

to this, Mr. Speaker, pay only 1 percent of the individual income taxes.

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Many of these beneficiaries are poor, but an increasing number are middle-class retirees who enjoy extra income and health care through Social Security and Medicare. This is help we say from government, but it is from the other taxpayers of this country.

Our founders created a system where taxes are the price for government benefits and services. The idea is that voters would restrain the growth and expansion of government because of the personal costs to themselves in taxes. Our founders built into the original Constitution a provision that prohibited taxes based on income because they wanted people to achieve. That was the motivation. This provision, however, was amended by the 16th amendment. As a result, a near majority of voters now pay little or no income taxes while they receive an increasing number of government benefits.

The extreme progressiveness of our Tax Code has reduced, and in some cases eliminated, any cost of government for a growing number of voters. At the same time, many of these voters are dependent on government for much of their income, their health care, and other government services. It is like handing someone a menu at a restaurant and saying this bill is already paid for, and then asking them to make an order. I think it is a difficult offer to refuse, and it is the same way with government.

Limited government is ultimately essential to our economy's strength and freedom. The success of the United States is built on the free enterprise motivation that those who learn, work hard, and save are better off than those who do not. As that becomes less true with bigger and more intrusive government, we not only diminish that motivation, we lose more of our personal liberty and freedom. This is a growing threat to our way of life, and we can no longer ignore the kind of influence that it generates.

PRESIDENT'S BUDGET PROPOSES TO USE SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore (Mr. CULBERSON). Pursuant to the order of the House of January 23, 2002, the gentleman from New Jersey (Mr. PALLONE) is recognized during morning hour debates for 5 minutes.

Mr. PALLONE. Mr. Speaker, tomorrow the House will take up the Republican budget resolution. I am extremely disappointed with President Bush's budget on a number of fronts, but I am particularly outraged with the President's budget on Social Security, which is the issue I would like to discuss this afternoon.

The Congressional Budget Office published a report on March 6 showing

that the President's budget proposes to spend \$1.6 trillion of the Social Security trust fund surplus over the next 10 years. Let me make it clear. The President is proposing to use Social Security surplus money; and let me add that \$1.6 trillion is not just a dip into the surplus, it's a deep dip that will amount to two-thirds of the entire Social Security surplus.

Not only is this unacceptable to me, this amounts to basically \$261 billion more than the administration previously claimed. I would like to call the Bush administration the "broken promise administration" when it comes to many issues, but especially with regard to the issue of Social Security.

If I remember correctly, Mr. Speaker, the Republicans last year promised to protect 100 percent of the Social Security surplus. Ironically, the White House Web site today features a quote from President Bush saying, "We are going to keep the promise of Social Security and keep the government from raiding the Social Security surplus." The reality, of course, is that is not the case. If we take into account the President's optimistic projections, underestimation of future costs and the ignorance of other costly elements, it becomes clear that the Bush budget spends the Social Security surplus over the next decade and beyond.

What we are seeing today with the Bush administration is the most radical fiscal reversal in American history. Last year the Republicans inherited trillions of dollars in surplus over the previous Clinton administration. The budget that we are debating today indicates that in one 1 year there has been a decline in that surplus by \$5 trillion. The obvious answer to this Republican fiscal irresponsibility is last year's \$1.7 trillion tax cut and this year's proposed \$674.8 billion tax cut.

As a result of these Republican tax cuts primarily for the wealthy, the Bush budget rapidly deteriorates the Social Security surplus for day-to-day operations of the Federal Government. Democrats believe that the Social Security surplus should be rightfully rewarded to America's seniors. That is what it is all about. We made a promise to protect Social Security, not only because it was one of the most successful social programs, but also because we want to ensure that our seniors receive the benefits they deserve after years of hard work and years of paying into the system.

Social Security we know provides an unparalleled safety net for the vast majority of America's seniors. For two-thirds of the elderly, Social Security is their major source of income. For one-third of the elderly, Social Security is virtually their only source of income. For these reasons and a lot of others, we as Democrats must do everything in our power to defeat the Republican budget. We must do this in an effort to protect and strengthen the Social Security program for the short and long

term, and to keep our promise of allowing generations of retirees to live with independence and dignity.

