, he would renew the old practice, a practice that should be forgotten, of robbing from the Social Security trust fund for new risky spending schemes that we will talk about later.

At the same time, he would provide a bureaucratic government-run prescription drug plan that is not guaranteed to bring the cost of drugs down. Indeed, Madam Speaker, the Vice President's one-size-fits-all, you-must-join-the-Government plan threatens to force the price of prescription drugs up.

Let us address his spending plans first.

According to Vice President GORE's numbers, he would increase Federal spending by about \$900 billion through the year 2010. However, the Senate budget committee shows a much higher price tag. They added up the numbers and found that the Vice President would spend \$2.1 trillion of new spending and he would not stop there.

Think of it this way: the Vice President's plan is 191 pages. That means that each page of his book would cost taxpayers an amazing \$18.4 billion per page. It means that for every dollar by which the Vice President would cut taxes, he would spend \$6.75.

If you look at the details, Madam Speaker, we find that Vice President GORE dramatically underestimates the cost of his new retirement entitlement program built on top of the Social Security program. That is not new. This has been a part of our problem historically in the past with Democrat Congresses that created new mandatory spending programs and dramatically underestimated their cost.

The Vice President says his new retirement program, which is very similar to the Clinton universal savings account, which was a trial balloon which the Clinton administration floated until it popped, that this would cost \$200 billion over 10 years.

But an analysis by Dr. John Colgen of Stanford University shows that, if everyone eligible to participate in it, it would cost \$160 billion in the first year alone. The Vice President says his plan would cost \$200 billion over 10 years. Professor Colgen of Stanford University says, if everybody eligible participated, it would be \$160 billion for the first year alone.

The Vice President mistakenly calls this brand new massive retirement spending program a tax cut.

True enough, it would be run through the IRS and that would give this agency still more power and control over

the lives of Americans. But this is no tax cut. Instead, the Vice President would give government checks to people, some of whom do not even pay taxes. Our budget rules would score it on the spending side, not on the tax side.

Other parts of this Big Government agenda include massive new spending on energy, environment, transportation and crime, all important items on our policy agenda. But to pay for this, the Vice President would rob the Social Security system.

Madam Speaker, we have stopped that raid on Social Security; and I believe that the American people would agree with me, there is no going back.

Madam Speaker, I see the gentleman from Wisconsin (Mr. RYAN), one of our brighter and younger newer Members of the Republican Caucus, has joined me; and I see he has some very interesting graphs there. So, Madam Speaker, I yield to Professor RYAN so that he can help us look into this case even further.

Mr. RYAN of Wisconsin. Madam Speaker, I thank the gentleman from Texas (Mr. ARMEY) for yielding to me, and I appreciate his leadership on this issue.

I also serve on the House Committee on the Budget. We actually spend a great deal of time crunching these numbers, looking at the surplus, and evaluating the different plans that come through Washington that are being proposed.

What we have done through the Senate budget committee's analysis is look at the different proposals, looked at what Governor Bush is proposing to do with the Government's surplus, looked at what Vice President GORE is proposing to do with the surplus. And as we did an apples-to-apples comparison and took a look at the priorities, it is a pretty stark difference.

One of the things that I have heard as I have gone around my district, which is the First Congressional District in Wisconsin, is we talked to a lot of people about this election and the thing that really gets to me sometimes that I hear is that some people think there is not much of a difference, that there is no difference between who they pick in Washington.

Well, I have got to tell my colleagues, of all the elections, this election is clearing about differences. The differences between the visions for America as proposed by AL GORE and George Bush are worlds apart from each other.

To quickly summarize it, the Vice President wants to take the hard-earned surplus, and the surplus by definition are people overpaying their taxes, the Vice President wants to keep it in Washington. He wants to spend it on new government programs. Governor Bush wants to pay off our debt, protect Social Security and Medicare, and give us our money back as we continue to overpay our taxes.

But let us not just listen to me. Let us take a look at the hard numbers. I

have here a chart that breaks up the surplus dollars. It basically says, for every one dollar coming into Washington in government surplus, how does each plan spend that money, how does each plan treat that money?

Well, if we look at Vice President GORE's plan, 46 cents of every surplus dollar is committed to new government spending. On the contrary, in the Bush plan, 6 cents of all surplus dollars are committed to new spending.

What about preserving Social Security, Medicare, and paying off our national debt? A lot of them serve the same purpose. Paying off our debt helps us preserve Social Security and Medicare.

The Bush plan commits 58 cents of every surplus dollar over the next 10 years toward preserving Social Security and paying off the debt and shoring up Medicare. The Gore plan commits 36 cents of every surplus dollar.

What about tax relief? This is the lowest priority in the Gore budget. Vice President GORE is saying that, for every surplus dollar coming into Washington, Americans, after they overpay their taxes, should only get 7 cents of that dollar back.

Governor Bush is saying 29 cents of every surplus dollar should be returned back to the taxpayer after dedicating 58 cents back towards Social Security and Medicare and paying off the debt.

And increased interest costs, something that we have to do to manage the interest, the balance payments, 11 cents for GORE, 7 cents for Bush. That basically means that the Vice President is paying off debt at a slower pace. The Vice President, if all of his new spending plans get enacted, will likely wind us up into the point where we will have to dip into the Social Security trust fund.

If you want to take a look at what the difference is in plans over the surplus are, just take a look at who wants to spend money and who wants to save the money.

Vice President GORE is proposing the greatest expansion of the Federal Government in 30 years. He is proposing to take \$2.1 trillion of the surplus and spend it on new programs here in Washington. To the contrary, Governor Bush is saying let us spend \$278 billion on needed things in Washington, such as committing ourselves to the fundamental problems we have in this country, funding the education unfunded mandates, funding our critical needs in health care, rebuilding our national defenses.

