

does to give an idea of how this would actually work.

Again in Massachusetts, very similar to what happened here at the Federal level, there was an effort a few years ago to try to come up with a universal health care system where the State would basically provide health care or health insurance, I should say, for everyone. But in the same way that we were not able to accomplish that on a Federal level, the effort instead began to focus sort of in a piecemeal fashion on what elements of the uninsured could be insured effectively and at a reasonably affordable price.

One of the points that we keep making, those of us who would like to see kids' health insurance enacted, is that it is very affordable. It does not cost a lot of money to provide health insurance for kids. And we are talking about 10 million children right now that do not have health insurance. If you look at it in the spectrum of things, it is relatively cheap to provide insurance for them.

Basically, Massachusetts recognized this. They figured that if they could not move for health insurance for everyone, at least they could move for health insurance for children. Just to give some idea of how they did it, they expanded both their Medicaid program and the Children's Medical Security Plan, which was a State plan they had in effect beginning in 1993. Medicaid paid for a significant part with Federal dollars but now covers everyone up to 133 percent of the poverty level or all families of four with incomes up to \$20,748 a year.

So what they did is they expanded Medicaid so that it covered a little higher income level, 133 percent of the poverty level, for families of four with incomes up to \$20,748 a year. But then they have this supplemental plan, the Children's Medical Security Plan, which provides a somewhat less generous package, if you will, than Medicaid, more limited mental health and prescription drugs; but for families with incomes of less than \$31,200 a year, 200 percent of poverty, the coverage is free, and they have a copayment of \$1 per doctor's visit.

So now we are getting up to people, families at the 200 percent of poverty level. For families with incomes of \$31,200 to \$62,400, the charge is \$10.50 per child per month, and the copayment is \$3. And above that level, the charges are \$52.50 a month and \$5 a visit.

So essentially what they are doing here is, on a sliding scale, making it possible for people at these higher income levels, they are not terribly high income levels, but at higher income levels would still be able to opt into this program. It is a way to guarantee that every child who does not have health insurance now would be able to take advantage of this program.

Ultimately, no child would be ineligible for this type of program unless the parents, on their own, voluntarily

decided that they did not want to participate in it. Everyone would be eligible on a sliding scale up to any income level.

The program is administered for the State by the John Hancock Mutual Life Insurance Company at a charge of \$10.50 a month for each child, and it allows parents to take their children to any doctor in the State. So again you have complete choice in terms of where you go to the doctor or the hospital.

Again the reason why this is so successful is essentially because of what it means for preventative care. In the article in the New York Times there is a Dr. Robert Sorrenti, a pediatrician who is a vice president of John Hancock, and he said that the sort of routine treatment, regular doctor visits, vaccinations, the preventative type care, was often avoided by parents who were short of money, but 90 percent of the registered children in this program are now seeing a doctor on a regular basis for preventative purposes.

In Massachusetts, approximately 150,000 uninsured children, about 60,000, will be covered through the expanded Medicaid program that Massachusetts now offers, and they expect that the expanded Children's Medical Security Plan program would reach 40,000 to 60,000 more children. It has enrolled about 7,000 more children since the expansion took effect in November.

So if you are taking that full range of 150,000 uninsured children, between the 60,000 covered by Medicaid and possibly another 60,000 that would be covered under this supplemental insurance program, you can see how you are getting very close, really, to almost 100 percent of the uninsured children that would be covered by the plan.

Of course, the real key is what we are going to do on the Federal level. Obviously, it is very good for States like New York and Massachusetts and others to experiment and to come up with different ways of trying to provide health insurance for children, but the problem will not be addressed on a universal basis on the Federal level unless this Congress takes up the issue.

I myself and many of my colleagues are determined that we will continue to raise the issue, we will continue to point out the problem of the uninsured and how many children there are out there until the Republican leadership and our colleagues on the other side decide to finally bring this up, give it a hearing, bring the legislation to the floor, and move toward making sure that every child in this Nation has the opportunity to have health insurance. In the long run if we do not do this, the negative impact not only on our children but on our Nation as a whole, I think, could be catastrophic because the numbers of the uninsured continue to increase on a regular basis.

#### THE FEDERAL BUDGET AND THE BUDGET PROCESS

The SPEAKER pro tempore (Mr. MCINNIS). Under the Speaker's an-

nounced policy of January 7, 1997, the gentleman from Georgia [Mr. KINGSTON] is recognized for 60 minutes.

Mr. KINGSTON. Mr. Speaker, what I wanted to talk about a little bit is the budget and the budget process, the situation that we are in, because recently the Senate Democrats voted down the balanced budget amendment. All the balanced budget amendment really said is that the Congress of the United States and the President would each year pass a budget that was balanced. No mystery to it, Mr. Speaker. All it meant was whatever we bring in, that is what we spend. I would love to see us spend less than what we bring in. I would certainly settle right now to say just, "You don't spend more than you bring in." But I guess the President and the Senate thought that was too controversial of a concept for us to pass a balanced budget so they voted it down and great for them.

What is the situation that we are in right now? Well, for the children of America, I have got four kids and I know the Speaker has a large family, also. We are concerned about our children and their future. What will this leave for the kids? Today our national debt is \$5.1 trillion. We have not had a balanced budget since 1969. If we look at that in terms of what it will mean to kids, kids who are graduating from school and going to work today will have a higher tax burden than any other graduating class in the history of the United States of America. They will have higher interest rates as a result of a budget that is not balanced, and they will have less job opportunities.

