have in the Congressional Black Caucus, and to Betty, who we will not be able to say it to because she is gone now, to her children who will be there and Attalah, her daughter, who will accept the award, we want them to know that we loved their mother, and that we hold her in the highest of esteem, and we hope that this small token that we are able to present that evening from all of us will speak to our love for them. Mr. Speaker, I thank the gentlewoman for allowing us the opportunity to focus some attention from this House on Betty Shabazz.

Ms. NORTON. I thank the gentlewoman for those remarkable remarks. This special order would not have been the same without her.

Mr. Speaker, in closing, I simply want to thank not only the chairwoman of the Congressional Black Caucus but the other Members and friends who came forward at a time when many of us are thinking through ways to transform ourselves into better people, to transform our country into a better place, and when I, I must say, Mr. Speaker, am trying to think of a way to transform my own city into a united city that will regain its own human rights and that will reform its own agencies at such a time I find great inspiration in the life and work of Malcolm X and in the life and work of Betty Shabazz.

Mr. BISHOP. Mr. Speaker, I rise today to pay tribute to a great woman and humanitarian, Dr. Betty Shabazz. Her family lost a mother, grandmother, or sister but the world lost a friend and a symbol of inspiration to all of us. In her death, Dr. Shabazz leaves a legacy of dedication to family, a quality that is much praised but little practiced. Her impact will be felt for a period much longer than we realize right now.

Her much recognized qualities of perseverance and determination were first publicly recognized after her husband's death on February 21, 1965. Betty Shabazz, left with no source of income to provide for her four young daughters and the twins she was pregnant with, was determined to raise her children and did so alone. Along with taking care of six children, she completed her nursing school education and went on to earn bachelor's, master's and doctorate degrees. Dr. Shabazz lived the dictums of self-reliance, discipline and education as espoused by her husband, Malcolm X.

Our prayers are with the family in this hour of grief. I ask my colleagues to join me in remembering the many contributions Dr. Shabazz has made to our country and to the world.

□ 2115

TRIBUTE TO BETTY SHABAZZ

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PAYNE] is recognized for 5 minutes.

Mr. PAYNE. Mr. Speaker, let me also add my accolades to the gentlewoman from the District of Columbia, Delegate NORTON, for calling this very important Special Order. It has been already said about the outstanding work that she does here in the District fighting for the people of the District, as she fought for people here in the entire United States of America when she had a tremendous, important administrative position years ago, and she continues to do that work.

And to the chairperson of the Congressional Black Caucus, Ms. WATERS from California, she continues to lead the caucus in unprecedented times. We are so proud of the outstanding work that the caucus has done, and I would just like to, as I was in my office working, and I turned to this channel and saw that this Special Order was being done, I was unaware of it but felt it was extremely important to me to come over and to say a few words.

I knew Betty Shabazz very well, because living in Newark, NJ, she was not far away, and about a month before the tragedy I had the opportunity to be in her company three or four times. First, we had a meeting in Mount Vernon, the Constituency for Africa. Mayor David Dinkins was there, Congressman RANGEL, Mel Foote called in from the Constituency of Africa in Mrs. Shabazz's hometown, and of course the first person to speak after the invocation was given at the church was Doctor Betty Shabazz, because she not only worked for people in this area and in this country, but worldwide, and she was loved by everyone.

I know Dr. Edison Jackson, who was the president of Medgar Evers College, he was the former president of Essex County College in Newark, NJ, where I live, and the wisdom of President Jackson to see the worth of a Betty Shabazz, to have her lead the light for that great institution named after, as has been mentioned, Medgar Evers, another person who was taken away from us, and his wife Myrlie Evers carried the torch, and so it is unique; as a matter of fact, the college that Dr. Edison Jackson at Essex County taught at before going to Medgar Evers after leaving California on Martin Luther King Boulevard. Doctor Shabazz, it is altogether.

I would just like to say that then she came over to Newark about 2 weeks before the tragedy and spoke out at community meetings. She was always there, grass-roots people. She would come to the caucus and go to all of the sessions and rush around because everyone wanted to see her.

And so we have lost a tremendous person. It is unfortunate that tragedies take people. This week we are hearing the tragedy of the great Princess of Wales taken away unnecessarily, and once again Dr. Betty Shabazz.

So I think that we have to remember and we have to always be aware of the fact that we all have to do more in our own way. She was a great person.

I, too, attended the memorial service and David Dinkins and Basil Patterson and Percy Sutton did such outstanding jobs as they brought this community together.

I once again would like to simply thank the gentlewoman from the District here, and I appreciate having the opportunity to address the House.

GOOD NEWS FOR AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 60 minutes.

Mr. NEUMANN. Mr. Speaker, I rise tonight to talk about good news for America.

I just had a wonderful opportunity during the past month to see lots of folks all across Wisconsin, and it was very educational for me and, I hope, for some of the folks we saw that they picked up on some of the good things that have happened here in the last month or thereabouts out here in Washington.

The one thing that struck me, though, as I talked to more and more of our families across Wisconsin and our senior citizens across Wisconsin and some of our young people, college age students across Wisconsin, they did not really realize that the tax cut bill has been signed into law, so I would like to begin this evening by pointing out that the tax cut bill, along with the first balanced budget since 1969 and restoring Medicare, has all been signed.

