

literally going to high schools and trying to find well-qualified high school students to try to draft them into his company before they can go to college. It is kind of like with basketball players that are drafted into the pros before they can go to college.

I have labor unions in St. Louis that are going into the high schools and recruiting young people to come to apprenticeship programs, something that has not happened in our country, certainly in St. Louis, in probably 40 years, maybe longer. We have a 4.9 percent unemployment rate nationally. In some States we have a 2-percent unemployment rate right now tonight in June 1997.

The great shortage in the country is not tax breaks for people who have done very well and are doing well. The great shortage in the country is mentally capable human beings who can take the productive jobs in our companies and create more economic growth and productivity so that our economy does even better in the future. And so the reason the President feels so strongly about these education tax cuts is they go to the heart of what is most needed in our country. And to go back to our people that we have talked about tonight, we, the kids in the middle class, kids trying to get in the middle class need tax breaks in order to go to college and to go to community college so they can get the mental capabilities, so they can be productive citizens and take these jobs that our corporations so desperately are looking for talent to fill.

When the President said that he would not sign a tax bill, that does not have \$35 billion of education tax cuts, he said it because of that fact. Our bill has \$37 billion of tax cuts for education. The Republican bill has \$22 billion of tax cuts for education. It is not going to be signed by this President because it should not be signed.

Again, the No. 1 need in the country is education, education, education is what we need. And we need our tax cuts to go to people so they can get education.

When I was a young person, my dad was a milk truck driver in St. Louis. We were of those lower middle income families. My mom was a secretary. Every month they would take their money and put it in a savings account so my brother and I could go to college, the first ones in our family that had been able to go to college. When we finally got into college, we had to borrow money from the church, Third Baptist Church in St. Louis.

I will never forget, my mother and I went down and saw the pastor of the church and we asked for a loan. They had a little scholarship fund, and they gave us a loan so that I could pay my tuition at the university. We did not have tax cuts then. And we did not have student loans, and we did not have Pell grants then. It was a long time ago. I am getting up there. But the only way we could do it is if we go

to the church and borrow the money. And tuition at Northwestern University, where I went, was \$1,500 a year.

What does a family today who is earning \$25,000 and \$20,000 and \$30,000 and \$17,000 do to get their child even to community college or to State college, much less a private university that might cost 5 or 10 or 20 or \$30,000 a year?

When we are talking about this conversation that we are having, I say to the gentlewoman from Houston, with the American people tonight, and I hope we will have over the next 48 hours, this is what is at stake. It is whether or not the kids of this country who come from middle income and lower middle income and poor working American homes will have the ability to go borrow the money and get the money together to go to college so they can be productive citizens. That is what is at stake.

There are not enough churches out there to do what happened to me. I hope there are some and I hope they can give loans to kids like I got a loan, but I am sure that there are not enough out there to get this done.

This is a big deal. It is a big deal for the future of the American economy and the American people. I hope and pray that we can get this point across to the American people in these next 48 hours, and they will stay tuned in, as the gentlewoman from Houston has said, and that we will get their attention and they will respond. They will pick up the phone and they will write or they will send e-mail or they will send a letter or they will go to the office of their Congressperson, whether they are Republican or Democrat and say, we want a tax bill that helps average families and helps education and really helps the future of this country. I thank the gentleman.

Mr. PALLONE. Mr. Speaker, I want to thank our Democratic leader for saying it so well. I think we only have another minute or so left. I yield to the gentleman from Ohio [Mr. STRICKLAND].

Mr. STRICKLAND. Mr. Speaker, I want to respond to my friend from Missouri. I taught at a small State school before I was elected to this body. Under the Democratic plan, students going to that school would qualify for \$1,500 per year for the first 2 years of college which would basically pay for the cost of tuition at that institution. But under the Republican plan, that student would get probably \$600. That just simply is wrong. It is breaking the agreement. As I understand it, the President was assured that we would have a \$1,500 per year tax credit for the first 2 years of college. I urge my colleagues to make an issue out of the fact that education is important and the education part of this deal has been broken by the Republicans.

THE ECONOMY

The SPEAKER pro tempore (Mr. Jones). Under the Speaker's announced

policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 60 minutes as the designee of the majority leader.

Mr. NEUMANN. Mr. Speaker, I planned on rising tonight to talk about our debt and deficit and how we will balance the budget and how important it is to our children's future that we do balance the budget and talk also about a bill that we will be introducing about paying down the debt, but before I do that, I have been listening to the debate here tonight and I would like to open this evening by reminding the American people that 3 or 4 short years ago this debate was not about how much we could reduce taxes.

In 1993, I hope everyone remembers, the other side was in control. But the discussion was not about how much and which taxes should be reduced. In 1993, we passed the largest tax increase in American history. This debate has changed entirely. And whether we agree or disagree with all the different aspects of the tax bill, I think it is very, very important that when we look back on 1993 and we remember the other side was in control at that time, the debate was about entirely different topics.

It was not about how much or which taxes to cut. Instead it was about which taxes to increase and how far should we raise them.

You remember the gasoline tax? They said it was only a tax increase on the wealthy, but you were wealthy if you had an automobile and you stopped at the gas pump and filled up your car. Or if you were on Social Security earning \$34,000 a year, your taxes were increased.

Somehow in this debate tonight we have totally lost sight of the fact that a few short years ago, with the other side in control, the entire debate was about how much higher taxes had to be to even begin to reduce the deficit. The debate tonight is about which taxes we should reduce and how much should they go down as we reach a balanced budget.

How far we have come in 4 short years, really since 1995, when there was a change out here. The American people dictated that there was to be a change. I think in the next election the American people should really remember this difference and remember this debate tonight and remember the entire discussion out here and think about whether they want to go back to the 1993 model, where the debate is about how much your taxes should be raised and which ones should be raised, or whether they like this 1997 debate much better.

As we get into this debate and even as we may disagree with each other a little bit, would you prefer the 1997 debate? We are actually balancing the budget. And at the same time we are balancing the budget, we have curtailed the growth of government spending to a point where we can both balance the budget and reduce taxes at the same time.

So in my opinion this is a great debate to have and we should be having this sort of debate before the American people. Which taxes should be reduced and how far should they be reduced.

I heard a lot of numbers over there. They talked about 91 million and this million and that million and these people and those people. I guess I have to look at the tax cuts in a little different way. When I go to church on Sunday and I talk to my friends on the way out from church and they have got three kids, one of them is heading off to college, we had this discussion recently, one of them is heading off to college and when they go to college they qualify for the college tax tuition credit. They get half of up to \$3,000 of the tuition. That means \$1,500 coming back in their family. They have still got two kids at home.

These are middle income folks that get up every morning and go to work for a living. They are earning \$40-, and \$50,000 between the two incomes in their house. They get that \$1,500 to send the oldest to college, but the oldest is still expected to work and earn part of the money that it costs to go to college. That is called personal responsibility. And for the two kids they still have at home, they are going to get another \$1,000 back.

