

focused on. I am delighted to participate with the gentleman from Michigan, the gentleman from Massachusetts and the others that were here so we can show that some of us are actually trying to reduce crime. Although it may not be as politically popular, we are focused on the issue. I am delighted to work with the gentleman on this. We need to get away from the soundbites and back on the point. The Families First agenda does that.

Mr. STUPAK. I thank the gentleman from Virginia [Mr. SCOTT] for all of his work and being the cochair of the Democratic Task Force on Crime. I will continue to work throughout the rest of the 105th Congress with the gentleman and with the gentleman from Massachusetts [Mr. DELAHUNT], a new Member from Boston who has been of great help to us.

In summation, the Families First juvenile justice bill that we will be presenting tomorrow morning at approximately 10:30 as a substitute to the McCollum bill, really it indicates that we need a balanced approach to the problem of juvenile crime, an approach that would include enforcement, intervention, prevention, and, of course, detention for those violent individuals who have to be detained. It would be based upon smart, cost-effective, community-based initiatives, proven initiatives through research as we have seen in Boston, in Minnesota, and other places around this Nation when we have let local communities determine what is best for them in their communities to deal with their problem of juvenile crime.

BIPARTISAN BUDGET AGREEMENT

The SPEAKER pro tempore [Mr. GILCHREST]. Under the Speaker's announced policy of January 7, 1997, the gentleman from Georgia [Mr. KINGSTON] is recognized for the remaining time before midnight as the designee of the majority leader.

Mr. KINGSTON. Mr. Speaker, I want to say to my friend from Michigan that he still will see me in the gym bright and early in the morning, and I hope I will see both of the gentlemen because they have been a little sluggish lately.

Mr. Speaker, I have with me the gentleman from New Jersey [Mr. PAPPAS] and the gentleman from Pennsylvania [Mr. FOX]. We wanted to talk about the budget agreement that took place on May 2, last Friday. We think it is very important, very, very significant. Unlike other budget agreements, this agreement was hammered out on a bipartisan basis, and instead of having the promises now and the spending reductions later, it has the promises now and the spending reductions now.

The bill basically does five things which I think are truly significant. First, it balances the budget by 2002. Second, it provides tax relief for middle-class families now, not 5 years from now, not in 2002, but it does it now, in recognition that middle-class families

need a tax cut and that tax cuts can, in fact, promote growth, which is one of the easiest ways to reduce the deficit. Third, this bill addresses the Medicare problems and solves Medicare's immediate concerns for the next 10 years. Fourth, it has major entitlement reform which, as the Speaker knows, is about 51 percent of our entire annual expenditures.

□ 2315

Then No. 5, it includes funding for many, many of our important domestic programs such as transportation, housing, and education.

I think if you look at this budget, Mr. Speaker, it is certainly not perfect, but it is a very significant step in the right direction. I believe that we have a great opportunity, an opportunity which is at hand in this Congress to get something done with it.

Mr. Speaker, with those introductory remarks, let me yield to the gentleman from New Jersey [Mr. PAPPAS] who is a freshman and came here with the idealism that all of us come here and, I think, most of us never lose, but Mr. PAPPAS is from the private sector. He is a businessman, he is a family man; he knows the importance of balancing your budget and what it means to American middle-class families.

Mr. PAPPAS. Mr. Speaker, I thank the gentleman from Georgia for yielding. As he said, I come from the private sector in New Jersey, and in New Jersey one of the things that is unique is the State government is required to have a balanced budget, as are the 21 county governments, as are the 567 municipal governments, as are the 610 or 611 school districts, and as are each of the businesses and families within our great State.

While having come from the private sector, I also served as a county government official for almost 13 years and was president of our State Association of Counties, and for us that was something that was commonplace, having to adopt a budget each year, and balance it and live within our means, live within the means of the property taxpayers that would pay the bill, and the programs that we would initiate, if they were voluntary, were programs that we felt our taxpayers could support both through their financial support as well as programs that we felt that they felt were within the scope of our obligation to our citizenry.

And I am very excited, too, with you and so many of us here on both sides of the aisle to see a plan that will bring us to a balanced budget.

You know, for those of us that are football players, the last time that the New York Jets won their last Super Bowl was the same time that the Federal Government last balanced its budget, and for any of you here or any of you out there that may be watching us that may be Jets fans, you will remember that that was 1969.

Mr. KINGSTON. Joe Willie Namath.

Mr. PAPPAS. That is right, and that is an awful long time.

Mr. KINGSTON. Mr. FOX.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate my colleague taking this time to address very important issues to our colleagues about balancing the budget and adopting a bipartisan budget which will help American families and to make sure that those who are in the world of work will get a break.

The balanced budget we all have been seeking, Alan Greenspan says if we finally adopt it here, we are going to make sure we reduce our costs for mortgages, we will reduce the cost of the interest for car payments and also the interest of cost for college loans.

This legislation, the balanced budget, also calls for the CPI to be in accordance with the Bureau of Labor Statistics so our seniors will be protected by still having their COLA's and for pensions and for Social Security.

