

advocate for disabled veterans and their families.

Mr. Speaker, under the leadership of Secretary Brown, the Department of Veterans Affairs has entered a new level of commitment and service. These accomplishments are the direct result of Secretary Brown's strong leadership. During his tenure, the Veterans Department has expanded benefits for veterans who were prisoners of war or exposed to agent orange, radiation or mustard gas. The agency has also expanded treatment for those suffering from post-traumatic stress disorder. Further, Secretary Brown has undertaken an aggressive research initiative to determine the cause of illness for military personnel who were involved in the Persian Gulf war.

Secretary Brown has to his credit the fact that they convened the First National Summit on Homeless Veterans during his tenure. He oversaw the reorganization of the veterans health care system to broaden access to the system and offer the highest level of comprehensive care.

Mr. Speaker, I am the former chairman and now ranking minority member of the House Appropriations Subcommittee on Veterans Affairs—Housing and Urban Development—Independent Agencies. I know of no one more committed to service than Jesse Brown. Veterans and their families are the beneficiaries of his hard work and dedication.

Mr. Speaker, as he prepares to depart his post, we take this opportunity to recognize and thank Secretary Jesse Brown for a job well done. We salute his tireless efforts and wish him well in his future endeavors.

GENERAL LEAVE

Ms. BROWN of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order, Secretary Jesse Brown.

The SPEAKER pro tempore (Mr. PAPPAS). Is there objection to the request of the gentlewoman from Florida?

There was no objection.

THE ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 60 minutes.

Mr. GUTKNECHT. Mr. Speaker, perhaps I will not take the entire hour. There may be some colleagues coming down to join me in this special order tonight.

I want to talk a little bit about where we have been as a country; in other words, where we were, where we are and where we are going.

Mr. Speaker, it is my observation that for 40 years Washington had it wrong. For 40 years Congress thought that Washington knew best, that big bureaucracies could solve social problems. And so for 40 years, spending increased at double the inflation rate, taxes went up faster than the family's income, the debt ballooned and social problems got worse. Washington had it wrong.

Washington waged a war on poverty. We spent over \$5 trillion on a war on poverty. But, Mr. Speaker, I encourage you to take a walk through any burned-out inner city, and you will see the victims of that war on poverty.

I ask you to ask yourself, who won the war on poverty? No, I think Washington had it wrong.

Washington overtaxed those who worked hard and, as some say, played by the rules. They squandered much of it on top-heavy programs that did little but breed more dependency.

When I was a child growing up and my parents raised three boys, I was the oldest of the three, my father was the sole breadwinner in our family. He worked in a factory. I am a blue collar kid. When I was growing up in the 1950's, the largest payment that the average family made was the house payment. In fact, families back then could afford to raise their kids on one paycheck, because the largest payment they made was the house payment. In fact, taxes back then averaged something like, Federal taxes, less than 4 percent of the family's income.

But today, according to the National Taxpayers Union, the average family in America today spends more for taxes than they do for food, clothing, and shelter combined.

No, I think Washington had it wrong. They thought if we took more money from families who were doing the right things and gave it to people who perhaps were doing the wrong things, we could solve those problems. And Washington was just wrong. We encouraged more irresponsibility, and we discouraged personal responsibility.

I want to show a chart here, because I had my staff do a little research. And it is something that I had suspected for a long time and I think this chart confirms it. What it shows is that since 1975, for every dollar that the Congress took in, and these red lines are really how much more the Congress was spending than it took in, for every dollar that they took in, for example, I think in the year 1976, for every dollar that Washington took in it spent \$1.23.

The following year they got a little more frugal and dropped to \$1.15. But if you take the averages from 1975 until 1994, for every dollar that Washington took in, it spent \$1.21.

The good news is that since the Republicans took control of Congress, and these are the blue lines over here, that number has dropped to \$1.08. And when we enact the budget that we voted on today here in the House and when that budget is finalized, we, in fact, will be spending 99 cents for every dollar that we take in. And we are laying the foundations for actually paying off the national debt. So things are changing here in Washington.

As my colleague, the gentleman from Wisconsin [Mr. NEUMANN], who put this chart together with the help of the House Committee on the Budget and the Congressional Budget Office, what it shows is that we have come a long

way. Since the days when we consistently spent \$1.20 for every dollar that we took in, right now we are actually ahead of budget, ahead of our goal and under budget.

□ 2200

And what we see in the red lines, this was our 1995 budget plan, the 7-year plan that we put in effect 2 years ago when those of us came here in the 104th Congress and decided to change the way Washington does business. What we said was, in fiscal year 1997 we would have a deficit of \$174 billion. Now that is a lot of money. But when I first came to Washington, some people were saying that we could actually be seeing deficits of something like \$274 billion.

Well, there is a lot of good news. Because what has really happened, because we have had a stronger economy and because we eliminated about \$50 billion worth of wasteful Washington spending, because we have begun to limit the growth in entitlements, because we are actually doing what the American people had wanted Congress to do for 40 years, we are ahead of schedule and under goal.

As a matter of fact, in our budget resolution of 1995 we said that the Congress would spend no more than \$1,624 billion. That is still a lot of money. But we said that is the most we would spend in fiscal year 1997. Well, the good news is that we are actually going to spend only \$1,622 billion. In other words, this Congress is actually going to spend less money than we said we would spend in this fiscal year 2 years ago.