It is done. The ink is dry. The President signed it. It has passed the House. It has passed the Senate. First balanced budget since 1969, taxes coming down for the first time in 16 years, and Medicare restored for at least a decade. That is what was accomplished before we left for recess in August.

The other thing I learned is that not very many people really understood what was in the tax cut bill, and I would start talking to people and I would say, ''Well, the budget is balanced, that's the most important thing we could do, and that was our responsibility, and that's done, and at the same time we've reduced your taxes.''

And they go, ''yeah, sure, but that affects somebody else.''

And then we would start through it, and the first question would be: Do you have children? And this is so important. If you have children age 17 or younger for virtually all families out there, 550,000 Wisconsin families alone, you are eligible to keep $400 more for each one of your children in your own home next year instead of sending it to Washington.

We should make this very clear. This is not somehow a gift from Washington to the people. This is money that the people get up in the morning, they go to their jobs, they work hard, and they earn the money, but instead of sending it to Washington, they keep it in their own homes to spend on their own families and the way they see fit. That is the first part of the tax code.

And I am going to put this a little different so folks have a handle on how important and significant this is.

In January of next year, a family with a child, with one child, should go into their place of employment, they should talk to the person that handles the W–4 forms, they should increase their exemptions so as to increase their take-home pay by $33 per month. It is $33 per month in increased take-home pay for each one of the children in the house.

And my fear is people are not going to do this. My fear is what is going to happen is they are just going to go through the year and Washington is going to see all this extra money coming out here that those families should be keeping in their own home, and, of course, when Washington sees money, sometimes they spend it out here, and I will admit, as hard as we try to stop that and as hard as I personally worked to stop them from spending on new programs, it would be much, much better if our families out there did the right thing.

And, again, let me make this very clear. Starting in January of next year, a family with children should go into their place of employment, they should talk to the personnel director, whoever it is that handles the W–4 forms, they should change the number of exemptions so as to allow their take-home pay to increase for $33 per month per child.

Let me put this another way. If you have three children in your family, for most families you should start taking home $100 a month more in your take-home paycheck than what you were in December. So the difference between your take-home pay in December and January should be $100 a month for a family with three children.

That is significant; it is real. The bill is signed. You should do it in January of next year, increase your take-home pay. Keep the money in your own home; do not send it out here to Washington.

But that is not all in the tax cut bill. The other thing that people seemed when I talked with them out in Wisconsin to be generally familiar with was the capital gains reduction. The capital gains tax in the past was 28 percent, and that has been reduced to 20 percent. So the good news is that capital gains, the amount of money that you send to Washington, is lower when you sell a stock or a bond or whatever it is that you might have held and made a profit on.

Good news is that drops even further in the year 2000, to 18 percent, and it depends on your income bracket there. If you are in a $41,000-a-year or higher income bracket, the capital gains are 20 percent, and if you are lower than that, they dropped all the way down to 10 percent.

Those two people seem to be vaguely familiar with, at least out there, but there is a whole bunch of others that they were not familiar with at all. Let me start with the first one.

If people own a home, homeowners for the most part when they sell their home will no longer owe any Federal taxes. In the vast majority of the cases, very few exceptions, and only on the very higher-priced homes, will people owe any money in Federal taxes. If you have lived in your residence, it is your personal residence, you have lived there for 2 years or more, you will not owe any Federal taxes when you go to sell your home. This affects a whole bunch of people.

There were a lot of folks out there, empty nesters, people whose children are grown and gone who are waiting for that one-time exclusion at age 55 to sell their home and downsize. That is no longer necessary. The age 55 one-time exclusion is gone. It is no longer there. If you lived in your home for 2 years, you sell the home, you make a profit, there is no tax on it.

It was interesting. I was in Green Bay, WI. I was doing a radio talk show about the tax cuts, and I had a young lady call in, and she said, ''Well, I bought my home for $22,000, and I'm now about to sell it for $60,000.'' So a period of years have gone by, and she said, ''How much taxes am I going to owe?''

And I said, ''Well, you're not going to owe any Federal taxes on the sale of your home.''

So she said, ''Does that mean I owe income taxes?''

And I said, ''No, no, you do not owe any Federal taxes when you go to sell that house.''

And she said, ''Even though it went from $22,000, I'm going to get $60,000 back, how much taxes do I owe?'' She asked me three times the same question because folks are having a hard time believing that Washington actually did something right, they actually lowered taxes instead of raising them like they were doing previously.

So the third part here that I would like to talk about then in the tax cut, if you owned your home, you have lived there for 2 years or more, and you sell your home, in the vast majority of the cases, the only exceptions are the very high priced homes, you will not owe any Federal taxes on the sale of that home.

This affects a lot of senior citizens, also. In Wisconsin, 74 percent of our senior citizens still own their home, and it may be people that took the one-time 55 exclusion that had bought a different home at age 56, maybe a smaller home or whatever, but if they have lived in the house for 2 years and they are now 60, let us say, for example, they can now sell that home, move to a different home, if they like, own it for 2 years, sell it again, so there is no one-time exclusion, you can do this as many times as you want as long as you live in the home for at least 2 years.

So this part was very unfamiliar with most of the people out there.