When it comes down to it, it is basically this: the Vice President wants to spend the surplus in Washington, the greatest expansion of the Federal Government in 30 years, at the expense of Social Security and Medicare and paying off our debt.

Governor Bush is saying this: here is the priority of how we deal with the surplus. Pay off our national debt, shore up Social Security and Medicare. And if people still continue to overpay

their taxes to Washington, give them their money back rather than spend it on new programs in Washington.

That is what Bush is proposing. And there is a huge world of difference between these two men running for President and their visions for America with respect to how they treat our surpluses.

Mr. ARMEY. Madam Speaker, reclaiming my time, I would like to look at that graph. You notice in this graph on the Bush proposal that Governor Bush proposes 29 cents out of that dollar for tax relief. And I notice that you see Vice President GORE is proposing 7 cents.

Mr. RYAN of Wisconsin. That is right.

Mr. ARMEY. But is it not true that the Vice President is proposing 85 new tax increases?

Mr. RYAN of Wisconsin. That is correct.

Mr. ARMEY. And 36 targeted tax cuts? So that 7 cents is really a net tax.

Mr. RYAN of Wisconsin. That is right.

Mr. ARMEY. Madam Speaker, I ask, does the gentleman from Wisconsin (Mr. RYAN) know how many tax increases are being proposed by Governor Bush?

Mr. RYAN of Wisconsin. Madam Speaker, it is my understanding that he is not proposing any tax increases at all.

Mr. ARMEY. Madam Speaker, the understanding of the gentleman is absolutely correct. And I appreciate that.

I hope the gentleman from Wisconsin (Mr. RYAN) can stay around, and maybe we can talk some more.

But, Madam Speaker, we have also been joined here by the gentleman from Michigan (Mr. HOEKSTRA) on the Committee on Education and the Workforce. And when we start talking about our responsibilities here in Washington, certainly we can take a look at big-picture items, what are our broad-based plans for the creation of new programs, all the new programs the Vice President would like to create, whether or not we would like to cut taxes, or whether or not we will keep our commitment to America to stop the raid on Social Security and pay down the debt. But in doing that, we also have an administrative responsibility.

Now, the Vice President has been a key member of the Clinton administration for 8 years; and during those 8 years, he accepted the responsibility for doing what he called reinventing government, the idea being that he was going to make the agencies of this government administratively work efficiently, effectively, and be cost effective on behalf the American people.

The gentleman from Michigan (Mr. HOEKSTRA) from the Committee on Education and the Workforce has spent a good deal of time examining just what is the record of performance of the agencies of the Federal Government under the stewardship of the

Clinton/Gore administration and especially in light of the enormous amount of applause this Nation has given the Vice President for his efforts to bring, what should I say, common sense good business practices to government.

I wonder if I yield to the gentleman, maybe he would share with us some of his discoveries along those lines.

Madam Speaker, I yield to the gentleman from Michigan (Mr. HOEKSTRA).

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Mr. HOEKSTRA. I thank the gentleman for yielding. I think this really builds off of the discussion that our colleague from Wisconsin was just leading in that when we take a look at the Vice President's plans to significantly increase spending, before we significantly increase spending anywhere, we ought to take a look at how we are spending the \$1.7, \$1.8 trillion that we currently collect and we hand over to the executive branch and say, "How's it going?"

The majority leader is absolutely right. This is the publication that came out on September 7, 1993, it came from the Vice President, signed by Mr. GORE. The book is, *From Red Tape to Results, Creating a Government that Works Better and Costs Less*.

It is the report of the National Performance Review, Vice President AL GORE. He was clearly mandated by the President to lead this effort. Where we are in the year 2000 is with this question, there are nine departments whose books cannot be audited. They can be audited but the auditors come back and say, "We can't give you a clean audit." The first one is the Department of Treasury. Think about this. The national bank or whatever we want to call it, the Department of Treasury cannot get a clean audit.

Mr. RYAN of Wisconsin. The gentleman is saying that we have nine Cabinet departments that cannot pass an audit?

Mr. HOEKSTRA. I am not sure they are all Cabinet, but we have nine significant agencies that cannot receive a clean audit.

Mr. RYAN of Wisconsin. What would happen if a small or medium-sized business in Michigan or Texas or Wisconsin could not pass their audit with the IRS?

Mr. HOEKSTRA. We actually had testimony from the accounting and the investment field. We asked them if they knew of any \$1.8 trillion or even a \$1 billion company publicly held in the last year, the last 2 years that had failed their audit to the extent that the Department of Education had, where they have not had a clean audit for 2 years and do not expect a clean audit for 3 more years and they said, "We can't think of one." Because what would happen if you were in the private sector and the auditors failed your audit, most likely the value of the stock would drop significantly immediately. The other thing that would happen is most likely the Securities

and Exchange Commission would suspend the trading of your stock, because you could not with any reasonable certainty go to your shareholders and indicate that what you represent in your financial statements in any way reflects the real world.

Let us take a look. The Treasury Department, Justice cannot get a clean audit, Education, Defense, Ag, the EPA, HUD, OPM, AID. None of these can receive a clean audit. I chair the Subcommittee on Oversight for the Committee on Education and the Workforce. We miss the majority leader on the committee. But he knows the work that we have done at that committee in taking a look at exactly what is going on in the Education Department.

In 1993, here is what the Vice President said: "The Department of Education has suffered from mistrust and management neglect almost from the beginning. To overcome this legacy and to lead the way in national educational reform, Ed must refashion and revitalize its programs, management and systems." That is directly out of this book.

In 2000, here is what the General Accounting Office said: "Serious internal control and financial management system weaknesses continue to plague the agency."

In 1993, the Vice President said: "The Department is redesigning its core financial management systems to ensure that data from accounting, grants, contracts, payments and other systems are integrated into a single system."