Mr. Speaker, I call upon my colleagues to defeat the Republican budget tomorrow for many reasons, but primarily because it spends the Social Security trust fund.

PRESIDENT'S BUDGET CANNOT BE RESPONSIBLY APPROVED

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Virginia (Mr. MORAN) is recognized during morning hour debates for 5 minutes.

Mr. MORAN of Virginia. Mr. Speaker, today the House budget resolution goes before the Committee on Rules, and it comes to the House floor tomorrow. This is a budget that we are not familiar with in terms of the underlying assumptions because up until now we have been using numbers from the Congressional Budget Office. Maybe some people that watched the machinations of the budget process in earlier years will recall that our Republican colleagues shut down the Congress, shut down the government twice, insisting on Congressional Budget Office numbers instead of OMB numbers. Well, now they have reversed course and decided that they want OMB numbers because they are more optimistic, and they do not want the Congressional Budget Office numbers which are more conservative.

We think this is a time to be cautious and conservative about our projections. Last year we used a 10-year projection because if we went out over 10 years, there was a \$5.6 trillion surplus, and that enabled our colleagues on the Republican side to justify a \$1.7 trillion tax cut.

But now they do not want that 10-year projection, they only want a 5-year budget because of that \$5.6 trillion surplus; \$5 trillion has disappeared. Where has it gone? Well, the biggest single component of that loss is attributable to the tax cuts; 43 percent of it. The lost surplus is due to the tax cuts. About 23 to 25 percent is attributable to the economy. The rest is attributable to additional legislation, particularly increases in defense and homeland security.

So we are spending more, we are keeping the tax cuts, and yet we do not have the money to pay for it. What does that mean? That means that this budget that will be on the floor tomorrow assumes that we will take \$2.2 trillion out of Social Security and Medicare trust funds. We are going to have a deficit of \$224 billion just in this budget year, \$830 billion over 5 years. But when we go out 10 years, then it really starts to count.

The problem is that over this next decade, we have a fiscal crisis facing us because that is when the baby boom generation retires. Mr. Speaker, 77 million people in that baby boom generation will retire and double the number

of people depending upon Social Security and Medicare. That is why this budget just takes us to the cusp of that point when they retire. These are people born right after World War II in 1945 and 1946. We can do the calculations. They start retiring in 2007 and 2008. We will not have provided for their retirement costs. I say we, to emphasize the fact that, I am a member of that baby boom generation. My parents' generation fought the "isms," Nazism, communism, fascism, and gave us so much better a life than they had inherited from their parents. And what are we going to do? We are going to leave to our children the responsibility to pay for our retirement costs, our health care costs through Medicare, and to pay off a debt of over \$3 trillion. That is what this budget does that our children will have to face tomorrow.

It makes a number of other cuts that do not seem to be particularly justified. We are in a recessionary period, and to cut \$14 million out of housing for the homeless doesn't seem right. To take \$80 million out of the Leave No Child Behind education legislation the President has gone around the country touting and taking credit for, and we agree, it is bipartisan legislation, and now we are going to take \$80 million out of that program? To take \$338 million out of low-income heating assistance, the LIHEAP program? No that's not right.

No, Mr. Speaker, this is not a budget that this Congress can responsibly approve.

SOCIAL SECURITY AND THE PRESIDENT'S BUDGET

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Texas (Mr. RODRIGUEZ) is recognized during morning hour debates for 5 minutes.

Mr. RODRIGUEZ. Mr. Speaker, I rise today in support of the nearly 100,000 Social Security beneficiaries that live in my district, nearly 70 percent of whom are 65 years of age and older and are seniors.

Today, like so many of us, seniors stand in the recent tragic events that have left an imprint on our national landscape forever. They are uneasy about their lives and the security of their future. Now is the time to address their fears, not the time to wage a war on the benefits they rely on to live.

I am disturbed by the number and tone of letters and phone calls I have received from constituents. Many seniors 70, 80, and 90 years old have expressed concern over the solvency of Social Security. They want their leaders in Washington to be responsible in their actions and not take chances with their future and the future of their children.