Now, if we would balance the budget and pass a balanced budget, they are two different things. Passing the balanced budget amendment would ensure to the children in the future that we would not get in this huge deficit situation year after year again, and it would also say that we would have no more deficits and we would start paying down the national debt.

Currently, Mr. Speaker, the interest on the national debt, I think, is at \$231 billion each year. That is around \$20 billion a month, give or take, because the interest rates change. I do not know what the annual budget is for the State of Colorado but I know that Colorado is a little bit smaller than the State of Georgia. The State of Georgia has a budget of about \$11 billion a year. So for Georgia, we have a budget of \$11 billion a year and we are paying \$20 billion each month in interest on the national debt.

We have obviously got to get this under control. Our children, Mr. Speaker, are paying higher interest rates and higher taxes as a result of this massive debt.

I have with me the gentleman from Arizona [Mr. HAYWORTH] who has been a leader on the Committee on Ways and Means trying to put some sanity in our tax policies and we want to talk about the IRS and taxes in a minute,

but right now let me yield to the gentleman on the balanced budget and the need for it.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Georgia for yielding.

I have listened with great interest to so many points of view, but one thing, Mr. Speaker, that comes through loudly and clearly from the American people is the notion that we must move to put our fiscal house in order. Regrettably administrations of both parties, and indeed this institution in previous years have failed to live up to the responsibility that every American family must follow, and, that is, to live within our means. It is an exercise every family practices sitting around the kitchen table. When families are outspending their rate of income, they have to make changes.

What we talk about here is not shrouded by mysteries of micro or macro economics. There are no hidden agendas or anything that should stunt or scare us as a people. No, simply what we must do is live within our means. As my colleague from Georgia pointed out, many of the respective State constitutions in this union of 50 sovereign States mandate that those States operate within the parameters of a balanced budget. Indeed, it is unconstitutional according to those State constitutions for those States to do otherwise.

What we are saying is that that measure of fiscal sanity, simply living within our means, be done here at the Federal level. It has been 28 years since Congress, working with the President, has balanced the budget.

Mr. KINGSTON. Let us talk about 1969 for a minute. In 1969, Jimi Hendrix was probably coming out with "Are You Experienced?" That was his album. The Beatles, I think, were coming out with the White Album. They had just probably found Paul. There was the "Is Paul Dead/I Am the Walrus" debate with the Beatles. The Beatles had not broken up yet. Elvis was making his comeback. Elvis was still alive and doing fine in Graceland and all over America. Neil Armstrong was about to walk on the Moon in July 1969. Richard Nixon was in the White House and serving his first term in the White House. Nineteen sixty-nine. That is when we are talking about we had the last balanced budget.

This is absurd. This is the United States of America. This is not the value system that you and I were raised with that says Congress could go on spending money, more than it brings in year after year and do what I call the kids' tax.

Now, the way the kids' tax works is a real popular tax in Washington. That is when we in Congress spend more money than we are bringing in on new programs to get us reelected and we send the bill to the kids. It is the equivalent of going out to eat and having a big time on the town and on the way out the door the man says, "Your bill comes to \$78."

You say, "Don't worry about it. Send it to my 4-year-old 20 years from now. He'll pick up the tab." It is the kids' tax and that is what we have gotten comfortable with since 1969 passing on the debt to the children of America.

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Mr. HAYWORTH. In addition, as my colleague from Georgia points out, Mr. Speaker, in the process what we have done is something that is remarkably reckless and fundamentally unhelpful and unhealthful to generations yet to come, to generations who have yet to exercise their franchise as voters, to young people who have no voice at the ballot box, and it is this:

What I hold here in my hand, Mr. Speaker, is the voting card given to me as a Member of Congress, and, Mr. Speaker, some folks around this institution, in an effort I suppose to laugh to keep from crying, have taken to calling this card the world's most expensive credit card, and there is a reason for that nickname for this card. It is because when I received this copy, it came with a debt of \$5 trillion, and to put that on our children is one of the greatest tragedies and one of the greatest derelictions of duty that this, the world's greatest deliberative body, could fail to act on.

And of course we are indebted to our President, to his own budgeteers who a couple of years ago in laying out the administration's budget offered a page in their preamble to those numbers called generational accounting, where the President asked his budgeteers to try to calculate for the next generation of taxpayers, Mr. Speaker, for kids like John Michael Hayworth who is now 3 years old, 25 years from now when he enters the working world, by that time at age 28 moving toward what we hope is a steadily increasing paycheck, heading toward his prime as a working adult. The President's own budgeteers, forecasting what those average taxpayers would have to surrender a quarter of a century hence, found these disturbing numbers. The President's own budgeteers tell us that if we do nothing to change the rate of spending in Washington, DC, if we fail to balance it—

Mr. KINGSTON. If the gentleman would yield.

Mr. HAYWORTH. If we fail to balance the budget, that generation of taxpayers would have to surrender in excess of 80 percent of their incomes.

I would gladly yield.

Mr. KINGSTON. I want to make sure that you understand. You are talking about your child and my child, and any parent out here in America hearing this should pay attention. Children will be having to pay an 80 to 83-percent tax rate just to sustain the current level of goods and services.

Now here is a summary of the Clinton budget. I hope that we can get this on camera for the folks back home, but one thing that is interesting is after the administration torpedoed the balanced budget amendment in the Sen-

ate, then they said we do not need the amendment to balance the budget. They introduced a bill that they call the balanced budget, and in a year, if the gentleman can read this, I am not sure that he can, but in the year 2002 we would have a deficit of \$69 billion. So there is nothing balanced about the Clinton budget.