Now that is the good news. And that news gets even better. Because the economy has been stronger than we expected, we have actually taken in over \$100 billion more than we expected to take in; and, as a result, rather than having a \$174 billion deficit this year, it is actually going to be less than \$70 billion.

If we stay on that path and we have that kind of fiscal discipline, I believe that this Congress will balance the budget not by the year 2002 but actually by the year 2000. I think there are good economic reasons to believe that that is going to happen.

The best news is that we are balancing the budget while saving Medicare and providing significant tax relief for working families here in the United States. As I mentioned earlier, we are also laying the foundations for actually paying off that debt, making Social Security truly secure, and leaving our kids a debt-free future.

Now I would like to talk a little bit about some of the things, and there is going to be a real heated debate, and already there is a heated debate about what actually is in the tax relief package. I think the more the American people begin to understand what we are really talking about in terms of tax relief for working families and what it

will do in terms of spurring more economic growth and growing the economic pie even more, I think the American people are going to overwhelmingly support this tax relief package.

First of all, the cornerstone of this tax relief package includes a \$500-per-child tax credit. Now that is a credit, and I think a lot of the people do not understand the difference between a credit and a deduction. In other words, if you have three children under the age of 18, you are going to get \$1,500 more to spend. That is take-home pay that you get to keep and spend on your family as you see fit, not as some Washington bureaucracy dictates or decides for you.

There is \$35 billion in post-secondary education incentives. I can say this: As a baby boomer and a father who has one in college right now and two teenagers that I hope will go on to post-secondary education of some kind, that is real relief. That means real things to real families, \$35 billion to encourage families, to make it easier for families to send their kids to post-secondary education options. I think that is a great component in this plan.

There is also a broad-based capital gains tax relief. Now some of our friends on the left talk about capital gains and they say that is tax cuts for the rich. Well, in some respects, maybe they are right. In fact, back in my southern Minnesota district I have a lot of farmers and small business people, and they understand capital gains tax relief more than anybody else.

They do understand that many people who pay a capital gains tax are rich for 1 day: the day they sell their farm, the day they sell their business, or the day that they sell an asset or some investment that they have held for a long period of time, and in most cases they have been paying taxes on that farm or that business or that investment all along the way. So capital gains taxes are about encouraging families to save and invest for their own future.

I think it was Abraham Lincoln that said that "You cannot help the poor by destroying the rich." If we make it more and more difficult for people to invest and save, it means that we are going to reduce the amount of capital in our economy, and that means ultimately fewer jobs.

So capital gains tax relief is about encouraging people to invest and save for their own future, and it is about growing this economy so we have more jobs for the people who really need them.

We also expand the individual retirement accounts and make it easier for people to save for their future that way. We have significant reduction in the death taxes.

Now some people are saying, well, this is not as good as it should be; and I guess we would have to agree. But it is a giant step forward in saying that just because you die does not mean the Federal Government has a right to step

in and take up to 55 percent of your estate.

So those are the basic components of the tax relief package that we are talking about. This package is aimed directly at America's middle-income wage earners. There is going to be an awful lot of rhetoric and misinformation spread about what is in this tax bill.

But the best information that we have, according to the House Committee on Ways and Means, and I think it is backed up by the Congressional Budget Office, is that those who are earning under \$20,000 will get about \$5.5 billion worth of tax relief under our plan. Families between \$20,000 and \$75,000 worth of income are going to get 83.5 percent. Families that make between \$75,000 and \$100,000 will get about \$19.3 billion, and those making over \$200,000 will get \$1.4 billion.

If you divide that up, just simple arithmetic, take a calculator to it, you can work this out back in your office or do it in your home, but what it really means is that over 75 percent of the tax relief that is in this tax relief package that we will vote on tomorrow on the floor of this House will go to families earning less than \$75,000.

Now I know there are some people who say those folks are rich. But those who may be watching at home do not consider themselves to be rich. It is targeted at middle-class people.

Let us talk about saving the Medicare system from bankruptcy. One of the other problems we realized when we came here, when I came here in 1994, was that Medicare was in trouble and that if we did not take some serious action, according to the trustees of the Medicare trust fund, they said that the Medicare trust Fund was going to go bankrupt in only a few years.

So we said, well, what can we do? Well, one person once said that insanity is doing more of what you have always done and expecting a different result. What Washington always used to do when they had a problem with health care or anything else, they would figure out a way to crank down on fees. If price controls had worked, well, I think Richard Nixon would have solved inflation back in the 1970's with his price control program, but price controls do not work.

What does work is the magic of the marketplace. We said, let us try to figure out ways to take some of the ideas that are working so well in the free market system, out where we are seeing inflation in the health care delivery system dropping to 2 and 3 percent, why can we not take some of those ideas, use competitive forces, give people more choices and actually use the miracle of the marketplace to help control cost?

That is exactly what we have done. But inside of that we are still allowing total Medicare expenditures under our plan to go from \$5,480 per recipient, in other words, per senior citizen spending will be from \$5,400 per senior citi-

zen to almost \$7,000 per senior citizen in the year 2002, in other words, in less than five years.

What we are really assuming, though, we are not cutting Medicare but we are slowing the rate of growth. We are slowing the rate of growth, and that ultimately will yield savings of about \$115 billion. But most importantly, we are going to provide more choices to more seniors.

In fact, what I like to say to some of my folks is, we want to give seniors wherever they live the same kinds of choices that Members of Congress and Federal employees receive. If we structure this thing correctly, we think we are going to see lots of choices for these seniors.