It also calls for the kind of tax relief American families need. We are talking about capital gains reduction for individuals and businesses.

Last time we had significant reductions of capital gains was the Reagan administration and the Kennedy administration, and in both cases we saw an increase in savings and investment and growth, and the \$500-per-child tax credit, that would be a great assistance to American families.

So I am very much buoyed up by the fact that this budget looks like it is a step in the right direction, and I believe that because we are working on both sides of the aisle to get it achieved. I think this is certainly something that is a milestone that we have not had, as our colleague from New Jersey [Mr. PAPPAS] said, not since I graduated college.

Mr. KINGSTON. I did not know you were that old. I was just in junior high at the time.

Mr. Speaker, we have been joined by the gentleman, the only gentleman on the floor who represents a district outside of the eastern time zone, and so his folks are probably just finishing up dinner out in Arizona. But we have with us the gentleman from Arizona [Mr. HAYWORTH] who the gentleman from New Jersey [Mr. PAPPAS] may know is a former football player himself and a sports newscaster.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Georgia, and I am pleased to join with my colleagues in New Jersey and Pennsylvania.

Mr. Speaker, my colleague from Georgia is correct because in the great State of Arizona it is only about 8:20 in the evening, and so folks are getting home from work, and they have had a chance to sit down and read the newspaper and watch television news and visit with their families, maybe get the young ones to bed, and now they turn their attention to matters that affect their lives. And indeed, Mr. Speaker and colleagues, as I traveled around the Sixth District of Arizona this past weekend, holding town halls in the Globe-Miami area, the Cobra Valley,

great resource-laden area, copper mines, down to Florence, AZ, and finally into the small town of Coolidge, AZ, we talked a great deal, and I listened a great deal to Arizona families and their concerns, and because those town halls occurred on Saturday, in the wake of Friday's historic announcement, there was a great deal of interest and excitement about the notion that finally in Washington, DC people quit playing the blame game and looked for solutions.

Mr. Speaker, I heard time and again from residents of the Sixth District of Arizona how pleased they were that Congress is getting down to business and working to enact a balanced budget. As our colleague from New Jersey pointed out, the last time that occurred was 1969, the year that Americans landed a man on the Moon. In fact, Mr. Speaker, the flag behind you was taken to the Moon and returned to this Chamber by our astronauts of Apollo 11, and it begs the question, if we could put a man on the Moon, then certainly, if we can reflect our national will in that way, certainly we can move to save money and to allow our citizens to hang onto their money because it is theirs, they earn it, send less of it here to Washington and transfer money, power, and influence out of Washington, DC and into the several States, and, most importantly, keep money in the pockets of hard-working Americans for them to save, spend, and invest on their families as they see fit.

So that is what I bring back from the Sixth District of Arizona. To be certain, there is a lot of interest in working out the details, and I welcome this time with my colleagues from Georgia, New Jersey, and Pennsylvania, Mr. Speaker, as we talk more about tax relief for working families, as we talk about the dynamics of trying to work out this agreement, as we realize up front that challenges remain in the formulation of all the plans; but as we also welcome, even as we acknowledge, that no document crafted by man in this institution or any other can be considered perfect. Perhaps now we have at long last a meaningful start.

In fact if my colleague from Georgia will indulge me, let me simply read, Mr. Speaker, into the Record the first couple of sentences in the lead editorial in today's Washington Times. I think it sets the proper historical perspective.

Quoting now:

Unlike the detailed spartan and loophole-laden deficit reduction legislation passed by Congress in the 1980's outlining paths toward reaching a balanced budget within several years, the budget agreement struck last week between President Clinton and the GOP-controlled Congress appears sufficiently calibrated to reach its target. Most important, that goal is being achieved while providing for substantial tax cuts.

Mr. FOX of Pennsylvania. If the gentleman will yield, I think what is significant is that we are no longer talking in Washington about whether or not we are going to balance the budget,

but when, and now we have an agreement on when: the year 2002.

Now as you say, the details, of course, are to be worked out, but what I think is also exciting, Mr. Speaker, about this new budget is it is going to offer some assistance to families who want to pass down a business to the rest of the family that follows them, that they inherit without the tax eating up all the hard-earned economic assistance that went into the business or went into the family farm, and this budget is going to have estate tax relief that families surely need out in agricultural areas and certainly in small businesses. That is what makes America great. By having this estate tax relief, I think this budget becomes an even brighter one for American people.

Mr. KINGSTON. Mr. Speaker, if the gentleman will yield, let me ask the sportscaster here. The 1969 World Series, New York Mets?

Mr. HAYWORTH. Mr. Speaker, the New York Mets lost in last place that year.

Mr. KINGSTON. Was it 1970 that they came back?

Mr. HAYWORTH. They defeated the Baltimore Orioles.

