

So, Mr. Speaker, if Members are serious about doing a money-for-reform trade, I suggest they adopt this principle to start with: No IMF reform is real IMF reform until IMF adopts it before it receives any additional money from the United States.

□ 1630

This, in my judgment, is plain common sense. We do not give away \$18 billion of our taxpayers' money on the strength of a promise or on an assurance. Any reform provisions that do not meet this principle should be rejected out of hand.

What should these reforms involve? If our aim is to reverse the destabilizing influence that the IMF has had on the world's economic and financial system, we should insist on these:

One, real transparency requirements that will allow us to open their books and see what in fact they do, what are their resources and what do they do with them.

Two, a ban on the IMF offering of low interest rates below the market. This is very important if we are going to stop this business called moral hazard. It is the oldest story in economics: If you subsidize bad decisions, you get more bad decisions.

Three, a 1-year limit on all IMF loans. When we do that, we again signal to the world, they do not have permanent bailouts for loans or activities that prudent people would not have undertaken in the first place.

I am not naive, Mr. Speaker. I can count votes and I know this is an uphill fight, but it is one we must make even in the waning days of this Congress. In the end, Mr. Speaker, it comes down to first principles. My party believes in freedom and responsibility. Guided by those values, we have resisted the status temptation and instead led America into this era of limited government and broad prosperity. How can we then acquiesce in a plan to vastly expand an international agency that covers other people's bad debts and undermines free market processes the world over?

No, Mr. Speaker, it is time to bring the reforms, the discipline, and the responsibility that make this Nation great to all the world's nations through all the transactions and institutions that this Nation supports and it tries to influence.

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

(Mr. SKAGGS. Mr. Speaker, addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SIMPLIFIED USA TAX ACT OF 1998

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

Mr. ENGLISH of Pennsylvania. Mr. Speaker, the American tax system is a Frankenstein's monster that terrorizes individual taxpayers while casting a cold shadow over the productive sectors of the U.S. economy. It is too complicated. It is riddled with obvious inequities. It punishes savings and investment. It reduces economic growth and burdens domestic industry struggling to remain competitive.

Next week I will introduce the Simplified USA Tax Act, because I want to reform the American tax system in a way that makes sense to average citizens and that, therefore, will pass the test of time. Not only do we need a Tax Code that is fair and sensible, we need one that is stable.

As bad as the current Tax Code is, and I am one of its severest critics, the last thing that we need is to enact some reform that is so radical and experimental that we may have to redo it all over again a few years later.

The Tax Code must give Americans a fair opportunity to save part of their earnings. After all, it is thrift that has helped provide Americans with the security and independence that is the foundation of freedom. It is savings that buys the tools to make Americans more productive. And it is productivity that raises our living standards to the highest in the world.

In my tax reform proposal, "USA" stands for unlimited savings allowance. Everyone is allowed an unlimited Roth IRA in which they can put the portion of each year's income they save after paying taxes and living expenses. After 5 years, all money in the account can be withdrawn for any purpose and all withdrawals are tax free. Nothing could be simpler and nothing could give people a better opportunity to save, especially young people.

Under the new Tax Code, tax rates must be low, especially for wage earners who now must pay both an income tax and a FICA payroll tax on the same amount of wages. The USA tax starts out with low tax rates, 15 percent at the bottom, 25 percent in the middle, 30 percent at the top. Then the rates are reduced even further by allowing wage earners their full tax credit for the Social Security and Medicare payroll tax that is withheld from their paychecks under current law.

I do not propose to repeal the payroll tax because to do so would imperil Social Security, but I do allow a credit for it. And when the credit is taken into account, the rates of tax on workers' wages are very low indeed, in the 7 percent to 17 percent range for nearly all Americans.