One other important thing we have done, and I worked very hard on this and a lot of folks from other parts the United States have worked on it, we tried to change what is called the AAPCC formula and we made tremendous progress there. What that really means is, for those people who live in rural parts of the country, they are going to get closer to the same kind of payments for their managed care system if they decide to join managed care operations as those people that live in the big cities.

After all, that is only basic fairness, because those people that live in Mankato, Minnesota pay exactly the same taxes as someone who lives in Miami, Florida. So there is real fairness in this Medicare reform plan that we are putting forward, as well as reform which ultimately we believe will yield big savings while offering seniors more choices and actually more benefits.

This is another chart about Medicare, where we were, where we are going; and what it demonstrates is, what we are still doing is allowing the growth in spending in Medicare to go up, but at a much slower rate.

This Congress recognizes that doing more of the same will only get us in the same soup, so we are talking about real reforms. We are talking about reforms not only of Medicare but of welfare. Last year this Congress passed perhaps the most important welfare reform package that this country has seen, and it was about sending more of the power, the authority, the responsibility and the resources back to the States.

As I said earlier, for too long we thought that Washington had all the solutions, that Washington had it right, that Washington knew best, and that somehow Washington could make decisions to try and help people who were trapped in welfare, and all we really did was create more dependency. But as we evolved more of that back to the States, what we have seen is tremendous changes in what is happening in welfare across the country.

Let me just give a couple of statistics. My colleague, the gentleman from Florida [Mr. WELDON], is joining me, but I want to give a couple of statistics about what has happened with welfare

and the case load since we came to Congress.

Nationwide, welfare rolls have dropped by 20 percent. Now, in real numbers that is 1,029,000 fewer families are on welfare today than when we came to Congress. And some of my colleagues and some of our conservative friends out in the audience say, well, that is wonderful because it saves money.

Well, the real goal of welfare reform is not saving money; it is about saving people, it is about saving families, and it is about saving children from one more generation of dependency on the welfare system.

In Minnesota, for example, 13,000 fewer families are on welfare today than when I came to Congress, and I am proud of that. In Wisconsin, where they have done an even better job, case loads have dropped by 97,000 people. In Oklahoma, case loads have dropped by 45,000. And that story is across every State, where we are seeing that States know best how to reform the system and encourage more personal responsibility.

I do have some other things, and I am joined now by the gentleman from Florida [Mr. WELDON], my good friend, the doctor, who came here with me in 1994, in the class of 1994, the 104th Congress. I yield some time to the gentleman.

Mr. WELDON of Florida. I thank the gentleman from Minnesota [Mr. GUTKNECHT].

Let me just say it is really truly a pleasure to be back here on the floor with my colleague tonight. I know back in the 104th Congress we did this many times when we were trying to move through so much of the important legislation that the American people had sent us here to do and one of the most important things my colleague has been talking about, which is welfare reform. It did take the Republican Congress, the 104th Congress, to deliver on the President's commitment to end welfare as we know it. And the impact that this is going to have, the gentleman is absolutely right, we should not equate it in terms of money saved.

The way we need to look at this is the impact that it will have on people's lives. The wrongness of the welfare system was driven home to me when I was a medical student. As my colleagues know, I am a physician.

I will never forget my first day on my Ob-Gyn rotation as a junior medical student. I was sent to the Erie County Medical Center to work in the clinic there, and my first patient the first day was a 15-year-old young lady who was pregnant out of wedlock.

I remember the tremendous feeling of grief that came over me as I was doing the initial evaluation on this young lady, and I just got to thinking about the impact that this is going to have on her life, that she may not be able to finish high school, that she may never be able to go to college, she may never

be able to perhaps meet a fine young man, and she will have all the burdens of single parenthood.

Finally, I just could not control myself, and as I was asking her those questions that doctors will typically ask an expecting mother on their first evaluation regarding her health, I finally just said, "How could this have happened to you? I am so upset. You will not be able to finish high school."

I will never forget the words that she said to me. She said, and I have told people this and they do not believe it sometimes when I tell them this, but she said, "I deliberately got pregnant because I wanted to get out of my mother's place in the project and I wanted to get my own place."

As we have talked about here on this floor for years now, we have second and third generations on welfare, and that is not what welfare was meant to be. It was supposed to be a helping hand in a time of need. It was never intended to be a way of life. And it is truly amazing the impact that the welfare reform is having.

I know that some States passed welfare reform before the Federal reform went through. I have seen the data out of New Jersey, where Christine Todd Whitman in New Jersey passed welfare reform; Camden, New Jersey, dramatic reduction in the number of out-of-wedlock births without an increase in the number of abortions, suggesting that this program that paid more and more money for more children that were had out of wedlock was playing a role in the escalating rate of illegitimacy or fatherlessness.

As I am sure the gentleman from Minnesota [Mr. GUTKNECHT] is very well familiar, the thing that correlates the most, the highest, with very high incidence in a community of juvenile crime, of drug abuse, of illiteracy, of dropping out of high school, is the amount of fatherlessness.

□ 2215

There was a lady who wrote a book a few years ago and she made a statement that a woman needs a man like a fish needs a bicycle. She implied in that book that fatherhood was an unnecessary component for the continuation of our society, of our culture, of the human race. We have demonstrated beyond a shadow of a doubt that fatherhood is an essential component to the family unit. All we have to do is look at those communities that have the highest rate of fatherlessness and the extremely high rates of drug abuse, of juvenile crime, of illiteracy in those communities. It is absolutely criminal that this welfare program has played a role.