Mr. Speaker, there are some denizens of this area. Indeed, as we look at the Speaker pro tempore, Mr. GILCREST, tonight and realize that he hails from the great State of Maryland, that may be something that he would rather forget, but knowing it was the year of the Miracle Mets and sadly, ironically, the last year of what should be commonplace instead of miraculous, and that is a balanced budget.

But the gentleman from Georgia [Mr. KINGSTON] is quite right, the Mets defeated the Orioles in that World Series 1969 that led to a great book, "The Year The Mets Lost Last Place."

Mr. KINGSTON. The distinguished Speaker pro tempore from Maryland sitting there might not like it, but I think it is important for my colleagues to realize how far back in time we are talking about.

I will give you an example. My dad was a tight-fisted college professor and, raising 4 kids, did not want to spend a lot of money on a car for the teenagers. He bought a 1971 Ford Maverick in 1971. The sticker price on that car, as my colleagues may remember, was \$1,995. That is what you could get a Ford Maverick for in 1971.

That was a long, long time ago. Driving that Maverick down the road, you could fill up the tank at 25 to 28 cents a gallon. I think it is important for everyone to realize how far back in time we are going since the budget was balanced. Neal Armstrong was walking on the Moon that year.

But let me ask this, let us move ahead. We have had budget deals. We had lots of them during the Reagan administration. We had the Bush administration's budget deal. We had one with Clinton. This one is different in that it has so much of the savings and tax cuts now. The benefits are now.

I have said to the folks back home that New Year's Day, actually January 2 every year, we promise we are going to lose weight. We say, okay, now is the time and we make that New Year's resolution and we feel real good about it. But then come February there is a wedding, and come March there is something. March, of course, in Savannah we have St. Patrick's Day. Everybody is going to resume festive activities then. But as the year goes on, you get a little bit further away from your New Year's resolution and you are not losing that weight.

I think that it is important for us to realize that, as significant as that decision is, the resolution on May 2 to go on a diet once and for all to balance the budget, it still is going to take discipline. We do not just celebrate and go home. That is one thing the four of us have learned as relative newcomers to Congress is that this is the first step.

The Speaker and the leaders have all acknowledged that this budget agreement is significant, but do not go home. You have to watch the process and you have to push because there is going to be a lot of discipline and there will be lot of times down the road where the special interest groups come to us in June, in July, in August during the appropriations cycle and say, just a little bit more here, another billion here, another billion there, a new entitlement; and we are going to have to have the discipline to say, no, we cannot do that.

Mr. HAYWORTH. Mr. Speaker, if the gentleman would yield, a point that I think is important here, and we would be less than candid with the American people, Mr. Speaker, if we did not take into account the cynicism, yes, even the skepticism that greets this agreement.

Indeed, this morning in the lead editorial of the Arizona Republic in my great State, there was voiced in the editorial some skepticism about the plan. But Mr. Speaker, as the American people join us tonight, I think it is important that they realize that the proof is in our most recent history, that with this Congress and the change in majority status here beginning in 1995 with the 104th Congress, the proof was in the pudding, the proof was in the actions.

For example, the elimination of almost 300 wasteful and duplicative government programs, in the process, a savings of some \$53 to \$54 billion. So my colleague from Georgia, Mr. KINGSTON, is correct; much remains to be done.

□ 2330

The other thing that makes this different, what was pointed out in the lead editorial of the Washington Times this morning, is that the loopholes are not there. Indeed, the challenge now becomes to craft a document, the details of which will be worked out, of course in consultation with the minority, but with the special philosophical

underpinnings of our new majority in the Congress of the United States to adhere to a simple notion that is the following: This wealth does not belong to the Government, it belongs to the American people who voluntarily send their tax dollars to Washington.

It is our job to be a good steward of those tax dollars, and to make sure that we have a government that operates within sound fiscal bounds, and at the same time we do so on less of the people's money so that money stays in their pockets.

As the first Arizonan in history to sit on the Committee on Ways and Means, I look forward to a very busy time in the next several weeks as we work out the details of tax reductions in capital gains, perhaps the elimination, or certainly a drastically reduction in what we could more accurately call the death tax that my colleague from Pennsylvania talked about.

As we look at that \$500 per child tax credit, so vital to American families who need to save, spend and invest more of their hard-earned money and send less of it here to Washington, that is the challenge before us, even as we work out the details, not with legislative loopholes or some sort of sleight of hand, but we get about the hard work of the details of governance, which is why we were sent here in the first place.

Mr. FOX of Pennsylvania. Will the gentleman yield?

Mr. HAYWORTH. Mr. Speaker, I gladly yield to my friend from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Chairman, we are very proud that the gentleman is on the Committee on Ways and Means so that he can exert his considerable leadership on some important reforms, not least of which would be to reform the IRS. Of all of the districts, for that matter Pennsylvania, my colleague knows the way the law is written today, the burden is on the taxpayer, that says that the taxpayer is presumed to be guilty that they did not file or that they did not remit correctly. And instead I think, and I think many of us do and our constituents back home think that burden of proof should be turned around.