Mr. HAYWORTH. And the other disturbing fact about this, and first of all let us thank the President for putting a budget on the table as a starting point, but there is a long way to go, the other disturbing fact about this, Mr. Speaker, is that 98 percent of the cost savings, 98 percent of the hard work would have to come in the final 2 years of that cycle.

Now, Mr. Speaker and my colleagues, I can put this into everyday language in terms of going on a diet. I think it is safe to say that people can take a look at me and, as the attorneys would say, there is a preponderance of physical evidence to indicate that I need to change my eating habits, I have to slim down; I would be the first to admit that. But you do not slim down by losing maybe a gram a week, or saying you are going to lose 50 pounds and saying you are going to lose a gram a week for 4 years time, and then in the final 2 weeks of the diet lose 48 pounds or 49 pounds to get to that level of loss.

It does not work that way, and I insist even as we try to tighten our belts, so to speak, and act in a fiscally responsible way to help future generations to help this Nation, we have to get on a process that is very simple: Where we do not spend any more this year than we did the preceding year, where we move with fiscal sanity and responsibility to address these problems.

Mr. KINGSTON. If the gentleman from Arizona will yield again, getting back to this chart a minute, as you say, here is where it is: 98 percent of the deficit reduction allegedly comes in the last 2 years. Well, that would be well beyond the current administration's service in the White House.

So there is absolute hypocrisy in such a budget to call it a balanced budget.

The other thing is that it actually increases the budget next year by an additional \$24 billion in terms of deficit spending—another \$24 billion in debt. So you have raised some good points.

We have been joined by the gentleman from California [Mr. CUNNINGHAM] who has been a very active Member of the Education Committee, moved over to the Committee on Appropriations this year so he can get a little better angle at tightening the belt some, and, Mr. CUNNINGHAM, we would certainly like to yield to you and are delighted to have you with us.

Mr. CUNNINGHAM. I thank the gentleman and my colleague from Arizona as well.

I saw the special orders, and I think it is important to bring up just a couple of other points.

I listened to a Republican Governor the other day, and what does this mean to the future, not only to our senior citizens, but to our children as well, as far as a balanced budget? He said that his father took home 82 percent of his paycheck, his brother and his sister only take home 45 percent of their paycheck, and that under the current spending of Congress, an increase in taxes, he can expect his children to take between 16 and 18 percent of their paycheck home.

That is a pretty sad commentary, that if we do not turn this around, what is the impact it is going to have on every American in this country to the negative?

When we talk about a billion dollars a day going just to pay for the interest on the national debt, and not one cent of that goes to pay for Medicare, not one cent goes to education, not one cent of it goes for law enforcement or the rest; what could we not do with \$365 billion in a year for the American people in the same areas that many of us—that I believe the liberals want better education, I believe they want better national security. But they want to do it from a government level which has spent money.

I would also like to cover the history, when you talk about 28 years, some of the initiatives, Mr. Speaker, that they have gone through to try and balance the budget. Remember there was a commission put together to balance the budget prior to the Grace Commission that said we are going to balance the budget; they were not able to do it. Then Congress came forth, and this is when the Democrats were in the majority. They said, "We are going to give you Gramm-Rudman," and the deal was that for every tax dollar you take in, we are going to cut spending by three, and we are going to balance the budget. Of course it did not work.

Then when George Bush famously moved his lips and increased taxes, the Democrats were still in power, and the deal that they proposed to the President, President Bush, was again, "For every tax dollar that we increase, we are going to cut spending by three to balance the budget."

Mr. Speaker, there were only 13 Republicans that voted for that bill to increase taxes that year before I got here, and if you look when George Bush, what they also told him, they were going to put, of the 13 appropriations committees, they were going to put fire walls between each one of those committees so you could not take from one committee and take to another, and to even secure it more, they were going to put a cap on that so there is no way that you could increase spending.

Well, what we found, and I was here in this body at the time, is that the way that the majority of the Democratic majority got around it is they put everything on emergency spending, which was exempt. They also had continuing resolutions which meant they

carried over the spending to the next year and then the next year and the next year so that they could get around the caps and that spending keeps increasing.

It is very, very important to note that the President says he wanted a balanced budget when he ran for Congress within 5 years, but at the same time the President in the 104th Congress, to tell you the smoke and mirrors, the President gave us three balanced budgets that increased the deficit by over \$150 billion, and when it finally—the pressure came on the President to give us a balanced budget scored by CBO, that 70 percent of the cuts came in the last year. This budget that the President is recommending that we look at makes 98 percent of all the cuts in the sixth and seventh year when he would not even be here.

So when we look at about an honest balanced budget with numbers, there is no realistic chance of that particular budget ever balancing, and I would like to make one last point on it.

The President said that he is going to increase modernization of our national security assets that we keep pushing out into the outyears, and guess what? That takes place in the years 6 and 7 of his balanced budget.

Now do you think that Members on the other side of the aisle are going to decrease with 98 percent of the cuts in social spending and increase defense spending at that time? It is not a legitimate budget, Mr. Speaker, and I thank the gentleman for yielding.

Mr. KINGSTON. Well, let me yield to the gentleman from Arizona and—but can I jump in for 1 second? I have got some things just for the fun of it here.

On a trillion dollars, just our budget right now, is \$1.6 trillion, thereabouts. Now the Office of Management and Budget director had calculated a couple of years ago. Since the gentleman here is an old top gun, I want a young top gun, but it has been awhile.

Mr. CUNNINGHAM. Long in the tooth.

Mr. KINGSTON. That if Mr. CUNNINGHAM's jet was flying overhead at the speed of sound and spewing out a roll of dollar bills behind it, the plane would have to fly for more than 15 years before it wheeled out \$1.6 trillion, and I do not think you have that much fuel in any plane.

