hold the Executive Office of the President to the same standards of fiscal accountability as the various departments under the Chief Financial Officers Act. It is essential that the financial systems of the Executive Office of the President serve the President and his senior staff in an efficient and effective manner.

As the President and Congress work together to eliminate unneeded programs and make others fiscally more effective, it is essential that the highest public office in the land be an example of financial accountability.

☐ 1430

I look forward to this legislation clearing the Committee on Government Reform and Oversight and coming before the House. I would hope that, as last year, this would be overwhelmingly passed on suspension.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 695

Mr. JONES. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 695.

The SPEAKER pro tempore (Mr. UPTON). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

TAX CUTS

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 today to bring back information that I heard all over my district this weekend. We had a chance to travel and see my son who is a junior in college. I got a chance to talk to some of his friends at college as well as some of their parents. I thought I would come back today and relay some of the information regarding the tax cuts because they still seem to be generally misunderstood out there. They affect so many people in so many good ways, that this is good news that just plain needs to go out to the American people.

I would like to start today by going through the tax cuts, reminding all of my colleagues out there what is all in the bill as it relates to these tax cuts. And remember this is legislation that has actually passed Congress. This is now the law. The law has changed dramatically in terms of how much taxes are owed by families out there, by senior citizens out there. The tax laws have changed and they have changed dramatically.

I thought I would start today by revamping what is in the change in the Tax Code. Before I go into the specifics of this, I think it is important to also note that we are about to balance the budget for the first time since 1969. For all the folks out there saying how can you both cut taxes and balance the budget at the same time, let me explain very simply that by curtailing the growth of Washington spending; that is, Washington spending grows less, that leaves more money available and it is simply being returned to the American people. So we are both balancing the budget and lowering taxes at the same time.

Let me go into some of the things that I found that my families out in the First District of Wisconsin were talking about and found very useful for their information. Let me start with the simplest one that is the most straightforward.

Each family with children next year 17 or younger gets a $400 tax credit for each child. If we start there with the simplest one, what this really means is that in January of next year a family with children should go into their place of employment, they should lower the amount of tax dollars that are sent to Washington, DC, by $33 per month per child. This is literally a change of where the money that our workers are earning, where that money is going to. In the past that $33 came out here to Washington; now it should go into your take-home pay. But you have to go in and adjust the W–4 form in order to increase your take-home pay and decrease the amount of money that is coming out here to Washington.

The $33 per month per child is very simply $400, the tax credit per child, divided by the 12 months in the year. Starting with January of next year, a family with children should increase their take-home pay by $33 per month for each one of their children. So if you are a family of five like ours, you have three kids 17 and younger, for example, you should increase your take-home pay by roughly $100 per month starting next January. That affects approximately 550,000 Wisconsin families alone. But it does not end there.

Families saving up to send their children to college, there is a new education savings account and it works like this: A family with children can put $500 per year into a savings account that will then accumulate interest tax free until the children are ready to go to college, called the education savings account.

I found that a lot of the grandparents were talking about this because a lot of times a birthday will come or Christmas and they will not quite know what to get the grandchildren for a gift. This makes a wonderful gift. The grandparents can literally put this money into the education savings account, and it works like an IRA for the kids. When the kids get to college, education age, they simply take the money out and use it to go to college.

Another one for families with kids already in college. If you have a freshman or a sophomore in college, virtually all freshmen and sophomores in college paying $2,000 a year or more for room, board, and tuition will get a $1,500 credit next year on their taxes. If you have a freshman or a sophomore in college, it is a $1,500 tax credit next year.

It works like this: It is 100 percent of the first $1,000 of cost and 50 percent of the next $1,000, or $1,500 total out of a total cost of $2,000.

So for most of the families and most of the college students I was talking to over in New Ulm, MN, most of those families will get a $1,500 credit next year for the freshman and sophomore. If you are beyond the sophomore year, it is 20 percent of the first $5,000, or in most cases it is $1,000. So for freshmen and sophomores, the tax credit is $1,500. For juniors, seniors, and beyond that, the tax credit is $1,000.

And again, if you are not paying that much overall for your room, board, and tuition and total cost of going to college, it is prorated backwards. Freshmen and sophomores, virtually all of them that we talked to, would be eligible for the $1,500 per year credit. Junior, seniors and beyond, many of them are going to be eligible for the full $1,000, and some of them prorated amounts.

These are major changes in Tax Code policy that are going to allow our families with children and with college age children to keep more of their own money. Let me give you an example what we found.