I do not understand all that stuff about 91 million or this many million or that many million. But I sure as shootin' understand that when I am talking about folks back home that are getting up every morning and going to work with \$40- or \$50,000 or \$30,000 coming into their house, the concept of being able to keep \$1,500 to send that oldest kid to school and another \$1,000 for the other two that are still at home, they understand that they are going to get to keep \$2,500 more, and they do not understand all this class warfare rhetoric about who is rich and who is not rich. But they sure understand that their hard work is going to pay off by being allowed to keep more of their own money in their own pocket instead of sending it on out here to Washington. That really is the framework this whole debate should be in.

Part of this debate also tonight, and I think it is real important for the American people to understand, we were hearing things like if you are earning \$20,000 a year that you are not going to get a tax cut. There is a very good reason that a family of four earning \$20,000 a year is not going to get a tax cut. They do not pay any Federal taxes.

This entire debate is about whether or not people who pay no taxes can get a tax cut. In Wisconsin we have a little hard time with this. When we think about this situation in Wisconsin and when I ask the people back home, do you think somebody who is not paying any Federal taxes can get a tax cut? And they start laughing at the question, because they understand that if you are not paying any taxes you cannot get a tax cut.

So what is this debate really about? This debate is really about whether or not people who are paying no taxes to start with should receive an additional check. Some people would say if you are not paying any taxes to start with and you get a check that, in fact, that is not a tax cut but that is a form of welfare.

□ 2030

So I have to put this debate again in the proper context. There are some people in this country, as a matter of fact, if you are a family of four and you are at minimum wage or thereabouts earning over \$12,000 a year, not only do you not pay tax into the Federal Government, but the Federal Government writes your family a check for \$2,500 already.

So when we put this debate into proper context, the debate is not about who qualifies for the tax cut but the debate is rather about, if you are not paying any taxes to start with, is it reasonable to think you are going to get a tax cut? And forgive me, I am here in Washington, this question is being asked. Out in Wisconsin, we kind of laugh at that question. Because it is pretty obvious, if you are not paying any taxes, it is pretty tough to get a tax cut. So again, I think we need to put that part of the debate into proper perspective.

I think I have heard a lot about children and how important the children are in this Nation, and I am going to devote a lot of the rest of the hour to that particular discussion. Because when I look at this picture and I think of our families of five today, with our national debt being what it is, being responsible to pay \$580 a month to do nothing but pay interest on the Federal debt, let us think that number again. It is \$580 a month to do nothing but pay interest on the Federal debt.

I feel a lot of people out there going "I do not pay that much in taxes." But the reality is, every time you walk in a grocery store and buy a loaf of bread, the store owner makes a small profit on that loaf of bread and part of that profit gets sent on out here to Washington.

So one way or the other, when you add up all the taxes you are paying between the gasoline tax and when you buy your groceries at the store and store owners make a small profit, you send some of that profit out here to Washington, when you are done adding all that up, one way or the other, you are in fact, as a family of five, are paying \$580 to do nothing but pay interest on the Federal debt.

So when I think about the children of this Nation, I like to think about our kids as they start their own families, as they get married and start having their own families; and I think the best thing we can do for this Nation is pay off the Federal debt so they do not have an interest payment.

So instead of sending that money down here to Washington to do nothing

but pay interest on the Federal debt, instead they can keep it in their own homes and maybe buy a better home or better car or provide a better education for their children.

I was just talking, too, to a single mother who happened to be here on the House floor this evening, and she is in the room just off the House floor, and she was just telling me her story. Single mom, raised her kids by herself. And she was looking at this tax bill and she was saying, "I am not sure there is anything in this tax bill that is going to actually benefit me."

She is not 55 yet, so she is not at retirement age. Her 21-year-old means she does not qualify for the \$500-per-child tax credit. And she said to me, "Mark, what I really want to do is I want to sell my house, because with my son gone, I no longer have to own that house and I can cut back on my expenses and start saving up for my retirement. That is really what I want to do. I wish the tax package would have done something for me."

When I talked to her and I noted the fact that if you are in that case, where you raised your children and maybe they are gone now but you decided you are not 55 but maybe you would like to sell your home and you feel kind of trapped in that home because if you sell the home, you got to pay the tax on the profit and if you wait until 55 you do not have to.

And I explained to her in this tax bill, the way it is currently written, instead of having the 55 age bracket in there, where the Government dictates what year you can have this tax benefit, you can now sell it at any age. And she perked up considerably, understanding that this tax bill would have something for her too.

And I would suggest she has got a pension plan, and in that pension plan there are probably some mutual funds; and when she cashes that pension fund in, those mutual funds are going to have gained a profit of some sort. We are not talking about wealthy people here. We are talking about hard-working people.

I know how many hours they put in back there. We are talking about the hard-working people that come to work every day of the week and they have got a pension fund of some sort. So when they reach retirement and they sell that pension fund, the capital gains reduction, of course, is going to benefit them directly.

There is one other thing that I think we ought to turn our attention to, and that is that discussion before about whether people not paying taxes should in fact receive a tax cut. I think, instead of having that debate, what we should have a debate about is whether it is fair for people that get married should pay more taxes than people who do not get married.

Did you know that, in the United States of America today, if you have got four people working in the same job, earning exactly the same money,

and two of those people are married to each other, and the other two people are not married to each other, the two people that are married to each other earning exactly the same money pay more taxes than the two people that are not married to each other. There is something wrong with that.

So if we want to talk about reallocating this, I will give you one of my personal preferences; and that would be that we eliminate the marriage tax penalty. So rather than talk about giving tax cuts to people who are not giving any taxes, why do we not talk about strengthening the family ties in our Nation and end the marriage tax penalty. If we can improve on this bill, certainly that should be one we ought to think about improving upon.

I could spend the rest of the night talking about tax cuts, but I really came over this evening to talk about some other issues that are really very, very important to the future of this country.

This chart really shows why I left the private sector and came out here. Before 1989, I had never been to a political event. I voted pretty regular, but really was not actively involved in politics at all. But we started watching the growth of the Federal debt, and that is what this chart shows.

My colleagues will notice that from 1960 to 1980, the debt did not grow very much. But from 1980 forward, that debt just started growing right off the chart. I would point out that we are about here in this picture right now tonight as we speak. It is a very serious situation.

By the way, for all the Democrats listening tonight, when I said 1980 and you all started nodding your heads and you said that was the year Reagan took over and for all the Republicans listening and I said 1980 and you started nodding your heads and said that is when the Democrats were still in control of this place, well, I would like to point out that in 1980 we did have a Republican President and a Democrat Congress. And rather than pass the blame to one party or the other, do my colleagues not think it is time that we, as the American people, recognize this problem and do something about it?

And that really is what I would like to devote the rest of my hour here this evening, or at least most of it. This is a very serious problem. I would like to point out how big that number is to help us comprehend just exactly how large and how significant the problem is.