I harken back to that day, my first day in the OB-GYN clinic as a junior medical student, and that young lady looking at me with a cold calculating look in her eyes that this pregnancy was a planned pregnancy for her. I said to myself, at that moment, I said, we need to change the welfare system in

this country. I had no idea that someday, of course, I would be here, like the gentleman, passing legislation.

I believe the welfare reform that we passed may prove to be the most important accomplishment of the Contract With America, of all the provisions in the contract, because of the relationship between welfare and fatherlessness and all those other social pathologies that I talked about, juvenile crime and illiteracy and declining educational scores.

But it is really I think wonderful to now be fulfilling more of that original Contract With America. Tomorrow we will be passing our tax cut. It is a smaller tax cut than I wanted. It was not the size of the tax cut that I wanted to see. I wanted to see the inheritance tax go to zero. I would like to see the capital gains rate phased out completely. This is the best we could get from the President. It is truly a middle-class tax cut.

Just as it was ironic that it took a Republican Congress to fulfill Bill Clinton's campaign promise of 1992 to end welfare as we know it, it is again taking a Republican Congress to fulfill his campaign pledge of 1992, which was at that time, a middle-class tax cut. The reason Bill Clinton campaigned on those issues in 1992 is because the polling data showed that people felt like they were overtaxed, the polling data also showed obviously that people felt the welfare system was not working, and I think the gentleman spoke very eloquently on that issue, that the welfare system was a huge failure.

So he knew that back then. Yet he did not deliver in 1993, he did not deliver in 1994, and he fought us on welfare reform in 1995 and 1996. Now he is unfortunately, well, at least it looks like he may go along with this middle-class tax cut. I think this is really a wonderful opportunity for the American public to see how the elected officials are really delivering on what they wanted.

I think one of the greatest crimes when somebody runs and says I am going to pass welfare reform and then does not do it and says I am going to give you a middle-class tax cut and then increases taxes, it is not just that he is not delivering on welfare reform and he is not delivering on the tax cut, he is also undermining, undercutting the faith of the people in the political leaders they elect to Washington.

One of the things that was most pleasing to me, and I do not know if the gentleman saw this, there was a recent poll on the public's opinion of the Congress in the United States and that the approval rating is about 50 percent, which certainly is nothing to write home to mom about, but it was 19 percent in 1993. Actually in the fall of 1994 it was 19 percent.

I think we are getting the job done. There is a lot more to do. This is the greatest country in the world. The gentleman talked earlier about growing up in the 1950s. I grew up in the 1950s as

well. Our parents gave us a great heritage. They inherited that heritage from their parents. The goal, the plan here is to be able to leave our children, I know the gentleman has kids, I have a daughter, to leave our children the same kind of heritage that we were able to inherit from our parents.

I want to thank the gentleman for yielding. It is really a pleasure to be able to be here tonight with the gentleman and to discuss these issues.

Mr. GUTKNECHT. I am delighted to have the gentleman. As the gentleman was talking I was thinking about growing up in the 1950s, baby boomers. I tell the story often that when I graduated from college, the speaker at our commencement address was the director of the United States Census. Most people do not remember who spoke at their college commencement ceremonies, but I remember and I remember what he talked about. At the time I was 22 years old. He said, "Most of the people in this audience are 22 years old and most of you were born in 1951. There were more babies born in 1951 than any other single year. You are the peak of the baby boomers."

In many respects when the gentleman and I came here as baby boomers and as members of the new Republican majority, I think we came here understanding that we had a special place in history and we had a special responsibility. As baby boomers, I look at this and I look at welfare reform, I look at Medicare reform and saving Social Security and balancing the budget for our kids, I really see those issues in some respects as generational fairness and generational responsibility. Because both of my parents are living, I want to make certain that they are taken care of, I do not want to pull the rug out from under them in terms of Medicare or Social Security.

On the other hand, I have 3 kids and I look at them and I say what kind of a country are we going to leave them? Is it going to be a country that is filled with debt, dependency, despair? Is it going to be a country where all the decisions are made for people in Washington? I say, we have an opportunity to make a real difference. I think that is the reason that I ran, I think that is the reason the gentleman ran for the Congress, because I think the American people in many respects have been way out in front of us for a long time.

The gentleman talked about polls. It is always nice to talk about polls we like, and sometimes we ignore the polls we do not. But I think we all instinctively know deep down in our bones that the American people have been asking for, indeed demanding, that Congress live within its means, that they begin to return more of the power, more of the responsibility, more of the resources back to the local communities, because they know that Washington does not do it best.

They read stories every day, whether it is a \$400 toilet seat or whether it is

money wasted in Bosnia or whether it is money wasted on other things, and they look at the welfare system and say, "This is just a big waste. All you're really doing is encouraging people to be increasingly more irresponsible."

We look at all the statistics and the evidence and Washington has failed. I am not saying that. The American people are saying that. In the end, though, as the gentleman was talking, especially thinking about my parents and the gentleman's parents and that generation, in the end a lot of this debate is really about values. I think that in many respects, what really makes this whole country work, I have had a lot of discussions and I have thought a lot about this, that a value is something that you believe in strongly enough that it will get you to take action. Because if you say you believe in something and you do not do something about it, you really do not believe in it.