Some of the abuses that have taken place to some of our constituents have to be addressed. And I hope that the Committee on Ways and Means, working on reforms to balance the budget and making sure we have bipartisan initiatives that help the people, will also look into how we can make that agency work more responsibly.

Mr. HAYWORTH. Mr. Speaker, I think that is a point well taken, and I would also add that let us give credit where credit is due. Indeed the leadership on this issue comes from both sides of the aisle. Our good friend from Ohio, [Mr. TRAFICANT], has been insistent on this type of legislation, and I do not think we can overstate this to the American people too emphatically.

As we know, and my colleague from Pennsylvania being a distinguished at-

torney, I do not hold that against him, but it has been a basic tenet of Western jurisprudence that the burden of proof does not rest with the accused; instead, with those who make the accusations. Yet, we have turned that in tax law to where it is completely reversed, and some would say that reverse indeed is a perversity of the system, for when one is called in and questioned about one's returns, the burden of proof falls not on the Internal Revenue Service, instead it falls on the accused taxpayer. Indeed, there is not the presumption of innocence; instead, there is a presumption of guilt.

So I salute my colleague from the other side of the aisle, the gentleman from Ohio [Mr. TRAFICANT], for being a leader on this issue. And I champion the fact that here again is another example, despite the tendencies and temptations of one-upsmanship and snappy rejoinders and spinarama that emanates out of Washington, DC, there are people of goodwill from both major political parties willing to put that aside and work for what is best for the American people.

Rest assured, there will be differences, and indeed we should champion those differences here in this, what one of our forebears called this temple of democracy. But with that in mind, let us work together to deal with reforming the IRS, changing the IRS as we know it, working hard to put money and allow American taxpayers to keep that money in their pocket and rein in the size and influence of this behemoth we now call the Federal Government. I know our colleague from New Jersey has thoughts on that as well.

Mr. PAPPAS. Mr. Speaker, I could not agree with the gentleman more. Earlier I was here standing in the well and talking about Tax Freedom Day. That is just a couple of days away, and each year it seems to go later and later and later. In my State it is May 11, whereas nationwide it is May 9. Some people in this Chamber and around the country feel that we cannot cut taxes and balance the budget at the same time. I am of the opinion that we can do both and I think that we do need to cut taxes to spur economic growth, but also to force us here in the Congress to reduce spending, and I think that that is the only way that we are going to be able to do that.

A lot of people that may be watching may be saying, what does balancing the budget do for me, and what does it do for my family? The Concord Coalition, which is a very well-respected organization, had done an analysis that I am sure in all congressional districts, but they did one for the 12th District of New Jersey, which I represent.

Their research showed that the average home in the 12th District of New Jersey, the central part of the State, costs approximately \$205,200. If that were borrowed, 100 percent mortgage, which is unusual, if all of it were borrowed with 8 percent interest over a 30-year mortgage, the mortgage holder

would pay \$1,505.68 a month. A 2-percent reduction in interest rates on a 30-year mortgage, which Dr. Greenspan and so many economists around the country have said would result from a balanced budget, 2-percent reduction in interest rates over that 30-year period of time would result in a \$1,230.28 payment, a savings of \$275.40 a month. If that same mortgage holder, that same homeowner, that same family put that savings into a bank account earning 4.5 percent interest, a typical rate of return, over that same period of time, that would turn into \$209,134.95. That is enough to buy another house, put a kid through college, put several kids through college.

Mr. HAYWORTH. I just want, for purposes of emphasis, to ask my colleague from New Jersey to read that total again, assuming the savings with a 2-percent reduction in interest rates. This is for an average family owning a home with a 30-year fixed mortgage in your district in New Jersey, what would that savings be?

Mr. PAPPAS. On a monthly basis, \$275.40, and over a 30-year period at 4.5 percent interest, \$209,134.95, a significant amount of money.

Mr. HAYWORTH. Indeed, and I think it is very important, Mr. Speaker as we are here, to thank the gentleman from New Jersey for giving us a tangible answer of why balancing the budget is so vitally important. This is not some sort of esoteric economic goal for its own sake. It is not the notion of in the realm of cosmic reality trying to put our house in order because of a love of symmetry.

The fact is, it can help families save more, invest more, plan for their own futures, and that is why it is vital. Every family in this Nation has an economic stake in seeing a balanced budget, not because of some far-flung concept, but because of the glaring realities of the challenges of life that they will confront as we prepare to move into the next century.

While there are some cynics who would say of economists, you could lay all economists end to end and still never reach a conclusion, we are compelled to take a look at the testimony of Dr. Greenspan when he testified in the 104th Congress in front of the Committee on the Budget and when he said he was absolutely convinced that a balanced budget would lead to a genuine reduction of up to 2 full percentage points in the prime interest rates.

Mr. KINGSTON. Mr. Speaker, it is interesting that we talk about this. If we think about the interest that we are spending right now, as the gentleman knows, the second largest expenditure in our national budget each year is interest on the \$5.1 trillion national debt.