In 2000, here is what GAO said: "Pervasive weaknesses in the design and operation of Education's financial management systems, accounting procedures, documentation, record keeping and internal controls including computer security controls prevented Education from reliably reporting on the results of its operations for fiscal year 1998." That is also true for fiscal year 1999, and we are expecting that they will again fail their audit for the year 2000.

Now, in the private sector when the auditors say you cannot keep your books, we know that there are real consequences. Here are just some of the examples of what is going on in our Department of Education. Most of these are examples not from us in Congress but they are from the General Accounting Office, they are from their own Inspector General, and so these are well documented.

Congratulations, You're Not a Winner. In February, the Department of Education notified 39 young people in America that they won the prestigious Jacob Javits scholarship. My daughter just went to school this fall, went to college, my first one in college, and a Jacob Javits scholarship awards kids 4 years of graduate school at government expense. Paying undergraduate bills, I can imagine how excited the kids were and how excited the parents were. These kids were thrilled. Two days

later, they got a call back saying, "Sorry, you're not the winners." Poor management, real results, real impact.

In September of 1999, they printed 3.5 million financial aid forms. This is what kids use to apply. They printed them incorrectly. A cost of \$720,000.

Mr. ARMEY. Does the gentleman mean the Department of Education incorrectly printed financial aid forms for the students wishing to apply for college to learn how they might correctly use the English language?

Mr. HOEKSTRA. 3.5 million forms containing errors, incorrect line references to the IRS tax form were printed, 100,000 of them were distributed, had to be recalled, the other ones all had to be destroyed. A cost of \$720,000.

Dead and Loving It. The Department of Education improperly discharged almost \$77 million in student loans for borrowers who claimed to be either permanently disabled or deceased. This was a double good news for these people. The good news, number one, is that their loans were forgiven because they were disabled or dead. The second bit of good news is they were neither disabled nor dead. But the Education Department had identified them as such and had forgiven their loans.

Most recently a theft ring, and this is what happens when you do not have proper controls. They had a purchasing agent within the Department of Education who could order materials, certify that they came in, certify that they should be paid for and certify that other individuals, independent contractors, should receive overtime. They ordered over \$330,000 of electronic equipment, authorized the payment, the \$330,000 of equipment was shipped around to various employees' and friends' homes around the Nation's capital. This was all done through the phone guy. What was in it for the phone guy? The phone guy got \$660,000 of overtime that he had not worked.

More recently, we had a hearing on this last week. Another theft ring. Impact Aid funds. This is dollars that we send to needy school districts or districts that have a lot of Federal facilities in them. In this case, two school districts in South Dakota, actually I believe on Indian reservations. The Department of Education wired them the money, found out a couple of days later because a local car dealer had somebody coming in and wanted to buy a Corvette, came in and were ready to pay cash or a cashier's check to pay for the Corvette. The dealership did a credit check on this individual and found out that it did not check out. They called the FBI. They found out that this group had bought a Lincoln Navigator, a Cadillac Escalade and they were looking at buying a Corvette. They also bought a home, \$135,000. So somebody was checking this to see where did this money come from. Somebody had gone into the computer systems at the Department of Ed, and this is one of their other problems, they do not have computer security,

and had changed the routing, so instead of sending this money to an account into the school districts in South Dakota, the money went into these individuals' accounts in Washington to the tune of \$1.9 million.

Mr. ARMEY. If I may ask the gentleman, Madam Speaker, I want to continue this with the gentleman from Michigan (Mr. HOEKSTRA) and I certainly want to get back to my good friend the gentleman from Wisconsin (Mr. RYAN) as well but I think it is very important that we make this note. The gentleman from Michigan is the oversight chairman of the subcommittee on education. It is his job to see to it that the Education Department under the jurisdiction of his committee does a good job. And the information we have here is about that committee. But as the gentleman from Michigan pointed out, we have how many agencies that are inauditable, they cannot be audited?

Mr. HOEKSTRA. We have nine significant agencies.

Mr. ARMEY. Nine significant agencies, including the Treasury Department which I will bet has in its employ a more than generous number of CPAs and they cannot be audited. So what happens, it seems, is that when people come to Washington, they cannot even do what they do do well. The CPAs malfunction at Treasury, the educators malfunction in the Department of Education.

I want to make this point very quickly. Why are we being tough on the Department of Education? It is not that we dislike the Department of Education. It is certainly not that we dislike education. We would stand here and we would say there is no thing that any culture can do that can be more important than how we educate our children. And if we have an agency of the Federal Government that is committed to that purpose by an act of Congress, committed, then it is the responsibility of Congress to see that that agency functions for the children. And to find this kind of inefficiency, neglect, sloppy work, abuse, who pays for that? That all translates into the neglected children from an agency of this government that we created.

I would commend the gentleman from Michigan for his good work. I want to hear more about his findings.

Mr. Speaker, we have with us the gentlewoman from North Carolina (Mrs. MYRICK), and she has agreed to participate but is on a very tight schedule. I yield to our good friend the gentlewoman from North Carolina.

Mrs. MYRICK. I appreciate the gentleman yielding. I just wanted to make a couple of comments, not on education because the gentleman from Michigan is covering that quite thoroughly and I am sure the gentleman from Wisconsin is covering budget surplus information. But I wanted to just mention a couple of things relative to Vice President GORE's budget that he has presented, because I think there

are some things that we could point out that maybe do show a difference in the way that we philosophically go about spending our government's money and the people's money at home.

I know that the Vice President made the comment at the Democratic National Convention that in the next 4 years he wanted to pay off all the national debt we have accumulated over 200 years, and this would be the plan that would put us on track for completely paying off debt by 2012. Then I remember back last year how President Clinton's administration only wanted to save 63 percent of the surplus and if it had not been for us really forcing the issue and saying that we are going to lock away 100 percent of the surplus, we might not be in the position today where those statements could even be made that we are going to be able to save and pay off the debt.