Friends of ours from church, they have got one off in college, just started this year, is going to the same school as my daughter, Carthage College in Kenosha, WI. They have got two kids still at home. That family is eligible for $1,500 for the student enrolled at Carthage and $400 for each one of the two kids at home for a total of $2,300.

Let me translate that again. In January of next year, this family should literally start taking home roughly $200 a month more of their own money instead of sending it to Washington. Again, this is a family with a freshman who got $1,500 for the freshman college credit, $400 for each of the other two children still at home, for a total of $2,300 that they keep in their house instead of sending it to Washington.

It was really interesting because when I talked to some of the folks out there they said, I do not have kids and, therefore, I am not eligible for any of this. A lot of those families found that they had stock that had appreciated in value. They were going to sell that stock. Of course the capital gains rate has been reduced from 28 to 20 percent. Again, I pause in between. This is not Washington jargon. This is the law. This has been passed. It has been changed. The benefit is there. It is on the books. The capital gains tax rate has been reduced from 28 percent to 20 percent, if you sell stocks or bonds or whatever else it is you might have in that portfolio. I caution folks, take a good look at this, because there are time limits on how long you have to have held the investment.

Let me go to another one that a lot of folks did not realize. This affected one family. We saw some friends of ours that had moved from Wisconsin to Minnesota. In fact, they had sold their home in Wisconsin.

As most people do that have been in their home for a period of time, they made a profit selling the home. That is the way it works. The change in the tax law now says that if you sell your home after you have lived in it for 2 or more years, there are no Federal taxes due.

I started explaining this to one family in Green Bay, WI. The caller on this radio show asked me three times if I was sure I had this right. If you have lived in your home for 2 years or more, principal residence for 2 years or more, and you sell the home and make a profit, there are no Federal taxes due.

The old age 55, where folks in their early 50's wanted to sell but waited for the 55 exclusion, the exclusion is gone. It is at any time during your life. If it is your principal residence for 2 years or more, there are no Federal taxes due on the sale of your home. A person in a situation of a job transfer, like our friends we saw in Minnesota this weekend, where they sold a home in Wisconsin and moved to Minnesota, they are no longer forced to purchase a home of equal or greater value to put off paying taxes. That is the way it used to be. It is not true anymore. If you sell your home, there are no Federal taxes due if it has been your principal residence for 2 years or more in virtually all cases.

I have not talked too much about the farmers. Ninety percent of all farms can now be passed on to the next generation because of this new tax change without paying Federal taxes on it as it is passed from one generation to another. Same thing on closely held family businesses.

Then I saw some union workers. Some of the union workers said, but my kids are all grown and gone and they are out of college; I do not qualify for any of those things you just described. In fact, I am in a pension plan where I work and therefore none of that stuff is applicable to me.

I said, did you think about the Roth IRA. People in their early 50s, kids grown and gone, they are out of college. They are no longer around and not eligible for any of these other tax cuts. They said, well, we are not thinking of selling our house. I said to them, why do you not think about the Roth IRA. The Roth IRA is a brand new account that is going to help allow millions of Americans prepare to take care of themselves in retirement.

The Roth IRA works like this: You can put up to $2,000 per year into the Roth IRA. The interest that accumulates or stock appreciation or whatever you put this Roth IRA into, as it appreciates in value, you reach retirement age, you take the money out. You do not pay taxes on it. The Roth IRA is sort of like the IRA of old only backward and open to a lot more people.

It used to be in the old IRA's, this is still available for those people that were eligible before, but in the old IRA you put $2,000 in, you wrote it off on your taxes this year. Under the Roth IRA, you do not get the tax deduction this year but when you take the money out in the future, the appreciated money, you do not pay taxes on it in retirement. It is a great way to save for retirement for millions and millions of Americans that virtually takes into account any of the other folks that were not covered or benefited by one of the other tax cuts that I spoke of earlier.

I talked to some young couples who were thinking of a first home or saving up for a future college education, maybe had a bachelor's degree and looking to go back to school, complete a master's or a doctorate. Under the new IRA's, they can also save up for their first home or for future education costs under the Roth IRA.

So the good news is these tax cuts, when we were all over and done discussing them, we found that virtually every American benefits in some way, shape, or form from the tax cuts. From families with $400 per child, to the $1,500 for college credit, to the $1,000 for those that are further on in college, to those that are saving for their own retirement, to those who are already in retirement and sold their home, virtually everybody across the board benefited from the tax cut package. It is just time that America understands what is in it.

