

hours is also difficult during the busy holiday season at the end of the year. The store needs her more during these times, but she loses most of her benefits if her work puts her further over the Social Security limit.

Now that type of a situation happens time and time again. Why do we penalize? Why do our friends on the other side of the aisle want to penalize working seniors? Why do they want to vote no on this type of legislation?

Let us look at Mary Lou Livingston from Springfield, IL: Mary Lou was divorced 19 years ago and has worked ever since. She has no pension or retirement plan to draw from. She had to pay the Social Security Administration back \$549 in 1991, \$281 in 1992, \$935 in 1993 and \$730 in 1994 for earnings exceeding the Social Security earnings limit. During those years, her average Social Security check was \$288 per month. In 1994, Mary Lou cut back her hours to try to avoid the penalty, but still had to pay some money back. Mary Lou supplements her grocery bill each month through the Share Program sponsored by Catholic Charities. This program allows her to pay \$14 per month and receive \$35 worth of groceries.

Mary Lou works as an information receptionist at the Visitors Center of the Lincoln Home National Historic Site in Springfield, IL. She has worked there for nearly 12 years and has received numerous complimentary letters for her job performance. She was also featured as a staff star of the Springfield Bureau of Tourism.

Here is a person who needs to work, needs to have the tax relief that the tax bill that we will vote on the rule tomorrow will give her, but yet there are some who want to demagogue the issue and talk about how all these benefits go to the rich when, in fact, they go to real people, real people who really need them.

Mr. BILIRAKIS. Mr. Speaker, I want to take this opportunity to express my strong support for increasing the Social Security earnings test and eliminating taxes on Social Security recipients.

With regard to the Social Security earnings test, currently, older Americans between the ages of 65 and 69 lose, \$1 in Social Security benefits for every \$3 they earn above \$11,160.

I have consistently cosponsored legislation to repeal the limitation placed on the outside earnings of Social Security benefit recipients. Current law, in my opinion, punishes seniors who choose to remain productive beyond age 64.

The Senior Citizen's Equity Act, which I strongly support, raises to \$30,000 the amount which seniors can earn before losing Social Security benefits. I believe this is a necessary step—we should be encouraging rather than penalizing productive, experienced people who want to work.

I also strongly support repealing President Clinton's Social Security benefits tax—in fact, one of the primary reasons I voted against President Clinton's 1993 tax package was due

to the additional tax burden it placed on Social Security beneficiaries.

I am pleased that the Contract With America includes provisions to repeal this unfair benefits tax.

Since I was first elected to Congress, I have always fought to protect the social contract represented by Federal retirement programs, including Social Security. As a Member of Congress who represents one of the largest concentrations of older Americans in the Nation, I am committed to continue this battle to protect the benefits of our seniors.

Therefore, I will be supporting the Tax Fairness and Deficit Reduction Act of 1995 when it is voted upon by the House of Representatives this week.

Mr. GOSS. Mr. Speaker, tomorrow the House will take up the last item in our Contract With America." The passage of H.R. 1215 will reverse the tax-and-spend mentality of recent Congresses, and finally give the American taxpayer some long-overdue relief from the highest Federal tax burden in our country's history. Not only does our bill provide much-needed tax relief for working families, it includes several badly needed, and long-overdue relief measures for our Nation's seniors. I'm especially proud of the fact that our bill provides several carefully crafted provisions to help seniors with the ever-looming, and potentially devastating cost of long-term health care. Our bill will allow seniors to deduct the cost of long-term care insurance premiums and the cost of any substantial long-term care expenses. Adopting these changes will end the tax codes' current discrimination against seniors, and make the tax treatment of long-term care costs similar to that currently provided for employer-provided health insurance and out-of-pocket medical expenses. Not only is this fair—but it is a good idea. These provisions will help seniors provide for their own future health needs while enabling them to maintain their independence and dignity in the event they are saddled with a costly, long-term care episode. Rather than compel millions of seniors to spend down their life savings to qualify for medicaid benefits, as our current laws do, these provisions help seniors preserve their savings while helping themselves. We've also provided a tax credit for families who care for a loved one at home. This will help families stay together, and again, help prevent older Americans from having to suffer, unnecessarily, from the cost and isolation of institutional care. H.R. 1215 also includes several other provisions to provide seniors immediate economic help. First, we've committed to repealing the ill-conceived new tax on social security benefits—imposed by the 1993 Clinton tax bill. This tax is really a double tax on retirees' past earnings. While proponents of this tax like to label it a tax on the wealthy, in reality it applies to any recipient earning over \$34,000 a year or to any couple with a combined income over \$44,000. This is hardly what most people would consider wealth. And I would contend this is hardly a lavish amount of income for seniors facing today's health care costs. Worst of all, these income thresholds are not indexed for inflation, so over time, as people's earnings rise, more and more seniors will find that they are wealthy as defined by the Clinton tax bill, and be subject to this confiscatory tax. Given all these facts, I think the case for repealing this tax is clear. Finally, H.R. 1215 would provide