I think we need to look at that. Plus the fact that the National Taxpayers Union estimates that the Vice President's spending proposals would actually increase government spending by \$2.7 trillion. We do not hear about the increase in spending that is being talked about. That is more than the budget surplus for the next year. And that would send us right back into the days of deficit spending where we do not want to be. Then it also comes out to say that for every dollar that the Vice President's budget would cut taxes, he would raise government spending by \$6.75. I am not a brilliant mathematician but that kind of tells me that this is not going to work. You cannot on one hand cut taxes by a dollar and then raise spending and expect that you are going to be in a good financial position.

When we look at this proposal that has been put on the table, it does closely mirror what the administration is also proposing. I think back to 1995 because if my colleagues remember if we had adopted that proposed budget, we would still have \$200 billion in deficits today. It was a lot of my colleagues here who forced this issue that we would sign a balanced budget agreement. Remember that, back in 1995? I think there were five budgets presented by the President before we finally got to one that was agreeable that we could sign when we stood our ground and said we are going to balance this budget.

Look at the results. The American people are definitely reaping the results. We have worked hard to make this happen. We have turned the tide. We really have turned the tide by all the policies, the things that the gentleman from Michigan has been working on with all the oversight that he has been doing, that has been going into it and what we are talking about now with these generous surpluses that are really the people's money that we want to give back to them, that we do not want to keep here in Washington.

I think it is important that the American people do understand and

know that this would not have happened if we had not stuck to our guns and really kept these policies in place. That is something that we need to be doing for the future for our children and our grandchildren.

I appreciate all of my colleagues being here today to really share this information with the American people, because otherwise they do not hear. We do not say, they do not hear.

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Mr. ARMEY. I thank the gentlewoman. I would like to make this observation: Listening to the gentlewoman from North Carolina, I am reminded it takes leadership, and it takes cooperation, to really get big jobs done in government. People must work together.

I have to say I am very proud of this record we have of working on this very big issue of our budget. We said we were going to balance the budget. The naysayers in this town said it could not be done. When we got to that point, the President recognized it, and in fact when the surplus began to emerge, he recognized that.

I remember the President said, "I am going to commit 63 percent of the Social Security revenues to debt reduction." We appreciated that gesture on his part, but we said, "How about 100 percent?" Again, the naysayers, they said it could not be done.

But we challenged the President to work with us. What we saw is when you have a disciplined leadership and two agencies of the government, the Congress and the White House, working together, we managed to accomplish a 100 percent total stop of the raid.

Now, what we need is a new administration after these elections that understands the fruits of that discipline and retains that commitment. Here we have the Vice President saying, elect me to the Presidency and I will start a new spending spree in Washington. I will introduce these new high-risk spending schemes in Washington that promise to spend so much that we will not only backslide on the accomplishments of this Congress, but, more discouragingly, backslide on the accomplishments of this Congress working together with this Presidency.

So he turns his back not only on the work of the Republicans in the House and the Senate, but on the work of President Clinton, and says never mind all that, I want to go back to large-scale, big risky spending schemes.

I see the gentleman from Wisconsin would like to make a point, and I also would like to get back to the gentleman from Michigan (Mr. HOEKSTRA), I imagine he has more information here. We also have the gentleman from Florida (Mr. STEARNS) here.

Mr. RYAN of Wisconsin. I appreciate the majority leader. I was really struck with what the gentlewoman from North Carolina (Mrs. MYRICK) had to say. It really is about priorities.

When you put together a budget, you are putting together a vision for the

country. When you take a look at the good economic prosperity and times we have enjoyed here in America, it has given us a wonderful opportunity. It has given us a wonderful opportunity to take care of the challenges and needs that are facing the country.

As I travel throughout southern Wisconsin, the constituents I listen to tell me, you know, finally we have a chance to get our hands around paying off the national debt. We have a looming crisis occurring when the baby boomers begin to retire in Medicare and Social Security. Let us take care of those problems so that Social Security and Medicare are programs that can be enjoyed not only for this current generation of retirees, but future generations of retirees.

Finally, we are an overtaxed Nation. We are paying a higher amount of taxes than we do on food, shelter and clothing. We are paying the highest level of taxes in the peacetime history of this country. So when we are talking about budgets, it gets a little dry when you look at the numbers, but what it really means is what is your vision for the country, how are you going to address these challenges.

This chart shows you the different visions for this country, the Gore vision and the Bush vision. The Bush vision is first pay off national debt, stop raiding the Social Security trust fund and modernize Medicare, and, as we accomplish those goals, if people are still overpaying their taxes, give them their money back, rather than spend it on new programs in Washington.

What the Vice President is proposing is just the opposite. Spend the bulk of the money on new programs in Washington, pay off some debt, but he is putting us on a path to where we will be forced to dip back into Social Security to the tune of \$906 billion to fund the new spending initiatives that the Vice President is proposing.

The good fortune is this Congress has been able to keep the line on spending, so we can pay off the debt. We have already paid off \$354 billion. If we get our way, as we are trying to with these negotiations, we will have paid off half a trillion dollars of debt just in the last 3 years alone.

So what we are looking at here is the future. Are we going to take advantage of this prosperity, of this surplus, to use it to pay off the debt, to shore up Social Security and Medicare and let families keep some more of their hard earned money, or are we going to spend the money on new programs in Washington, as Vice President GORE is proposing? These are the choices that will be determined in this next election.

As you look at the details underneath these policies, the details underneath these numbers, I just take a look at the Vice President's idea for saving Social Security. I would just like to quote two economists that the Vice President often listens to on his plan to revive Social Security.

