

1997, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference requested by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York? The Chair hears none and, without objection, appoints the following conferees: Messrs. GILMAN, GOODLING, HYDE, ROTH, BEREUTER, SMITH of New Jersey, BURTON of Indiana, MS. ROS-LEHTINEN, and Messrs. HAMILTON, GEJDENSON, LANTOS, TORRICELLI, BERMAN, and ACKERMAN.

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each:

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mrs. MALONEY] is recognized for 5 minutes.

[Mrs. MALONEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. BURTON of Indiana 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 [Ms. ROS-LEHTINEN] is recognized for 5 minutes.

[Ms. ROS-LEHTINEN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

WE NEED TO INCREASE PRODUCTIVITY AND SAVINGS

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

Mr. SMITH of Michigan. Mr. Speaker, a challenge is facing this country, and I think there is excellent news for our future, for families, for wages that give families a decent living, if we make some simple changes down here in Washington.

Washington cannot do everything, and eventually, you know, in this country we are going to have to

produce a good product that people around the world in this country want to buy, and we can sell it at a reasonable price.

Government can do some things to make sure that happens.

Think for a moment as you look at tax policies around the world and in the industrialized nations, and I see our chairman of the Committee on Ways and Means here. We in the United States penalize savings and investment more than any of those countries. If you look at what has happened the last decade, we see the United States trailing in savings. Out of every take-home dollar in the United States, we are saving about 4 cents. That compares with about 18 cents in Japan, up to 34 cents out of every take-home dollar saved in South Korea. So we are shy on savings.

Part of it is because we have tax policies that discourage savings, almost penalize savings.

If you look at the investment, the new investment in machinery and equipment over the last 10 years, again we see the United States investing less per worker than those other industrialized countries. So it is not surprising that the result is a lower, slower rate of increase in productivity.

Make no mistake, the United States is the most productive nation in the world, but our rate of increase in productivity is slipping over the last decade. We cannot afford that.

What is happening in this post-cold-war economy is that Eastern Europe, the Asian tigers, are doing everything they can to attract capital.

I was talking to some of the Wall Street financiers 3 weeks ago. They are saying with some of their portfolio funds they are now investing in other countries because they think they might be able to get a higher rate of return.

Look, in this next campaign we are going to be talking about new taxes, we are going to be talking should it be a flat tax, should it be some kind of a national income tax, should it be some kind of a value-added tax? All of those taxes are essentially the same in achieving the goals of encouraging savings and encouraging investment.

The country that attracts that investment and expands the capital in their country is going to be the country that ends up with a higher standard of living. We have got to do that.

Here are some of the things that we can do to increase the savings rate in this country:

We have got to reduce the negative savings that is caused by Government overspending. Government now borrows about 18 cents out of every dollar we spend. That means that if you look at all of the money that was lent out in the United States last year, the Federal Government borrowed almost 42 percent of all of the money lent out in the United States last year.

We remember our lessons in economics. The greater the demand, the higher the price. That is why Alan Greenspan

came to our Committee on the Budget and said, "If you guys can balance this budget, you are going to see interest rates drop between 1.5 and 2 percent." That means a tremendous difference in what happens to the economy, it makes a tremendous difference in reducing the price of everything we borrow money for, from cars to homes to college educations.

I would yield to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. If the gentleman will yield, is it not true that on a 2½ interest rate reduction for a \$75,000 home over a 30-year period of time, the American consumers, the American homeowners, would save \$37,000?

Mr. SMITH of Michigan. Is that not amazing? And I am going to give an example for some folks down in Hillsdale County, where the homes are a little less. If you had a \$50,000 home and you ended up having—you had a mortgage that lasted over 30 years, it would reduce the amount of money that those homeowners paid by \$30,000.

Think of what would happen if it was a business deciding to invest a half a million dollars in some new equipment or build new machinery. It would reduce the cost of that equipment and machinery, we would end up putting better tools in the hands of the greatest work force in the world; that is, the American work force; and we would see our productivity take off.

I mean, that is why Alan Greenspan followed it up saying, look, if you can do this and interest rates drop, you will see this economy growing like it has never grown before.

THE SHADOW OF CRIME OVER AMERICA

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

Mr. CHRISTENSEN. Mr. Speaker, a long shadow is falling over America. Slowly the shadow is blotting out the sunny streets and parks where children play. It is blocking out the moonlight where couples walk. It is even blocking out the warm welcoming glow of our houses at night.

That shadow is crime, and after many years of thinking it could not fall on the quiet communities from which we have come, it has. The violence that trails gangs and drugs like a vicious dog drove homicides in my city of Omaha to an all time high in 1995. There were 41 killings last year in Omaha, 8 more than in 1994. Omaha's police made nearly 20 percent more juvenile arrests in 1995 than in 1994. And the shadow even claimed the life of one of our brave men in blue.

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Many of our districts may have been free from the worst of crime for many years, but now we must turn and face the shadow, and drive it back.

This evening I want to talk about how I think we can restore safety to our streets and sanity to the system. I am fighting hard to protect the American dream. I believe it is an essential part, to be free of the fear that we have today. We must have safe streets and secure schools, and I believe we can.

The fact is, Mr. Chairman, that moral principles, our values, underlie our criminal justice system. There is nothing wrong with these values, and we should never feel guilty about making those who violate those values pay. Theft is not some act or artistic or political expression. It is theft, and it is wrong. Murder is not forbidden as a matter of subjective opinion. It is objectively evil, and we must stop it.

No one but thieves and murderers benefit when we think otherwise. A year ago the House of Representatives here passed six tough bills aimed at combatting crime. For instance, the House unanimously approved the Victim Restitution Act. The bill instructs courts in Federal criminal proceedings to require convicted offenders to pay restitution to their victims. The fact that we passed the Victim Restitution Act without a single dissenting vote tells me that Congress has truly changed. Nowadays we all agree that criminals should have to pay for their misdeeds, literally.