Then I went on to the part and I started talking about saving up for their children's education, because we had a lot of families that we were talking with, and we started talking about the fact that it is now possible to put $500 per year per child into what is called an education savings account. The money then accumulates tax free, and the student can then take it out when they reach age 18 and are ready to go off to college.

I talked to a lot of grandparents about this account because it seems that there are a lot of grandparents that are interested in giving their grandchildren some sort of a gift, whether it be a Christmas or their birthday or whatever, and it makes an ideal gift from a grandparent to a grandchild, and I know everybody cannot afford it, but there are some grandparents out there who would like to give this sort of a gift to their grandchildren, and it is certainly an ideal way to provide their grandchildren with a college education.

Again, the education savings account, you can put $500 a year into this savings account, the money accumulates tax free, and when the kids take it out at age 18 they pay on the lower tax rate that they would be at. So it is money for them for college.

Speaking of college, very, very important. I took my daughter to her first year of college. My son had left for—he is a junior in college, and of course we talked to a lot of college students and the parents of a lot of college students, and there is a general lack of understanding of how this college tuition credit is going to work. Well, it works like this:

If you have got a freshman or a sophomore in college and the cost of their college education is $2,000 a year or more, and in Wisconsin at least that is the vast majority of the cases, if it is 2,000 a year or more in costs, the parents get to keep $1,500 more of their own hard-earned money in their own home rather than sending it out here to Washington.

And, again, I would point out this is not a gift from Washington. This is money that the people have gotten up in the morning, gone to work and earned. The only thing is instead of being taxed on it, instead of that tax coming out here to Washington and Washington spending it, you keep that money in your own home.

So if you have a freshman in college, and the costs of their college tuition is $2,000, room, board and tuition is $2,000 or more, you should start keeping $125 a month more in your take-home pay starting in January of next year.

And, again, that is simply 1,500 divided by 12 is $125 a month more.

For juniors and seniors, if the cost is over $5,000, which in many cases it is for room, board, and tuition, you should start keeping a thousand dollars more of your own money in your own paycheck, and again that should start in January.

This is very, very straightforward, and if the people do not start keeping their own money, if they send it out here to Washington, we are not sure Washington is not going to spend the

money. We here in Washington, many of us, want the people to start keeping their own money next January. Why should you send it out here to Washington when it is your money?

College tuition, then, freshman and sophomores, in most cases are going to get a $1,500 credit; juniors and seniors in most cases, in many, many cases, are going to get a $1,000 credit.

□ 2130

I said are you interested in saving more money for retirement. He said yes, but I am in a pension funds already, so none of those IRA's affect me.

I said well, no, that is not entirely true. In fact, this new IRA, called the Roth IRA, you can put $2,000 per year into the Roth IRA per person. So in this case a husband and wife could put $4,000 away for their retirement.

You put after tax dollars into the Roth IRA, but when you take the tax dollars out at retirement, it is tax free. This might be one of the best provisions for middle age people in the entire country. This might be one of the best savings accounts in terms of taking care of yourself in retirement.

So even if you are in a different pension fund, and even if you are already doing some other things to take care of yourself in retirement, you may want to take a look at the Roth IRA, where you can literally put $2,000 per person into this savings account, and at retirement, you take the money out tax free.

It is very significant, because $2,000 put in at age, say, 40 typically will at least triple by the time you reach retirement. That means it goes from $2,000 thousand to $6,000 in value when you take it out, and there is no tax on that $4,000 on increased value. A very, very significant change in the tax laws that people should be taking advantage of.

Again, the idea here is to encourage savings and encourage people to take care of themselves in retirement.

Then we went on to talk to some others. Farms, roughly 90 percent of the farms transferred from one generation to another in this Nation today will no longer have any taxes due because of the Tax Code change. So for small farmers and businessowners, you will be able to pass that small business or farm on to the next generation without the tax burden that was there before.

It is very clear to farmers as you pass this on from one generation to another, the benefit. But there a hidden benefit in here that not many people have picked up on. When a business is held by a family and the family has been running that business for a period of time, if the owner of that business cannot pass it on to the next generation, many times the business gets sold and somebody else takes over and the jobs are moved out of that community to a different community. So by allowing that business to stay in the family and be passed from one generation to another, many times that means jobs stay in a community that otherwise might not have stayed there.

There are so many different provisions in this Tax Code that provide benefits to the American people that I found by the time I was done, we virtually could not find anyone who was not in some way, shape or form going to benefit by this Tax Code.

I have left out one other group, and that is young couples or young working folks, singles, couples. Those folks have the benefit of being able to save for education and their first home in this Roth IRA that I was just describing, where they can then literally take the money out tax free and use it for the down payment on their first home or for college education.

So, again, there is a benefit for the young workers, the people in their thirties, forties, and fifties preparing to retire for themselves, there is a benefit for seniors who own a home and who want to sell it, there is a benefit literally all across the generations here, and certainly there are many, many benefits for our families contained in the tax cut bill.

Again, I would be remiss to talk about these tax cuts without also saying that the budget is balanced first. I would like to bring the American people and my colleagues some other good news. Numbers have come out now that reestimate the revenues coming into the Federal Government, and, in fact, as we have been saying in our office for quite some time, the economy is stronger than people were giving it credit for and revenues are coming in faster.

