

deficit. I would just ask the gentleman, back in the 1980's when we had three tax cuts, I guess the same would hold true back then?

Mr. KINGSTON. Taking back my time, absolutely. In 1980, the total revenue is \$500,000. By 1990, it is \$8 trillion.

Mr. DOYLE. How do you explain the deficit going from \$1 trillion to \$4 trillion during that same time? The deficit quadrupled in that time.

THE REPUBLICANS' PROPOSED BUDGET WILL SEVERELY UNDERCUT THE OPPORTUNITY FOR AMERICA'S CHILDREN TO ATTEND COLLEGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. LOFGREN] is recognized for 5 minutes.

Ms. LOFGREN. Mr. Speaker, I don't have a chart about tax cuts, and I do not plan to give a talk about tax cuts specifically, today, except that we have talked a lot about the need to help the middle class, and there is a big argument on whether this tax cut really helps the middle class or just the wealthy.

Mr. Speaker, I would like to talk about something that really is important to the middle class and to the working families of this country. That is the chance to make sure that your child can go to college after they get straight A's in high school. That opportunity is about to be severely undercut.

The plans in the works are to cut about \$20 billion in student loans over the next 5 years, as well as 750,000 students off the work study program.

□ 1900

I would argue that these cuts are unwise, they are pennywise and pound foolish. We know that we have a lot of problems in this country, but when I think about the problems that I see in San Jose, the kids that are getting in trouble, I know that there are not kids hanging out on the street corner dealing drugs or holding weapons when they are on the honor roll.

In our country, I was on the county board of supervisors in Santa Clara County until January 4 of this year and I can attest that there is not a single "A" student in the juvenile hall. The more we put into education, the more we put into achievement for our young people, the more we will see problems resolved and a country that is full of excellence and hope instead of despair. I think the cuts that are proposed in the student loan program have a lot to do with that and I am hearing about the middle-class cuts and the \$500 per family and how that will help. I am cognizant that the cut per student that is proposed for 4 years of undergraduate education is about \$5,000, and if you have 2 kids, as is common, going to college, that is over \$10,000 in cuts that you are looking at as a family. The \$500 is not going to make it. It will take 21

years of \$500 tax credits to make it up. I know. My children are 10 and 13. I do not have 21 years to save up that money at that rate.

I heard the Speaker say that we should be a country of excellence, we should be a country that rewards those who work hard and try to get ahead, and I think back on my own life and the opportunities that this country gave to me.

I worked the night shift in a factory in my last year in high school. My parents were working people, they were great people, but they did not have a lot of money. We just barely made ends meet. Through working and through student loans and through scholarships, I was able to go to college and I was able to have a part of America that I would not have had otherwise.

I remember several years ago I was out visiting Overfelt High School in east San Jose, an area that educates the children of blue-collar families, working families, and I gave a talk to three combined classes and encouraged them to get A's in school and look ahead and go to college, and then I left. About 2 years later, I was invited back and I was talking to the students and afterwards a young girl came up to me and she said, "You changed my life." I was shocked. I did not remember her. She said, "You told me I could go to college and not to worry about how to pay for it. I have just been admitted to the University of California, I am going to major in physics and here is my honor roll." She got on the honor roll because she believed if she worked, if she got A's she would have a chance to go to college. That is what this country has been all about and that is what a \$20 billion cut in student loans will destroy.

We say that we are for the middle class. If we are for the middle class, let's take care of the thing that matters most to each of us and that is our children. Along with that, I think about the benefit for this country. After World War II, a whole generation of men were given the opportunity to go to college through the GI bill. At the time, it was looked upon as a benefit for veterans, but in fact in addition to a benefit for veterans, it was a benefit for the country, because a whole group of people whose parents were not rich had the chance to get an education, and those people became engineers, they became scientists and they built Silicon Valley and the affluence that they built through their education carried the economy of this country to this day.

If we were to put that kind of emphasis on the middle class, on the children, on the future, and our need to develop high-technology jobs and a highly skilled work force, we would not have to be worrying about the deficit or the future.