The USA tax provides tax relief for all Americans, especially who own their home, give to their church, educate their children and set aside some savings for a better tomorrow. Under my proposal, everyone gets a deduction for the mortgage interest on their home and for charitable contributions they make. In addition, and this is brand new and long overdue in our so-

ciety. USA allows a deduction for tuition paid for college and postsecondary vocational education. Generous personal and family exemptions are also allowed under my proposal.

The USA tax is simplicity itself. The tax return will be short, only a page or two for most of us. But, more to the point, the tax return will be understandable. For the first time in a long time, America's tax system will make sense to the citizens who file the tax returns and pay the taxes. For the first time since inception of the Federal income tax, Americans will have a full and fair opportunity to save whatever portion of their income they wish and for whatever purpose they wish.

For the first time in history, working people will be allowed a credit for the payroll taxes they pay. And for the first time ever, families will have a generous tax-free allowance for the education of their children.

My proposal also contains a new and better way of taxing corporations and other businesses that will allow them to compete and win in global markets in a way that exports American-made products, not American jobs. Experts who have studied this believe that, if enacted in America, this innovative approach to business taxation will soon become the worldwide standard to which other countries will aspire.

For too long, the Tax Code has been a needless drag on the economy. That is not very smart and it is certainly not fair to those Americans whose living standards are lower because of it. For years its complex inanities have been the object of ridicule. It has also been the ultimate source of bureaucratic excesses and abuse by the IRS that is inconsistent with our free society.

Mr. Speaker, it is high time that we restore people's faith in the integrity and competence of their tax system and, in the process, take a major step toward restoring people's confidence in the good character of their government.

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

(Mr. DAVIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. DIAZ-BALART) is recognized for 5 minutes.

(Mr. DIAZ-BALART addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CONTRACEPTION FOR WOMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, I am amazed to have had to have come to the floor more than once on this issue. The Treasury, Postal rule went down again. There may be more than one reason why. But underlying that rule is a bill that allows basic minimal health protection for women.

Since when does contraception for female government employees deserve to be in a bill whose rule is voted down? The women of America would say, no, never. And the bipartisan Women's Caucus of this Congress has said no in no uncertain terms.

This is a bill that deserves the word "noncontroversial." It passed unanimously in the Senate. In the House it has passed twice. What we are talking about is a provision that simply says that if a health plan pays for prescriptions, it must also pay for contraception prescriptions.

Plans are often willing to pay for abortion. Plans are willing to pay for surgical procedures involved in reproduction. They certainly ought to be willing to pay for what prevents abortion. They pay for sterilization often, but not for simple contraception measures.

Now, the provision contains a religious exemption. Among the religious plans would be Catholic plans. Catholic plans would not have to pay for contraception.

The gentleman from New Jersey (Mr. SMITH) has inserted himself into this matter. He wants a morality exemption. That, of course, could never be granted by the Congress. One of the problems, I suppose, in a country like ours is we cannot figure out where everyone is on basic moral questions, but we do know where people are on religious questions.

I do not know what the gentleman from New Jersey (Mr. SMITH) or anybody else is doing in this matter. We are talking about a non-conferenceable item. There was no disagreement between the House and the Senate. Why is this matter up for grabs? Unless we now are in a Soviet-style body where both sides can pass a bill but somebody else can zap in and overturn it.

The gentleman from New Jersey (Mr. SMITH) has a provision that is a true insult to the women of America. He says, yes, they can cover contraception but only for the diaphragm. Surely only police states would tell women what kind of contraception to use. But let me be clear. Women need options in contraception precisely because some do not work, some make people sick, some are unsafe to some people, some have long-term effects and consequences. It is not for this body to decide.

The health plan, if it is providing prescriptions anyway, should not be able to exclude this basic minimal kind of prescription that most women of childbearing age in fact need in one form or the other, and it is not for the gentleman from New Jersey (Mr. SMITH) or any Member of this body to

tell women which kind of contraception is the one that should be covered.

Women indeed should not have to explain themselves to this body on this question. I am embarrassed to have to stand before this body to talk about contraception for women, especially for women who work for the Federal service.