What does that mean in English? The budget is balanced for the first time since 1969 next year. Four years ahead of schedule, we are on track to balancing the budget, the job is done, and your taxes are coming down at a great time.

What a great time this is in this country. I never, 3 years ago when I was first elected, thought we would be in a position to stand here and talk seriously about a balanced budget in 1998, taxes coming down, Medicare restored, welfare reform. Able-bodied welfare recipients have now to go to work, and not heartlessly. They are guaranteed a job in Wisconsin. We are seeing our welfare rolls fall dramatically. Good news all across the specter in terms of what has happened in the last couple years here in Washington.

With that, I would like to turn my attention now to another topic that I find is very confusing as I talk with groups of people. A lot of folks are saying if the budget is balanced, what about that $5 trillion debt out there? It has to be smoke and mirrors, because we know there is a $5 trillion debt out there.

Let me explain the difference between two terms. The first term is deficit and the second term is debt. Deficit is like the family with their checkbook. Deficit is like overdrawing your check book.

Since 1969, each and every year Washington has written out more in checks than what it collected in taxes, so they have literally overdrawn their checkbook each and every year since 1969. That is called the deficit.

When they overdrew their checkbook, what they did was borrowed the money, put it in their checkbook, and then, of course, the checks were cashed and on we went.

So for each and every year since 1969 they have overdrawn their checkbook, and then they went and borrowed the money, put in the checkbook and made good on the checks. As you might imagine, since they have been borrowing more and more money each and every year since 1969, the debt has been growing each and every year, and that is the $5.3 trillion we have staring us in the face.

I am talking now about the debt and how fast it has been growing, and I think it is very important that the American people realize that we still have a very significant problem staring us in the face.

On this chart I show the growing debt facing America. From 1960 to 1980, the growth was relatively slow and relatively small. That is, The deficits were not big because they did not borrow lots of money in each one of those years.

But from 1980 forward, the debt has been growing in large amounts. This is what brought many Members of the class of 1995 out here, the Republican class of 1995. We watched this debt grow and realized we were about here on this debt chart right now, and that if we don't do something about this as a Nation, we are not going to have a future in this country.

That is what brought many of us here in the first place, and that is why it is such good news we are going to stop borrowing the money and the red line will quit going up when we reach a balanced budget.

When I point to 1980, all my colleagues on that side of the aisle say sure, that is the year Ronald Reagan was elected, and all my colleagues on this year say yeah, I know, but that is the year the Democrat Congress started spending out of control.

The fact of the matter is it doesn't matter which side it was responsible. The fact is we as a nation have this debt staring us in the face, and it is not a Republican problem or a Democrat problem, it is an American problem, because this Government does represent the people. It is time that we as a nation solve the problem, rather than pass the blame back and forth in the House of Representatives and the Senate and the presidency.

For those that have never seen this number, this is the amount of money, it is $5.3 trillion, that is the amount of money that the Federal Government has borrowed on behalf of the American people. This is the accumulation of the overdrawn checkbook, the amount of money that was necessary

to make the checkbook balance since 1969.

Let me translate that into English. I used to be a math teacher, so you will see some of the math still in here. If we divided this debt up by the number of people in the United States of America, if each and every American were to pay just their share of the Federal debt, they would need to pay $20,000. The Federal Government has borrowed $20,000 on behalf of the every man, woman, and child in the United States of America basically within the last 15 to 20 years.

The real problem, you look at a family of five like mine, my kids are here, my wife is here, we have got five of us in our House, the Federal Government literally borrowed and spent $100,000 on behalf of my family.

The real problem, the kicker, is the bottom line number. You see every family of five in the country today or the average family of five is paying $580 a month to do nothing but pay the interest on this debt.

This money is owed to people. It is a real debt. Interest is being paid on it. The cost of interest alone to a family of five in the United States of America today, or any group of five people, is $580 a month. A lot of people say, I do not really pay $580 a month in income tax. I don't have to worry about it.

But it is not only income tax. If you do something as simple as walk in the store and buy a loaf of bread, the store owner makes a profit on that loaf of bread and, of course, part of that profit gets sent out here to Washington, and, you guessed it, it goes to help pay the interest on the Federal debt.

As a matter of fact, one dollar out of every six collected in taxes goes to paying the interest on the Federal debt. So the real problem with this picture is that there are real people out there, real families out there, that are paying $580 a month to do nothing but pay the interest on the debt.

It would be logical to ask the question, how in the world did we get into this mess and didn't anybody try to correct it in the past?

I wanted to talk specifically about the past, the past. Let me define the past to be pre-1995. Again, this is very specific, what we are talking about here. The American people were promised a balanced budget repeatedly. This is not news that all of a sudden we have a $5 trillion debt staring us in the face. As a matter of fact, the Gramm–Rudman-Hollings bill, first passed in 1985, promised the American people a balanced budget in 1991. Well, we look at the deficit line in this chart, and what actually happened, and it is clear that the promise made from Washington was broken.

The promise was not kept. But they knew what to do. When they couldn't keep the first promise, Washington made a series of new promises. Again, I emphasize this is the past. This is what led many of us into leaving the private sector and coming to Washington.

This blue line shows the fixed Gramm–Rudman-Hollings bill, and it was promising a balanced budget in 1993. I think that 1992 and 1993, those are real important dates to look at out there because, you see, when the budget was supposed to be balanced, instead we had huge and growing deficits. So rather than balance the budget as was promised then under this bill, when we got to the early 1990's, instead we had huge, growing deficits.