We currently stand \$5.3 trillion in debt. The number looks like this. And that number is too big for anybody to understand, it really is. So what I did, and this is what we used to do in my old math class back when I was teaching math, I divided the debt by the number of people. For every man, woman, and child in the United States of America, our Government has borrowed \$20,000. For a family of five, like mine, they borrowed \$100,000.

Let me put that another way. Our Federal Government has effectively spent \$100,000 more than it collected in taxes, basically, over the last 15 years for a family of five, like mine. They have spent \$100,000 more than they collected in taxes, basically, over the last 15 years.

Here is the kicker. I mean, those are still all numbers on this board. This bottom one is what really means something. This is what we mentioned before. A family of five in the United States of America today, to do nothing but pay the interest on this debt, needs to send a check to the Federal Government, \$580 a month.

Again I go back to, a lot of folks do not think they are paying that much. But every time you walk in a store and buy anything, whether it is at a gas station and you are buying gas or whether at a clothes store and you are buying an article of clothing or at a food store and you buy a loaf of bread, when you buy something, that store owner makes a small profit on what you bought. And when they make that profit, part of that profit gets sent out here to Washington. One way or another, this Government is collecting an average of \$580 a month to do nothing but pay the interest on the Federal debt for an average family of five.

Well, what has been done about this? I think that is a reasonable question for folks to start asking. And I want to start with the past. Then I want to move into the present. And then I want to talk about the future. And I want to start talking about the past.

I heard my colleagues on the other side of the floor this evening doing an awful lot of class warfare and demagoguing. I am going to start talking about the past and what is going on here, and I will define the past this evening to be before 1995, because in the 1994 election, they sent a whole new group of people here in 1995. So what we are talking about here in the past is pre-1995. Think about pre-1995.

I suspect most everyone listening this evening remembers Gramm-Rudman-Hollings. In middle of the late 1980s, the Gramm-Rudman-Hollings bill promised the American people a balanced budget and they laid out a deficit stream. The deficit stream is this blue line in the chart. They promised the American people they would get to a balanced budget, and that deficit stream would follow the blue line.

The problem is, when they followed that deficit stream, what actually happened is the deficits ballooned and they did not keep their promises to the American people. And, for some reason, the American people got upset. So the people in Washington knew what to do about that. The people in Washington said well, since we cannot keep that one because the deficit is ballooning and we want to keep spending the taxpayers' money because we here in Washington know how to do that better than the people know how to do it for themselves, so what we will do is

give them a new Gramm-Rudman-Hollings bill. And they gave us a new one in 1987 and that promised to get to a balanced budget following this blue line and reaching balance in the year 1993.

Except the same thing happened. So you see, when we look at past promises made to the American people, those promises were not kept. And, in fact, while they promised a balanced budget, the deficits exploded and the promises just absolutely were not kept to the American people.

You know what really puzzles me out here in this community. For some reason, the people in Washington have a hard time understanding why the people in America are cynical. I do not have any problem at all. This is what was going on in the late 1980s, when we were making a decision to leave the private sector, to leave a very good business, and to leave a very happy family life, where I could actively be involved in all the things my children were doing. When they went to a basketball game or volleyball game or track meet for Tricia, I could go to those things.

This is what was going on out here in Washington. I was one of those people who got very upset as they promised one thing and did something different. The American people do not believe in Washington because the promises that have been made from Washington have repeatedly been broken in the past. And again I emphasize, this is a picture of the past.

So let us bring us up a little more current. Let us go to 1993. Because in 1993, there were a lot of people who started talking seriously about trying to reduce the deficit. And the discussion in 1993 was this deficit has to be brought under control. And they started wringing their hands in this city, because when the deficit was going to be brought under control, there was really only one of two things they could do. They could either raise taxes, taking more money out of the pockets of the American people and getting it here in Washington so they could control more of your life, that was one option, or they could curtail the growth of Government spending.

We all know what happened in 1993. In 1993, by a single, solitary vote here in the House of Representatives, they passed the largest tax increase in American history. And over in the Senate it went. And in the Senate also, by one single, solitary vote, they again passed the largest tax increase in American history.

So what are we saying the past is all about here? The past is about a series of promises that were made to the people and they were broken. The past is about a decision that, rather than curtailing the growth of Government spending in Washington, we would allow that Government spending to keep growing and take more money out of the pockets of the people and try to achieve a balanced budget. That is the past, and that ended in 1994.

Because after they have passed that tax increase on the American people, by a single vote in the House and a single vote in the Senate, after they passed that tax increase, the American people said, we have had enough of this. We do not think Washington should take more money out of our pockets. We think Washington already has enough of our money. And, in fact, we honestly believe that, instead of sending the money to Washington we kept it in our own homes, we could do a better job deciding what is in the best interests of our own families and we can make better decisions about education and about what we should be doing to help our children.

So this change that occurred, it occurred in 1994 when the American people said enough is enough. They were sick of the broken promises, and they were tired of the concept that the only way to do anything about the deficit was to reach into their pockets and take more money out.

And I have got to believe that every time they stopped at the gas pump and filled up with gas, knowing that the Government had raised their taxes at the gasoline pump, that they figured out this whole tax debate that you heard so much about earlier this evening about whether this was a tax on the wealthy or not, I think they figured out in 1993, when they said they were only going to raise taxes on the wealthy people, and the wealthy people were anybody that stopped at a gas pump to fill their car up because they paid higher gasoline tax, I think they figured out way back then what this is all about.

What it is all about is getting to a point where, instead of breaking promises and raising taxes, taking more money out the pockets of people and getting it here in Washington, it is all about keeping promises and seeing if we cannot both balance the budget and reduce taxes on the American people by curtailing the growth of Government spending.

They could have done that in 1993. Make absolutely no mistake about it. In 1993, they could have done that. So as we move forward now, 1980s, 1990s, promises made, we were supposed to get to a balanced budget, it did not happen. 1993 conclusion: Raise taxes on American people instead of curtailing the growth of Government spending. That is the past.

Let me kind of move, then, to what we inherited in 1995, when I first was elected and came out here. I see I have been joined by my good friend from Colorado [Mr. BOB SCHAFFER]. The American people have done a great job sending us some wonderful freshmen this time around, also.

But this is what we inherited when we got here. When we got to Washington, we inherited this deficit line. If we had come out here and played golf and basketball instead of doing our job, this is where the deficit was headed if we did absolutely nothing. In the first

12 months, in 1995, we had the 100 days, we had the Contract, we had all of those good things going on; and through the fights that we went through, it came down to this yellow line.