There are five major forms of contraception used, and none of them involve or come close to abortion. The pill, the diaphragm, the IUD, Norplant, and Depo-Provera. Ten percent of Federal plans offer no contraceptive coverage at all. This is a real family bill, when we consider that the woman of the family in this country pays 68 percent more for health coverage than the man in the family. We have got to get this thing down to size.

This provision is central to women's health. Above all, we should not bring abortion-style politics into contraception. That is where we have a broad umbrella of agreement.

Thus, this provision presents two fundamental issues for this House. One is simple democracy, when an item is non-conferenceable because both sides have agreed to it. Democracy works. We must leave it alone. We must not set the precedent that someone else can turn it around.

And the second principle, of course, is that contraception is central to women's health. Leave it be. Pass this provision in the Treasury, Postal appropriations bill.

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

(Mr. SCARBOROUGH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

BIG WEEK IN NATION'S CAPITAL

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

Mr. WELLER. Mr. Speaker, this week is a big week here in our Nation's capital. Yesterday was October 1 and yesterday was the first day of the new fiscal year, and we are celebrating something that has not occurred for 29 years.

This week we are celebrating the first not only balanced budget in 29 years, but the first budget surplus in 29 years, where we actually have more tax revenue coming into our Treasury than we are spending. It is now projected that over the next 10 years that this budget surplus will contain \$1.6 trillion, that is \$1 trillion, \$600 billion, in tax revenue more than we are spending.

We have to make some choices now, of course, on what we are going to do with that extra money, money that the hard-working folks back home send to Washington. Just a week ago, 10 days

ago, we made a choice, and with a bipartisan vote this House adopted what is called the 90-10 plan, a plan which sets aside 90 percent of surplus tax revenues to save Social Security.

□ 1645

Ninety percent, of course, equals \$1.4 trillion, \$1,400,000,000,000, is surplus tax revenues being allocated under the 90/10 plan to save Social Security. I might note when the President first discussed the idea of using surplus tax revenues to save Social Security in January, the projected surplus at that time was \$600 billion, and, since then, because of the economy and because of fiscal responsibility here in this House, we now have a \$1.6 trillion surplus tax revenues. Under the 90/10 plan, we set aside more than twice what the President asked for. \$600 billion by the President; we set aside \$1.4 trillion.

That is a big victory, because the remaining 10 percent we give back to the American people. Ninety percent goes to Social Security; the remaining 10 percent goes back to the American people.

Representing the south side of Chicago and the south suburbs, I think it is important to point out that the 90/10 plan not only saves Social Security, the 90/10 plan helps eliminate the marriage tax penalty, helps Illinois farmers, helps Illinois small business people, helps Illinois schools and helps parents in Illinois who wish to send their kids on to college.

I might also note that while we propose to give extra tax dollars back to the taxpayers as well as saving Social Security, the President says he wants to save Social Security and spend the rest. I might note in the 90/10 plan we provide about \$7 billion in tax relief in 1999, this coming year, whereas the President wants to spend \$14 billion of the surplus. It is kind of interesting he would spend twice as much as we want to give back of the surplus to the American people.

Not only does our plan save Social Security, but, as I pointed out, it eliminates the marriage tax penalty for the majority of those who suffer the marriage tax penalty. I have often stood in this well and raised the question, is it right, is it fair, that 28 million married working couples with two incomes pay higher taxes under our Tax Code just because they are married? In fact, under our Tax Code, married working couples with two incomes pay more in taxes than identical couples with identical incomes living together outside of marriage. That is just wrong.

Our plan here, the 90/10 plan, eliminates the marriage tax penalty, and it not only eliminates it for the majority of those who suffer it, but for 28 million married working couples, they will see an extra \$240 in extra take-home pay next year under our proposal. That is a car payment. That is a month or two of day care in Joliet, Illinois. That is real money for real people. Also six million married taxpayers will no