And here is another way to look at it, and this is from the Wall Street Journal 2 years ago. Newspaper tabloids say that O.J. Simpson paid about \$55,000 a day in legal bills, \$55,000, and actually this is for the criminal trial and not for the civil trial. The trial would last 26 million days or about 100,000 years before O.J. had spent \$1.6 trillion.

Let me yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank my colleague from Georgia for illuminating the sheer volume of \$1 trillion—\$1.6 trillion because the danger, Mr. Speaker, is that we become numb, or we are numbed, to these totals and these fig-

ures as they are bandied about, but we are talking real money, and we are talking real people, and we are talking about a real debt that will hang over the heads of our children, a debt that as we have seen with yearly deficits actually adds to our spending a debt tax, if you will, in terms of higher interest rates.

I often have occasion to visit high schools across the width and breadth of the Sixth District of Arizona, and I was at the new Fountain Hills High School last Friday morning for a townhall meeting listening to the perspective of these young people, some of whom have already gained their franchise to vote having celebrated their 18th birthdays, others looking forward eagerly to the opportunity to engage in the national debate and have a voice at the ballot box, and we talked about what this deficit tax, if you will, actually means with the higher interest rates when they want to get a student loan, when they want to have a car loan. The fact is that they are paying more and more money on that loan because of higher interest rates, and that is money that is likewise taken out of their pocket in addition to the taxes they encounter and the taxes their parents encounter and the taxes that now on average working families in America actually account for more of the family budget than food, shelter, and clothing combined.

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Mr. KINGSTON. That is absolutely ridiculous. As a result, the American middle class families now pay an average of 24 percent just in Federal income taxes, compared to their counterparts 20 years ago, who paid about 16 percent, and 30 years ago they paid about 5 percent. The average tax burden right now is 38 percent on average middle class families.

Mr. Speaker, I want to talk to my colleagues about the IRS and about tax simplification and so forth, but before I do that, let me give my colleagues two more perspectives on \$1 trillion. Shaq O'Neill makes about \$30 million a year, \$30 million a season, if you will. He would have to play 33,000 seasons to make \$1 trillion. The man makes \$30 million a year. He would have to play 33,000 seasons to make \$1 trillion. That is ridiculous.

Another definition. Our national budget each year is about \$1.6 trillion. If you stuck \$1 bills inside 50-foot boxcars on a train, that is about \$65 million per boxcar. How long would the train be? Would you care to guess?

Mr. HAYWORTH. I would not conjecture.

Mr. KINGSTON. It would be 240 miles long. Think about that.

Let me yield to the gentleman from California.

Mr. CUNNINGHAM. Let me give my colleagues, Mr. Speaker, some food for thought on how we can balance the budget and not cut some of the valuable programs that we are looking for.

Let us take, for example, education. I was the subcommittee chairman, basically K through 12 during the 104th Congress. In some areas, in some school districts, we get as little as 23 cents on a dollar out of Federal education programs.

The gentleman from Michigan [Mr. HOEKSTRA] the other night in a special order was pointing out that there are 760 Federal education programs, all with bureaucracies, all taking money away from getting the dollars down to the classroom. The average is around 50 cents on a dollar for most areas, but in some areas it is as little as 23 cents on a dollar. That is cutting education because the dollars are not going the way the American taxpayers sent it to Washington to improve education, but it is going to support a bureaucracy and large numbers of programs.

The President in his budget wants a new \$3 billion literacy program. There are 30 current literacy programs in those 760 programs, and only 14 are funded. Title I, for example, is our war against illiteracy. But yet the President wants to come up with a new \$3 billion program with new bureaucracies in the Department of Education, and why do we not eliminate the programs that are not working of the 30, focus on the ones that are, and drive the money down to the local areas? That is one way.

Mr. KINGSTON. Mr. Speaker, if the gentleman will yield, but what is interesting is when I talk to employers in my area and I say, what do we need to do in our education system to prepare our kids to go out and compete in the world market against Japanese, British, German children and so forth, they say, you need to have reading and math backgrounds, very strong. Federal education, of all of those 700 education programs, we have 14 reading programs, we have 39 art education programs, we have 11 mathematics programs and 27 environmental programs.

Now, I think environmental and art education are very important, but if you want a job you better go in with math and reading. If we want our children to be able to compete on a global market, we have to do that. That is what you are saying, it would not cost a dime just to redirect funds, but it would produce people who are going to be better assets to the job market.

Mr. CUNNINGHAM. Mr. Speaker, at the same time, taxpayers do not have to pay for the extra bureaucracy that is not actually going down to education, so it lessens the burden of taxes and at the same time reduces the size of government that we do away with wasted bureaucracies. It is common sense.

Let me give you another example. How can we balance the budget and actually enhance money to education? The President's direct lending program for student loans was capped at 10 percent during the 104th Congress. When the Government shut down, the President, one of his goals was to take that

to 100 percent. We balked and went to 40 percent. At 10 percent it cost \$1 billion, not \$1 million, but \$1 billion more in administrative fees. This is a GAO figure. Fact, not Republicanism. It takes \$4 billion more to collect those dollars, and that was only capped at 10 percent.

So when it went to 40 percent, when the Government shut down at the request of the President, we limited the administrative fees which basically go to pay for a higher bureaucracy. And what we did in the subcommittee is we drove an increased Pell grants for poor children to the highest level ever. We thought that was more important to get the money down to the kids instead of paying for a bureaucracy.