There are certain values that I think have made this country work. Literally from that day at Valley Forge to today, there are certain values that make this society work and that are the glue that holds us together. I think if I were to reduce it to about 5, I would say it is faith, family, work, thrift, and personal responsibility.

The unfortunate thing about the liberal welfare state, in my opinion, is they tended to undermine some of those values. In other words, if you pay people not to work, you undermine the work ethic. If you tell people that you cannot receive benefits through a faith-based system, you undermine faith. And if you undermine the family, if you give people their own apartment and encourage them to leave home and have babies out of wedlock, you undermine the real cornerstone, the real glue that holds this society together, and that is the American family. And so I think the American people sort of knew and they still know that there is something wrong with this system that eats away at the very fiber, the very values, the glue that holds a society together, and they wanted something done about it.

In that respect, I do not think they look at us and say, well, we want you to have all the answers. What they really say is give us more of the power and the decisionmaking back. That is what this tax plan is about.

I will tell a quick story. Going home last weekend, I am on the Committee on the Budget, I am proud to be a part of this Congress and I was proud to be a part of the 104th Congress as well, because I think we are beginning to turn this giant battleship around and we are beginning to sail it in the right direction. We have still got problems and we still make mistakes.

I told some people the other day that we recruit from the human face and we are subject to human frailties and we make mistakes. We have made plenty and we will make more. But I think on balance we are doing the right things

and we are heading in the right direction. We are beginning to reinforce values, encourage Government accountability and encourage personal responsibility. We are starting to say, maybe there is a place for faith-based systems, whether we are talking about education, about welfare delivery, about something else. Again, we do not have all the answers, but I think we are moving in the right direction. I am proud to be a part of this Congress, I was proud to be a part of the Committee on the Budget that put this package together.

If I could, I would like to share a story. When I was going home this weekend, the Committee on the Budget met until about 7:30 Friday night, so I could not catch the last plane to go back to Rochester, MN. I flew back on Saturday morning. I did something that I do not do very much anymore, and I used to like to do this. Just look out the window. You are flying in an airplane, sometimes it is just nice to look out the window and daydream and think a bit. So I did that on the flight home. As I was flying, I looked down at this great country, and I began to think about all the great people who live here. This is a great country. It is filled with great people, and people with great dreams and people who were willing to take risks and risk their fortunes and perhaps build a business.

When I got home and my wife picked me up at the airport, we were driving home, we got to our neighborhood, about a block and a half from our house and one of our neighbors down there was having a garage sale. There was a family, they were getting out of their car and going up to this garage sale. They had used clothing and everything that goes on at garage sales. This family had four children. There were three older kids and there was one, one of those little chubbies, if the gentleman knows what I mean, that is sort of permanently attached to mom's hip. Mom was carrying the littlest one up to the garage sale. The others were running up. As we drove by, I thought, in this budget, we talk about numbers, \$139 billion and 2.7 percent and all the other numbers, but in the end this budget and this tax bill is about real people. It is about real families. I thought about that family. To them, this tax bill means a lot. First of all to their kids it means a brighter future. It means that those kids have a better chance at the American dream. It means that we are not going to saddle them with debt that they will never be able to pay. But to that family itself, four kids, that is \$2,000. I know, some of the people who are here in Washington, \$2,000 does not seem like a lot of money, but to that family driving that car, going to that garage sale, \$2,000 is a lot of money. That is money they can spend on their family, that they can save for their future. Then we think about the tax advantages as it relates to their education, for those kids' higher education. This is a very important

tax bill for them. When we get involved in these debates here in Washington and we are talking percentages and billions of dollars, we sometimes forget all those people who live in this great country, all those people who take risks, all those people who invest, all those people who have families. Forty-one million children will benefit from this tax plan. I am proud of that. I think it is going to make a difference. I think it is going to mean a brighter future for those kids and for our country in general.

Mr. WELDON of Florida. I am really moved by the gentleman's comments, particularly as it relates to family. I was reminded as the gentleman was speaking of a family that goes to the church that I attend. They have five children. Ann and Bill Tanner, a lovely couple, with five kids, little stairsteps, from age 9 down to, I think their newest one is about a year old. Bill was working as an electrician. Now I think he is a caseworker for one of the county commissioners in Brevard County where I live. This translates to \$2,500 a year for Bill.

□ 2230

And that means more money for clothes for the kids, money for vacation, something maybe that they have not been able to take for a long time.

So this is really about families, kids and peoples' lives, and, as you mentioned earlier in your special order here tonight, how back when our parents were raising us, that they sent just a small fraction of their income to Washington, and the biggest amount of the money went to pay the mortgage payment, and how now families are sending more to Washington than they spend on the mortgage payment and the food bill and the clothing bill.

It is amazing. Food, shelter and clothing do not consume as much as the bill from Uncle Sam. That is just wrong, and when you cannot put more money into the family pocketbook, it can make a real difference and a real difference in their lives.

And really what makes this country great, as you were looking down across the fruited plain at all the wonderful towns and cities that make this country the great country that it is, what makes those towns and cities work are the strong families in those communities, and it is really strong families that make strong communities that make strong nations.

Mr. Speaker, we for 40 years have been undermining the integrity of the family, and I was reminded as you were speaking about the failure of the welfare system of a book that I recently read by Marvin Olasky called *The Tragedy of American Compassion*, and it is really a fascinating book. If you have not read it, I would highly encourage it to all the Members of the House of Representatives, because Mr. Olasky is a very, very learned scholar, and he researched how we in America took care of the poor and needy in that

time period in the late 1800s when Alexis de Tocqueville came to America and wrote his famous book.