Besides cosponsoring and supporting the six crime bills we have already passed, I have been working on some anti-crime legislation which I will soon introduce. I call this bill the Hard Time for Guns Crime Act. This bill would make it clear that the problem with guns in our society is not the guns, but the felons who use them for a common purpose. It would do so by dramatically increasing the penalties for the possessing, brandishing, or discharging a firearm during the commission of a Federal felony.

The message this bill sends is that we have had it with gun-related violence. Americans have zero tolerance for gun crime, so our justice system should, too. Our families and children should not be afraid to walk to school, go to the grocery store, and leave their windows open at night. That is why I am working hard to keep those who would misuse guns in jail. No more slick criminal defense attorneys pushing criminals to freedom through legal loopholes. No more soft sentences after teary speeches before the bench. No more legal gymnastics setting criminals free after a fraction of their allotted time in jail.

My Hard Time for Gun Crimes bill sends a clear message: If you use a gun to commit a felony, plan on spending the next few decades behind bars, no exceptions. We need to come together as Americans to fight off the shadow of crime. Men and women of all ideologies, all races, and all creeds agree that the shadow of crime has frightened our families and our children long enough. I say to those who care today to restore our streets to

safety, we should work together to knit up our Nation's fraying social fabric. We should work now, today, to stop coddling criminals and start crushing them. I think together, in a bipartisan fashion, these goals can be achieved in the 104th Congress.

THE FEDERAL INCOME TAX

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

Mr. HAYWORTH. Mr. Speaker, returning from recess, and Mr. Speaker, I assure you and others who might be tuned in tonight that it might have been recess, but it certainly was not play period; instead, it was a chance to traverse the width and breadth of the Sixth District of Arizona, some 46,000 square miles in our sixth largest State. I was struck repeatedly in town hall meetings by the concern Arizonans share in the notion of tax reform. Indeed, tax is the three-letter-word that has too often become a four-letter-word because of the circumstances surrounding the tax burden, because of the seemingly, and in reality, confiscatory policies that confront law-abiding Americans.

To offer some perspective, I would point to a study conducted by the Small Business Survival Group that looked back in time to 1913, to the introduction of the amendment which led to Federal income tax, the 16th amendment. In conducting this study, the people of the Small Business Survival Group took a look at what our tax rates would be if that original act had not been changed through the years. Mr. Speaker, the results are nothing short of mind-boggling.

For example, if the rates introduced in 1913 were still in effect today, adjusting for 1996 dollars, the average American, every American, would be exempt from paying tax on his or her first \$59,000 of income. Even more shocking, the tax rate would be at 1 percent up to \$298,000 of income. It is shocking, but true.

Mr. Speaker, even more compelling is this realization that in the span of time from the adoption of the 16th amendment to our Constitution allowing for the Federal income tax, in that period of time, even adjusting for inflation, this Federal Government has grown in excess of 13,000 percent.

Mr. KINGSTON. Mr. Speaker, will the gentleman yield?

Mr. HAYWORTH. I yield to the gentleman from Georgia.

Mr. KINGSTON. Mr. Speaker, I want to make sure that folks understand what the gentleman means. I was at a UPS company, United Parcel Service, talking to the truck drivers. The driver said to me, "I got three kids. I got a good job, and I work long hours. I get paid overtime and make good money. My wife is a schoolteacher. But at the end of each month, we have no money left over because of our tax burden."

His taxes compared to his father, his father in the 1950's paid 5 percent Federal income tax. Today he is paying 24 percent. That is exactly what you are talking about, that Federal income tax. Once the Federal Government established a toe-hold, or should I say a hook in the American back pocket, they never let go. Each year they have grabbed more and more money out of that gentleman's back pocket. So now he wants to save money for his kids' college education, he wants to save money for a vacation, he wants to save money for his long-term retirement. He cannot. At the end of the month they had zero, because of the tax burden.

Mr. HAYWORTH. Reclaiming my time, Mr. Speaker, I thank my friend, the gentleman from Georgia, for pointing out and making it very personal.

Indeed, I would echo the comments of our good friend, the gentleman from Michigan [Mr. SMITH], who preceded me here in the well, Mr. Speaker. Lest there is some misinterpretation of this, let me again state what should be obvious: There is nothing ignoble or selfish or somehow lacking civic-mindedness for people wanting to hang onto more of their hard-earned money and send less of it to Washington. Mr. Speaker, you know something is wrong when the average American family spends more on taxes than on food, shelter, and clothing combined. Clearly, Mr. Speaker, there must be a change.

THE MARRIAGE TAX PENALTY

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

Mr. KINGSTON. Mr. Speaker, I wanted to continue this discussion on taxes and talk about another tax that has been proposed to be alleviated by the Republican tax relief plan. That is the marriage tax penalty. If a young couple today gets married, they pay more taxes together married than they would if they lived with each other. I will walk through an example.

If you have a young woman who is making \$20,000 and a young man who is making \$20,000 a year, roughly they each pay about \$4,000 in taxes. So their combined income, their combined tax liability, is \$8,000. That is living together. They put on one of these little wedding bands here and get their relationship blessed by the Lord, and then that tax burden comes at a rate based on not \$20,000 in income but \$40,000 in income, and their total tax liability jumps from \$8,000 to about \$12,000 because they are now in a higher tax bracket.

Mr. Speaker, what sense is behind that? What is wrong with trying to correct that? It not only applies to young people, but senior citizens. Here we are, we have a society that is condoning such an absurd, ridiculous tax policy. If society believes in the institution of marriage, then we need to address the marriage tax penalty, which is exactly