We increased the level for special education children to the highest level ever, more important than paying a bureaucracy. We increased student loans, Mr. Speaker, by 50 percent, not 15 but 50 percent, and they said we killed education or cut it by \$10 billion. We drove the money down to the zip code, eliminated a bureaucracy, and what Mr. HOEKSTRA and Mr. MCKEON from California are trying to do is look at the programs and let us focus on the ones that work.

The last point, if the gentleman would be kind enough to yield, AmeriCorps, \$27,000 per volunteer. The President talks about a volunteer force. In Baltimore it costs \$50,000 for a volunteer. And our tax dollars are going to pay for that.

Mr. KINGSTON. Mr. Speaker, would you explain what AmeriCorps is, because I think there may be some folks who want to know what AmeriCorps is.

Mr. CUNNINGHAM. AmeriCorps is one of the President's pet programs that allows people to go out and help in other areas; for example, painting a fence or cleaning a yard for a senior citizen or doing different kinds of work, and that is supposed to be voluntary, but they also receive an average of \$27,000 for that activity, which we think is wrong. Part of that is used as direct pay, part of it is used for child care, part of it is used for administration costs. But we can spend our dollars better at that.

The other area in which we waste money, if we are getting so little return out of Federal Government dollars that taxpayers pay, and a State bureaucracy is just as bad as a Federal bureaucracy if it takes the money from getting down to the teachers and the students and the parents where they can direct it, but if we cannot pass school bond issues at the local level because people are only getting 45 percent of their paycheck because of high taxes and big government, how are we going to build up the infrastructure?

Well, one of the ways in which we are proposing is to take private enterprise, let the IBM's, let the Baby Bells, let the AT&T's, Alcoa put in the fiberoptics, let Apple put in the computer system so that they are not archaic within a year, and give them a tax break for investing in our taxes.

We have less, Mr. Speaker, than 12 percent of our classrooms in this Nation that have even a single phone jack. Business tells us that a large portion of the children coming out of high school do not even qualify for an entry level position because they cannot read. The President was right. We need 4-year-olds to read and 8-year-olds to do math, but if they cannot read and write, they cannot speak the English language or they do not have the technical skills, that delta that my colleagues talk about between the rich and the poor all the time is going to grow exponentially. So it is one of the ways that we can actually enhance and save our tax dollars.

Mr. HAYWORTH. Mr. Speaker, I just would like to thank my colleague from California, because not only has he outlined the parameters of the problem, but he has offered a solution.

Mr. Speaker, just simply to bring this home to Arizona, the Sixth Congressional District and indeed throughout the State of Arizona, there are real problems with inequities in school funding. There are real challenges for rural school districts who, through the evisceration of resource-based industries, have seen their tax bases decline exponentially.

Indeed, I think of Superior High School in the town of Superior, AZ, in the Sixth Congressional District, where the high school is anything but superior in terms of the building. Now, the students that go there are truly superior, fine young people working hard, but they are in a situation where their school has fallen into disrepair and the tax base has been eradicated.

So we have to look for other ways to end these funding inequities, and that is why I am so pleased that my colleague from California wants to step forward with a plan that would call on private enterprise to step forward, and now with a seat on Ways and Means I look forward to working with the gentleman from California [Mr. CUNNINGHAM] and with the gentleman from Texas [Mr. ARCHER], the chairman of that committee, to find a way to deal with the Tax Code to help business help schools.

Mr. KINGSTON. Mr. Speaker, it is interesting, I was talking to a private school, they had a private school in my district last week and he was telling me about a private school not in my district, but elsewhere in the country, where they were getting away from this rat race that a lot of our school systems are in terms of buying new computers, because every year you buy new computers and because of the bureaucracy it takes a long time. So if you and I go out and buy a computer tomorrow, it is going to be obsolete. But in the school system it is even more because of all of the redtape that they have to go through.

So what they say is the school system does not buy computers any more. Each child has a laptop and in their lockers are batteries where they charge

their laptops for 4 hours and then they can use them during the course of the day. I strongly believe that that is the technology that we are moving toward rather than having every gizmo that comes out of IBM, and so forth.

But the beauty of it is that these laptops are sponsored by businesses who want to get the kids to be computer friendly, so they underwrite it, and it does not cost the school system, or it costs them a lot less. That is the technology. We are so often playing by yesterday's rules when it comes to government. Technology is lightyears in front of us.

Mr. HAYWORTH. Mr. Speaker, if the gentleman would yield, there is one central point that should be our guide. Every dime appropriated at the Federal level should go to help teachers teach and help children learn. That is our challenge, that is our mission, and that is one of the things I will work on in this 105th Congress.

Mr. KINGSTON. Mr. Speaker, before I yield to the gentleman from California, let me say that we have to have child-centered education. Right now the Washington, DC school district spends, I think it is about \$10,000 per child because I know that Utah is the lowest in the country at about \$3,400 and Washington, DC is the highest in the country. We spend \$10,000 per child in Washington DC, and yet this Congress is going to have to spend an emergency appropriation to fund new boilers in Washington DC because they are about to blow up. That is how wasteful, I would say, and overburdensome bureaucracy can be. The money should be going to the teacher and the classroom.

I yield to the gentleman.

Mr. CUNNINGHAM. Mr. Speaker, if you look at the American people, there are bright sun spots in education. You go to a lot of the schools, we have fantastic teachers and we have some fantastic programs. But if you go, for example, outside Chicago, where I used to coach and teach, about 5 miles down the road there is about 7 miles of Federal housing projects. Those kids do not learn in school. They carry guns, not books. Most of the girls become pregnant one or two times. The grandmothers raise them, and if you are a male child the only hope you have is to be in a gang, or a female child, even today are becoming more and more involved. The chance for them of achieving the American dream is less; the welfare reform helped that.