"The Vice President does nothing more than add more IOUs to the Social

Security trust fund. It is a papering over of the Social Security trust fund. To quote the General Accounting Office, 'the Vice President's plan amounts to a pledge to provide that much more money for Social Security in the future somehow. It does not specify the sources. Thus, by itself, it does not fulfill any of the funding gap with Social Security.'"

That is what Alan Blinder said, who is the Vice President's economic adviser.

David Walker, comptroller to the GAO, says, "The Gore and Clinton proposal does not come close to saving Social Security. Under this proposal, the changes in the Social Security program will be more perceived than real. Although the trust funds will appear to have more resources as a result of the proposal, nothing about the program has changed."

So we are seeing a rhetoric being cast about across the country that the Vice President is giving us a program, a proposal to save Social Security, but when we actually take a look at it, it is just adding more money, more IOUs to the Social Security program. It does nothing to advance the solvency of Social Security. In fact, the spending plan that the Vice President articulated in his acceptance speech in Los Angeles, that he has articulated in his prosperity plan for America, is one in which he is proposing to take \$2.1 trillion, almost half of the surplus over the next 10 years, and spend it on new programs in Washington, to the point where he is proposing to dip into the Social Security trust fund by almost as much as \$906 billion.

Madam Speaker, that is not how you manage the surplus. What we are trying to accomplish with this surplus, what Governor Bush is trying to do with the surplus, is to stop the raid on Social Security. Do not dip into the trust fund anymore, pay off our national debt, modernize Medicare and Social Security, not on paper, but in reality, so that those of us who are near and dear to us, our grandparents, our fathers, our mothers, will have the program to rely upon in the future.

As our constituents, as working families, continue to pay more and more and more to Washington, the highest level of taxation in the peacetime history of this Nation, we are saying, let us let them keep some of their money back as they continue to overpay their taxes, rather than spending it on new programs in Washington. That is the difference in this election. That is the choice that you have as a voter here in this election by choosing either the Bush vision or the Gore vision.

I see the gentleman from Florida (Mr. STEARNS) is here, and I would like to yield back to the majority leader who is controlling the time.

Mr. ARMEY. Madam Speaker, I am sitting here listening to the logic of this whole campaign season. We all know it is often thought of as the silly season, but just look here.

Governor Bush talks about 29 cents on the dollar he would like to return to the people who created the surplus. No matter how you define that tax reduction, whether it be marriage penalty tax relief, inheritance tax relief, no matter how you define it, it is always said to be, by Vice President GORE, a risky tax scheme. We label everything that. Everything gets labeled that way.

Yet in the Gore plan you have a situation where he has the IRS writing checks to give to people who do not pay taxes. He counts that as a tax cut, instead of saying this is what it is, a risky spending scheme. So there is that kind of confusion.

If the gentleman from Florida will just bear with us a little bit, I think the gentleman from Michigan was just about to complete pointing out that kind of confused thinking is what gives you the sort of sloppy work that he has uncovered in one of our Nation's most important agencies. I know the gentleman from Michigan has been very patient and had wanted to complete his summary of those findings. I think we ought to give the gentleman from Michigan that extra couple of minutes.

Mr. HOEKSTRA. Madam Speaker, I thank the gentleman for yielding, and I enjoy being down here and being part of this special order.

Just a couple of other examples. The Education Department placed a half billion dollars in the wrong Treasury account, then disbursed the money without leaving an auditable paper trail. They also have something in the Department of Education, which I think in the private sector if you were a vendor with the Department of Education you would find fascinating. It is called duplicate payments.

I cannot believe it happens. You provide a service to the Department of Education, you bill them, and they pay you, and they pay you again. You get paid twice. This year alone there have been \$150 million of documented duplicate payments. There is no telling how much we do not know. These are the vendors that have contacted us and said, hey, you paid us twice. I wonder if there are any out there that we do not know about who maybe have been paid twice, closed shop and said, hey, this is a pretty good deal.

I think the other thing that we really do have is we have got a phenomenal education strategy to improve schools at the local level, saying when you send a dollar to Washington, we want to get 95 cents back into a local classroom. Today that is about 60 cents.

We know the local classroom is where we make a difference. We are saying get the money out of Washington, out of this failed bureaucracy, get it into a local classroom, get it to a teacher, get it to a teacher who knows our kids' names. We are saying get the money back to the local school district. Let them decide whether they need computers, teachers, teacher training, whether they need construction or whatever. But let local schools

make the decisions as to how they are going to spend those dollars.

We have 760 programs. You have to apply for each one of these programs. It is a huge paperwork bureaucracy, and we know the Department cannot handle it. Get the money back into the local school district; say we are going to make the investment, but let you decide how to spend it. Get rid of the Federal paperwork.

We know we have been in 20 States. Governors will come in and say we get 6 to 7 percent of our money from Washington; 60 percent of the paperwork comes from Washington.

Let us get rid of the red tape and bureaucracy and create an environment where schools get back to reading, writing and arithmetic, the three R's. Secretary Riley recently gave a speech and he has three new R's: Relationships, readiness, and resiliency. It is kind of like, I think we need our kids focusing on the basics. The only reason our kids need to be resilient today is because they are not scoring well enough on international test scores and we need them to bounce back. But we need to focus not on relationships and readiness and resiliencies, we need our kids learning the basics. We have got a great education program that does not depend on the failed bureaucracy, but puts power back where it needs to be, with local teachers and administrators and parents.

I thank the majority leader for allowing me to participate and for the extra time.

Mr. ARMEY. I want to thank the gentleman from Michigan. I think the gentleman from Wisconsin would agree with me you could go into any community in America and talk to the local school superintendent, talk to the members of the local board of education, and I will bet you not only is their judgment sounder and they have a better understanding of what we need in their community, but I bet you every one of these people can balance their books and survive an audit. So the folks back home know what is going on with those precious tax dollars that pay for that education back home.