□ 2045

That is if we had done nothing after 1995, the yellow line is where we were going. The green line, that was our promise made to the American people. I would call Members' attention back to this because the American people have almost forgotten that in 1995 the group of people that are here today, we also made a series of promises to the American people. We said we were going to get to a balanced budget because we knew how important that was if we were going to preserve Social Security and Medicare. We knew how important that was to future generations of Americans to not let this debt continue to explode. So we laid a plan into place to balance the budget. It is this green line. But there is a big difference between the Gramm-Rudman-Hollings of the past and what started happening in 1995. The blue line is what actually happened. My colleagues will notice the red line up here where we were. This is where we got after 12 months. This is what we hoped to do. But my colleagues will notice this line is below the green line. It is absolutely different than the Gramm-Rudman-Hollings. In Gramm-Rudman-Hollings the targets were not met and the people were misled. We are in our third year of a 7-year plan to balance the budget and we are not only on track, we are ahead of schedule. Something is different in this community.

I want to show this in another way to make this as crystal clear as I can possibly make it. This red column that I am showing here, this is how much money we promised the American people the deficit would be down to in the year 1996. So when we laid out this plan in 1995, we projected a deficit in fiscal year 1996. That is this red column. This blue column is what we actually achieved. I again point out the difference. This is what was promised, this is what the deficit actually was. Notice in the first year of our 7-year plan to balance the budget, we were not only on target but we were actually about \$50 billion ahead of schedule. This is the second year of our plan to balance the budget. What we promised. This was a promise we made back in 1995 to the American people. This is where we said it would be. This is where it is. In fact we were not only \$50 billion ahead of schedule in year 2, we were over \$100 billion ahead of schedule in year 2.

Let me put this in perspective so it makes little more sense. When the government did not spend this extra \$100 billion, that meant that instead of going into the private sector and borrowing this money and getting it out here in Washington, that the money stayed available in the private sector.

When there is more money available in the private sector, in this case the \$100 billion the government did not borrow, when that money is available out there in the private sector, what happens is the interest rates stay down. In an average State like Wisconsin, 1/50th of that is \$2 billion. Translation, 2,000 million dollars was available floating around out there in the State of Wisconsin. With more money available, of course the interest rates stayed down. When the interest rates stayed down, people started buying more houses and cars. When they bought more houses and cars, of course someone had to go to work building the houses and cars. That meant there were job opportunities so they did not have to stay on the welfare rolls. That is the Republican model that was initiated in 1995. Instead of going the route of reaching into your pockets, taking more taxes out here to Washington, the idea was curtail the growth of government spending, and when they spend less, of course, they borrow less. When they borrow less, there is more money available in the private sector. More money available means lower interest rates. Lower interest rates meant people bought more houses and cars. That meant they left the welfare rolls and went to work. That is why we see in year 2 we were ahead of schedule as well.

Here is where we are right now. We are in year 3. Again the red column is what was promised to the American people. The blue column is what is actually happening. My colleagues will notice again in year 3, the third year of this plan, we are once again ahead of schedule. Think back to how different this is from 1988 and the Gramm-Rudman-Hollings bill. We are not only on track but we are ahead of schedule in balancing the budget. Again our model, different than the idea of reaching into the pockets of the American people and getting more money out here in Washington to make it look good, was a very different model. This red column here shows how fast spending was growing before, in the past, before 1995. My colleagues will notice the red column is 5.2 percent. It is bigger than the blue column. We have in fact curtailed the growth of government spending. This is how fast it was growing before. This blue column shows how fast it is growing now. We have in fact curtailed the growth of government spending to get this monster called the deficit under control. Very, very different than what was going on in 1993.

Again think back to 1993. Into your pockets, how much more money can we send to Washington, DC because, after all, Washington, DC could not possibly curtail the growth of government spending. The new people, 1995 and forward, and I am happy to have a freshman join me here, this is the new Republican, the new Republican has balanced the budget by curtailing the growth of government spending. In fact it has been so successful that we are

now not only on track to a balanced budget by 2002, we will probably balance the budget even sooner.

Let me translate this into real meaning for real people in the United States of America. What this means for our folks in Wisconsin is that we can not only balance the budget but because we have curtailed the growth of government spending, not draconian cuts like the other side would have my colleagues believe but curtailed the growth of government spending, because we have curtailed the growth of government spending we can both balance the budget and reduce taxes on the American people at the same time. In fact it is happening right now as we speak.

Mr. Speaker, I yield to the gentleman from Colorado, [Mr. BOB SCHAFFER].

Mr. BOB SCHAFFER of Colorado. I thank the gentleman for yielding.

Mr. Speaker, I have been listening to the debate and came over here on the floor because I really wanted to get to this whole issue that we have been hearing day after day after day about how our tax plan supposedly only benefits a small sector of the economy, the taxpayers, and those somehow are the rich. I really wanted to focus in on that because I think when the American people begin to understand the numbers and the statistics that underlie that whole flawed philosophy, this silly notion that our tax cuts benefit only the rich, I think when the American public begins to understand that, first of all they get a glimpse of how things work in Washington, how the deception and the deceit is at an all-time high around here by those on the far left who are really afraid of this tax cut package because they understand the real numbers, I believe, they understand that we really are moving ourselves as a Nation toward a balanced budget, we are doing it not only by exercising fiscal sanity when it comes to balancing and spending but we are also focusing on ways to improve the performance of the economy by allowing those who work hardest and those who are able to apply the principles of the free market and the principles of success, those individuals are in fact becoming more productive, becoming more energetic and they really are becoming liberated by a tax policy which taxes them less and rewards greater productivity, be it in home businesses, small businesses or in the workplace.

Our tax package, the one the gentleman described just a moment ago, distributes 75 percent of those tax cuts to the middle class. These are people who earn \$75,000 a year or less. Those are the individuals who are the target of our plan.

Mr. NEUMANN. If you are a family of 5 and you are earning, say, \$35,000 a year and let us just say you have got one headed off to college that is going to pay about \$5,000 a year, could the gentleman help our colleagues this evening to understand if you are in a family of 5, 3 kids and got one headed

off to college, how much would they benefit under this tax package?

Mr. BOB SCHAFFER of Colorado. With the one going to college.

Mr. NEUMANN. That is half of the \$3,000, or about \$1,500 if they are paying that much, assuming they are paying that much.

Mr. BOB SCHAFFER of Colorado. I actually have the whole rundown here under this paper somewhere. I would love to go through that.

Before I do that, though, and move on from that, I want to focus in on how it is that middle-class taxpayers are considered rich by the liberals and the Democrats here in Washington, because then I think it makes it easier for us to apply the Republican tax package to the average family. Realize that we really are talking about average families in America.

There is a term that we are beginning to hear here. I heard it just a few weeks ago. It is called family economic income. This is an important one for taxpayers to remember, because this is not the income that we earn or that pay taxes on. This is a calculation that is an invention, really, by the Treasury Department, which has been adopted by the liberal Democrats here in Washington because family economic income suggests that we make more money as taxpayers than we really do.

Here is how they do that. Again, I have only learned about this last week when I began looking into this term and this number and hearing these wild statistics that we are somehow only providing tax benefits, tax relief, for the rich.

This category, family economic income, is a way to magically transform a family making \$45,000 a year into a family making \$75,000 a year. This is how they do it. My father used to warn me about these get-rich-quick schemes; overnight you become wealthy or you become a millionaire. Usually they are not true. In this case it is also the case that it is just not true.