My fear is this. My fear is that January is going to get here and those 550,000 families in Wisconsin that are eligible to keep $33 per month per child more of their own money in their own home, they are not going to do it. They are going to let that money keep flowing out here to Washington. When Washington sees the money, as hard as Members like myself are going to fight to stop them from spending it, it is going to be more difficult with the money out here in Washington than if the folks keep the money in their home themselves.

That money belongs to our families in Wisconsin and other families across America. Those families ought to keep their own money. Do not send it out here to Washington and hope you will get it back a year later. Keep it in your own home. You earned it. It is not a gift from Washington. Keep your own money and make the changes as soon as you can. You are eligible in January of next year and those changes should be put into effect immediately. If you have got a freshman in college, 125 bucks a month you ought to be keeping of your own money. If you have a child under the age of 17, 17 and under, $33 a month. Make the changes in your withholding immediately so that money does not get out here to Washington first. Good news for America.

I conclude this portion of what I have to say here today on the tax cuts in a very upbeat mode because we have not only lowered taxes, we did not do it at the expense of future generations of Americans. We have lowered taxes at the same time we balanced the budget, and we did it by controlling Washington spending. And I think that is what the change in 1994 was all about.

With that having been said, I think we should talk about what has happened in the past out here in Washington because it is pretty significant. There is a lot of people very concerned about it, myself included. It is really the primary reason I left the private sector.

What I have in this chart is the growing debt facing the United States of America. We can see that from 1960 to 1980 this debt grew in a very small amount, but from 1980 forward, this debt has grown right off the chart.

A lot of people look at 1980 and they say, that is when Ronald Reagan was elected. That is the Democrats, they blame the Republicans. And Republicans go, that is that Democrat Congress. They spent out of control and the Republicans all blame the Democrats.

The bottom line is that as Americans we need to understand what we are about here on this chart. If we keep fighting, Republicans and Democrats, the problem is not going to get resolved. This is an American problem. We need to look at this picture and understand the problem is real and start addressing the problem.

If you have not seen how much debt we are in as a Nation, it is almost scary to talk about it. The number is $5.3 trillion and the number looks like this. The people that were here in Washington before 1995 saw fit to spend $5.3 trillion more than they collected in taxes basically in the last 15 years.

Let me translate that into English. I used to teach math. We used to divide the total debt by the number of people in the country. Every man, woman, and child in America today is responsible for $20,000 of debt. If we divided debt up amongst all the people in the country, $20,000 for every man, woman, and child in America, and for a family of five like mine, it is $100,000.

Here is the kicker on the debt. That is real debt. And like all debt, you pay interest on it. A family of five today in America is literally paying $580 a month every month to do nothing but pay interest on the Federal debt.

Let me put this another way: The Federal Government is collecting taxes out of the paychecks of workers all across America, for a family of five in the amount of $580 a month, to do nothing but pay interest on the Federal debt.

A lot of folks are going, I do not have to worry, I do not pay that much in taxes. The reality is every time you walk in the store and you do something as simple as buy a loaf of bread, the store owner makes a small profit on that loaf of bread and part of that profit gets sent out here to Washington, DC. You guessed it. It goes to pay interest on the Federal debt. As a matter of fact, $1 out of every $6 that the Federal Government spends, remember, when they spend money, they are collecting it out of your paychecks first, $1 out of every $6 that they collect out of your paychecks goes to do nothing but pay interest on the Federal debt.

☐ 1445

I think it is reasonable to ask how it is that we got to this situation. I think to answer that question we ought to look back at what was going on out here before 1995 so we can see the difference.

In 1994 the American people said, we are not going to put up with this anymore, and they elected a new Congress. And I think it is important to look at the difference between the past and what is happening now and understand that there has in fact been a very significant change.

This is the Gramm-Rudman-Hollings bill of 1985 and the blue line shows how they were going to decrease the deficits and get a balanced budget in 1991. The red line shows what they actually did back then. They did not meet those targets. They left the blue line literally after 1 year and they never came close to hitting the targets again.

Well, they did what Washington does pretty well. When they saw they could not make the first projections, they gave some new promises out of this city, and the new promises went like this: Well, we will balance the budget by 1993. We see we cannot keep the old promises, so we will make some new ones.

But what happened is after a year and a half they quit honoring their promises again. And in 1993, the year they were supposed to have the budget balanced, based on all those promises again, instead of balancing the budget, they raised taxes.

The thinking went like this: Well, we understand we cannot control Washington spending. So what we will do instead is we will simply reach into the paychecks of American workers and take more money out here to Washington, because if we get more money out of their paychecks, we can maintain our Washington programs, keep spending money out in this city, and eventually we will get to a balanced budget because we will keep taking more and more money out of their paychecks.