Now, we are not paying down the principal, we are only paying the interest. That interest costs a little over \$600 per person. Middle class families, a family of four, is paying about \$2,400 a year in taxes simply on the interest; \$2400 a year would pay for several

months' mortgage payments. It would pay for lots and lots of groceries, depending on how many kids one has. If one has teenagers one could probably count on it getting through the week or something like that. But it would pay for a nice vacation, it would pay for a secondhand car, or at least a good portion of it, and that would just be if one could get rid of that one item on the budget.

Now, what this is going to do is this is not going to pay off the debt, but what it will do is say that the debt is not going to get bigger so that interest portion will not get bigger and bigger every single year.

We still have lots of unfinished work, but what this does is it gives us a fighting chance, gives our children a fighting chance on that \$5.1 trillion debt.

One of the definitions that I have read lately on \$1 trillion is, if we had \$65 million in a boxcar, how long would the train have to be with boxcars full of \$65 million in order to equal to \$1 trillion. If my colleagues want to guess, 240 miles long to get to \$1 trillion, and our debt is \$5 trillion. Every single school kid that gets on the steps of the Capitol or that we see in the rotunda is going to have to pay off that debt during their lifetime. It is the equivalent of taking our children out to eat, having a big meal and passing them the tab on the way out the door. It is not fair.

Mr. Speaker, this balanced budget agreement gives our children a fighting chance against that massive debt. So I think it is a step in the right direction, and it is the initial step.

Mr. PAPPAS. Mr. Speaker, if I could just mention, 240 miles, that is a little bit longer distance from my home in New Jersey to Washington, D.C. And every time I travel back and forth I will have to think about that and recognize that, when we look at the vast expense of our Nation, 240 miles is a relatively short period of time, but I travel it twice a week, and I will have to remember that. It is something very, very tangible that people can understand.

Kids born today have a \$200,000 debt that they are responsible for.

Mr. KINGSTON. Mr. Speaker, it was \$187,000 in the 104th Congress, the other gentleman will know.

Mr. FOX of Pennsylvania. Mr. Speaker, if the gentleman will yield, I think it is important to also note about this budget, not only are we going to have the tax reductions we talked about, a balanced budget that the gentleman from New Jersey [Mr. PAPPAS] has outlined which is very important, but we are also going to have additional educational assistance in this form of assistance with grants and loans so that every student has a chance to go to college. I think that is certainly the kind of bipartisan effort that this Congress has made with the White House in order to bring about a meaningful budget.

Mr. HAYWORTH. Mr. Speaker, I think that is a valuable note, but also

I think the challenge is for us to find those good ideas to enact into law that can help empower educators on the local level, and I am glad my colleague from Pennsylvania, Mr. FOX, brought this up.

It will be my honor on Saturday to offer the commencement address at my alma mater. North Carolina State University was created in essence by an act of Congress. The Federal Land Grant Act in the 1860's, the Morrill land grant set aside federally controlled land to several States for the establishment of institutions of higher learning so that those citizens who, in the past had not had an opportunity for a college education, could receive an education.

□ 2345

I think it is vital, indeed, borne out of experience in the 104th Congress, to take a look, commensurate with our conservative principles of holding the line on spending, recognizing the power of the several States, realizing that education cannot be micromanaged from Washington, and mindful of that historic act I am going to present in the commencement address, and indeed, I have spoken with majority leadership both in the House and Senate, and the chairman of the committee of jurisdiction here in the House, what I would call the Federal Land Grant Act for Elementary and Secondary Schools here in the United States.

Let me tell the Members, it is borne of a practical experience in the 104th Congress. The small town of Alpine, AZ, almost located on the border of Arizona and New Mexico, was confronting a crisis because the tax base in that area has essentially been eviscerated through the actions of some Federal judges to stop timber harvests, and through several other actions, the tax base has shrunk.

At the same time, there is the challenge of holding the line, or perhaps even, candidly, a decrease in what we call in legislative parlance PILTS, payment in lieu of taxes, in so many areas that have vast Federal lands; that working with the people of Alpine, I was able to enact legislation in the closing days of the 104th Congress, with the help of my colleagues who were here at that point in time, to convey 30 acres of federally controlled land to the Alpine school district for a significant savings when it came to the construction of new school facilities.

To get that done, we had to follow almost, I would not call it a crazy quilt, but it was a path that is seldom followed to get this done. So it will be my intent, as I will outline in the commencement address on Saturday, to offer in this body the Federal Land Grant Act for Elementary and Secondary Schools, so those rural school districts from coast to coast will have an opportunity to save funds, to have land conveyed voluntarily at no cost to the Federal Government for those lands that are already held in trust by the

United States for these local school districts; not to micromanage the curriculum from Washington, not to dictate the policies, what should go on in the classroom, but simply as another tool, commensurate with our constitutional authority, and also the examples of history, to empower people to make local decisions in areas as important as education.

Indeed, I am indebted, I am indebted to the people of Alpine, AZ, who stepped forward with a commonsense idea; and in so doing, yes, to help their local community, offered a prototype for other school systems around the country. I am indebted to my alma mater for an education that gives us a sense of history that can be applied to the problems we face today, and on into the next century.