We have just got to do better in Washington. We cannot ask for so much of this money, create these new agencies and programs, and then just leave them to run without supervision.

Finally, let me just say, we also saw that this kind of error is committed in other agencies of the government as well. We found that the Veterans Administration was able to have their computers hacked with the kind of technology and practice that apparently any 12-year-old might be able to figure out, and in the process of learning how easy it was to hack the VA's computers, they too found two VA employees that had each separately gone into the computers illegally and paid themselves over \$600,000 apiece. That kind of waste, inefficiency, fraud and abuse casts a pall on the good, decent

honest people that work in agencies all over this country. It gives them a bad reputation, but it shows the weaknesses in administration.

So we want to have good plans, good programs, good ideas, what we want to accomplish in America, and a good sense of discipline in the administration.

The gentleman from Florida, who I will yield to, is taking a look at that now. Not only do we have this kind of failed ability to administer existing programs, but we also see a great deal of risk in a continued desire on the part of the Gore campaign, with Vice President GORE wanting to continue to create programs put together on an arbitrary, mandatory and potentially dangerous, risky basis, as they have been so often in the past.

The gentleman from Florida (Mr. STEARNS) has taken the time to look into one in particular of Vice President GORE's proposals that affects so many of your constituents. If wonder if I yield to the gentleman if he would like to help us.

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Mr. STEARNS. Madam Speaker, I want to thank the distinguished gentleman from Texas (Mr. ARMEY), our majority leader. I would like this afternoon to focus on prescription drugs. We have talked about the waste, fraud and abuse, the incompetency that the gentleman from Michigan brought up, and the gentleman from Wisconsin, when he talked about under a Gore administration they would spend \$2.5 trillion over the next 10 years, and this would go into the Social Security surplus.

I want to talk about one of the most potential political questions in this election year. The Democrats have proposed a prescription drug program that was defeated, and the Republicans proposed a prescription drug program here in Congress that passed. So I want to focus on the difference of these plans. And more particularly, about the difference between the plan that the Gore campaign is talking about and what we have passed here in Congress and what we think is better, which the Bush campaign has adopted.

All of us in this House, all of us in the Senate are committed to helping our seniors with access to affordable prescription drugs through the Medicare program. But there is a key difference. Joshua Hammond wrote a book called *The Seven Cultural Forces That Shape Who Americans Are*, and the number one is choice, because we believe that Americans should have choice in what they do and what is offered to them by different programs. So I would like to discuss just briefly today the proposed plans by Republicans and Democrats that have been before this House and talk about the difference.

Madam Speaker, I might point out to my colleagues, this House has been controlled by Republicans since 1995. But if prescription drugs was such a

problem, why is it that the Democrats did not propose a solution to this before we took the majority in 1995? And why did we have to wait for Republicans to come forward with a solution? So it is easy for them to criticize, but they had 40 years when they controlled the body over here to come up with their own plan and present it to the American people. Why did they not do it?

It is only because Republicans have tackled this issue, which is very controversial, and the Republican bill, H.R. 2680, would give beneficiaries a choice. The hallmark of the American approach is choice. We do it through two private sector drug plans. In addition to having choice, the question becomes: Who do we trust? The government running the program? Or do we believe that through choice and competition we will get a better program?

Our program will allow beneficiaries to choose plans that best suit their needs. Our plan is market-based rather than relying on the Government to run the plan.

Now, why is this so important? Because we know that overwhelmingly, the components of any plan that we must offer must have this choice. It must be the centerpiece of any plan that we offer to the American people dealing with prescription drugs.

How affordable are these plans? Let us look at these two plans and see why they actually provide what they actually provide and how much it would cost our seniors. Our bill, which is H.R. 4680, passed on the House floor here on June 28. So the Democrats say the Republicans do not have a plan. We have a plan; it passed here on the House floor.

Mr. ARMEY. Madam Speaker, if the gentleman would yield, I cannot help but point out it was such a high drama day here in the House on the day we voted a prescription drug plan for our senior citizens, one with universal coverage, that had freedom and choice in it, that had a premium subsidy for low-income seniors. It had a stopgap so that nobody would be bankrupted by that.

On the day that we brought that to the floor to discuss it and pass it, the Democrats, under the leadership of the gentleman from Missouri (Mr. GEPHARDT), I remember him rising from his seat over there, got up and walked out. Walked out on the debate. Walked out on the seniors. Walked out on the whole issue.

To me, it was an enormously dramatic moment. And I thought to myself, why they would walk out on that debate? But now they are back and saying that we do not have a plan. I have to say to the gentleman from Missouri (Mr. GEPHARDT) and my friends on the other side of the aisle, if they had stayed at work and listened to the debate, if you had participated, they would not have forgotten that we passed a plan that day.

Mr. STEARNS. Madam Speaker, I think what the gentleman from Texas

is saying in a larger measure is just because they do not control the House does not mean they cannot contribute. They could have been on the House floor offering proposals, trying to make this bill in their estimation better to their determination.

But we passed it. And as I point out, they have had years and years to solve this problem and they did not. So now we have tackled it, and I think it takes political courage.

We provide taxpayers a subsidy to encourage insurers to offer policies which are affordable to our seniors. One key aspect about our program it is voluntary and seniors taking part can choose from at least two plans. All plans start with a \$250 deductible, and it would establish the Medicare Benefits Administration. This is an agency that would run the program, but it would be private sector-oriented and provide volume buying for these seniors. It would cover 100 percent of drug and premium costs for couples with income up to \$15,200 and singles with incomes up to \$11,300.

For all participants, it covers at least half of all drug costs up to \$2,100 annually and 100 percent of out-of-pocket costs up to \$6000.