What we need to do is to invest in the future, and I would argue this and relate this story. A gentleman came to me in San Jose 2 weeks ago and said,

"Don't give me a tax break. Put it all in education. Let's give this country a future."

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1215, CONTRACT WITH AMERICA TAX RELIEF ACT OF 1995

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104-100) on the resolution (H. Res. 128) providing for consideration of the bill (H.R. 1215) to amend the Internal Revenue Code of 1986 to strengthen the American family and create jobs, which was referred to the House Calendar and ordered to be printed.

H.R. 1215, TAX FAIRNESS AND DEFICIT REDUCTION ACT

The SPEAKER pro tempore (Mr. HOKE). Under a previous order of the House, the gentleman from Kentucky [Mr. BUNNING] is recognized for 5 minutes.

Mr. BUNNING. Mr. Speaker, I want to extend my thanks to all the Members who have worked so hard on Congress' contract with senior citizens—our commitment to bring economic equity to the older generations of Americans.

Serving as chairman of the Social Security Subcommittee and working with many of my colleagues who share my concerns about the welfare of seniors has been a fulfilling and challenging experience.

We have accomplished a lot in just 3 short months. This week we will see our efforts pay off. This week is a turning point for America's senior citizens.

On the first day of this Congress, I, along with Mr. HASTERT, Mrs. KELLY, and Mrs. THURMAN, introduced the Senior Citizens Equity Act, H.R. 8.

Four of the provisions under the Senior Citizens Equity Act have been incorporated into the Tax Fairness and Deficit Reduction Act which will be on the floor tomorrow.

The Social Security Subcommittee has worked diligently on two of these—the repeal of the 1993 Social Security tax increase and a three-fold increase in the earnings limit for Americans over age 65.

Our subcommittee held hearings and heard from real Americans—working seniors who are unduly burdened by Government policy.

That's what this contract is about—real Americans, working Americans. And giving them the ability to work and earn.

Just as important as the ability to work is the ability to keep what they have spent a lifetime building.

When we made a Contract With America, we also made a promise to senior citizens to restore financial equity and fairness.

Now we are going to keep that promise, by relieving older Americans of some of the major financial burdens

placed on them by the Federal Government.

The Government is burdening seniors with tax rates as high as any millionaire could pay. I read in the paper the other day that the new top marginal tax bracket for some retirees is 51.8 percent.

The Government is burdening them with disincentives to work and contribute beyond retirement age. Current law requires that seniors between the ages of 65 and 69 lose \$1 in Social Security benefits for every \$3 they earn above \$11,280.

Most important, the Government has been burdening them with policies that say no. Policies that just don't make sense.

Where is the common sense in a national policy that says don't plan and don't save for your retirement years. Don't continue to work and contribute to society past age 65. Don't expand your long-term-care insurance.

These policies just don't make sense.

It's time the naysaying of the Federal Government stopped. It's time Congress stood up and said yes to our seniors.

Yes to lifting the earnings limit to \$30,000. Yes to repealing the 1993 tax hike on Social Security benefits. Yes to providing tax breaks for long-term-care insurance.

There was no good reason to increase the Social Security tax on benefits in 1993. It was unfair to single out Social Security for a 35-percent tax increase. We are going to repeal it.

It is bad policy to hold older American's earned income to \$11,000 a year.

The earning limit is an antiquated policy that punishes older Americans for being productive citizens. Many older Americans must work to make ends meet. Senior citizens have a wealth of knowledge and experience to share.

The time has come to stop punishing senior citizens. The time has come to recognize hard work, savings, and contributions to society. The time has come and it is now.

We are going to move forward with the Senior Citizen's Equity Act by passing the Tax Fairness and Deficit Reduction Act tomorrow.

REPUBLICAN TAX BILL BENEFITS WEALTHY

The SPEAKER pro tempore (Mr. BILBRAY). Under a previous order of the House, the gentleman from Georgia [Mr. BISHOP] is recognized for 5 minutes.