But those are some of the other ways in education that I think that we can enhance it, and there are so many ways, Mr. Speaker. We are only covering just a little bit here.

Remember a gentleman, Mr. Speaker, named Jaime Escalante? He had a vision that he could teach minority children in the inner cities physics. How much support did he have with the kids? They thought he was nuts. The administrators and the teachers thought you cannot do that in an

inner-city school. We have tried it. You are going to fail. What about the parents? He had zero support. Well, Jaime Escalante set out to teach these children physics. It was up to I think 90 percent of them got A's and went on to college in physics when he proved it. Then you got the support of the children, you got the support of the parents, you got the support of the administrators and the community to invest in education.

People today look at all of these programs at the low return that they are getting on the education dollar for their children, and they are not as apt to cough up money.

The second aspect of that is that people are tax tired. They are taking home less. My children are only going to take home 16 to 18 percent of their paycheck. How much are they going to be willing to invest into education?

□ 1545

All the rest of the money is going to be paying for interest on the debt. So the ballpark line is let us have a system that people can believe in and want to get out and support. Let us give them the resources at home, not the Government, that can support that vision. We can enhance education instead of letting the Federal Government, like the liberals and many of the socialists want to do, to have the Government control everything at great waste.

The direct lending program I mentioned a minute ago, of the President, \$50 million in 1 year wasted in a study, in a program on how they could get out the money better—\$50 million in 1 year. Yet they want all of that to go out of the Department of Education. What a waste that would be.

Mr. KINGSTON. Mr. Speaker, sometimes I do not know why we as government bureaucracies just do not think. There was a case of a school district that spent, listen to this, over \$1,000 to obtain a government grant that had a \$13 value. They used it to park their bus one day. They spent \$1,000 to get a \$13 grant. Does that make sense?

There was another case, and the gentleman knows this, his committee ferreted it out, of about \$81,000 in safe and drug-free school money that was spent buying dentures for toothbrushing lessons, which is important. Of course, I think it is a parent job, not an educator job. But that money should have gone into drug education.

There was another one, and the gentleman from California [Mr. CUNNINGHAM] remembers his committee found out, out of a school system, and I think I am 90 percent sure of the State, but because of the 10 percent uncertainty I will not say it, but they spent the safe-and-drug-free school money, \$171,000 on a 3-day retreat. That is absurd. That is a waste of money. None of that money got to the teacher and to the child in the classroom.

Mr. HAYWORTH. I think the point is well made. Again the message we want

to share, Mr. Speaker, with those who join us via television is the notion that we can do a better job, use our resources in a more intelligent fashion when we focus on having children learn in a safe environment, when we assure equality of opportunity for every schoolchild from the inner city to the most rural regions of this country, to places in between, where they have an opportunity to have a quality educational experience, and where we focus resources on helping teachers teach, helping children learn, and empowering parents to make sure their children have an education worthy of their goals and worthy of this Nation's future.

That is the challenge before us. That is why I look forward to working with the gentleman from California. That is why I look forward to working with the gentleman from South Carolina [Mr. GRAHAM] who is preparing legislation that would say that we should direct 90 percent of the money raised at the Federal level for education, we should work to ensure that 90 percent of that money gets back into the classrooms locally to help teachers teach and help students learn, and quit empire-building with the Washington bureaucracies; because this redistribution of wealth, as my colleague the gentleman from California has pointed out, and I have seen statistics that are even more dire, where according to some studies only 8 cents of every dollar ends up in some classroom settings.

The answer is more than dollars and cents, C-E-N-T-S; it is common sense, S-E-N-S-E, that we must work to preserve, to empower students, teachers, and parents in this educational endeavor.

Mr. KINGSTON. Mr. Speaker, I yield to the gentleman from California, who wants to make a few more remarks, and then I want to pick the brain of the gentleman from the Committee on Ways and Means and talk about the IRS. If the gentleman from California, the other gentleman, wants to join us, he is welcome to.

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, what would we ask our colleagues on the other side of the aisle to agree with us on when we look at the President's budget and the Republican budget to come together?

I think there are some key issues. First of all, we would want the numbers to balance at the agreed amount of time, which is 7 years.

Second, we do not want to increase taxes to do that. The American public and the economy is stagnant at about 3 and 4 percent. Remember that the President in his 1993 budget increased taxes \$270 billion. He promised a middle-class tax cut and increased middle-class taxes. He increased the gas tax. He increased the tax on Social Security earners, and increased or at least had even a retroactive tax. The President in this budget increases taxes, Mr. Speaker. We disagree with that.

We would also like Members on the other side of the aisle to agree with us that it is a realistic budget. When the President in the 104th Congress gave us three separate balanced budgets that did not increase the balanced budget in time, but yet when his fourth one scored by CBO came up, 70 percent of the cuts took place in year 7. It is not realistic.

This budget that the President has given us, 98 percent of the cuts take place in years 6 and 7, when he would not even be here. That is not realistic. We are asking for a realistic budget without tax increases on the American public, legitimate savings to save the programs. I think if we take a look also, that there should not be any gimmicks, that the numbers are real.

For example, on Medicare part A to part B, people usually do not understand when we go through it, but let me give an example. If you take Medicare Part A, mostly the in-home care, and transfer those dollars to the general fund, that is like taking your MasterCard or Visa card and paying—saying, hey, I want to borrow the money to pay for it later. That is just increasing the deficit for our children later down the road. What we want to do is fund it so when you write a check, the money is already there. There is no gimmick to that.