One of the things he said in that book, *Democracy in America*, how he was amazed that there were no beggars and no homeless people on the streets of America, but if you went to London and Paris, that there were all these needy people there, and the thing that he discovered was that it was the faith-based organizations that were trying to intervene in the lives of people and to bring about a real hard change to enable them to be able to deal with their situation.

One of the great tragedies of our welfare system is there is no accountability, and you refer to that in your five principles that you mentioned. You mentioned faith. You mentioned family. You mentioned work, thrift, and you also mentioned personal responsibility, and that relates very much to accountability.

Personal responsibility involves if someone is in need, that you help them out if they are in need. But if they are in need because they are spending all their money on drugs or alcohol or they are not willing to work when they are able to work or they are engaging in other high risk behaviors, then I believe you have a responsibility not to help that person out because you keep them from dealing with the problems in their lives.

The great tragedy of this system is there is no accountability. You can be engaging in all kinds of behaviors that are very, very counterproductive that are an impediment to you being able to turn your life around. But the way the law is written, you cannot have any accountability, and simply by requiring people to work, it brings a very, very high level of accountability into this system. You cannot continue to get the benefits.

Faith is critically important. I have learned from experience that the people who really turn their lives around are the people who make a personal faith commitment and have a personal heart conversion where they can actually come to grips with the problems in their life and help them to be productive and become productive. It really boils down to what is the right thing to do and what is the best way to help the people out.

Marvin Olasky's book was fascinating because one of the things he did in the book, of course, was he dressed up as a homeless person and he went into many of these homeless shelters and these soup kitchens.

Mr. GUTKNECHT. Here in Washington, DC.

Mr. WELDON of Florida. He did some of it right here in Washington DC; that is right.

And one of the things he was amazed at, and I heard him, he not only talks about this in the book, I heard him speak. Nobody would ask him why he was homeless. Nobody would ask him what his name was even or if he had a

family. They would give him a meal, they would give him clothes, they would help him to get to the shelter, but they would never personally get involved in his life. And he compared that to what went on at the turn of the century when we were more effectively dealing with many of these problems and how they did that, they actually spoke into the peoples' lives, they got to know them.

I think what it really boils down to is whether charity is being performed by the church or by the faith-based organizations or by the bureaucracy in Washington, the government, the faceless, heartless, bloodless bureaucracy that just dishes out checks or units in the complex, and it is that human intervention that really changes people.

It is funny we should be talking about family tonight because one of the things that led me to getting into politics was I formed an organization in the community that I lived in called the Family Forum back in 1990. Ultimately that got me more involved in the political process and brought me to the point where I ran for Congress in 1994, as you did. But it was the family, the breakdown of the family, that caused me to form that group, the Family Forum, to try to make a difference in our community to try to deal with the terrible breakdown of the American family that we were experiencing.

Mr. GUTKNECHT. And if I could, the real tragedy, it seems to me, is that in many respects well intentioned government programs have made the breakdown of the family even worse, and again I think the American people are way out in front of us on this. I think they know that. I do not think they have to read that.

I also want to indicate before we leave the story of Marvin Olasky. I have read his work, too. I have had a chance to meet with him several times, a remarkable human being, and his story is a terribly powerful story. And I would say this for the benefit of Members or those who may be watching: I am just about out, but I have a very abbreviated version of that. And I would make it available to Members who would like the story of Marvin Olasky and the *Tragedy of American Compassion* and the history of how we really dealt with poverty in America and what de Tocqueville meant when he said that America's greatness was in her goodness and that, if we ever fail to be good, we will fail to be great; and goodness was not about more and bigger government programs. Goodness was about what you did in your community and your neighborhood, what you did in terms of volunteering and sharing with those who were really down and out.

The interesting thing too about the whole welfare debate and discussion is that there are some very good examples of programs that do work, but those are not the models unfortunately

which Washington decides to model in most cases.

The Mormon church has a very good welfare system for members of their church. The Salvation Army is far more efficient than any State in the Federal welfare system in terms of helping people. And the real goal is not just to feed people, not just to feed people in terms of their bodily needs, but to feed their soul as well; and if that is not a component, the results and the evidence is overwhelming that it is not particularly successful.

I yield back to you.

Mr. WELDON of Florida. Yes, I just want to briefly add to something you were talking about, however well-intentioned, the programs can undermine family integrity. And I just want to say this in defense of our colleagues on the other side of the aisle who in many ways have been defending the status quo in some instances particularly as it relates to welfare reform, and the intentions were good. I do not believe when Lyndon Johnson and the Democratic leadership of the House and the Senate passed some of these Great Society reforms they had any intention to see the kinds of consequences that resulted.

They were really trying to help people, and the unfortunate reality is that the amount of poverty increased or stayed the same and a lot of the other social pathologies got much, much worse. I know that the figures in New York where I grew up are astronomical in terms of the impact the Great Society programs had on family breakdown. I think, if you go into some of those inner-city communities, the illegitimacy rate or fatherlessness rate is 70 percent, whereas it was 25 percent. And the academic scores in those communities have gone downhill, whereas you could go into Harlem in the 1940's and the academic scores in Harlem were no different from what they were in the poorer white communities in the Lower East Side. They were about the same.

And the thing, it is not a racial thing at all. It has to do in my opinion with the breakdown in the family and the tremendous impact that fatherlessness has on those families.