So we have something that private companies are providing, the Government is giving incentives and subsidies to help them, it is helping Americans get choice through at least two private sector choices, and it is voluntary.

But let us take a look at the Democrat plan that the House defeated here on the House floor. Currently, seniors pay a premium and receive reimbursement for a portion of their hospital and doctor costs through Medicare. Under the Democrat plan, they would use the new government benefit to reduce the cost of pharmaceutical drugs. As I point out, it is a government program. Translation: they put government in charge of seniors' prescription drugs through the Health Care Financing Administration, which is HCFA, which would choose, they would choose and they would control the drug purchasing contractor for every region of this country. HCFA would be doing it.

In other words, it would be a new Big Government program, a one-size-fits-all plan. And this is a key element of their program.

In a recent survey done with seniors talking about drug coverage, they prefer by a margin of two to one a program that is private sector-oriented, that is voluntary, and not having the Government through HCFA provide the pharmaceutical drugs. So the Clinton-Gore plan for seniors dealing with prescription drugs is like a government-chosen HMO for drugs; and, therefore, I do not think it is good.

Another thing I would like to say is that seniors would lose their private sector coverage, whether they participate or not. This is a key element.

I say in closing, the premiums for the drug coverage under the Clinton-Gore plan come directly out of the monthly

Social Security check. Do not think this is going to be a choice. This is government coming into seniors' Social Security check and taking the payment out every month, whether they like it or not in this program that is not voluntary. So I think the real questions seniors have to come to grips with in this political season is do they want to have choice, do they want to have competition or a voluntary approach to this plan, or do they want to have the Government run it?

So I say to the distinguished Majority Leader, I think it is clear. If the American people look at the two plans, the prescription drug will be a plan that is much more favorable to seniors with what we offered, what we provided on the House floor, and I regret that the gentleman from Missouri (Mr. GEPHARDT) walked out on us.

Mr. ARMEY. Madam Speaker, I thank the gentleman from Florida for his comments. If the gentleman would hold for a second, there is an old story that a picture is sometimes worth a thousand words. One of the things I think we should remember, today in America right now 70 percent of our seniors have already gone into the private markets and purchased prescription drug coverage. They have shopped around. They have checked out what is available. They decided and they chose coverage that they are happy with. They do not want to lose it. They are content. They understand it. They appreciate it. They want to keep it.

A year ago, President Clinton offered a plan that would be mandatory. "Go into my plan, forsake yours"; and the seniors rejected it.

Now, my friends on the left, the liberals, Vice President Gore and others who want the government-run plan, will say about the seniors: well, we cannot leave them to their own devices to go in the marketplace and buy for themselves, because they cannot understand those plans. Yet 70 percent of them are happy with what they decided for themselves and do not want to be forced out of their plans.

But I should say this to Vice President GORE, if he is concerned that today's seniors cannot understand what is available to them now, how then would he expect them to understand this nightmare, this bureaucratic nightmare? Every one of these little dashes, this horrible snake here cut into slices, every slice is a new, better Federal Government bureaucratic regulation.

Madam Speaker, the answer is very simple from the left: they do not have to understand it. We decided it. They do not have a choice. They will not make a choice. They do not need to know. The Health Care Finance Agency will tell them what they are going to get.

I have to say, I know the gentlemen here on this floor will be surprised by this, but I am over 60 years old. I am soon to be 65. I refuse to accept any agency of the Federal Government de-

claring me on that moment of my 65th birthday. "Today Mr. ARMEY, you suddenly became senile. You do not need to understand anymore. We will take over your health care destiny."

I have to tell my colleagues if they do not run my health care destiny any better than they have been running the Department of Education, I am not trusting them. I would rather choose for myself, and I think most of America would.

Mr. STEARNS. Madam Speaker, just one final comment. I do not know how soon the gentleman will be 65, but under the Gore plan, at age 64½, if the gentleman does not want to join at that time, or changes his mind later, he is out of luck because he has got to make his decision at 64½ to do this, or there is no other chance.

The other point I want to make is that the Government will decide which drugs are and are not covered. If the people, like the gentleman from Texas, want to have drugs, the Government can decide it is too expensive; and they will tell him to go to another drug. So all the concerns we had about Mrs. Clinton's health care plan is coming back with this pharmaceutical drugs plan. I think the American people should understand that.

Mr. ARMEY. Madam Speaker, I thank the gentleman for yielding. The bottom line is very simple. The plan we passed where they walked out, would not participate, gives choice. What the Vice President's plan gives is an ultimatum: join us now or never.

We have here the gentleman from California (Mr. OSE), who was listening to my earlier remarks and wanted to come down and make a point about the Vice President's tax plan. I think it is a very good point, so I yield to the gentleman from California for that purpose. I also understand the gentleman from California (Mr. HERGER) wants to make a few comments as well.

Mr. OSE. Madam Speaker, I appreciate the gentleman from Texas (Mr. ARMEY), the majority leader, yielding me this time. His earlier comments focused on our attempt to override the President's veto of the marriage tax penalty relief. In that legislation there were two primary components. One was relief for marriage tax penalty consequences, the other was an adjustment to the threshold at which earned income tax credits could be realized.

In my district where we have a significantly higher or above the norm unemployment rate, we have a number of young people, a number of elder Americans who actually work for wages, hourly wages who would be eligible for the earned income tax credit if it had been adjusted for inflation over these past 8 years. But in fact just as the Democrats walked out of here back when we passed that bill, this Clinton administration has walked out on lower-income people for an adjustment in the earned income tax credit.

The President's veto of the marriage tax penalty relief right here in this bill

also was a veto of an inflation adjustment to the level, the threshold at which the earned income tax credit would be eligible for. That veto cost a low-income family with two children \$421 per year in terms of the earned income tax credit. That is real money.