But by using part A to the general fund, it is smoke and mirrors to say we are going to use those savings to balance the budget when you are actually increasing spending.

So I think there are several of those kinds of areas that when we balance the budget we will be asking the President and our colleagues on the other side of the aisle to at least have the common sense to agree on a real balanced budget, using real numbers with real savings and no gimmicks and no tax increases.

Mr. KINGSTON. Mr. Speaker, I thank the gentleman. He is welcome to stay and talk about this next issue. I will introduce it this way.

First of all, let me say, we want to talk about the IRS. The criticism is not to the employees, the criticism is to the system. Right now, that system has a Tax Code that is two volumes total and 1,378 pages. It is an IRS that has 480 tax forms, and 280 forms that tell you how to fill out the 480.

In 1994, the Tax Foundation estimates that businesses spent, listen to these numbers, 3.6 billion hours and individuals spent \$1.8 billion preparing their tax returns. It is too complicated. One final statistic and then I will yield to the gentleman, because it is all up to the members of the Committee on Ways and Means to get this straight.

According to a study of Daniel Pilla of the Cato Institute, the IRS gives out wrong answers to more than 8 million taxpayers a year. It is too complicated. What can we do to simplify the tax system?

I yield to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Speaker, I thank my colleague, the gentleman from Georgia, because he asks a question that far exceeds the \$64,000 question. Indeed, it is a question that deals with trillions of dollars and is fraught with many challenges to our Nation.

I think it is important, in the spirit of simplifying, to first define our goal. I believe, quite candidly, Mr. Speaker, that the American people will accept nothing less than our pledge to end the IRS as we know it.

One way that I think my colleague, the gentleman from Georgia, would certainly champion is to put the service back into the final word in the name Internal Revenue Service; to the extent possible, to end the adversarial relationships that have grown up between the IRS and the citizenry.

Let us not forget, Mr. Speaker, that we have the highest voluntary compliance rate of any Nation in the world when it comes to accruing revenue. But let us also understand this: that since this Nation ratified the 16th amendment, and the first direct tax on income came about in 1913, the cost of government, the cost of the Federal Government, even taking into account inflation, has increased in excess of 113,000 percent. So there are many questions we have to deal with.

I thank my colleague on the Committee on Ways and Means, the gentleman from Ohio [Mr. PORTMAN] for holding hearings about tax simplification, for working to get to the bottom of many of these issues that confront us: for example, the notion that the new computer system at the Internal Revenue Service, with an expenditure in excess of \$4 billion, is not working; and still, Mr. Speaker, the confounding notion that within our Tax Code we penalize people for succeeding, we penalize people for getting married, and finally, we penalize people for dying.

For although some refer to it as an estate tax, the fact is that we have, in essence, a death tax, where people who work hard, like the seniors who live in the Sixth District of Arizona in and around the Sun Lakes Retirement Community in my district, have worked hard, have achieved, would like to pass on, quite frankly, their prosperity to their children, pass on their businesses, and such is the excessive tax rate that these people are hurt.

Mr. KINGSTON. Mr. Speaker, these are senior citizens who lived through the Depression. They are frugal. The gentleman is talking about my dad. He was raised in Brooklyn, NY. He fought and he saved, and because of the results of foregoing some pleasures and sacrificing a lot, he has savings now. Because of our tax system, he cannot pass that on. He is not a wealthy man, but he is a middle-class guy who saved. Because of that, he is now being penalized.

That is the same person the gentleman is talking about: the seniors in Arizona, they are in Georgia, they are all over the United States of America.

Mr. HAYWORTH. That is what we want to work to change. We need to change drastically and, yes, even work to repeal this death tax. We need to work to change the system of taxation where people are penalized for succeeding in our economy. We need to hold hearings, as we will, to take a look at alternative notions to the income tax.

Our majority leader, the gentleman from Texas [Mr. ARMEY] champions the flat tax. Our chairman of the Committee on Ways and Means, the gentleman from Texas [Mr. ARCHER] champions the notion of a consumption tax, most often reflected in a national retail sales tax.

What is very important for us, both in the Committee on Ways and Means and as a Congress, and indeed as a country, is to examine very carefully all the implications, the benefits, the challenges of these different alternatives and then move forward, once we achieve a consensus, to have that type of tax reform that will indeed end the IRS as we know it.

Mr. KINGSTON. Mr. Speaker, let me give the gentleman a statistic that was sent to me by my friend, a Dr. Whitaker of Warner Robins, GA. In 1913 when the original income tax went into effect, if you had an income of \$20,000, your tax rate was 1 percent. If you average out a \$20,000 income in 1913 to today's dollars, that would be the equivalent of making \$298,000 a year.

So for us today to have the same rates as we originally had on the income tax in 1913, someone making \$298,000 a year would have a tax rate today of 1 percent. So the tax rate has just gone up and up and up and up, since we know that not to be the case. Even somebody making \$20,000 a year would jump on paying the 1-percent tax.

Incidentally, the highest tax in 1913, the highest percentage was 7 percent. And now the average for middle-class Americans is about 24 percent, easily 30 percent for many people, and 33 percent and on up.

Mr. HAYWORTH. If the gentleman will yield, Mr. Speaker, the other thing we need to do, as I talked about, in terms of penalizing people for succeeding, is the excessive taxation, and I really call it the success and prosperity tax. We have come to call it the capital gains tax, and we welcome the initiative the President has put forth in terms of wanting very tightly targeted tax relief in terms of capital gains taxes.

□ 1600

His plan limits it only to homeowners. There are many small business owners across the country who have worked hard, who have succeeded, who will have more money to save, spend, and invest in job creation and in the economy if they have more of their money to hang onto.