Mr. Speaker, let me just say that I know there are a lot of hard-working single moms trying to raise kids at home and that many great Americans have come out of those single mom homes, and some of those women just do an absolutely fabulous job. But just the reality is when you look at the communities and you look at the impact that the welfare state has had in terms of promoting illegitimacy and the impact that that has had, in turn, on breaking down the family, and the road was paved with good intentions. And you are absolutely right, Gil, the American people knew for a long time before all the studies, before all the statistics came in. They knew that it was not working, and they were asking for change, and they were asking for

change for years and years just as they have been asking for tax relief.

They have known for a long time that they are sending too much of their money to Washington, they are not getting their money's worth, the product is too expensive, and they need a refund. They need a little bit more in the family account and a little less money going up here.

And it is really, I think, long overdue to provide family tax relief. I think the family child credit is going to go a long way to helping a lot of working families to be able to take home more. I think the inheritance tax, though it is very small and it is phased in over many years, is a good start.

I think that tax is immoral, to take somebody who has worked their whole lifetime, pumped typically millions of dollars into the economy in terms of creating jobs, in terms of paying taxes, and then once they are dead to put along a death tax and then come along and basically appropriate a third of what they had earned their whole lifetime. In my opinion it is just morally wrong.

We are making some headway in that. And there is probably nothing that we could do more to stimulate our economy, to help create high-quality jobs, to help ensure that America remains the world's leader economically than to put through this capital gains reduction. I think the capital gains rate should be zero. If you want to have a thriving growing economy that is creating high quality jobs, you make the capital gains rate zero.

Now, we were not able to get that, but a capital gains rate, I believe, of 20 percent is a good start. I think it is going to go a long way to help a lot of middle class families better make ends meet.

Mr. GUTKNECHT. Mr. Speaker, I was just going to say that I was smiling because when my colleague was talking, it reminded me of talking about taxes and spending and balancing the budget and what we need to do in terms of tax relief.

There is a farmer I was talking about balancing the budget with, an old farmer in my district one day. And he said: You know, he said, the problem is not that we do not send enough money into Washington. He said the problem is Congress spends it faster than we can send it in. And if we stop and think about it, he encapsulated the big part of the problem we have had for the last 40 years. In fact, some would say, well, you know, we just need to raise taxes. Well, if tax increases had been the solution to our deficit problems, I submit that we would have had a huge surplus already.

I know when we first started this debate when we offered the Contract With America, there were people who said, well, you cannot balance the budget and provide tax relief; I mean that cannot be done. And you certainly cannot do it while you are saving the Medicare system. And what we are

proving, I think, today and tomorrow is, yes, you can. If you hold government more accountable, if you limit the growth in entitlement programs, if you actually make some targeted cuts in domestic discretionary spending, if you hold government more accountable and you return more responsibility back to families and people and communities and States, you can balance the budget, you can save Medicare and you can reduce the tax burden on American families.

And that is the good news, and as I say, and as you indicated, this plan is not perfect.

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We hope as we go forward that there will be more room for tax relief. We would hope that ultimately we would adopt language similar to that the gentleman from Wisconsin [Mr. NEUMANN] is talking about, in terms of as we go forward, if we are correct that if we reduce taxes, if we allow people to keep and spend and invest more of their own money that the economy will be stronger, which will mean more jobs, which will mean more tax revenue.

Actually, I have some numbers, I had the budget office run these numbers for me. Right now the economy is growing at about 3.8 percent. We do not assume that that is going to happen. Some people said early on, we balanced the budget by rosy economic scenarios. Actually, we assume under this budget plan that economic growth is going to drop off the table, that it is going to drop from 3.8 percent this year down to 2.1 percent next year.

I do not think most economists, I do not think most Members of this body believe that is going to happen. I think what is going to happen is the economy might slow slightly to something like 1.3 percent.

If that happens, though, if the economy just goes to what would be more of a historic average in terms of economic growth for the next 5 years, and I think with the tax relief, with the balanced budget plan, I think with lower interest rates, I think it is very believable that we will have at least 3.1 percent growth rate. If that happens, in the year 2001, we will have a \$28 billion surplus, and in the year 2002, we will have a \$120 billion surplus.

Now, what should we do with that surplus? Well, our colleague from Wisconsin says, and I think it is a good idea, we ought to take two-thirds of that and apply it to some of the trust funds, the Social Security trust fund, the highway trust fund, some of the other trust funds which Congress has been borrowing from over the years and we ought to take some of that and provide additional tax relief.

The gentleman has talked about lowering the capital gains tax even more, doing more work in terms of the death tax, doing more work for families, but that frees up even more opportunities so that hopefully we can grow the economy even faster so that more of

the people who are currently trapped in the welfare state can find jobs, can get off the welfare rolls and get to payrolls and that really ought to be our goal.

In fact, talking about welfare and how this all ties together, I thought it took a lot of courage recently for the *New Republic*, which is by its own admission a liberal magazine, came out recently and said, we were wrong. When they said that our welfare reform plan would not work, they said they were wrong. Now they have come to the conclusion that 6 out of 10 people that were on welfare a few years ago really should be off welfare.

As we go forward, as the economy grows and as we get more educational opportunities to some of those people, I think we are going to open up the American dream to a much larger group of people, to people who for a generation have thought that the American dream was not for them. So if we really love those people, we have to help them find their way off the welfare rolls and on to payrolls.