immediate relief to thousands of Social Security recipients who are currently penalized by the un-American application of the Social Security earnings test limit. Today when a senior between the ages of 65 and 69 earns more than \$11,280 a year in wages, we start confiscating a third of that person's Social Security benefits. This puts seniors living on fixed incomes in a terrible dilemma—if they find their benefits are inadequate to live on, and they try to supplement their incomes by returning to work, they face marginal tax penalties of nearly 50 percent. Worst of all, because the limit doesn't apply to dividend income, capital gains, or other nonwage earnings, it disproportionately impacts those seniors who need the additional income from working. Not only does this discourage people from trying to be responsible and take care of their own needs, it deprives our entire economy of the accumulated knowledge of an entire generation of older workers. By raising the earnings limit to \$30,000 per year, our bill takes an important step toward ending this nonsense of the vast majority of seniors who need or want to return to work, and return us to a policy which again respects our traditional American ethics of hard work and self-reliance. Mr. Speaker, these reforms constitute the bulk of our Contract With America's seniors. They deserve the full support of this House tomorrow when we take up H.R. 1215.

#### TAX CUTS—JUST WHEN WE ARE BEGINNING TO MAKE PROGRESS ON THE DEFICIT

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

Mr. MEEHAN. Mr. Speaker, I rise this evening to talk about the budget deficit, and I have heard comments made back and forth about demagogic conversation, speeches. I ran for Congress because I felt that the Federal budget deficit was out of control and threatening future generations of Americans. We are paying \$240 billion a year in interest on the national debt. If you look at projections of Federal spending from now until the year 2002, and 2005 and beyond, it is not easy to see that we are going to bankrupt future generations of Americans. Long-term economic growth will be impossible if we do not get our Federal budget deficit under control, and we must have the courage to act and the courage to make tough choices. Getting the Federal budget deficit under control is not about easy choices, and hear all the talk about tax cuts; those are the easy choices.

I had a plan when I got to Congress, my own plan to actually balance the budget. It was not easy to put together. It was put together through a combination of increases in revenues, in cuts, in spending. I have been committed to cutting the deficit since I got to Congress. It is why I got the fourth highest rating in the country from the Concord Coalition on deficit reduction. I believe that the future growth of this country

and the opportunity for future generations of Americans to enjoy the prosperity that this generation has enjoyed hangs in the balance as to whether or not politicians here can make tough choices about how to get our budget deficit under control.

One way that we will never get our budget deficit under control is to give tax cuts just when we are beginning to make progress on the deficit. I am fortunate to have been in the U.S. Congress fighting for deficit reduction, and we have seen, for the first time in 3 years—3 years in a row, first time since Harry Truman was President—where the deficit has actually been cut, we have begun to make progress.

I voted for a balanced budget amendment, a Democrat voting for a balanced budget amendment. That was the easy part. Anyone can vote for a balanced budget amendment. The difficulty is actually balancing the budget, and there is no way that you can balance the budget by the year 2002 if these ridiculous tax cuts are approved by the Congress.

Now the revenue losses to the year 2000 are significant, but the 10-year losses approach \$700 billion. It is impossible to balance the budget while providing tax cuts to the tune of \$700 billion at the same time, and the irony is everyone in America gets it. People across America do not really think that you can balance the budget by drastically cutting taxes. But what makes this tax cut so tragic is that it cuts the taxes for the wealthiest Americans while enduring a deficit reduction.

Let us balance the budget to a plan to make tough choices over the next several years, and all you have to do is look at projected Federal spending to realize that nonsense about cutting discretionary spending, that we can even balance the budget by cutting children further or by cutting education programs. There is not enough discretionary spending in the budget to do it.

We need to get real about how we are going to cut this deficit. If the choices were easy, politicians in past years would have done it already. This is about difficult choices, and a bidding war over tax cuts for the middle and upper classes has to be avoided if we are going to confront these issues.