That was 1993. The biggest tax increase in American history was passed in that year.

That has led to the problems of today. Raising taxes did not and does not work to balance the Federal budget. That is not how to go about balancing the Federal budget.

Well, in 1994 the American people looked at this situation and said broken promises, higher taxes? That is not what we want going on in Washington, DC. We want a group of people out there who will promise us a balanced budget, keep their promises and, at the same time, lower our taxes.

That was 3 years ago. And I think it is reasonable that the American people start asking what has happened since 1995 when we put the Republicans in control of the House of Representatives and we put the Republicans in control of the Senate. Has it been different?

Let us be fair about this. They left a Democrat President in control out here. So the American people have a right to ask, with Republicans in control of the House and Republicans in control of the Senate and, in all fairness, a Democrat President, what is going on?

Well, in 1995, we laid a plan into place to balance the Federal budget, too. We inherited this. If we had done nothing when we came here, if we had done absolutely nothing when we got to Washington, this was where the deficit was going to. As a matter of fact, it would have grown to $350 billion. When we got here in 1995, if nothing would have changed, we would have played golf, we would have played basketball and not done our job, the deficit was growing and it was going to keep right on growing.

After 12 months, and many people remember the hassles of the first 12 months of 1995, in those 12 months we went through battle after battle after battle to change what was going on in Washington, DC. By the end of December, if we had quit at that point, the yellow line shows where the deficit would have gone.

But we had this plan in place, and the plan was the green line. This green line is much like what we saw in the Gramm-Rudman-Hollings promise of the past chart. The only difference is, instead of missing our targets, we are not only on track but ahead of schedule.

Remember, this is the promise. Much like the promises made under Gramm-Rudman-Hollings, but instead of being above that target we are below the target. We are not only on track to a balanced budget but we are significantly ahead of schedule.

Is there anything different from pre-1995 to post-1995? You bet your bottom dollar there is a lot of difference out here. Instead of missing our targets, we are on track and ahead of schedule, and we will deliver to the American people a balanced budget, literally by the year 1999, at the latest, maybe even 1998, 3 years ahead of schedule. No more broken promises.

We are not doing it with higher taxes but by controlling the growth of Washington spending.

When I am home in my district and I am telling this, a lot of people say, yes, but the economy is strong. It is all the economy that is doing it. And in all fairness, the economy is strong. But we have had strong economies in the past, and when we have had strong ecomomies in the past, and Washington slides to revenue, Washington simply increases their spending to match that increase in revenue and the deficits kept going up.

Washington is different since 1995, and I think the people have a right to know. Before 1995, when we got here, this red column shows how fast spending was going up. It was going up 5.2 percent annually. When we got here in 1995, we slowed the growth of Washington spending. Instead of going up at 5.2 percent it is now going up at 3.2 percent, frankly, faster than some of us would still like to see it. We would like to see this even smaller yet.

But let us be real about this. We had a 40-percent drop in the growth of Washington spending in a 2-year period of time. We have a strong economy, extra revenues coming in and, at the same time, we have slowed the growth of Washington spending.

The result? The result is we can both balance the budget and reduce taxes at the same time. That is great news for the future of this country.

I brought a chart to help explain this a little better, because it gets reasonably simple to understand how that changes the impact of what is going on out here and why we are actually at a balanced budget sooner rather than later, and why we can both reduce taxes and balance the budget at the same time.

This red line shows spending growing at 5.2 percent, just like the last chart I had up here, and we will notice when we get to 1995 the red line starts going up at a slower rate. Well, since the red line is going up at a slower rate and the blue line shows revenues, and the blue line keeps going up at a very strong rate, well, if the red line goes up slower and the blue line goes up faster, we reach a balanced budget ahead of schedule.

That is, in effect, what has happened. We can see from this picture that as the revenues grow at a faster rate, and spending, instead of growing at a faster rate to keep up with that, grows at a slower rate, we get to the point where the two lines cross each other and, in fact, we have a balanced budget not only in the year 2002, as promised, but significantly ahead of schedule, perhaps 1998 or 1999.

It is also interesting to note what happens next. With the revenues continuing to grow and the spending growth slow, we actually create a surplus out here where we can look at having more Federal dollars coming in than what we are spending.

Now, I do not think we should negate our obligation and responsibility here. With more Federal dollars coming in than what we are spending, we certainly have a responsibility to return some of those dollars to the American people, but we also still have that $5.4 trillion debt staring us in the face, and that has to be paid down.