So what did Washington do? In 1993, passed the biggest tax increase in American history. Washington looked at this picture and concluded that the right answer was to reach into the pockets of the American people and take more money out of their pockets and bring it out here to Washington.

Why would they do that? Well, because if they take more money out of the pockets of the American people and bring it out here to Washington, they can keep their Washington spending programs going and still bring the deficit down. You see, that is what the tax increase of 1993 was all about.

To pass the tax increase of 1993, what it really allowed them to do is keep spending going out here in Washington. Again I emphasize, this is the past, because in 1994, the American people decided to change what was going on in Washington, D.C. In 1994, the people for the first time in many, many, many years elected a Republican House of Representatives and a Republican Senate. This history of broken promises, this history of tax increases, that changed in 1995.

We had this theory when we came here in 1995 that went like this: Rather than raising taxes on the people and taking more money out here to Washington, why don't we slow the growth of spending here in Washington, have fewer Washington spending programs and get to a balanced budget, because Washington is spending less, not because they are taking more money out of the pockets of the American people. That was our theory.

Our theory went like this: If we can just get Washington to spend less money, that means they would borrow less money out of the private sector. If they borrowed less money out of the private sector, of course, that means more money available in the private sector; more money available in the private sector, the law of supply and demand is straightforward, the interest rates stay down.

So if we could just get Washington to spend less money, they would borrow less money. That would leave more money available in the private sector, and with more money available, the interest rates would stay down. If the interest rates stayed down, our theory was, people would buy more houses, buy more cars; and of course when people bought more houses and cars, that meant other people had to go to work building the houses and cars, and that meant job opportunities and less welfare and less cost to the Government and more people paying taxes in. This was the 1995 theory.

I think it is more than fair that the American people should at this point start asking how did they do? How are the Republicans doing? They came here in 1995, laid down a plan to balance the budget in 7 years, how are they doing?

I think that is a legitimate question. I brought the next chart along to show exactly how the new Congress, since 1995, is doing. The red columns in this chart show the promises that were made in 1995. These are the deficit amounts that the Republican Congress said we would keep the deficit to in order to reach a balanced budget by the year 2002.

I am happy to say that in the first year, and this is in, this is not a promise, an empty promise, we not only hit our target, but we were about $50 billion ahead of schedule.

So the good news is, in year one, the Republican plan not only hit our target, we were well ahead of schedule. Year two came. Year two, the change was significant. Washington borrowed over $100 billion less than was projected out here until year two and it worked exactly the way the theory we had hoped would work.

That is when Washington borrowed less money, because their deficit was lower, that left $100 billion more money available in the private sector; $100 billion more in the private sector kept the interest rates down, and sure enough, it worked. People bought more houses and cars and stoves and refrigerators and all the other things that go with it, and that provided job opportunities so the unemployment rate dropped to the lowest level in years. That meant job opportunities for people. They went to work and started paying taxes in, and of course, that made the program go better.

The rest of this chart was kind of theory a few days ago. We found out recently that the theory was way too lacking the optimism that should be there because of the strong economy we are in. We are now finding we are going to reach a balanced budget, this blue column, the actual deficit is going to go to zero sometime between the year 1998 and the year 1999, 3 or 4 years ahead of the promise that was made by the Republicans back in 1995. Is this a change or what?

Before 1995, we had the broken promises of Gramm–Rudman-Hollings and the higher taxes. Post-1995, well, we are 3 years into the plan and are now looking at balancing the budget 3 years ahead of schedule for the first time since 1969, and lowering taxes and restoring Medicare at the same time because the idea of constraining the growth of Washington spending works.

□ 2145

A lot of folks say, well, you are just plain lucky out there in Washington. You are just plain lucky. The economy is booming, and since the economy is booming there is more revenue coming

in, and you guys can get your job done and you all look great out there doing it, and everybody is bragging about it.

I brought with me a chart to show the actual facts on that particular argument as well, because I hear that quite a few different places that I go to. We have had booming economies in the past. In the past every time Washington went into a booming economy Washington subsequently went into booming spending cycles. In fact, all the extra revenue that came in, they spent it, so we never did get the deficit down. We never did get to a balanced budget.

In fact, this Congress since 1995 is very different. We are in a booming economy. Yes, the revenues are coming in stronger than expected. But rather than go and spend the extra money, this Congress has seen fit to slow the growth of Washington spending by over 40 percent at the same time the economy remains strong.

This is how fast Washington spending was growing before 1995. This is how fast it is growing since 1995 on through the year 2002. So let us make this very clear. In the face of a strong economy and more revenues coming in, instead of Washington doing what it has always done in the past, going and spending the extra money, what Washington did is at the same time the economy was strong they slowed the growth of Washington spending.

So in the face of a slowed growth of Washington spending and a strong economy, we hit our deficit targets, we are on track, we are ahead of schedule, and we are about to balance the budget for the first time since 1969, while at the same time lowering taxes and restoring Medicare.