So let us again call, mindful of our historical legacy, for this Federal land grant program for elementary and secondary schools, so that we can empower these local communities, who are desperately in need of holding onto their own funds. And it is that type of thinking, I would submit, Mr. Speaker, from people of good will of both sides of the aisle that can make a difference as we prepare for the next century.

Mr. KINGSTON. Mr. Speaker, I believe that the gentleman is correct in that we are going to move in that direction. I think we are going to find lots of ways to kind of creatively get out of the bureaucratic entanglement that so many of our communities have gotten into, and so many of these I would say disappointments which the government has caused to local economies and people and so forth.

The gentleman had mentioned some of the savings to the middle class through college education opportunities and so forth. One of the very practical and I hope immediate measures is this \$500 per child tax credit that is in the budget. The gentleman from Pennsylvania [Mr. FOX] mentioned it earlier. It is something that American middle-class families need.

We talk so often about let us do something for the children. Why do we not just let the parents keep more of the money that they are earning and let them do that for the children? If you have a family of two, that is \$1,000 a year that you can spend for groceries, for clothes, for textbooks, for whatever your child's needs are. That is something for the American middle class that is overdue to them.

Mr. FOX of Pennsylvania. Mr. Speaker, if the gentleman will continue to yield, I would like to take off on the point that our good friend, the gentleman from Arizona, just raised.

First of all, we appreciate the gentleman's leadership and creativity on educational initiatives, but we also agree that it is left to the States to determine when Federal money goes forward for transportation, for books or school lunch; that is where the 501 school districts in my own State of Pennsylvania would determine how that is used, and

as the gentleman from New Jersey [Mr. PAPPAS] said earlier, the 600-plus school districts from his own State.

One of the things we can do with higher ed is restore the deductibility on higher education. When the employer provides an educational assistance, that should be a tax benefit for the employer and not make it a gift for the students, so there is a real incentive to do that higher ed. And also make deductibility for parents who provide the payments for college loans, to give them the tax credit, because these kinds of ideas are not Republican or Democrat, they are good for America.

So I think the gentleman's initiatives, the gentleman from Arizona [Mr. HAYWORTH], are certainly a step in looking at the Government and saying we do not have to do it the way we did yesterday, let us look at it differently; what can we do for our secondary education and our primary schools?

Mr. HAYWORTH. I am struck by the energy and the enthusiasm, the creativity of those who join us in this 105th Congress: our colleague, the gentleman from New Jersey [Mr. PAPPAS], and also one of your colleagues, the gentleman from Pennsylvania [Mr. PITTS], who outlined I think as a former school teacher really what I call the human equation when it comes to Federal dollars involved in education, as they exist today. Because our good friend, the gentleman from Pennsylvania, has come up with a notion of a resolution for dollars to the classroom, saying that henceforth it should be our goal to be mindful of the human equation; for the 6 to 8 percent of funding that the Federal Government supplies to school districts around the Nation, 90 percent of that money should get into the classroom to help teachers teach and help students learn, and 10 percent should be reserved for bureaucrats and buildings and the cost of administration, a 9 to 1 difference.

Because our initiative should be focused upon local control, upon sending those resources to where those resources can make the most difference, and, in the case of the proposed land grant legislation that I hope to introduce shortly, even finding ways where money does not have to be spent, per se, but we can use those historical examples that have served us well educationally in the past to offer hope for the future.

Mr. PAPPAS. Mr. Speaker, one of the things that we have not touched upon, and I know our time is just about up, I just wanted to mention, each of us have parents or grandparents who are dependent upon the Medicare program, and so many of our constituents. Certainly in portions of my district the senior citizen population is quite significant, and their needs are something that I have always tried to attend to.

Prior to my election to Congress I was a member of our county board of freeholders. One of my areas of respon-

sibility was our county office on aging and the programs for our elderly citizens. That is a portion of our population that is growing at a greater rate than younger folks.

This agreement that we are all here to talk about and to help educate people in our country about, and I hope they are as excited about it as we are, one of the important parts of this is entitlement reform, and an effort to preserve Medicare beyond 2001 or 2002, when the trustees of the Medicare program have said it is going to go broke. It adds about 10 years to the life of that program.

I have a 94-year-old grandmother. We are going to be celebrating Mothers Day in just a few days. I am very fortunate to have her here and be able to celebrate that with her. People like her will benefit from it, and if I know her and the kind of shape that she is in come 10 years from now, she will probably be saying, make sure you do something about Medicare.

□ 2355

Mr. KINGSTON. Mr. Speaker, we have about a minute each to wrap up.

Mr. FOX of Pennsylvania. Mr. Speaker, I want to thank the gentleman from Georgia [Mr. KINGSTON] for taking out this hour so we have a chance to discuss with our colleagues about the importance of balancing the budget, making sure that we move along in a bipartisan fashion. We are no longer having Government shutdowns. We are making sure that the country moves forward while still having fiscal responsibility, having educational opportunity, continuing environmental protection, but making sure that the American family has a chance to retain more and more of the money they earn and less of it going to Washington by regulation, less of it going to Washington in duplicative spending from the State government or the local government.