But the point here is that as revenues keep going up and spending growth is slowed, we get to a balanced budget not only on track, but ahead of schedule and we actually start developing surpluses as early as the year 1999. This is phenomenal news for the United States of America, and it is a phenomenal change from where we were before 1995.

The credit for all of this? The credit should go to the American people because, after all, it is the American people that saw fit to change who was in control of Washington, who saw fit to send a group out here that would in fact control the growth of Washington spending as opposed to spending more in the face of a strong economy.

I have one other chart up here that just helps us also to see just exactly what is going on and how much we are keeping our commitment to the American people. The red columns here show the promises made by the new Congress in 1995 when we got here. And these are easy to check; these are actually down in law.

This is the deficit projection that we said, in order to reach a balanced budget, we had to achieve. Well, in 1996 we said the deficit had to be $154 billion, as we laid out our path to a balanced budget. It came in actually not only on target but ahead of schedule at $107 billion.

The second year, 1997, we had projected it had to stay at least at $174 billion in order to keep us on track. Actually, it is coming in, the chart shows $67, it is actually coming in at $34 billion.

I want to talk a bit about how this helps the economy and why we are seeing such a boom even though we are at the end of what might be considered a normal business cycle. This means the Government spent $100 billion less than everyone expected them to spend. When the Government spends $100 billion less, and that means they borrow less out of the private sector, that means there is $100 billion more money available in the private sector.

This is kind of the law of supply and demand. If there is more money available in the private sector, needless to say, the interest rates will stay down. With the interest rates down, of course, the natural things happen: People buy more houses, they buy more cars, they buy more things. And when people buy more houses and cars, because the interest rates are down, that of course means there are job opportunities because people have to build those houses and build those cars and build those washers and dryers and all the other things they are buying to go into those homes.

So it works pretty much like this. The Government not only hit their target but they are way ahead of schedule, $100 billion. Since they borrowed $100 billion less out of the private sector, that left $100 billion more available in the private sector. Well, banks had to lend that money out, so they kept the interest rates down so people would buy more houses and cars, people bought more houses and cars, and when they did that, of course other people went to work and started paying taxes instead of drawing off the welfare roll.

That was our theory back in 1995. This picture shows how well that theory works. It is kind of a self-fulfulling prophecy. As the Government borrows less, there is more money available, the interest rates stay down, and when the interest rates are low and capital is available, that means people buy houses and cars. When they buy houses and cars, we expect the unemployment rate to stay low, and that is actually happening all around us right now.

So I contend the picture we are looking at is not really not to be expected; it should be expected, because the theory is now a reality. It is not a theory any longer; it is now a working model. And in fact we see in this picture our working model is very effective and works pretty well.

Now, having said all that, I go back to the first chart we had up here. It is the chart that shows the growing debt. Because as positive and optimistic and upbeat as all this is, we have talked about the fact that it has changed since before 1995. In the past we had the broken promises of Gramm-Rudman-Hollings; in the past we had the tax increases of 1993, and in 1994 the American people changed that. They put the Republicans in control of the House and the Republicans in control of the Senate and, in all fairness, they have left a Democrat President in charge, so let us keep it as bipartisan as we can. But the reality is, it changed dramatically in 1994.

So, with this change, we have reached a balanced budget for the first time in a generation and lowered taxes for the first time in 16 years, but we have still got this problem that we are right here on this debt chart. So I think the remaining question that has to be asked is, if this group that is now in charge out here is actually going to solve the problems facing this Nation, balancing the budget for the first time since 1969, lowering taxes for the first time in 16 years, restoring Medicare, what about that debt that is still out there facing the American people? Are we really willing to leave that as the legacy that we pass on to our children?

If nothing is done about it, we keep the budget balanced so we do not borrow more money, we will still pass that $5.3 trillion debt on to our children. That is the remaining question that needs to be answered.

I am happy to say that we have developed a plan that specifically addresses that question. It is called the National Debt Repayment Act. Now, under the National Debt Repayment Act, of course our ultimate goal is to pay off the Federal debt to pass this Nation on to our children debt free. When we think of the benefits of passing this Nation on to our children debt free, it would be nice if, a generation from now, a family of five did not have to send $580 to Washington to pay nothing but interest on the Federal debt.

Here is how the plan works. After we reach a balanced budget, and again it has to do with the revenue line climbing faster than the spending line, after we reach a balanced budget, we cap the growth of Washington spending at a rate 1 percent lower than the rate of revenue growth.