For those that are interested in inflation-adjusted dollars, it is even more dramatic. The Washington spending was increasing by 1.8 percent. It has now been slowed to .6 percent. We are down to a point where Washington spending in real dollars has virtually stopped in terms of increasing spending. That is good news, and that is why we are also able to both balance the budget and reduce taxes at the same time for the good of the American people.

I brought one more chart with me that I think says it all, because a lot of people are saying, well, how can all of this stuff happen at the same time? You know, in fact, would this all have happened anyhow?

This chart shows what would have happened if when we got here back in 1995 we had played golf, tennis and basketball instead of doing our jobs. The deficit line that is shown here in the red, this is what we inherited when we got here, back in 1995. In fact, Members can see that the deficits were projected to go all the way up to $350 billion at that point in time.

A lot of people remember 1995. They remember the 100 days. They remember the government shutdowns. They remember the hassles and what seemed like a constant battle out here in Washington. I want to say something. I was here. It was a constant battle. It was worse here living through it than what the American people saw out there in public.

But at the end of 1995, we had made progress. This yellow line in the chart shows what the deficit projections were after one year of very difficult battles. The green line shows what we had hoped to do. We laid this out in 1995, and again, we hoped to get to that balanced budget by the year 2002.

The good news is here. The good news is what we have actually accomplished is below either one of those projections, and in fact we are now going to reach zero right here in the year 1998 or 1999. So not only are we not losing what was given to us in 1995 when we got here, but we are going to reach a balanced budget in 1998 or 1999 for the first time in more than a generation.

Again, I cannot emphasize this enough. The last time the budget was balanced I was a sophomore in high school. My son is now a junior in college, my daughter is a freshman in college, and my youngest is a freshman in high school. This is more than a full generation ago, the last time we balanced the Federal budget. It is great news for the future of this country.

I have been real upbeat and I have been real optimistic about this, as well we should be. We should be celebrating this first balanced budget in a generation; welfare reform, taxes coming down, Medicare restored, we should be celebrating this. But we would be remiss if we did not recognize that even after we got a balanced budget, we still have this $5.3 trillion debt hanging over our head.

Remember, when we say the budget is balanced, that is just a checkbook. All we mean is that we are taking in as many dollars as we are spending in this given year. That does not pay this debt off. I have good news on that front, though, too. We are working on it. We have a plan on the table right now, it is called the National Debt Repayment Act.

What the plan does is this. It says after we reach a balanced budget, we recognize we still have this huge problem. We have a responsibility to future generations to do something about this problem. So after we reach a balanced budget, we are going to cap the growth of Washington spending at a rate of at least 1 percent under the rate of revenue growth. So spending is now going up slower than revenue growth.

With spending going up slower than the rate of revenue growth, if you start a balance, that creates a surplus. With the surplus, we take one-third of that surplus and provide additional tax cuts to the American people, so the American people should expect a tax cut every year from here on out. Two-thirds of it goes to repaying the Federal debt.

I have great news. If we were to enact this plan, by the year 2026 the entire Federal debt would be repaid, and we would pass this Nation on to our children debt-free. But there is another hidden advantage to doing that. As we are paying down the Federal debt, the money that has been taken out of the Social Security Trust Fund would also be returned.

Social Security is collecting more dollars than it is paying back out to our senior citizens in benefits each year. As a matter of fact, this year alone the Social Security system will collect about $70 billion more in tax revenue than what it is paying back out to our senior citizens in benefits.

The idea is that money is supposed to be set aside in a savings account so when the baby boom generation gets to retirement, you can go to the savings account, get the money, put it in the checkbook, and make good on the Social Security payments to our senior citizens.

That money, though, it is not in that savings account. That money is all part of this $5.3 trillion debt. What Social Security is doing is instead of putting the money in the savings account, they are collecting the Social Security tax dollars, more than what they are paying out to seniors in benefits, they are putting all the money in the general fund, in the big government checkbook, if you like. They are writing out checks out of that checkbook, and of course there is no money left at the end. That is the deficit. Then they are simply putting an IOU down in the Social Security Trust Fund.

Under the National Debt Repayment Act, as we go about paying off the Federal debt, we would also be putting the money back into the Social Security Trust Fund. So under the National Debt Repayment Act, we create a surplus by slowing the growth of Washington spending, which we have already been successful doing.

We just continue what we have done for the last 2 years, continue it on forward. We create that surplus, we take one-third of the surplus and work to reduce taxes further each year for the American people. We take two-thirds and apply it to the Federal debt, and when we are repaying the debt, it is completely repaid by the year 2026, we are also restoring the Social Security Trust Fund.

Just think about this. It is not only the fact that we are doing the right thing, we are paying the bills we have run up over the last generation; it is not only that. It is not only that we are going to give this Nation to our children debt free.

It goes a step further. When the debt goes away $1 out of every $6 that the Federal Government is now spending no longer needs to be spent. That opens the door for huge tax cuts for the American people.

When we start talking about these tax cuts, let us talk about some of the possibilities here, because under the National Debt Repayment Act, as the debt gets paid down, lower interest

payments, the government needs less money, we can now talk about revamping the entire tax system.

I do not know how all of my colleagues feel and all the listeners this evening feel, but many of us do not like the fact that the IRS is so complicated it is almost impossible to understand. In all fairness, the new Tax Code did not make it any easier. It did lower taxes. We should not complain about the fact that taxes are coming down. But the fact is the IRS is far too cumbersome and far too difficult to understand.