Because I have said this, and I really believe it, that a job is more than the way one earns one's living, a job helps to define your very life. I think people who are jobless tend to think of themselves as being valueless. So we need to help those people, we need to give them the encouragement, and sometimes we have to give them a little nudge to get them out on their own and instead of being dependent, becoming independent.

So this is about reinforcing those values of faith, family, work, thrift, and personal responsibility. We do not have all the answers, but as I say, and I think the American people understand, as was reflected in the poll the gentleman mentioned earlier, I think the American people understand that we are now moving in the right direction, that Congress said it is doing what it said it was going to do, and most importantly, it is doing what they have wanted Congress to do for many, many years.

Mr. WELDON of Florida. Mr. Speaker, I thank the gentleman from Minnesota for yielding.

Let me just say that I too am a sponsor of the legislation of the gentleman from Wisconsin [Mr. NEUMANN] to deal with the issue of paying off the debt. His plan I think is a very good plan. Once we start showing some surplus after the budget is balanced, what are we going to do with that money? It is a real legitimate question. What do we do with that money?

There will be people in this body, there will be people in this city, who will want to spend it all. And to take some of that money and use it to pay off the debt early, a \$5 trillion debt, use some of it to provide some more tax relief, and yes, use some of it for targeted important spending like on infrastructure.

We have not been spending the kind of money we need to for roads and highways. We have to keep in mind

that when we pay off that debt sooner, the interest payments get smaller, and suddenly, it is a double benefit because we are spending about \$360 billion paying interest on the debt. If we did not have to make interest payments today, there would be no deficit. We would have a \$100 billion, \$150 billion, \$250 billion surplus that we would be arguing about if the people who preceded us had made the tough decisions and had not run up this kind of a debt.

What a wonderful situation to be in, where we have those kinds of surpluses and we could really talk about putting more money into needy areas in our Nation's infrastructure and needy areas such as more health care, for example, or better health care for Americans, and then to be able to take some of that money and return it back in the form of tax relief.

I know for me and my district, people would like to see more money on the space program. I am proud to be able to represent Kennedy Space Center, the home of our space shuttle program. People in my community always talk about when are we going to go back to the Moon? When are we going to go to Mars?

In those early years in the space program, in the 1960's, when we were making that investment, that critical investment in the Apollo program, in the Mercury, in the Gemini program, entitlement spending was about 7 percent of spending. The debt service was 4 or 5 percent.

Mr. GUTKNECHT. Now it is 16 percent.

Mr. WELDON of Florida. Now it is 16 percent. So it is incredibly important that we balance the budget, that we pay off the debt, that we provide badly needed family tax relief, that we fix the welfare system as we have.

This is about the future. I am told by teachers, there is nothing that motivates kids more to study math and science than to talk about the space program. It just makes their eyes get big, and if we can relate what they are learning in the classroom to applications in our space program, it just gets them so excited.

I do not think there is anything that the American people are more proud of than the tremendous accomplishments of our astronauts and the people who work in our space programs. But yet we as a nation would never be able to do that if we were not able to have the financial resources to do it. The financial resources only come from managing our resources properly.

This is just simple stewardship. It is the same stewardship that families use back home.

The gentleman was talking about the farmer. I can tell the gentleman that I have met countless families in my district, some of them ranchers, some of them working in the citrus industry, some of them working in the space program who have said to me, why can Congress not just do things the way we do things around the kitchen table? We

realize we cannot do everything every month, so we set some priorities. And that is what this budget proposal, a lot of it is about, and what the Republicans in the 104th Congress and the 105th Congress have been about.

Let me just say it has been a real pleasure to join with the gentleman in this colloquy tonight. I would say to the gentleman that he has been a stalwart activist in getting the job done and delivering on the promises we made to the American people in terms of balancing the budget, preserving Medicare, providing badly needed family tax relief, and finally, fixing welfare.

It has been a pleasure for me to be able to work with the gentleman and the leadership that the gentleman has provided in all of these areas and to join with the gentleman tonight in talking about this. Because this is about the future.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman.

In closing I would just like to thank the gentleman from Florida [Mr. WELDON] for joining me tonight, but I also want to say that this is an important first step. This is not the end of the road, this is an important step. But it is about restoring accountability to Government, it is about encouraging more personal responsibility, and it is about sending more of the authority back to communities, neighborhoods, and to families.

For 40 years, Washington had it wrong. For 40 years they thought Washington knew best and for 40 years, both the bureaucracy and the debt ballooned.

Well, now that is changing. Families are winning, and with their help, we will keep winning this fight.

NEW EPA STANDARDS WILL HALT PROGRESS IN AIR POLLUTION REDUCTION

The SPEAKER pro tempore (Mr. PAPPAS). Under the Speaker's announced policy of January 7, 1997, the gentleman from Pennsylvania [Mr. KLINK] is recognized for 60 minutes.

Mr. KLINK. Mr. Speaker, we come to the floor tonight with a heavy heart because we were hoping that as Democrats and as Republicans, we would be able to talk to the administration and have them reach a commonsense conclusion as it pertained to the progress that we have made in this country in abating air pollution; in the way we have accommodated the growth of industry in this Nation. While making the air cleaner, we have been making progress.

The Clean Air Act itself is a tremendous success. We continue to clean the air, and no one predicts during the coming years that under the current standards for particulate matter and for ozone that we would continue to clean the air. But today, the President of the United States has recommended a tightening of those standards.