Now, a lot of folks will look at this red line, which is the spending growth, and say, wait a minute, I have been hearing about these draconian cuts that are being made in Washington, but how come that spending line is still going up there?

Well, it is time the American people get to know the truth. Even when Washington slows the growth of Washington spending, the spending line is still going up. They are still spending more money each and every year. Many of us would like to see this red line much flatter than what it is.

I have made a reasonable projection here as to what can be accomplished in this community, even with all the pressures to do all the different things being leveled on the many people out here in Washington.

So what our bill does is, it says, we will let spending go up but at a slower rate than the rate of revenue growth. If revenues go up faster than the rate of spending growth, that creates a surplus. That surplus is used to two ways: First, we use one-third of it to further reduce the taxes on the American people.

And let me address further reducing the taxes on the American people. Our Tax Code is so complicated that virtually no one out there can understand it. Our tax code is so complicated, and I was so frustrated this morning, I about threw one of our staff members out the window, and I owe him an apology, because I was so upset, because as we started going through the tax rules, they are so complicated it seemed like nobody was willing to write down what the actual answer to our question was, because nobody was 100 percent sure because the rules are so complicated.

So as we look at this picture and realize that we can, in fact, create these surpluses by controlling the growth of Washington spending, one-third of those surpluses dedicated to additional tax cuts, let us start by looking at opportunities to reform the Tax Code in its entirety, maybe throw out the IRS as we know this complicated monster to be today, and start with something newer and simpler that people can in fact understand. So I would suggest we use the additional tax cuts for across-the-board tax cuts.

And the other thing I think needs to be eliminated is the marriage tax penalty, and it is important to get to that in a hurry.

☐ 1500

In America today, if four people all work at the same job and all earn exactly the same income but two of those people are married to each other and two of those people are living together, forget the social evaluations on what you think of that, the facts are that two people that are married to each other pay more taxes than the two people that are living with each other, and that is not right in this Nation. That is promoting exactly the opposite of what many of us would think we should be promoting in this country. I would say we need to eliminate the marriage tax penalty and look for across-the-board tax cuts, and with that one-third let us look to revamp the tax system in its entirety and get to something that we can understand.

I have another example of how frustrating it is. My 14-year-old son who mowed lawns and made $900 mowing those lawns owed $128 into the Social Security system, but because he was self-employed, filling out the forms is complicated enough that you need an accountant to do it. That is how ridiculous our tax system is today.

As we look at this picture, and we realize that simply slowing the growth of Washington spending will allow us to develop this surplus and one-third of the surplus goes to additional tax cuts hopefully revamping the tax system, the other two-thirds goes to paying down debt. Let us make this very, very clear. If this program is put into place in 2026, the entire debt, all of it, would be repaid. That is to say, we could pass this Nation on to our children debt-free. Think about the difference and the contrast in these legacies. As we look before 1995 we were looking at passing on a legacy of trillions and trillions and trillions of dollars of debt to our children. We can now look forward to a bright future in America where instead of passing on a $5-plus trillion debt we could literally be on track to pay the Federal debt off in its entirety and instead leave our children a legacy of a debt-free Nation. What a wonderful opportunity we have staring us in the face in understanding that if we simply control the growth of Washington spending we can literally repay the Federal debt. Two-thirds of that surplus then is allocated toward repaying the debt.

I would like to go into one other thing as we are paying down the debt that is very important. The Social Security trust fund plays into this picture very prominently. In Social Security today, we collect more tax dollars than what we are paying back out to our senior citizens in benefits. As a matter of fact, this year alone the Federal Government will take out of paychecks taxes that equal $70 billion more than what is paid back out to senior citizens in benefits. If you collect more money than you are paying out to seniors in benefits, the question is what happens to that $70 billion? It is supposed to be sitting out here in Washington in a savings account on reserve so that when the baby boomer generation hits retirement and starts drawing Social Security, the savings account is there, you get the money out of the savings account and make good on the Social Security checks.

I suspect this will come as no great surprise to anyone when we acknowledge the fact that there is no savings account. All of that money that has been collected that was supposed to be put on reserve for Social Security has been spent on other Washington programs. It is all part of the $5.4 trillion debt. Again I say $5.3 trillion and $5.4 trillion sometimes. The debt is rapidly growing almost as we are on this floor speaking. The debt is growing at roughly $10,000 a second even as I speak here today and even as it has been slowed. That is why it is so important we keep this on track. The Social Security trust fund is collecting more dollars than it is paying back out to seniors in benefits. It is supposed to be sitting in the savings account; it is not, it has been spent on other Government programs, all part of the $5.4 trillion debt.