As we look at these tax cuts down the road, therefore, it gives us the opportunity to throw out the IRS as we know it and bring in a new tax system that would be a lot simpler than the one we have today. Until we get this in hand, we cannot do that.

So the good news under the National Debt Repayment Act, and again I would encourage all of my colleagues that are not already on board as cosponsors to join us in the National Debt Repayment Act, what it does is it pays off the debt by the year 2026 so our children get this Nation debt-free, restores the Social Security trust fund for our senior citizens, and for those people in the work force today, for those people in the work force today, they should expect additional tax cuts each and every year as far as the eye can see. It is great news to the American people.

When we start thinking about the future tax cuts, I opened the hour here by talking about the fact that I had listened to a lot of people out there in Wisconsin. What the people told me when I listened to them is two tax cuts they were most interested in. The first one is the marriage tax penalty. This is just totally unfair in our society today. I could not find anybody who did not think we should not get rid of the marriage tax penalty.

That works like this. If you have 4 people all working in the same place at the same time earning exactly the same salary, but two of those people are married to each other and two of those people are not married to each other, the two people not married to each other pay less tax than the two people that are married to each other. That is called the marriage tax penalty, and that is just plain wrong. That is one thing I heard.

The other thing I heard repeatedly is, Mark, just simplify the entire Tax Code. Just make it a lot simpler. If you are going to do more tax cuts, for goodness sakes, just cut it across board. I can tell the Members, we are going to look forward to eliminating the marriage tax penalty and work towards an across-the-board tax cut for virtually all Americans out there. So whatever bracket you are in, it would be very easy to compute if your taxes went down by 5 percent or 10 percent or whatever the number is.

I would like to wrap up my part this evening by again going back and just comparing the past, the present, and the future.

The past: broken promises of the Gramm–Rudman-Hollings bill, the higher taxes of 1990, 1993; especially 1993, the biggest tax increase in American history, taxes went up with a gasoline tax increase. For those who were not paying real close attention, the discussion went like, well, that tax increase is only on the rich. But you were rich if you bought gasoline at a gas pump, because it went up 4.3 cents a gallon.

So the tax increases of 1993, the broken promises of a balanced budget of Gramm-Rudman-Hollings, all of these deficits that ran up this huge 5.3 trillion dollar debt, that is all in the past. In 1994, the American people, and the credit should go to the American people, the American people changed what was going on. They sent a new group out here to run Washington.

Under that new group, where are we at? I think it is a fair question to ask, where are we at? We are in the third year of a 7-year plan to balance the Federal budget. We are not only on track, we are ahead of schedule. We will have our first balanced budget since 1969 next year, three or four years ahead of what was promised back in 1995. So for the first time since 1969 the budget will be balanced. It has changed here in Washington. Instead of the broken promises of the past, we will have a balanced budget for the first time.

How about the higher taxes of 1993? That is not happening under this Congress, either. As a matter of fact, taxes are coming down. Just to run through that list of tax cuts and what is all in this bill, again, just briefly, $500 per child, starting—it is $400 next year and goes up to $500 the year after; capital gains going from 28 to 20, or even to 10, depending on your income bracket. If you sell your home, it is your principal residence, you have lived there for 2 years, in general there will be no taxes on the sale of your home. However old you are, the one-time exclusion age 55 is no longer there.

Grandparents, parents, to save up for your children's education you can put up to $500 per year per child into a savings account. The interest accumulates tax-free. College tuition for most freshmen and sophomores out there, the parents are going to keep $125 a month more. That is $125 a month more if you have a freshman or sophomore in college, in most cases you keep that money in your house. You earned it. It is not a gift. You earned it. It is your money. You keep it instead of sending it out here to Washington. $1,500 is the total for freshmen or sophomores, $1,500, and in most cases for a junior or senior it is $1,000 that you keep in your own home.

If you are in a pension fund today, wherever you are, if you are saving for retirement, if you would like to increase the amount that you are saving for your retirement, there is a new IRA called the Roth IRA that most everybody watching tonight, my colleagues, are eligible for. You can put up to $2,000 per year per person into the Roth IRA for a husband and wife, $4,000 a year you put in after-tax dollars, which means you have already paid taxes on that money. But the good news is the interest accumulates tax-free, and when you take it out, it is tax-free completely. So you put the money in, it accumulates, and at retirement when you take the money out it is tax-free.

For young folks, if you want to save up to buy a house or college education, put money into an IRA type account and you are allowed to take it out without the penalty. For small businesses, and I may not have mentioned this one earlier, the health care deduction for self-employed people is going all the way up to 100 percent over a period of years.

Death taxes are reformed. Ninety percent of farms are passed from one generation to another with no taxes paid. Businesses, family owned businesses will pass on to the next generation in many cases without taxes so the jobs can stay there in the community.

The point of this is we are in a very, very changed Washington, DC. The tax hike of 1993 versus the tax cut of 1997, that is dramatically different. There has been a dramatic change that has been brought on by the American people, sending a new group out here to control the House and Senate, and the American people have a right to understand just how far we have come.