I think this is certainly an idea whose time has arrived in Washington, to balance our budget just like State governments do, just like county governments do and school governments. The American people have to balance their budget each week, and it is about time Congress put that interest payment off the American people and make sure we keep more money for them, for their own necessities of life, and not have Washington dictate to them how their money is spent.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Georgia for yielding to me and my colleagues from Pennsylvania and New Jersey for joining us tonight.

It is obvious to the American people, while challenges confront us in working out details and, indeed, some would say those details may from time to time bedevil us, we do have a basic blueprint for changing the culture in Washington, for taking a step, regardless of party label, to transfer money, power, and influence out of this city

and back into the hands of the American people.

And with that and with the framework of this historic agreement, over a 10-year period of time, one-quarter of a trillion dollars in tax relief, in tax cuts for the American people, whether for job creation and economic expansion or with a drastic change to the unfair death tax or, importantly, early on now this \$500 per child tax credit, governed by this simple notion: The money does not belong to the government. It belongs to the people, and the people should hang onto more of their own money to save, spend, and invest and send less of it here to this city.

Mr. PAPPAS. Mr. Speaker, I thank the gentleman from Georgia for initiating this and for allowing us to participate. The American people want us to balance the budget. That is why they sent the gentleman from New Jersey [Mr. PAPPAS], and I think that is why they sent each of my colleagues as well.

What excites me about this, besides that, we have real numbers that are going to bring this budget into balance by the year 2002, permanent tax relief; the estate tax reform that will allow so many family owned businesses and farms in districts such as mine to be able to be passed down from one generation to the next. There are so many people, men and women in our country and our districts that have worked all of their lives to build a business or to maintain a farm, to be able to pass that legacy on to their children.

Unfortunately, the existing Tax Code prevents many of those folks from passing something on to their children and then for them to pass it on to their grandchildren. I am excited and honored to be a part of this Congress that is going to enact that kind of significant and permanent tax relief for our citizens.

Mr. KINGSTON. Mr. Speaker, the gentleman from Pennsylvania [Mr. FOX], the gentleman from New Jersey [Mr. PAPPAS] and the gentleman from Arizona [Mr. HAYWORTH] and I close with this, I want to submit it for the RECORD also, an op-ed from the Washington Times by Tod Lindberg. He says:

My rule of political progress goes something like this: First you lock in everything you can get; then you denounce it as grossly inadequate. If you get the order wrong, the perfect becomes the enemy of the good, and in an unholy alliance with the bad, the perfect crushes the good every time. Therefore, I like the budget deal. Can I imagine a better one? Very easily; but I have no particular reason to think that my musings are going to be enacted by Congress and signed by the President.

In short, the deal is the only game in town. What it leads us to, Mr. Speaker, is a smaller government, lower spending, lower taxes and a balanced budget and that, Mr. Speaker, is a very good start. Mr. Speaker, I include for the RECORD the editorial to which I referred:

[From the Washington Times, May 7, 1997]
THE ART OF THE BALANCED BUDGET DEAL

(By Tod Lindberg)

My rule of political progress (which is not original to me) goes something like this: First, you lock in everything you can get; then you denounce it as grossly inadequate. If you get the order wrong, the perfect becomes the enemy of the good—and in an unholy alliance with the bad, the perfect crushes the good every time.

Therefore, I like the budget deal. Can I imagine a better one? Very easily; but I have no particular reason to think my musings are going to be enacted by Congress and signed by the president into law any time soon. The deal is the only game in town.

The budget deal before us would: 1) balance the budget by 2002; 2) do so while cutting taxes. The past four years have seen a huge shift in the terms of the fiscal debate in this country: from whether to increase taxes or not in order to reduce the deficit en route to a balanced budget (the animating principle of the disastrous 1990 budget deal and President Clinton's 1993 deficit reduction package, which passed Congress without a single Republican vote), to whether to cut taxes or not while balancing the budget—two points the president is now prepared to support. This deal codifies the latter two in law; to me, this is progress.

I'll leave the liberal arguments against the deal to the other side. But here are some notes on some of the conservative arguments against it.

It allows discretionary spending to grow. So it does, and that is not desirable. But there are now caps, and the caps prevent domestic spending growth from even keeping pace with inflation. That means real declines over time.

The spending caps become floors. They may; the task of fiscally conservative members of Congress will be to keep making the case that these caps are too high—against liberals who will say they are too low. But the conservatives would have had to make exactly the same case in the absence of this deal, too.

The reforms in Medicare are just price controls. Actually, so's the current system; nothing new there. We still need Medical Savings Accounts in Medicare and elsewhere. But surely there are some savings that can be extracted from the current system short of MSAs. Now we will see.

The deal doesn't reform Medicaid significantly. True; but this is a GOP problem as well as a Democratic problem. Governors from both parties hated the per-head caps that were under discussion. Medicaid needs reform no less (but no more) than it did before the deal.