Here is how they do it. They take that \$45,000 that a family may make and they add \$12,000 for the rent you could get if you did not live in your home and you rented it out. It is \$12,000 a year. Since your home, again, may generate \$12,000 a year in rental income if you moved out and somebody else moved in, that \$12,000 is added to your \$45,000 in real income. That is the first step.

Mr. NEUMANN. If you moved out of your house and rented it out so you collected that \$12,000 more a year, so that your income went up by \$12,000, where would you live? And would that not cost you money?

Mr. BOB SCHAFFER of Colorado. This is a question that did not occur to the Treasury Department, apparently. It is really the fallacy in these numbers. This is imputed income, or imputed rent as they call it. This is just one way they bump up your income.

Right now we are up to \$57,000. The \$45,000 family now, according to the

Treasury Department and liberal Democrats, makes \$57,000 a year because they may be able to get rental income on their house if they moved out and rented their home to somebody else. Bear in mind this is not money they are really making; it is just an estimate. I am not kidding. I first thought they were kidding when I heard about this. But let me continue. \$12,000 for rent you could get if you did not live in your home. That is the first addition.

Next they add \$5,500 for the family health insurance that your employer provides. Again, if you are working and your employer provides a health insurance benefit, they assume that you are making an additional \$5,500 over what your paycheck suggests you make.

Next, they add \$1,000 for something that they call unreported or underreported income. It is unclear as to what underreported or unreported income might be. It is never really assumed. They just throw that additional \$1,000 in to bump the number up more. I continue. There really is more here.

Next they add \$10,000 for your share of the Wall Street paper profits. How is that for money you did not even know you had?

Next they add another \$5,000 for your teenager's part-time summer job. If the student that you mentioned before happens to work in the summer, that is added to what the Democrats believe to be your family income.

Mr. NEUMANN. Would the gentleman give us the \$10,000 Wall Street one again? I have not heard this list before.

Mr. BOB SCHAFFER of Colorado. Paper profits.

Mr. NEUMANN. A pension fund, maybe?

Mr. BOB SCHAFFER of Colorado. Could be pension funds. Could be the savings account that you have or the checking account that you have at home, the notion that there is some financial value in the various savings of the income that you have already earned and paid taxes on. If you save it or invest it in one place or another, just the financial services that you are receiving, the fact that you have got dollars invested, there is an imputed value associated with just finances in general that may or may not affect a family.

Again, it is not treated as income anywhere else except in this tax discussion here on the floor. These are invented revenues that a family supposedly has, according to the liberal Democrats, who are very frustrated that the American public loves our tax relief package that the Republicans are planning.

Next they add \$2,000 for your IRA deduction. They add \$3,000 for the unrealized buildup in your pension or IRA. Who needs smoke and mirrors when you can just make this stuff up? They add \$1,500 for unrealized buildup in your life insurance policy. Unrealized buildups. This is income that you really have not even built up in these

funds, but you have the potential to do that over time, so they impute that into your present day income.

Here is the real kicker, proving that those who like to suggest that these tax cuts only occur to the rich have no shame. By taking a family's \$45,000 income figure, adding all of the above numbers, and then add on that a final \$600 into the calculation for things like your parking space at work, because there is presumably some value associated with a parking space that you have out there. It goes on.

But this is how the Democrats come to suggest that the \$45,000 in a family's income is over and above \$75,000 in income, and, therefore, you are rich. Everybody who went to bed last night thinking they were middle-class taxpayers wakes up today and finds out that many people in their government believe them to be the beneficiaries of some kind of obscene wealth and therefore unworthy of a tax break. But we really are talking about middle-class families.

People know what their income is. They can see the paycheck when they bring it home. It is those individuals, the middle-class hardworking Americans who go to work every day, who toil to pay their taxes, stay within the confines of the law, go to see an accountant just to make sure they did not make some mistake on their IRS tax form because they are in fear of an IRS tax agent showing up at their homes, those are the folks we have in mind as Republicans.

Those are the folks we want to assist, the folks we want to allow to keep more of their hard-earned income and wealth, not steal it from them and confiscate it from them and bring it here to Washington D.C. so it can be spent on all these goofy programs that we spend millions and billions on every day. We really are concerned about the middle-class families. Seventy-five percent of the individuals who benefit from our Republican tax package are middle-class wage earners earning \$75,000 a year or less of real income.

□ 2100

Mr. NEUMANN. Could we talk a little bit more about that family earning \$45,000 a year that actually gets paid \$45,000 a year, but with their imputed tax under the liberal Democrat plan that goes all the way to \$75,000? Would it be fair to say that they would have a very difficult time finding the \$75,000 in cash?

Mr. BOB SCHAFFER of Colorado. Well, it does not exist. It truly does not exist.

Now you know people who think I am joking, I would urge them to just call the Treasury Department and get a calculation of their explanation of family economic income. This is the term they use. They have a full description of it. All of these items that I went through, the costs of the parking space, the imputed rent on the home that you do not rent, the \$12,000 that

they assume you benefit from, things like that; all of that is described and listed there. I would encourage people to call the Clinton White House, the Treasury Department and see it for themselves because I know there are many people who really do not believe it, but when you see it, it is a sad occasion, I assure you.

Mr. NEUMANN. Can I go back again?

I keep going back to this family who has actually got \$45,000 a year. It probably means both spouses are working in the house and are probably getting up in the morning and doing everything they can to get those kids off to school and in the summertime maybe getting the kids off to work, and they are the folks that we were talking about before where if they got one headed off to college and two kids still home, and I see these families in church every Sunday. I mean they are sitting there with three kids and one of them is off in college and two of them are still home. If their college tuition is \$3,000 a year, they get \$1,500 tax credit under this proposal, and in addition to that they get to keep \$500 per child for the kids that are still at home. The net impact for a family earning 30 or 35 or \$40,000 a year, the families that are working, probably both spouses, the net effect is they get to keep \$2,500 a year more of their own money in their own home instead of sending it out here to Washington where people here in Washington control what they do with it.

And see, this is really the difference between that discussion you heard earlier this evening from the other side and the liberal Democrat view and the new people that are here, the present, as I was talking about before. The past; we are in the present now, since 1995.

The view goes like this. People are better able to spend their own money in their own homes themselves than people out here in Washington are able to do it for them. It is a very, very simple concept: Who is best able to spend the money that the people at work every day earn? And one side believes that it is the people back there in their own homes, and that is why there is \$2,500 a month coming to this \$45,000 a year family that we are talking about, this family with 2 kids, that they are working hard to make sure they get a good education and the third one headed off to college. That is why the tax cut is aimed at those folks, and they can talk about millions and billions and all the different people and everything else, but I know for a fact that when I talk to people who are in this middle income, they know they are in the middle income, they understand earning 30 to 45 or \$50,000 a year, and they know good and well that when they get to keep an extra \$2,500, that is \$200 a month, they know that means better things for themselves and their family, that means they can afford a better education for their kids and it means they can afford maybe a better car or better house.