The present: a balanced budget for the first time since 1969. The present, tax cuts, the first time in 16 years. The present: Medicare restored for our senior citizens. The present: welfare recipients, able-bodied welfare recipients having the opportunity to work so they have a chance at a job promotion and a better life for themselves and their families. That is the present. It is very, very different than it was just a couple of short years ago out here. I do not believe the American people fully understand the magnitude of the change yet. That is the present.

Where are we going? Well, even after we get the budget balanced, even after we started with the first tax reduction in 16 years, Medicare restored for a decade, we still have a $5.3 trillion debt hanging over our heads.

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We have introduced the National Debt Repayment Act, which would repay the debt in its entirety by the year 2026, giving this Nation to our children debt-free. It would restore the Social Security Trust Fund for our senior citizens and, as it creates surpluses by controlling the growth of Washington spending, one-third of those surpluses would be used to provide additional tax cuts.

Think what a changed environment this is: The budget is balanced, taxes coming down, and a plan on the table

that actually talks about paying off the Federal debt, instead of how we are going to stop borrowing this money. What a changed country this is.

We as the American people should start having optimistic visions of the future again for our children. Growth, opportunities, our kids are going to have opportunities in America just like we did to start from scratch and build a company from the ground up, or do what they want to do in this society. Those opportunities will once again be there because instead of passing them an ever growing debt, instead of giving them a legacy of virtual bankruptcy, we are now in a position to talk seriously about repaying the debt, passing the Nation on to our children debt-free, restoring Social Security for our senior citizens, and additional tax cuts for people in the work force today.

That is what this is all about, and I sincerely hope that is what my service to this country is all about, because it is a worthwhile endeavor if we reach those goals.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GONZALEZ (at the request of Mr. GEPHARDT) for today and the balance of the week, on account of medical reasons.

Mr. SCHIFF (at the request of Mr. ARMEY) for today and the balance of the week, on account of medical reasons.

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 Ms. JACKSON-LEE of Texas) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. BISHOP, for 5 minutes, today.

Mr. GREEN, for 5 minutes, today.

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

Mr. HULSHOF, for 5 minutes, on September 4.

Mr. MCINTOSH, for 5 minutes, on September 4.

Mr. HOEKSTRA, for 5 minutes, today.

Mr. CAMPBELL, for 5 minutes, today.

Mr. GOSS, for 5 minutes, today and on September 4 and 5.

Mr. JONES, for 5 minutes, on September 9.

Mr. BILIRAKIS, for 5 minutes, on September 4.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. PAYNE, 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 Ms. JACKSON-LEE of Texas) and to include extraneous matter:)

Mr. HAMILTON.
Mr. ROEMER.
Ms. DELAURO.
Mr. MOAKLEY.
Mr. DAVIS of Illinois.
Ms. MALONEY of New York.
Ms. WOOLSEY.
Mr. LANTOS.
Mr. NADLER.
Mr. HOYER.
Mr. OLVER.
Mr. DICKS.
Mr. PASCRELL.
Mr. BONIOR.
Mr. TOWNS.
Mr. KLECZKA.
Mr. BENTSEN.
Mr. STARK.
Mr. LIPINSKI.
Mr. NEAL.
Ms. JACKSON-LEE of Texas.
Ms. SANCHEZ.
Mr. CLEMENT.
Mr. BERMAN.
Mr. MANTON.
Mr. DINGELL.
Mr. HASTINGS of Florida.
Mr. CLAY.

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

Mr. FORBES.
Mr. HUTCHINSON.
Mr. HAYWORTH.
Mr. NEY.
Mr. SHIMKUS.
Mr. LEWIS of California.
Mr. CAMPBELL.
Mr. SOLOMON.
Mr. GREENWOOD.
Mr. BEREUTER.
Mr. FRELINGHUYSEN.
Mr. DUNCAN.
Mr. DAVIS of Virginia.
Mr. CALVERT.
Mr. BOB SCHAFFER of Colorado.
Mr. CHRISTENSEN.

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

Mr. PACKARD.
Mr. ETHERIDGE.
Mr. GOODLATTE.
Mr. KIND.
Mr. ENGEL.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1120. An act to provide for a consultant for the President pro tempore; to the Committee on House Oversight.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 408. An act to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

H.R. 584. An act for the relief of John Wesley Davis.

H.R. 1198. An act to direct the Secretary of the Interior to convey certain land to the City of Grants Pass, Oregon.

H.R. 1585. An act to allow postal patrons to contribute to funding for breast cancer research through the voluntary purchase of certain specially issued United States postage stamps, and for other purposes.

H.R. 1944. An act to provide for a land exchange involving the Warner Canyon Ski Area and other land in the State of Oregon

H.R. 2014. An act to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

H.R. 2015. An act to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On August 1, 1997:

H.R. 2014. An act to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

H.R. 2015. An act to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

H.R. 1198. An act to direct the Secretary of the Interior to convey certain land to the city of Grants Pass, Oregon.

H.R. 584. An act for the relief of John Wesley Davis.

H.R. 1944. An act to provide for a land exchange involving the Warner Canyon Ski Area and other land in the State of Oregon.

H.R. 1585. An act to allow postal patrons to contribute to funding for breast cancer research through the voluntary purchase of certain specially issued United States postage stamps, and for other purposes.

On August 4, 1997:

H.R. 408. An act to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

ADJOURNMENT

Mr. NEUMANN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Thursday, September 4, 1997, at 10 a.m.