I am further disturbed when I receive the administration's budget recommendations. The administration proposes a budget that takes needed Social Security surpluses out of the

Social Security trust fund, not just 1 year, but every year for the next 10 years.

This year alone, the budget would trim \$262 billion in Social Security funds. Ultimately, the administration's proposed budget takes more than \$1.5 trillion out of the Social Security surplus. The President and the House Republican leadership, just a few months ago, including some Democrats, claimed that we would also support and establish the Social Security and Medicare surpluses that would be saved for Social Security and Medicare. Now the budget saves virtually nothing of Social Security or Medicare.

Recently, the CBO released an analysis of the administration's proposed budget. They concluded that the budget raids Social Security and threatens the solvency of the program for future generations.

□ 1300

Further, they project large deficits for the next several years. They project a \$121 billion deficit next year, and by the end of President Bush's term in 2004, a \$262 billion deficit.

However, the administration has, for the first time since 1988, rejected the more conservative economic predictions of the CBO and, instead, are using the optimistic, unrealistic figures produced by the Bush administration's Office of Management and Budget. When they looked at the cuts, they looked at how our economy was last March and they projected for the next 10 years the same type of economy. As my colleagues well know, you cannot even predict what our weather is going to be next year.

They took that prediction because it was a very positive prediction. But we should not have assumed that those dollars and that the economy would remain the same way. Alarmingly, the OMB figures for the administration hide the true cost of the administration's sponsored tax cuts. We cannot and must not enact budgets with our heads in the sand. We must look at the dollars that we have now and realistically pay down our debt as we should and make sure we hold that obligation to take care of our seniors.

Our seniors have questions. They want to know how we have squandered the surplus in just 1 year. And, of course, a lot of us, and for good reason, are concerned about our economy. We do talk about the fact that 9/11 had a big impact on our economy. In fact, economists now tell us that half of the problem that we find ourselves in is a result of the tax cut and half is due to 9/11.

Republicans and the administration successfully pushed a tax cut during the first half of this session. This irresponsible tax cut cost \$1.7 trillion. Now they want additional tax cuts. So tomorrow we get to see additional tax cuts, at a time when we have declared war. When we are at war, we have always had a war tax. We have always

been responsible for paying down what we owe.

We need to be responsible as we move forward. Indeed every dollar of the additional tax cut would come directly out of the Social Security trust fund. We are paying for this war on the backs of our senior citizens' pension fund. We ought to be ashamed of ourselves.

What our seniors need is for all of us to work together and give them the sense of security. They do not need fancy gimmicks like certificates and promises of benefits with no legal guarantee. What they need is a responsible budget that takes care of our budget and considers the fact that we are at war and that should be our first priority, taking care of our seniors and our national defense.

These figures increase significantly if you are a woman or a minority. Social Security is the only safety net to keep many of our seniors out of poverty.

Social Security has lifted over 11 million seniors out of poverty and reduced the elderly poverty rate to less than 10%.

Now is not the time for gimmicks and broken promises. We must make the choices that reveal our values as a nation and we must keep our promises.

THE BUDGET

The SPEAKER pro tempore (Mr. CULBERSON). Pursuant to the order of the House of January 23, 2002, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, when the House and Senate wrote their budget resolutions last year, Members were assured by the President of huge surpluses as far as the eye could see. The projected surpluses held great promise. They were expected to be large enough to address long-term solvency issues of Social Security and Medicare and for important priorities like a prescription drug benefit and education.

Since then, most of the surpluses have evaporated because of last year's unaffordable Bush tax cut and the spending necessitated by the tragic events of September 11. The Republicans in the House want to cut taxes further and spend more, and be congratulated for their fiscal responsibility.

While we all recognize the need to protect our country from international terrorists and rogue nations, the administration has requested a military budget of \$396 billion in fiscal year 2003. This 1-year increase of \$45 billion will be the largest increase in military budget authority since 1966 at the height of the Vietnam War. This increase alone, the \$45 billion increase alone, is larger than the annual military budget of every other country in the world. In fact, the nations that President Bush called the "axis of evil," North Korea, Iran and Iraq, our military budget will be 15 times the combined military budget of theirs.