It is all part of the American dream. It is a very basic fundamental belief that the people out there in America are better able to make good decisions of what to do with their own hard-earned money than the people out here in this community in Washington, DC, and that is what this is all about.

Mr. BOB SCHAFFER of Colorado. I met a young woman just right over here off to the side of the Chamber. She is from North Carolina. She is 16 years old. And I asked her—she was observing this debate and watching the whole discussion on tax, on the extent to which Congress ought to provide tax relief to the American taxpayers, and I asked her. I said what do you think about this whole debate? She said that if people are willing to work hard and earn more money and apply themselves in a way that allows them to provide for their family that they ought to be permitted to keep more of their income for themselves.

That is quite a statement. She is 16 years old. She says she expects to major in English and maybe be a writer, possibly a teacher and has hopes and dreams like many 16-year-olds across this country, and she happens to be from North Carolina, and there are millions of young people just like this in Colorado and in your State, I am sure, and throughout the country who really do look forward to a day when they are going to be self-sufficient, be able to work hard, be able to bring home the majority of the income that they earn, put it toward their family, their self-sufficiency, buying a home, buying a car, living the American dream and contributing to our economy.

It is their ambition, it is their hope for the future that helps us get to this balanced budget quite frankly, and I think after generation after generation after generation of people who have entered the work force to be taxed more and more and more, is it any wonder that there are those who choose not to work? Is it any wonder that there are those who in the end do the calculation, as all Americans do, and come to the conclusion that sometimes it is easier not to work than it is to apply yourself and use your God-given talents to bolster an economy like ours?

I think the greatest thing we can do for the future generation is restore hope, restore the energy and the enthusiasm for being a participant in a free market economy by taxing families less by allowing people to keep more of what they earn, to send less money to us here in Washington and allow them to keep it at home and spend it on the private charities of their choice at home, spend it on their church or synagogue, spend it in their school, spend it on their children, spend it in a way that reinvigorates and restores the American dream to all young people and all individuals throughout our country.

Mr. NEUMANN. You know you have kind of moved into a discussion of the

future, and earlier this evening before you got into the Chamber here we were discussing the past and the Gramm-Rudman-Hollings and this vision of Republicans of what we do not want right now, Gramm-Rudman-Hollings promises that were not kept, and the deficits exploded, and the promises were not kept to balance the budget in 1993 where the decision was made not to lower taxes or have tax cuts, and it is amazing to see the fight now on both sides of the aisle about which taxes should be cut because in 1993 before that change in 1995 in that past they raised taxes, they did not lower taxes, and the discussion is about which taxes are now high.

That was the past, and then we moved into the present, and we talked about the fact that we are in the third year of a 7-year plan to balance the budget, and we are not only on track, but we are ahead of schedule, and you have kind of turned the discussion now to the future. In the present here we have curtailed the growth of Government spending to a point where we are virtually at a balanced budget or very close to it right now, and we are able to both balance the budget and reduce taxes because we have curtailed the growth of Government spending. This is a Republican vision where we do not want to go back to the broken promises of the past and the tax increases. We are in the present where we have got both a balanced budget, we are on track and ahead of schedule, in our third year here now and we are also reducing taxes at the same time as the President.

Now let us move to the future a little bit and let us talk about this Republican vision for the future of this great Nation we live in. You see even after we balance the budget, after we get it to a balance, whether it is 2000 or 2002, we still have this \$5 trillion debt hanging over our heads, and if we do not do anything about that, that means we pass this Nation on to our children with a \$5 trillion debt knowing full well that when they have their families, they are going to have to send \$600 a month on out here to Washington to pay interest on the debt just like our families today have to do.

Let me give you a new vision for the future. Present vision: Balance the budget, reduce taxes. Vision for the future: Let us pay off the Federal debt. And a lot of people out here go, well, we cannot pay off the Federal debt, but let us just talk about this vision for a minute.

It is a vision of a balanced budget paying off the Federal debt so we can pass this Nation on to our children debt free, and when we pass this Nation on debt free and we pay that debt back we are also putting the money back into the Social Security trust fund. So this new vision is a restored Medicare, a balanced budget and a future that is debt free for our children.

Now a lot of people say I cannot do that, that is not possible, that cannot

happen out here. Well, I would like to spend a little bit of the rest of the time here this evening pointing out that we have introduced a bill. It is called a National Debt Repayment Act, and I believe you are an original cosponsor with me on this. The National Debt Repayment Act is a relatively simple bill. It says that after we balance we will simply cap the growth of Government spending at a rate 1 percent below the rate of revenue growth. So once we are in balance we cap the growth of Government spending 1 percent below revenue growth.

Well, if we are in balance and revenues grow by 5 percent, that would mean spending could only grow by 4 percent. That little bit of extra in there, that is the surplus we are talking about, and that surplus is going to allow us to literally pay off the entire debt by the year 2026. So if we just cap the growth of Government spending 1 percent below the rate of revenue growth, we can literally pay off the entire debt by the year 2026 and give this Nation to our children debt free.

The second part of the National Debt Repayment Act, it defines what exactly to do with that surplus. First part, it caps the growth of spending 1 percent below revenue growth. That creates our surplus. The second part of the bill says that one-third of that surplus goes to additional tax cuts. It recognizes that even after this tax cut bill is through the American people are still sending too much money out here to Washington.

So the second thing this bill does is it takes one-third of that surplus and provides for additional tax cuts to our American families, and I would like to suggest that the next tax cut we make, it should be to eliminate the marriage penalty taxes we discussed earlier this evening.

So the first thing then that it does in the second part of the bill is it reduces taxes. One-third of the money goes to additional tax deductions, two-thirds goes to paying off the Federal debt.

So one more time through the National Debt Repayment Act, it caps the growth of Government spending at a rate 1 percent below the rate of revenue growth. If we do that, there will be a surplus. With the surplus we take one-third for additional tax cuts, two-thirds to pay off the Federal debt. If we do this by the year 2026, the entire Federal debt will be paid and we in our generation, the people that have run up this debt, will have done what is right and responsible for future generations of Americans. Since we ran up this bill we are also going to fulfill our obligation and pay it back.

And again under the National Debt Repayment Act we would develop the surplus, one-third for additional tax cuts, two-thirds goes to paying off the debt. The debt would be repaid in its entirety by the year 2026, and we can pass this Nation on to our children debt free.

There is another side thing here that happened that I think is very impor-

tant. The Social Security system collects more money today than what it pays back out to our senior citizens in benefits. That extra money is supposed to be in a savings account. When it is not collecting enough, it can still make good on its payments to seniors. Well, that money that is supposed to be in a savings account, it is not really theirs, it has been spent, and I guess that is no real surprise to folks that look at Washington, D.C. When Washington saw this extra money coming in, more than what were paid out to seniors in benefits, what they did is spent the money on other Government programs and put IOU's in the trust fund.