That brings us back to this picture. As we develop these surpluses by controlling the growth of spending, as we drop those surpluses and we start paying off the Federal debt, one thing we are doing is putting the money back into the Social Security trust fund.

Again, let me make this clear. The money that is being collected today for Social Security over and above what is being paid back out to our senior citizens in benefits, it is currently being spent on other Washington programs. That is wrong. That needs to be stopped. Under the National Debt Repayment Act, all of that money that has been taken out of the Social Security trust fund would be returned to the Social Security trust fund and Social Security would once again be solvent for our senior citizens.

Where are we going with the National Debt Repayment Act? Under the National Debt Repayment Act for seniors the Social Security trust fund would be restored. All of the money that has been taken out of Social Security would be put back into the Social Security trust fund. For people in the workforce today and for anyone who has ever been frustrated filling out their tax forms, under our National Debt Repayment Act, one-third of the surplus is going to additional tax cuts each year, which could then be used to revamp the IRS and make a simpler system overall. Most important for our children, most important of all for the children of this Nation, we can give them a legacy of a debt-free country instead of passing on a $5.3 trillion debt from our generation to theirs. Once again, the next generation in America can look forward to a stronger and a better America like we could when our parents passed this Nation on to us. That is what this is all about and that is what it should be all about.

I would like to kind of summarize today by going back through the tax cuts just briefly and then summarizing the past and the present to wrap up my hour on the floor today. Tax cuts I found to be the most nonunderstood package out there in America today. I am going to run through them quickly. If you have got children 17 and under, most folks are going to get a $400 credit or $33 a month. Starting in January next year, workers should start keeping $33 more a month in their paychecks. You do that by adjusting your W–4 forms. If you have got a college student who is a freshman or sophomore, you get $1,500 starting January of next year, again adjust your paychecks so you keep $125 a month of your own money instead of sending it here to Washington. After all you earned it. It is not a gift from Washington. You earned it. Please keep it starting in January of next year. If you have got children noncollege age 17 and under, it is $400. $400 divided by 12 is $33 a month. Start keeping it in January of next year. If you have a freshman or sophomore in college, it is $1,500 a year, $125 a month. Keep it in your paycheck. Do not sent it out here. For juniors and seniors in most cases it will be $1,000 a year. Again, it is based on 20 percent of the first $5,000 of cost.

Young couples, if you want to save up to buy your first home, you can do that in the tax-free savings account, called the ROTH IRA. Farm owners, if you want to pass your farm on to the next generation, in 90 percent of the cases you will be able to do it without paying taxes. Same thing for all businesses. For the small business owner, and I did not mention this before, the deductibility of health insurance is going up to 100 percent over the next 10-year period of time. Homeowners, perhaps the most significant change in the Tax Code, if you own your home and it was your principal residence for 2 years or more, and you sell that home, there is no Federal taxes due on this. To the young lady in Green Bay, WI, who called me three times to make sure I had that right, yes, I have that right. If you sell your home and you are in your principal residence for two years or more, you do not owe the Federal Government taxes on the sale of that home. For many of the senior citizens who bought at $22,000 and are selling their home for $70,000, this is a huge change. For many people in America who have had a job transfer and in the past gone into the new city and felt obligated to buy a house as expensive or more expensive than the one they sold, from now on that is your choice. There are no Federal taxes due on the sale of your home if it has been your principal residence for 2 years.

Again to the young woman in Green Bay who called and asked three times, we do have it right. There are no taxes due on the sale of your home. The capital gains tax reduction is from 28 percent down to 20. It goes to 18 even later on in the tax bill. Capital gains, depending on your income level, if you are earning $41,000 a year or more, your capital gains tax rate will go to 20 percent, it used to be 28 percent, that is $8 for every $100 you make on the sale of a stock, bonds or that sort of entity. If you are in a lower income bracket, it goes to 10 percent. Capital gains is another reduction.

How is all of this possible? This is all possible because the people that you all, the American people, sent to Washington, the people that you sent to Washington have restrained the growth of Washington spending. Instead of Washington spending more money, we are able now to let you keep more of the money you earn in your own home instead of starting new Washington spending programs out here, and the programs are not working. Spending was going up by 5.2 percent before we got here. We have slowed the growth by 40 percent. It is now going up by 3.2. It is still going up too fast for many of us.

