

That was in the Contract With America in 1994 that the Republicans, before they were elected to Congress, signed on to. It is an important part of this final package, and it is something that will benefit a whole lot of families in this country, and I am glad that we were able to retain it in there.

We have started down a road on which we have a long ways to go before we reach completion in this battle, and one of the things that I hope to be a part of, as we continue that fight, is simplification of the Tax Code.

□ 1830

One thing that we have done, if nothing else, we have, hopefully, at least started to lower the revenues and made Government smaller, the values that we believe in. But we still have an inordinately complex Tax Code which is in desperate need for simplification. And we have not done anything in this bill that in any way lessens the complexity in the tax bill.

So I hope that as we continue down the road that one of the priorities for this Congress, as we come back here in September, is to continue to bring additional tax relief, but also to come up with a Tax Code that makes sense to the American people who have to comply with that Tax Code. I am looking forward to being a part of that process.

Again, I want to thank my many colleagues who supported this bill today because it is an important first step and it is a critical step for the future of this country.

GRAND JURY PROCEEDINGS

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

Mr. CONYERS. Mr. Speaker, Members of the House, earlier this week the gentleman from Tennessee [Mr. DUNCAN], a good friend and distinguished Member of the Congress, on the floor of this body, charged that the ongoing Federal grand jury investigation of the gentleman from Indiana [Mr. BURTON], chairman of the House Committee on Government Reform and Oversight, was a political prosecution and was brought because the chairman was trying to do his job. My colleague from Tennessee further accused the Attorney General of politicizing our system of justice.

I would like to examine those remarks for a few minutes to determine whether there is any foundation in these remarks. As the senior member of the Committee on the Judiciary, I have tried to follow the activities of the Department of Justice as carefully as I can, and I am trying to find where the Justice Department is politicized or whether it prefers, as has been alleged, to investigate and prosecute Republicans or in particular the chairman of the Committee on Government Reform and Oversight, the gentleman from Indiana Mr. BURTON.

The first thing I would bring to the attention of Members of the House of Representatives is that this Justice Department has prosecuted numerous Democratic Members, including Messrs. Rostenkowski, Reynolds, Bustamante, and Fauntroy.

And so, I am not sure whether it is fair or not to characterize the Department of Justice's conduct as politicized in the sense that the administration has acted in disregard of its legal obligation when the record to date is that the Attorney General has repeatedly exercised her discretion with very due diligence and has appointed repeatedly independent counsels to investigate prima facie allegations against this administration, its Cabinet officials, and others.

Now what kind of job the chairman of the Committee on Government Reform and Oversight is doing is not in my province this evening. But we are well aware of the objections that the campaign finances and investigation, that the chairman of that committee is conducting has had some problems. I refer particularly to the fact that the general counsel of the committee, who submitted his resignation earlier this month, has indicated that his resignation was based on the fact that he was unable to implement the standards of professional conduct he was accustomed to at the U.S. attorney's office.

In any case, it is not important how well or poorly the chairman may be doing his job. Right now I am concerned about the allegations being raised in his defense, which challenge the integrity of the Department of Justice in this instance. And I would suggest that it is a leap of faith to believe that the coincidence of the chairman's investigation followed by a subpoena of his records mean that the subpoena is a consequence of his investigation.

I do not know the scope of the grand jury that it is alleged concerns itself with his conduct, nor may I be privileged to know the scope. And I would refer the gentleman from Indiana and the gentleman from Tennessee to the Federal Rules of Criminal Procedure, rule 6(e), which quite carefully says no attorney for the Government can disclose what the grand jury is doing. It is at page 36 of the 1997 edition of the Federal criminal code and rules.

For the same reason, I do not know what evidence, if any, prompted any subpoena the grand jury may issue of the grand jury matters are secret in order to protect the person under investigation. For that reason, the Department of Justice may not comment on the scope of its investigation, nor may it publicly justify the legitimacy of the subpoena or its scope.

But the chairman has a remedy, or his counsel. They may challenge the scope and appropriateness of the subpoena.