Now the trust fund, that IOU is all part of the Federal debt, so under the National Debt Repayment Act, as we are paying off the Federal debt, we would also be restoring the solvency of the Social Security trust fund so our seniors could once again rely on the solvency of the Social Security system and know they are going to keep getting their Social Security checks.

So again I kind of go to the future now on this whole discussion, and we look past the balanced budget. I mean all of the good things that are happening right now, restoring Medicare for a decade, reducing taxes on the American people, a balanced budget; let us move to the next phase now on the Republican vision. Beyond the next phase is to pay off the Federal debt. By implementing the National Debt Repayment Act it caps that. Once we reach balance, it caps the growth of Federal spending at a rate 1 percent below the rate of revenue growth. That creates a small surplus. That surplus, one-third goes to tax cuts, two-thirds goes to repaying the Federal debt. If we enact this bill, we pay off the entire Federal debt by the year 2026 and we get to give our children a nation that is debt free, and what is most important about that is by then they will be having their own families, and they will have a few kids, too, I hope. I hope they will get married, and I hope they are happily married, and I hope they have kids, and instead of sending their money down here to Washington to do nothing but pay the interest on the Federal debt, they will be able to then keep that money because we will have paid the debt off.

Seventeen percent of the entire budget does nothing but pay the interest on the Federal debt. We will not need that money. They can keep it in their own homes and get a better education case for their kids or buy a nicer home, live the American dream.

That is what this should be all about.

So we have got this vision. We have looked at the past, the broken promises of Gramm-Rudman-Hollings and the tax increases of 1993. We have rejected that, and when people rejected that, the American people rejected that in 1994. The new group that came here in 1995 said enough of that stuff. We are going to balance the budget by curtailing the growth of Government spending.

We are now in the third year of our 7-year plan to balance the budget, and we are not only on track, we are ahead of schedule. We have curtailed the growth of Government spending to the point where we are not only going to balance the budget but also reduce taxes on the American people, and that is what this tax cut debate is all about this evening.

The third part of this vision is for the future, and it envisions a future in this great Nation we live in that is debt free, where we pass this country on to future generations without this burden of a debt hanging over their heads, and it envisions a nation where when we collect money for the Social Security system, the money is actually there in the Social Security system as opposed to spent on other programs.

So this vision is passed. We do not want it. Present, it is going pretty good when the third year of a 7-year plan and we are on track and ahead of schedule. We have curtailed the growth of Government spending to a point where we can both balance the budget and reduce taxes in a future where we do not stop at a balanced budget, but we also pay off the Federal debt so we can give this country to our children debt free.

Mr. BOB SCHAFFER of Colorado. Let me contrast that future that you just described to what would happen if we do nothing, if we really do what the left wing in Washington wants, which is no tax cuts, which is not to balance the budget, which is to continue running this Government on auto pilot as if there is not a care in the world and no problems down the road.

You know the statistic that I hope Americans remember is that a child born today owes approximately \$20,000 to the debt that we have today. Now as with the Federal debt, it is no different than any debt that anybody has on the mortgage on their home or their car loan or whatever. You have to pay interest on that, the cost of the cash that you use for whatever purpose. There is a cost associated with the debt that we have now, and the interest on the debt just continues to build and build and build unless we decide now to get serious about it.

□ 2115

That \$20,000 that a child born today owes to the Federal debt, over the course of that child's working life becomes a debt of upwards of \$200,000 once we calculate the interest associated with that.

Now, think of that. A child born today, with the budget scenario that we have in the current law, has an obligation to the Federal Government of \$200,000. That is what they are faced with.

Mr. Speaker, we talked a little earlier about the hope and the opportunity and the excitement that we hope to build into the future of every young American, and getting at reducing that \$200,000 debt over the course of

a child's working life is something that we are very serious about here in Washington. This new wave of conservative budgeting, conservative tax policy that the gentleman mentioned, started in 1994 and really got to work here in 1995; I think was reinforced in the 1996 election with those of us who came in my class; is offering the real prospect of getting a budget balanced.

The numbers that we have seen are very clear. They are very exciting. By seeing these charts and graphs which show us that we are on a glidepath toward not only balancing the budget, but a plan beyond that, even beyond that, to start looking at what do we do with the savings, what do we do with the economic prosperity in America after that? Getting that burden off of every child's back, that \$200,000 obligation to the debt, and removing that by 2026, is something that is great cause for optimism to, I am sure, everybody who has children, every middle class family, and certainly those of us here who are dedicated and committed to working so hard, to seeing these three stages of our tax relief, our balanced budget relief and our debt repayment relief plan enacted.

Mr. NEUMANN. Can the gentleman imagine, just go back to the past here for just a second, and let us say that in the past they envisioned a surplus occurring. What does the gentleman suppose the first thought in Washington would have been in the past if a surplus occurred?

Mr. BOB SCHAFFER of Colorado. Where do we spend it?

Mr. NEUMANN. And what new government program can we enact, and how fast can we get it into place to make sure we get the taxpayers' money spent? Because we know if they spend it in Washington, the people in Washington can do a much better job spending the people's money than the people could if they kept it in their own pocket.

Now, contrast that past to where we are today. Instead of talking about spending that money on other government programs, we are here this evening saying that as the surplus develops, one-third for additional tax cuts and two-thirds to do the responsible thing, to start paying down the Federal debt so that our children can inherit this Nation debt-free, and so that the money that is supposed to be in the Social Security Trust Fund actually gets there, that is what this is all about.

What a stark contrast in vision from where we were in the past and what would have happened, to where we are today in our vision for the future that includes a balanced budget, a restored Medicare system; not only a balanced budget, but paying off the Federal debt so that our kids inherit this Nation debt-free, and the hope and the opportunity and all of the things that go with this vision for the future. That is what the future of this country is about, and that is what our service

here in Washington should be about. What a wonderful change it is from a couple short years saying.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, it really is. Again, I have to say, the way we see certain folks responding to this plan, once they realize that it really is going to work, that the numbers are real, that the glidepath towards a balanced budget is something that we really can touch and get our hands around, those who oppose that notion, those who really do want us to spend more and tax more and continue business as usual, they are screaming like a bag of cats on the way to the river, because they realize the power of this particular plan and that the American people really do embrace it.

That is why they come up with these phoney numbers about how our tax cuts only benefit the rich. They do not. They benefit middle class. Those numbers are very clear, very solid. The Joint Committee on Taxation tells us very directly, 75 percent of these tax cuts go to households with incomes below \$75,000 in real income, the income that people bring home from their jobs and their work everyday and as calculated from their paychecks, not some phoney income that makes us all millionaires overnight.

Mr. NEUMANN. Mr. Speaker, that is also why in this tax cut package, and we heard the debate earlier in the evening to try to provide tax cuts for people who are not paying any taxes. They have somehow lost sight of this, and we see as this is all developing and we have this bright picture and this very large change from what was going on in the past, from the broken promises and the mistargets and no hope of a balanced budget and the tax increases, we have now moved into the present where we are actually going to balance the budget and we have curtailed the growth of government spending, so that we are not only balancing the budget but reducing those taxes, that change is so substantial and they are struggling to get back to that old way.

