

EXTENSIONS OF REMARKS

THE NATIONAL DIVIDEND PLAN

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IN THE HOUSE OF REPRESENTATIVES

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Mr. TAUZIN. Mr. Speaker, for much of the 103d Congress we were occupied with concerns over the Federal budget deficit; we debated numerous and varied ideas to limit spending or raise revenue or accept some combinations of the two. The common goal has been to reduce the deficit—a deficit that both liberals and conservatives, Republicans and Democrats, see as a threat to our national economic health and long-term stability. We grappled with constitutional amendments to gain a mandatory balanced budget and each appropriation bill seems to bring new attempts to impose generic limits. We saw bills to cut spending across the board, to target programs ranging from the tea tasters to the B1 bomber, all in an effort to get the deficit under control.

Through all this, Mr. Speaker, we have not utilized the most effective resource this Nation has to accomplish this critical task. We have not given the American voter a tangible stake in this Country's financial progress. The National Dividend Plan [NDP], an idea born in the fifties in the mind and heart of John J. Perry, Jr., and which I have introduced as H.R. 430, does just that.

The NDP doesn't just encourage citizen involvement—involvement is guaranteed through the sharing of the Federal profits of corporate enterprise. This profit sharing is achieved by redirecting revenue collected from the corporate income tax from Federal coffers directly back to those who generated it: The American labor force. This would be done only in years when the budget is balanced or in surplus, giving all voting citizens a direct stake in the outcome of the Federal budgeting process.

John Perry is a successful businessman and philanthropist. He recently wrote of the NDP and I want to share his thoughts with my colleagues. I hope it will help persuade each of you to join me in this effort.

THE NATIONAL DIVIDEND PLAN: IT'S TIME

(By John H. Perry, Jr.)

"It's spending, stupid!"

For Fiscal Year 1996, the President's budget proposes spending of \$1.518 trillion—that's \$2,880,000 every minute of every day. And we will pile up an additional \$176 billion of debt even while we are paying net interest of \$198.8 billion on our existing national debt of \$4.6 trillion. Think of it, how would you spend \$48,000 a second next year? More importantly, how could you do that knowing that it adds \$335,000 a minute to your debt even while you pay \$378,000 a minute in interest on existing debt.

If, resorting to the sport metaphor which dominates much political discussion these days, it's "Three strikes and you're out!" why is the hottest debate topic on Capitol Hill these days the Balanced Budget Constitutional Amendment? We're already out of the box.

Congress swung—and missed—with the Budget Impoundment and Control Act, it swung and missed again with Gramm-Rudman-Hollings, and then, called strike three—the Omnibus Budget Reconciliation Act, not only did spending continue, but taxes were increased.

Members of the Congress, House and Senate, are again earnestly discussing the need for discipline in spending, but build accounting devices into a proposed Constitutional Amendment which will also provide loopholes for minorities who would on the one hand expand revenue and on the other limit spending.

Instead of recognizing the futility of 535 Members of Congress trying to restrain themselves from doing what 260 million Americans want them to do, it's time that we create an environment in which 260 million people demand that the 535 do what needs to be done.

The National Dividend Plan provides not only the opportunity, but also the demand. After forty years "in the wilderness," it is an idea whose time has surely come. In 1952, having found some success for myself as I pursued the American dream, I proposed a program by which the public revenue from the profits of the industrial might of America—Federal corporate income tax revenues—be returned directly to the people of America, the source of that might. It was, for its day, a radical national "employee stock ownership plan." In a simpler time, a time of only marginal deficits, and occasional surpluses, it was just a way to "invest" each voting citizen with a stake in increasing the economic might of the nation—emphasizing American industry—and by participating in the political process—registered voters would become actors in "growing" America.

The National Dividend Plan is majestic in its simplicity:

1. Create a National Dividend Trust Fund, financed primarily by Federal income taxes on corporate profits and capital gains taxes; distribute the revenues from the Fund, quarterly, equally to all registered voters, tax-free

2. Impose a five-year spending freeze on the Federal government as the Fund is established and adjustments are made in Federal budgeting.

3. To eliminate, and restrain, Federal deficits, provide that no distributions from the Trust Fund be made to individuals until the Federal budget is in surplus—because each registered citizen-voter is equally entitled to Fund distributions, each citizen, rich or poor, becomes equally vested with an interest in critically weighing Federal programming.

4. Eliminate the double taxation of corporate dividends for stockholders.

5. Freeze the corporate tax at current rates to provide economic stability.

Polls have consistently shown results which indicate that the American public recognizes the need to limit spending and to balance our national budget. Individuals know that they must balance their checkbooks or face declining living standards and limited options for future activity. At the same time, political realities have encouraged legislators to respond to special interest constituencies rather than to make the tough choices necessary to live within our means.

The National Dividend Plan, by giving every registered voter a stake in controlling Federal spending, will enforce discipline where it belongs: in the relationship between voters and their voices in Washington. Without a meaningful incentive for voters to demand discipline in Federal spending on the part of legislators, legislators have no incentive to practice meaningful discipline.

More to the point, since a properly established National Dividend Plan would eliminate deficit spending within a few years, a five year period is built into the legislation, the American voter becomes a stakeholder in the economic success of America's business enterprise.

Buying American becomes not only a statement of faith in America's businesses and industry, it also gives each voter a return on his or her investment of time and energy to the success of our nation's productive enterprise. And, because America will become more productive it will continue to be the most successful exporter of national goods and services in the world.

Finally, of course, it is important to understand that, while the proceeds of the National Dividend are not taxable, the earned income of citizens is. A vibrant economy will continue to generate Federal funds to meet truly national needs—and the growth of business and industry generated by increases in productivity and the competitiveness of American goods and services will mean that America's Federal enterprise can grow as the nation grows, and even meet important new needs. But the practice of responding to special interests, "oiling" the hundreds of squeaky wheels that now make up not only our Federal programs but the way that we legislate, will have to pass the "means" test: Is it worth it if it means that my dividend is reduced? Some demands will meet that test: certainly challenges to our national sovereignty or national interests around the world which may demand defense expenditures, unusual events such as the disasters which have occasionally resulted in our people demonstrating that we are the most compassionate nation on earth, and other events which may call on our enlightened self-interest to meet out national interest.

America is a nation built on a free economy, but its economy is no longer free—it is captive to the 35 years of deficits since the last balanced budget. Only the people of America, whose self-interest and generosity generated the budgetary nightmare we now face wake up and bring a bright new day.

The National Dividend Plan gives America's voters not only the opportunity to continue to generously meet national needs, but the self-interest to demand that those needs meet the test of being measured by the light of day. And legislators, who now seek shelter in the "discipline" of a hazy Constitutional Amendment will find the glow of a new day of enlightened voter participation in the budget process. H.R. 430, legislation implementing a National Dividend Plan, is before the 104th Congress. It's time that we as voters demand of our legislators that they not only return to the citizenry a means by which to measure their economic management of America, but also a share of the means which measures the economic strength of America.

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