I have talked to a lot of my constituents out there who are very concerned about the fact that Washington spending is still going up too fast and I have to tell all of those folks I agree with them, it is still going up too fast but it is going up at a much slower rate than it was before. Because we have a strong economy coupled with a slower growth of Federal spending, we are now able to balance the budget for the first time since 1969, lower taxes for the first time in 16 years, and restore Medicare all at the same time. This is good news for America. This is what we got sent here to do in 1995, and I am happy to report back to the American people that with the Republican-controlled House and Republican-controlled Senate and in all fairness with a Democrat President, we have gotten to the point where we have literally balanced the budget for the first time since 1969, when I was a sophomore in high school, lowered taxes and restored Medicare.

The future, even after the budget is balanced, we have still got that $5.3 trillion debt staring us in the face. The Social Security money is part of that $5.3 trillion debt. I am happy to report that we have a bill on the table today that will in fact pay off the entire Federal debt by 2023, restore the Social Security trust fund for our senior citizens and lower taxes each and every year as far as the eye can see, giving us the opportunity to dump the IRS as we know it today and get in a system that is easier, simpler, and fairer to the American people. That is a complete picture of an entirely changed Government in Washington, DC. The past of broken promises and higher taxes changed in 1995 to a Government that is going to do the right thing, balance the budget, lower taxes, restore Medicare, and a group of people that are actually looking forward to the future and acknowledging that we still have these problems that must be addressed. We are going to pay off the Federal debt, restore the Social Security trust fund, and lower taxes even further and reform the IRS. That is what the future holds, and for a change we should be looking brightly to the future and to bright, wonderful opportunities of growth and hope and prosperity for our children for the next generation. That is what this is all about and that is what the American people as well as my colleagues here in Washington need to know has changed out here. It is a phenomenal change. More important than any of the people here in this city is what it means to the future of this great Nation we live in. Once again our generation has a chance to look forward to the next generation and say in fact that we are able to pass America on to the next generation in better shape than we received it in.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. UPTON). The Chair would remind all Members to direct their remarks to the Chair and not to the television audience.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 6 p.m.

Accordingly (at 3 o'clock and 10 minutes p.m.), the House stood in recess until approximately 6 p.m.

☐ 1805

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. COBLE] at 6 o'clock and 5 minutes p.m.

GENERAL LEAVE

Mr. PORTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the further consideration of H.R. 2264, and that I may include tabular and extraneous material.

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

There was no objection.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The SPEAKER pro tempore. Pursuant to the order of the House of Thursday, July 31, 1997, and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2264.

☐ 1805

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2264) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1998, and for other purposes, with Mr. GOODLATTE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Friday, September 5, 1997, the bill was open for amendment from page 11, line 1, through page 25, line 8, and pending was the amendment offered by the gentleman from Missouri [Mr. BLUNT].

Is there further debate on the amendment?

Mr. SOUDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in strong support of the Blunt amendment to increase Federal spending for vocational education programs by $11.25 million. Mr. Chairman, earlier this year the Committee on Education and the Workforce worked very hard to improve vocational education opportunities for our country's youth so that the vocational education system will provide quality vocational education for students. These improvements will ensure that our students are equipped to thrive in today's business world.

We worked to streamline and modernize this system because recent trends prove that about three-fourths of America's youth do not complete a 4-year college degree. All of America's young people should receive a high quality education regardless of whether they are bound for college, military service, or directly into the work force. This is even more true today than it was a few years ago as we focus on moving people off the welfare rolls and into work environments, many of whom will not go to college.

We should empower our youth by giving them the vital tools they need to be productive wage earners. We should empower adults to go back and get the education they need to supplement and advance up the work force. We should work through vocational education to look at prevention and not just harassment of businesses as in many cases we find in OSHA. In contrast, in spending dollars on OSHA, the Occupational Safety and Health Administration, to the tune of $336 million, we are funding an agency to issue rules that are not only silly but in some cases detrimental.

Let me give an example. OSHA specifically disregarded clear evidence that their recent requirements changing brake composition would double the stopping distance for cars. Their best estimates, using bad science, indicated they might save three to five workers' lives every few years. By changing the composition of brake pads they increased stopping distance of vehicles by 20 feet. This, according to clear scientific studies by the National Safety Transportation Board, will cause at least 150 more deaths each year and thousands of unnecessary injuries. This was done despite the fact that auto accidents are still a major cause of fatalities among American workers. There is no data that asbestos brakes causes hazards to anybody but there is data that shortening the time it takes to stop a car causes deaths. Why would we as a Republican Congress increase funding for OSHA where