Mr. BISHOP. Mr. Speaker, as the 100 days come to an end, I want to compliment our friends on the other side of the aisle for the positive things that have happened, including, for example, the enactment of measures to put Congress under the same laws that we impose on others and to restrict unfunded mandates on the States and on communities

Unfortunately, though, these bright moments have been too few and too far between. All too soon, the 100 days became excessively partisan and very extreme. In too many instances, the Contract With America became a means of lining the pockets of the wealthy at the expense of the poor and middle-income working families. It became a flamboyant, circus-like, promotional vehicle worthy of P.T. Barnum at his best. And yes, tomorrow the circus does come to town.

As we consider the Republican tax bill and the offsetting spending cuts, just consider who the winners really are. The wealthiest 10 percent of our population get 47 percent of the benefits. The wealthiest 5 percent get 36 percent of the benefits. The wealthiest 1 percent get 20 percent of the benefits. This causes a revenue loss of \$178 billion in the first 5 years, and \$458 billion in the second 5 years.

Is this loss of revenue going to reduce the deficit? No. Is this loss of revenue going to balance the budget? No. It is going to the rich.

Who is going to pay for it? I will tell you who is going to pay for it: hungry children who are cut from school lunches, mothers and infants who depend on WIC for healthy births and early childhood development, promising students who cannot afford higher education without student loans, older citizens whose lives depend on heating assistance.

These are spending cuts, Mr. Speaker, but they do not go to balance the budget as Republicans claim they want to do with spending cuts. No. Instead, they choose to take money from children, from mothers, from students and from the elderly and give it to the wealthy 10 percent of our population.

This is a tax bill that robs the poor and working families to pay the rich. This is a tax bill that hoodwinks the American people. This is a tax bill that is immoral. This is a tax bill that ought to be sent to purgatory.

REPUBLICAN TAX BILL BENEFITS REAL PEOPLE

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

Mr. HASTERT. Mr. Speaker, it is interesting to hear my colleague from the other side of the aisle talk about immorality and how tax breaks go to the rich.

But let me talk a few minutes about what this tax bill will do for people, real people, people who are 65 years of age. And because they have never been very wealthy all their lives or never had great jobs all their lives they do not have big pensions, and they do not have a lot of income coming in from other types of investments, investments in rents and other things. But, lo and behold, people who have to work, people who have to work to make ends meet, people who have to

work to pay the taxes on their homes that they live in and, heaven forbid, maybe even buy a new car someday, real people like your mother and father and your grandparents, people in your lives that you know every day, day in and day out.

What happened with the 1933 tax bill is something called the earnings test on Social Security. The earnings test on Social Security says once you earn \$11,280, you have to pay \$1 out of every \$3 in penalty that you make on your Social Security.

So when you add up all your taxes and all your tax liabilities, if you are a senior and you are 66 years of age and you have to work to keep your family together and maybe pay your taxes on your home and maybe groceries and things like that, all of a sudden you are paying a marginal tax of 56 percent, twice the amount that millionaires pay.

But you know in the tax bill that our friends on the other side of the aisle talk so vehemently about, there is some real relief for seniors that have to work, that have to take care of their families, that want to live a life like everybody else, that want to be productive.

Mr. Speaker, what happens there is that seniors get a break with this tax bill, that we raise over the next 5 years the earnings test to \$4,000 a year, and so in 5 years you can earn \$30,000, not a lot of money in our day and age but enough for sustenance to keep a family together and not pay that penalty on your Social Security.

□ 1915

Now we think this is a fair bill. The President thought it was certainly something fair because he included it in his campaign report. But let me talk to you a little bit about some real people, real people who live in my district and probably in your district and across this country:

Betty Bourgeau: Betty entered the work force at age 50 when her husband left her and her children. She worked two part-time minimum wage jobs at a department store and for a security company. She then became a teacher's aide for a HeadStart program, went back to school and became qualified to be a HeadStart lead teacher. However, Betty quit teaching HeadStart, the job she loved, when she began taking Social Security. She would lose most of her benefits with both jobs. Her department store job included health care benefits she needed, so she remained employed there.

Betty has received several "Employee of the Year" awards at the department store over the years, accompanied by pay raises. However, when she takes the raises, she must reduce her hours or lose more of her benefits to Social Security. This puts her in a particularly difficult situation because her health benefits are predicated on working a certain number of hours for the department store. Regulating her