I would close by pointing out that the gentleman can file a motion to quash or modify the subpoena and indeed he can challenge the entire grand

jury proceeding in the Federal district court in which these grand jury proceedings is brought.

WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, this has been quite a day. Sometimes in the heat of debate the clarity of what has been done has become more confused and a little less evident. So I think it is important today to clarify for the American people and for those who have worked so hard to drive the economic engine of this Nation to clarify for them that this legislation, this tax bill, this tax bill that was truly a creature of a bipartisan effort led by a President who never shies away from the Democratic principles that helped to elect him orchestrated.

It is a time, as well, to be able to applaud those who sat at the negotiating table and to recognize those of us who were soldiers on this floor who said that we would maintain the battle line to ensure that dignity would be given to those citizens who worked every day making \$25,000 a year, \$30,000 a year, \$50,000 a year, and \$75,000 a year.

It is important, however, that those of us who advocated that position, those Democratic principles for working men and women not be labeled as not understanding that it is business that adds to the economic engine, it is business which we foster under the capitalistic system that those around the world applaud and admire and try to emulate and imitate.

So it is important in this discussion to say a few things. One, it is valuable to acknowledge, as my colleagues have heard over and over again, the tax credit that will be given to families no matter what their income if it falls under, for example, \$75,000. So a \$20,000-a-year family making \$8,000 maybe the spouse and \$14,000 the other spouse, \$22,000 they can get the tax credit for their children. The children of the working poor and working families are no less valuable than those making thousands and thousands and thousands of dollars. I am gratified for that.

We stayed on the battle line for that issue and it is very, very important. Then I would like to mention that I voted against the Republican welfare reform bill. Oh, not because I was not the advocate of all of those who want to raise themselves up, all the constituents in any district whose homes did not look as attractive as someone else, when I went to their homes and they were on welfare and they were dependent on public assistance. They said, "I really want a job. I want to get out of this." But I was not going to vote for a bill that did not give child care, give job training.

And yet, now we have a tax bill that gives \$3 billion to cities. We bypassed

all the bureaucracy to help move people from welfare to work to help create jobs and yes an amendment that I offered in the 104th Congress to give tax incentives to those good employers who will take those people off the rolls and give them jobs, working mothers like I spent 30 minutes on the phone late at night. A mother who was on crack said, "I simply want to work and show my daughter it can be done." She is going to benefit and the person who hires her is going to be benefit as well by this tax credit that will begin to those who hire former welfare recipients moving from welfare to work and the \$3 billion to our cities will help them provide training and help them along.

My airline friends were in controversy, small airliners versus large airliners. There are thousands of employees. The airline industries over the years have become more and more prosperous. I am gratified that we tried to work something out, decreasing the ticket tax, and then sort of working with our international airlines.

But we are not finished yet. I will promise them that I will monitor this so that airlines like Southwest Airlines, that has been so good to Texas, can keep strong, and Continental Airlines and others can work together to keep this industry functioning. We did what we could in this bill, but I think the industry should recognize that we have got to work together on this.

I have studied England, a very small nation that has a No. 3 place in the world in terms of its economy based mostly on the transfer of money over the last couple of years. The reason they have that value in their nation with such a small number of population is because the English have learned to save.

I know America is a country of bounty and we have tended over years not to save. I am gratified that we can clearly point to now real incentives for Americans to save their money, to create savings accounts, to have IRA's, to ensure that those who are frugal and work and save will be able to handle their business well.

Mr. Speaker, as I close, let me simply say that this tax bill is good for small businesses, and Democrats made it good for them, and family farmers by \$1,300,000 incentive on the family farms when they are passed on to families.

And lastly, let me commit myself to watching this tax bill so there is not an out explosion on the deficit, because we brought it down as Democrats by voting in 1993 for a budget bill. And as well, I commit myself to simplifying this process of filing your taxes so that Americans can continue to support this system that is based on capitalization and support a system that supports all of America.