The tax cut is small. Yep. But it's a tax cut, one that will apparently include a reduction in the capital gains rate from its current level (which is where it was when Jimmy Carter left office). The per-child tax credit, though not meaningful in terms of promoting economic growth, will mean a lot to the middle-income families who qualify for it. As for Mr. Clinton's favored college tuition tax credits, they are merely foolish, not dangerous. And none of the other tax cuts happens without his signature.

It enshrines government in its current bloated size and scope. Some folks seem to think that this is the end of politics for the duration of the agreement. That's simply wrong. The problem is that Republicans weren't able to articulate their thoughts on the size and scope of government in a fashion that voters found so compelling they were willing to turn over both the legislative and executive branches to the GOP. Conservatives will not be hindered in making that

case by an agreement that says government will live within its means while cutting taxes.

It's "balanced-budget liberalism." I don't think there is such a thing as balanced-budget liberalism. If the budget is balanced, liberalism has mutated into a less virulent species—by moving to the right. I think that merely shifts the center to the right, which is to the advantage of conservatives.

It relied on a \$225 billion cash infusion thanks to new revenue estimates. Less than people think. Of that \$225, about \$108 billion went toward inserting (tougher) CBO revenue projections. That's not spending. About \$20 billion of it went toward avoiding a legislative fix of the consumer price index, leaving a smaller fix possible under current law in the hands of the Bureau of Labor Statistics (I'd like to see CPI fixed altogether, but in the context of tax relief). About \$10 billion went to keep from fixing Medicaid, and (yippe) we get \$7 billion more in transportation. Bike paths for everybody! That leaves \$80 billion—a nice insurance policy.

Defense is getting cut too much. Yes. But the sentiment to increase it is not yet there. Proponents will need to make the case more urgently.

Mr. Clinton will be weaker, and the deal terms will be better, as the scandals unfold in the summer. Oh, promise me. Anyway, if that's true, Republicans ought to take the occasion then to stuff something down his throat he hasn't swallowed here. MSAs, maybe?

Birth of an entitlement: KiddieCare. Yes, that's quite bad. No point in pretending otherwise. Question: If there is no deal, can it be stopped? And does it really trump a balanced budget with tax cuts?

Perfect? Hardly. Progress? Definitely. After all, Rome wasn't burned in a day.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YATES (at the request of Mr. GEPHARDT) for today, Wednesday, May 7, after 7:30 p.m., on account of illness.

Mr. FILNER (at the request of Mr. GEPHARDT) after 3:30 p.m. today, and Thursday, May 8, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCINNIS) to revise and extend their remarks and include extraneous material:)

Mr. HULSHOF, for 5 minutes, on May 14.

Mr. BOB SCHAFFER of Colorado, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

Mr. SHAYS, for 5 minutes, today.

Mr. PAPPAS, for 5 minutes, today.

Mrs. MORELLA, for 5 minutes, today.

Mr. HANSEN, for 5 minutes, on May 8.

Mr. MCINNIS, for 5 minutes, today.

Mr. FOX of Pennsylvania, for 5 minutes, today.

(The following Member (at the request of Mr. STUPAK) to revise and extend her remarks and include extraneous material:)

Mrs. KENNELLY of Connecticut, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCINNIS) to revise and extend their remarks and include extraneous material:)

Mr. ROGAN.

Mr. EVERETT.

Mr. BONO.

Mr. GREENWOOD.

Mr. JENKINS.

Mr. GILMAN.

Mr. MCCOLLUM.

Mr. EWING.

Mr. HOSTETTLER.

Mr. MANZULLO.

(The following Members (at the request of Mr. STUPAK) to revise and extend their remarks and include extraneous material:)

Mr. KUCINICH.

Mr. KENNEDY of Rhode Island.

Mr. BOYD.

Mr. FAZIO of California.

Mr. HAMILTON.

Mr. STARK.

Mr. TRAFICANT.

Mr. WAXMAN.

Mr. KENNEDY of Massachusetts.

Ms. CARSON.

Ms. JACKSON-LEE of Texas.

Mr. MCGOVERN.

Mr. POSHARD.

Mr. TORRES.

Ms. SLAUGHTER.

Mr. BENTSEN.

Mr. ACKERMAN.

Mr. WISE.

Mr. LEVIN.

Mr. LAFALCE.

Mr. HINCHEY.

Mr. GEJDESON.

Ms. EDDIE BERNICE JOHNSON of Texas.

Mr. ENGEL.

Mr. LANTOS.

Mr. GUTIERREZ.

Ms. PELOSI.

Mr. FORD.

Mr. COYNE.

Mr. KLINK.

Mr. RUSH.

ADJOURNMENT

Mr. HAYWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 midnight), the House adjourned until tomorrow, Thursday, May 8, 1997, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3153. A letter from the Administrator, Cooperative State Research, Education, and Extension Service, transmitting the Service's final rule—Small Business Innovative