Mr. ARMEY. I thank the gentleman from California. That benefit denied by the Clinton veto was a benefit that would have accrued to the most low-income earners in America, not only all of my rich friends as they were discussing earlier.

The gentleman from California (Mr. HERGER) is a man of great insight on the budget.

The SPEAKER pro tempore (Mrs. BIGGERT). The gentleman's time has expired.

Mr. ARMEY. Madam Speaker, let me say I am going to invite the gentleman from California (Mr. HERGER) to come back next week for another such session and let him lead off with his good insight.

ACCOMPLISHMENTS OF THE REPUBLICAN CONGRESS

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

Mr. HERGER. Madam Speaker, I thank the gentleman from Texas (Mr. ARMEY), our majority leader, very much for leading this very informative hour on programs that are so very important to our Nation, to our seniors, to our American taxpayers.

Madam Speaker, I would like just to comment some on that. I have had the great privilege this last 8 years of serving on the Committee on the Budget, and I have seen over the last 6 years during the time that we have had the Republican Congress accomplishing some tasks that many thought we could never do, i.e., the first balanced budget in 60 years. Something which, by the way, President Clinton and the Vice President, AL GORE, vetoed not once or twice, but three times.

Also, something we thought we would never see was welfare reform. And, again, even though Ronald Reagan once said that, "There is no limit to what you can accomplish as long as you don't care who takes the credit"; well, our Republican Congress, we were able to reform welfare. It has been reduced by more than 50 percent on the average in the 50 States.

1700

Those are individuals who are now out working being productive. Again, the President vetoed this twice, not once, but twice, and then I know he and the Vice President were out taking credit for it. Again, it does not matter who gets the credit, but it happened, and it happened under the watch of this Republican Congress.

What have we done balancing the budget? Welfare reform? We have seen that we have been able for again for

the first time in some 40 years to begin paying down the national public debt. As a matter of fact, up to this point, we paid it down by \$350 billion. And in this next year, we are down, that is over the last 3 years, for another \$240 billion paying down the public debt; that debt which rests on the shoulders of our children and our grandchildren, money that past Congresses have spent more than what we had.

Mr. Speaker, I would like the gentleman from Texas (Mr. ARMEY), the majority leader, and those who are watching look on this chart that I have here, what it does, it compares Vice President AL GORE'S budget and proposal, spending proposals, that he has and compares it with Governor George W. Bush's.

Now, this chart was prepared and the statistics were put out by the National Taxpayer Union Foundation, and it shows that right now the on-budget surplus for the next 10 years is projected to be \$2.1 trillion. It is interesting to look at Vice President GORE, who is running for President, his spending, his expenditures add up to \$2.8 trillion.

Mr. Speaker, I might mention Governor Bush's spending adds up to \$766 billion, his spending proposals. Well, the difference from what is projected as surplus over the next 10 years and what Vice President GORE would spend would put us in some \$638 billion deficit again. In other words, under his administration, we would again return to deficit spending. And where does that come from?

The gentleman from Texas (Mr. ARMEY), the majority leader, knows of the legislation which I authored and which passed this last year. We, as Republicans, put a lock box on not spending the Social Security money that had not been spent yet. And we passed that overwhelmingly out of this House, 416-12 this year, and that had been spent since 1935, all that money, and it amounts to several hundred billion dollars a year, but we had been spending that which was a surplus spending on ongoing programs.

This year we passed an additional lockbox on the Medicare. Now, where would this \$638 billion come from what GORE would spend? Well, it would come, Mr. Speaker, come from the Social Security money that should be going to pay our seniors. Is that right? No, it is not. Can we afford, this country, to turn around and go back into the direction that we were going for years here where we spend on promises to everyone that may be well meaning, but spending money that we do not have? I think the answer is clearly no.

Mr. Speaker, of course, here in about another month and a half we are going to have an election that will determine whether the American public is going to go back to the failed policies of tax and spend that we have had in the past, or whether or not we are going to continue the direction that this Republican Congress has led us in in the last

6 years moving towards again fiscal responsibility.

Again, I thank the gentleman from Texas, the majority leader for this time.

Mr. ARMEY. Mr. Speaker, let me just say what the gentleman's charts shows is that the pundits are right, if Governor Bush is President during the worst of time, we might lose the surplus, but it also shows that if Vice President GORE is President during the best of times, he will spend the surplus.

Mr. HERGER. That is right; he only spends one-third of the surplus, the rest is for paying down the debt further and for perhaps some tax relief and some other good things.

CONGRESSIONAL BLACK CAUCUS ALTERNATIVE BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, we are about to approach the end game negotiations, probably behind the scenes, the end game negotiations on the budget, and the appropriations process has started already.

We have gone through a process of preparing a budget which sets forth the general contours, the outlines of where we want to go with respect to our expenditures for each particular function of government. We did that some time ago, and then we have gone through the passage of 13 appropriations bills in the House of Representatives.

Mr. Speaker, I understand they have not passed all of those bills in the other body, but we have passed them in the House of Representatives. In a situation where there is disagreement between the majority party in the House, they have the votes to pass whatever they want to pass, if there is disagreement between the majority party in the House and the White House or the majority party in the House plus the other body, they agree but then the White House disagrees, then the only way we resolve those disagreements is through a negotiation process, which takes place at the very end of the progress of the other steps that we have taken.

Mr. Speaker, we are about to approach that point in the year when we have a special situation. For the first time in many decades, this Nation has a surplus, and it is not a small surplus at all. The Federal surplus keeps changing every day, but positively changing. It was \$200 billion a few weeks ago, and now I understand we are talking about \$230 billion as the most conservative estimate of what the budget will be available for some kind of processing by the House and the executive branch.

There is another surplus for Social Security, which is a lockbox; that means we are not talking about money that would be taken away from Social