DEFICIT AND THE BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of Jan-

uary 7, 1997, the gentleman from Michigan [Mr. HOEKSTRA] is recognized for 60 minutes as the designee of the majority leader.

Mr. HOEKSTRA. Mr. Speaker, tonight I come to the floor to celebrate the accomplishments that this House, in a bipartisan way, working along with the other body and working with the President, have accomplished really working over a period of the last 6 months, but really beginning the dialog after the last election, recognizing that we wanted to work together, that we wanted to make progress, that we wanted to address some major problems facing this country, and that we also wanted to get the deficit under control.

Today we passed the second piece of our major legislative package, the tax portion, which, combined with the spending portion, has moved us now, hopefully, the final steps towards getting to a surplus budget when the numbers come out. In the middle of August, I think we will see good news that the deficit for 1997 is going to be somewhere less than \$50 billion, which is still a very large number.

As we start taking the look out at where we are going to be in 1998, the real possibility that we will move to a surplus budget in 1998, maybe 1999, but perhaps much sooner than the year 2002, which the bipartisan agreement set as its outside target.

□ 1845

We have made significant progress. The exciting thing about reaching these milestones, saving Medicare, reducing taxes, moving forward, getting to a surplus budget, is that it really now does open us up to consider a number of other issues that we can talk about and we can talk about in the context of saying we have got a surplus budget, now let us talk about some longer range perspectives. We have gotten rid of that nagging problem.

We have shown to the American people that we are serious about getting our House in order, we are serious about making the tough decisions that this country needs to make and hopefully tomorrow, we were supposed to have it ready today to share with Members, we have compiled what we call a journal of ideas. I put this together and I developed this with my former colleague here in the House, Mr. BROWNBACK, but this is a journal of ideas.

It is intended to be a thought-provoking document, a journal that raises some of the issues and some of the topics that I believe we can now talk about in a very constructive way, talking about we have reduced taxes but we have not really done what we want to do with taxes which is, sure, more tax reductions, but we want to move forward now with an overhaul of the tax system. We need tax reform. I do not know whether it is a flat tax, whether it is a national sales tax, but we need something that is fairer and less com-

plex and less intrusive on the American people than the current Tax Code and the current IRS.

This provides us with an opportunity to think about Social Security in new and different ways, to make sure that Social Security is solvent much longer than 2029 which it is currently projected at. We now have the opportunity to go back and take a look at ending corporate welfare. We can now make attempts to have serious discussions about real budget process reform, regulatory reform, campaign finance reform.

The journal of ideas also has some documents in here for some things that I really want to talk about and that I can have the opportunity to work on, which are education reform and workplace reform. These two items are tied very, very closely together. But as I take a look at education, earlier this year we began a process which we call Education at a Crossroads. We have really in that process agreed with our President, when the President said in 1996 that we cannot ask the American people to spend more on education until we do a better job with the money that we have got now or the money that we are spending now.

We have had a number of hearings around the country. We have been in New York, we have been in Milwaukee, Chicago, L.A., Phoenix, Louisville, Cincinnati, Little Rock. We have been around the country, along with hearings in Washington to ask some basic questions:

What is working in education today? What is not working? What Federal programs are working in education? Which ones are not? Our Federal education initiatives, are they fostering the type of change and creativity that we need at the local level, or are they barriers to helping our children get the kind of education that they need? The dollars that we send to Washington, are they helping our kids get the education that they need or are they being sucked up by a bureaucracy in Washington?

We know that as a Nation we are not achieving the kind of results that we would like to be getting. Some of our first hearings that we had in California in January of this year highlighted some of the problems.

We met with some college educators. People are interested in the young people who are graduating from our K through 12 system because they are receiving these children into higher education. When we met with them, the first thing they said to us is, "Make sure you don't reduce or cut your remedial education dollars, your remedial education programs, the dollars that you are sending to higher education."

And we kind of sat back and said, well, this is kind of interesting. These are kids who are getting into college, they have graduated from high school, and they are signing up for remedial education? In California it was 26 percent. We went to Arizona the next day