The pandering over tax cuts is threatening any chance for deficit reduction. We need to make investments in certain areas, and cutting school lunch programs, and cutting child care, cutting worker retraining, is not the way to prepare future generations to compete.

The Carnegie Corp. did a study last year that showed we are not investing nearly enough in children. You do not balance a budget by cutting children and giving tax breaks to those who are the wealthiest in society.

The Republicans claim that their tax cut will be fully paid over the next 5 years. Let me tell you they have only

come up with enough cuts, \$189 billion, to pay for the first 5 years, and \$100 billion of those are not even specific.

I would hope that we would get real in this discussion. Let us cut taxes and have a debate about cutting taxes after we balance the budget.

Mr. Speaker, the American people get it. I do not know why the Republicans in this House do not get it.

#### GENERAL LEAVE

Mr. BAKER of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include extraneous material, on the special order of the gentleman from Illinois [Mr. HASTERT].

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

There was no objection.

#### THE FIRST STEP ON THE ROAD TO A BALANCED BUDGET

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

Mr. BAKER of California. Mr. Speaker, I was very much interested in the previous speaker's remarks until at the end he became shrill and partisan as usual, and I have to say that we believe that you have to balance your approach toward balancing the budget just like you have to take incremental steps, and that is why the Contract with America did not say we are going to balance the budget first time you make us a majority because we knew that is impossible. We talked about the year 2002 and how we were going to work and take that first step on the road of a thousand miles to balance the budget. The problem is not that we can cut, because the gentleman had it absolutely right. He said we cannot have just tax cuts for the rich, we cannot have just that, and we do not want to denigrate this debate over who is going to have the biggest tax cut for the American people, and then in the next breath he said, "But we can't cut discretionary spending either because there is not enough money in discretionary spending to balance the budget."

So how was he going to balance the budget?

Mr. Speaker, the answer is, "You're going to do both. You're going to slow down the growth rate of government spending from its 6 to 10 percent rate and get it down closer to the 6 percent growth in income that this Nation has each year, even during the recession."

"Do you think, if you went to the American people," I ask you, "and said, 'Do you think your Federal taxes are just about right? Are they too high or are they too low?'" ; what would the American people say to you, Representatives?

The answer is they would say they are too high.

In 1950 this Federal Government took 5 percent of Americans' income. In 1970 this government took 16 percent of Americans' income. In 1990 we are taking 24 percent of the average American's income. So we are paying today, at the 1970 level, an average family, if we could pay at the 1970 level, the average family would have \$4,000 more to spend.

At the same time we are running up a huge debt because we have not even slowed down in our spending, and the debt, which is today over \$4 trillion, will leap to about \$6 trillion by the year 2000, and by 2010, which is historically when the baby boomers all run from one side of the boat to the other, from the paying side on the Social Security, from the taxpaying side, to the retirement side and the drawing of Social Security. We will have a national debt each year of \$6.7 trillion. Debt is going to consume America.

How do we get out of this debt? The answer is we are going to reduce taxes, and we are going to reduce taxes on the producers, even business, and the reason is that is where you create jobs, that is where you put people to work and create taxpayers to bring more revenue to this Federal Government. If we could increase this Federal Government's revenue by 1 percent a year, we would balance the budget about 4 years sooner than the 2002 than we are going to be able to balance it through cuts and through the small tax decreases we are going to have in capital gains.

The budget deficit is projected by the Clinton administration to continue growing into the future without a solution. Interest on the debt today is some several hundred billion dollars. But between 1995 and 2006 we are going to pay \$3.9 trillion in interest. That is money we could have spent on our children. That is money we could have spent on problems that we have today—80 percent of the Americans want a balanced budget, and this gentleman says, "You can't cut your way out."

My answer is, "You've got to grow your way out." Americans will pay a lot just in interest on the debt that builds up their entire lives. In 1974, Americans paid a hundred fifteen thousand in their lifetime in interest on the national debt. This year, 1995, a child born today, will pay \$187,000 in interest on the national debt.

I yield to the gentleman from New York [Mr. OWENS].

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Mr. OWENS. Is the gentleman aware of the fact that during the last 12 years, beginning with Ronald Reagan that debt accelerated greatly? Jimmy Carter, when he left office, left a national debt of less than \$100 billion.

It rose to almost \$400 billion under President Reagan, who counseled that lower taxes would mean increased revenue. It never happened, and the deficit exploded.