

I was stirred by this, and I hope other Americans were, that this is going to be a citizen Government helping our kids, giving them activity, giving them a framework, giving them discipline, helping them see mentors that are somebody other than someone selling drugs and leading a bleak future.

So I appreciate the indulgence of my colleagues, but it was stirring, and I really believe that if we can use that summit and the bipartisanship that existed there and throw these politics out the window a bit, we will be a more perfect Union.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I certainly am proud of my hometown of New Britain, CT. Last Saturday we had Christmas in April and I and many, many other people from the town turned out.

Mr. SHAYS. Mr. Speaker, the gentlewoman might want to explain Christmas in April. People of all walks of life, some brought their children, and we painted and repaired inside and out.

Mrs. JOHNSON of Connecticut. Christmas in April, it is a way the community gives the gift of Christmas to families who need help.

I had the privilege of working at the home of an elderly couple who for decades have helped lead and care for veterans of this Nation's wars. They have done so much for others, and it was so nice to be a part of a team of 19 or 20 that painted rooms inside and painted things outside, that cleaned up the yard, that replaced a ceiling. I mean it was just wonderful. It was a gift to people who have given all of their lives and who now in their elder years need some help with that kind of work.

And in New Britain, Connecticut, volunteers painted, repaired and upgraded the homes of 40 families. Some of them elderly, some of them single parents with young children, some of them just people who for one reason or another needed help with those kinds of chores, and some brought their children, just so their children could see that working together we are a powerful force, we Americans, and Government can never replace that energy, that faith, that love, that hope.

I am proud to be a part of a Government that understands that people are the power and is working to assure that Government partners those powerful people and shares with them their vision of hope, opportunity, and justice for all. That is I think what we are talking about and why we have been so concerned with Medicare, preserving Medicare, strengthening Medicare, protecting Medicare for our seniors, but also fixing it so it better serves not only our seniors but their kids as they retire and our grandchildren when they retire.

It is very nice to be with you gentlemen tonight. I am sorry that I have to excuse myself because I have some calls that I have to make.

Mr. KINGSTON. We thank the gentlewoman for joining us, and we thank the gentlewoman on behalf of all Amer-

icans, particularly seniors, for all that you are doing to help protect and preserve Medicare.

Mr. SHAYS, if the gentleman is going to stay, I wanted to touch base a little bit on some of these tax issues.

Mr. SHAYS. I would love that.

Mr. KINGSTON. Let me ask you this: We have been talking about balancing the budget. Is it consistent or inconsistent to talk about cutting taxes and balancing the budget?

Mr. SHAYS. Oh, it is definitely consistent.

Mr. KINGSTON. Consistent with a "C".

Mr. SHAYS. And important, for a variety of reasons. First off, we need to recognize that when you increase some taxes you actually get less revenue because in a dynamic model people respond. They say taxes are higher and they find ways to avoid paying them by doing other things. If you have a luxury tax on boats, they simply decide not to buy boats, as we found in our 1990 budget agreement when we increased the tax on boats and people stopped buying them.

So you have a dynamic model. Sometimes with lower taxes you get more revenue. We would find that to be true specifically with the capital gains exemption.

Imagine a farmer out West whose neighbor wants to sell land and they want to buy the land, but the neighbor does not sell, and why does the neighbor not sell? Because they would realize such a large capital gain, they do not want to pay 28 percent of that gain to the Government. It might be what is their retirement, it might be what pays for their child's college tuition, and so they simply do not sell.

What you have is, you do not have a transaction taking place, whereas if we lowered the capital gains you would find, in fact, that there would be greater transactions and more revenue. So one of the things that we hope happens is that there is, in fact, a capital gains exemption.

We also hope that there would be a reduction in the tax that people pay on inheritance so that they do not have to sell the farm or sell the business.

So we believe that it is consistent, and I would also say to the gentleman that we would pay for our tax cuts. So if you want a smaller Government, as I do and as the gentleman does, you make the Government smaller and you return the money back to the people to spend as they want and create economic activity which also brings in more revenue.

Mr. KINGSTON. Mr. Speaker, I think the gentleman has answered that very eloquently. The bottom line is, we American people can spend our money better than bureaucrats in Washington can. Let American people keep more of their own savings. They will create jobs, more people go to work, less people are on public assistance. When less people are on public assistance, again, more people working and paying in,

revenues do go up. I think Presidents Kennedy and Reagan have both proven that and I think we need to prove that again in this session of Congress.

Mr. SHAYS. And I think we will.

Mr. KINGSTON. I thank the gentleman for being with us tonight and for all of his hard work for the folks in Connecticut and all over the country.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PORTER (at the request of Mr. ARMEY) for today, on account of medical reasons.

Mr. PASCRELL (at the request of Mr. GEPHARDT) for Thursday, May 1, on account of the death of a friend.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GREEN) to revise and extend their remarks and include extraneous material:)

Mr. FILNER, for 5 minutes, today.

Mr. JEFFERSON, for 5 minutes, today.

Ms. CHRISTIAN-GREEN, for 5 minutes, today.

Mr. WEYGAND, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

(The following Members (at the request of Mr. BARRETT of Nebraska) to revise and extend their remarks and include extraneous material:)

Mr. NEUMANN, for 5 minutes, today.

Mr. GEKAS, for 5 minutes, today.

Mr. BARRETT of Nebraska, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GREEN) and to include extraneous matter:)

Mrs. MALONEY of New York.

Mr. MCGOVERN.

Mr. PAYNE.

Mr. LAFALCE.

Mr. HAMILTON.

Mr. MILLER of California.

Mr. FRANK of Massachusetts.

Mr. PASCRELL.

Mr. SCOTT.

Mr. KUCINICH.

Mr. BORSKI.

Mr. CAPPS.

Mr. BENTSEN.

Mr. BERRY.

Mr. SHERMAN.

Mr. BARRETT of Wisconsin.

(The following Members (at the request of Mr. BARRETT of Nebraska) and to include extraneous matter:)

Mr. SOLOMON.

Mr. FOX of Pennsylvania.

Mr. RAMSTAD.

Mr. WELLER.