So while we do not want to cut taxes for people who are not paying any taxes, they want to create a new social welfare program and give them a check even if they are not paying taxes. Somehow there is something not quite right about that. It just does not flow that one cannot get a tax cut if one is not paying taxes.

Mr. Speaker, one more thing. A lot of the folks viewing this, our colleagues viewing this this evening are struggling to understand just how far we have come from the old Gramm-Rudman-Hollings days and the tax increases, to the present where we are not only on track, we are in the third year of our plan, and we have in fact curtailed the growth of government spending so that we can provide both tax cuts and a balanced budget.

I have brought another chart here with me this evening, and I am going

to make another prediction that the budget is balanced by the year 2000, maybe even 1999 unless we go into another recession. To show just how far we have come, the revenue to the Federal Government has grown by an average 7.3 percent. If we look at how much came in last year and then this year, the average growth over the last three years was 7.3. Over the last 5 years the average growth was 7.3. Over the last 10 years it was 6.2, and over the last 17 years it was 6.8.

I throw all of these numbers out there just so the folks can see how fast revenue has been growing. In the budget we are projecting we are only projecting growth, not 7.3 or 6.8, only 4 percent. So I ask the question, the question goes like this: What if revenues grow by 6 percent? Still not as fast as they have been growing at 7.3, but what if revenues grow by 6 percent and we hold the line on spending. We do the spending projections on what we have just agreed to. In fact, if revenues grow by 6 percent and we meet our spending targets, we will in fact have a balanced budget and run our first surplus in the year 2000. What that means, if we can get the National Debt Repayment Act passed, that means in the year 2000, two-thirds of that \$40 billion goes to debt repayment and another one-third goes to additional tax reductions.

So the tax cuts are not over. We have the possibility to go the next step and provide additional tax relief to the American people. I personally believe that anything we can do to allow the American people to keep more of their own money in their own homes and in their own decision-making realm, instead of sending it out here to Washington where it gets in the hands of people here to decide what to do with that, the more we can leave it in their own hands to make their own decisions, the better off we are going to be. That is why I find this so exciting, because by the year 2000 if we can get the National Debt Repayment Act into place, and I think we are going to, we can look at the next round of tax cuts for our working families in this great Nation we live in.

That is exciting to think about. I challenge the people that are going to get up early tomorrow morning and go to work, I challenge them to think about the next paycheck that they get, being able to keep an extra 50 bucks for the week in their own home because we reached this goal, because that is what this really means. We are now ready to go the next step and allow the American people to keep even more of their hard-earned money instead of sending it here to Washington. This is a tremendous change from where we were in the past and it is a very bright future for the future generations of America.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, it is a powerful plan for the Republican Party that is moving this forward. It signals a day when we have moved the politics of pork out of

Washington and put the American family first.

We are going to balance the budget in short order. If we have a strong economy, my colleague is right, we are going to see this budget balanced before the turn of the century. We are going to provide tax cuts for middle class families, we are going to offer hope and prosperity for those young children who are saddled today with a \$200,000 obligation, long-term, to the current Federal deficit. We are going to resolve that for them before they get into their 30s.

It is a very powerful plan and program that the Republican Party has moved forward, and I hope that those handful of Democrats who are sincere about putting American families ahead of pork barrel politics find the courage to join us in this plan. Mr. Speaker, I am confident that some of them will, but we just need to keep talking about this over and over and over again. The American people are smart enough to figure out that this is to their advantage and they are going to be with us.

Mr. NEUMANN. Mr. Speaker, will it not be great as we go forward now toward the next election cycle, instead of having the discussion of class warfare that we heard earlier this evening, if instead of having that discussion, we talk about the failures of the past and how different it is today.

We are in the third year of our plan to balance the Federal budget. We are not only on track, but we are ahead of schedule. We have in fact curtailed the growth of government spending rather than raising taxes, and by doing that we are now in a position where we reach a balanced budget, probably sooner than projected, probably even sooner than the year 2002, and we are reaching the balanced budget while at the same time letting the American people keep more of their own money that they have earned. This is not a gift from Washington, it is their money.

What a wonderful vision. We have balanced the budget, we have preserved Medicare for future generations, and we are looking at additional tax cuts as we go forward. We look forward to a Nation where we not only have a balanced budget and reduced taxes, but we also pay off the Federal debt so we can pass this Nation on to our children debt free. I can think of no higher goal for our service here in Washington DC.

TAX RELIEF FOR AMERICANS AND SPENDING PRIORITIES FOR AMERICA

The SPEAKER pro tempore (Mr. PEASE). Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, I suppose I would really be continuing the dialog that was began more than an hour ago by my colleagues in the Democratic Party and was just continued by two of

my colleagues in the Republican majority. Nothing is more important than a discussion of the reconciliation package that will be voted on tomorrow, we hope, and the tax package that will be voted on. The budget and appropriations and taxes are the meat of government. Nothing is more important than what we do with the money of the taxpayers, and we cannot discuss it too much. I hate to be redundant, but I think we have to give due attention to that which is most important and hope that the American people understand that the final decision is in their hands.

It is a matter of common sense as to what we want to do with our money. It is the American taxpayers' money. The taxes do belong to them, my colleagues in the Republican majority are correct, and they ought to have more of their money to spend. The taxpayers should have their money.

It is very interesting, though, that my colleagues that were talking a few minutes ago from the Republican majority about guaranteeing that future generations will not be saddled with debt, guaranteeing that we will reduce the large size of government and the size of the budget, they voted for the continued funding of the B-2 bomber.

We just had an historic vote yesterday on the floor of this House where the B-2 bomber, which at a minimum will absorb about \$27 billion away from domestic programs in future years, and force us to keep the budget at a higher level than it really should be, force us to give less money back to the American public, the B-2 bomber was discussed, debated on this floor for several hours. It was pointed out that the President says we should not spend our money on the B-2 bomber. The Joint Chiefs of Staff said we should not spend our money on the B-2 bomber. The Air Force says we should not spend our money on the B-2 bomber. The goals, the objectives that would be met by the B-2 bomber program can be met in cheaper ways. We have B-1 bombers, we have other ways to accomplish the same purposes.

All of it was stated quite clearly. But nevertheless, a majority voted to continue spending money on the B-2 bomber, the same people who said they want to save our children from having to live in a world where the Federal debt burdens them unduly.

We have contradictions here. Everything that is said here relates to everything. We cannot separate the statements about protecting children from future debts from the almost phenomenal intent to continue funding the defense budget at levels which are almost as high as they were in the cold war. We are spending more than all of the other nations put together for defense, and that certainly is driving a situation which denies a greater amount of tax relief for the American taxpayer.

On the matter of tax relief, we saw a clear statement here when my Democratic colleagues were on the floor.