Mr. KINGSTON. Mr. Speaker, if the American people, let us just say, had \$50 more in their pocket because the

Federal Government did not take that money, we confiscate it now, but if we left \$50 more in the pockets of, say, 200 million Americans, that would be another \$10 billion in the economy. Will that \$50 dollars in your pocket send to college? No. But you will go out to eat more often; you might buy another pair of shoes, another pair of socks, a belt. And when you do that, small businesses will expand to react to that \$10 billion infusion of money into the economy. When those small businesses expand, jobs are created. When more jobs are created, more people go to work. When more people go to work, less people are on welfare and other public assistance programs and more tax revenues come in.

President Reagan and President Kennedy both proved this through tax cuts in the 1960's and the 1980's. If we today just give our average amount of tax relief, we would be creating more jobs and increasing revenues. I strongly feel that is very consistent with deficit reduction.

Mr. HAYWORTH. Mr. Speaker, it is a very important first step that we take these important steps, even as we look at broad based tax reform, that we offer tax relief and tax cuts. This is another area where there are some honest disagreements.

Treasury Secretary Robert Rubin came to testify in front of the Committee on Ways and Means a couple of weeks ago. The administration has a limited plan for a \$500 per child tax credit. I asked Secretary Rubin about that single mom in the sixth district of Arizona, and there are many of them, who may not be receiving child support payments from their former spouse, who may be working very hard to stay above the poverty level and therefore not qualifying for the earned income tax credit and let us say the single mom has two children, ages 13 and 15.

Under the administration's plan, that family would receive no tax credit for those children because, you see, the President's plan only goes to age 12. Those of us who are parents, and the gentleman from Georgia and I, the gentleman from Georgia's daughter is just entering her teenage years, our eldest daughter is just leaving her teenage years. There is one basic principle: Children grow more expensive as they grow up.

Mr. KINGSTON. Please do not tell me.

Mr. HAYWORTH. I think it is important that that single mom and single moms like her across the country have the chance to experience that same type of tax relief.

The secretary in response, it is not my intent to put words in his mouth, to paraphrase his comment in response was, well, we had to make tough choices and tightly target these tax cuts. And therein lies a philosophical difference. Good people can disagree.

We believe you can expand that opportunity. You can help those single moms. You can help those families who

are having a difficult time and at the same time, with the infusion of capital into our economy, you can actually increase jobs, increase prosperity and move toward fiscal responsibility.

The two goals are not mutually exclusive. It is possible to move to be more fiscally responsible and to allow working Americans to hold on to more of their hard-earned money and send less of it here to Washington. That is the challenge that still confronts us.

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for joining with me. We have just a few minutes to close.

I want to say this: In Washington we have an administration that loves big government and talks about the big government being over with. Yet in the State of the Union Address, I think there were introduced 123 new spending programs.

The American people are real good. They are far better than any law that the U.S. Congress can pass. People are better than laws. What we need to do in America is empower people, not lawyers and not police states and so forth, but people.

Give you an example, last year 90 million Americans volunteered over 4 hours a week for charity. That is about 19 billion man-hours a year voluntary. If you round that out at \$10 an hour, that is \$190 billion volunteered last year by Americans. Add that to the monetary contributions, which is about \$150 billion a year, you have an American public that can give and give. It is far superior to the form of government that we have in so many cases to deliver goods and services to people back home. Our colleagues in Washington need to recognize that. Get off the people's back. Let them do their own thing.

Mr. HAYWORTH. I thank my colleague from Georgia. Again, he points out so many facts that are pertinent in this debate and in this endeavor. A couple of thoughts come to mind in the wake of the President's State of the Union Message.

I talked to one of my most important constituents, indeed, my most important constituent, my wife Mary. Ms. Mary's first question was this: "How do we pay for all these programs?" Will this lead to a greater deficit?

And that is a question that is one that is filled with compassion and with common sense. Let us work to rein in spending, to allow working families to hold on to more of their hard-earned money, to look for what is reasonable and rational. That is the key in this Congress and in the years ahead.

Mr. KINGSTON. I thank the gentleman from Arizona for joining me.

#### THE TRAVEL AND TRANSPORTATION REFORM ACT OF 1997, H.R. 930

The SPEAKER pro tempore (Mr. MCINNIS). Under a previous order of the House, the gentleman from California

(Mr. HORN) is recognized for 5 minutes.

[Mr. HORN]. Mr. Speaker, I rise today to introduce the Travel and Transportation Reform Act of 1997, H.R. 930. Joining me as original cosponsors are the gentlewoman from New York [Mrs. MALONEY], the gentleman from Florida [Mr. MICA], and the gentleman from Ohio [Mr. PORTMAN].

The Federal Government's travel expenditures are massive. In fiscal year 1994, the last year for which we have precise figures, the Government spent more than \$7.6 billion on travel including transportation, lodging, rental cars and other related expenses. There are ample opportunities to save money from this huge sum without restricting necessary travel. The administrative costs, for example, are shockingly bloated. The cost of completing a travel voucher is about \$15 in the private sector while it runs as high as \$123 in the Federal sector. We should learn something from the private sector.

There are several obstacles standing in the way of efficient and affordable Government travel. Consider for example that the agency managers simply do not have complete travel information available to them. As a result, it is impossible to effectively analyze their travel budgets in order to locate waste and reduce costs. The reason is simple. The governmentwide travel charge card is not used for many travel arrangements. This means valuable information that would be recorded on a credit card invoice is never gathered.

The solution is uniform use of the travel card. This bill provides for uniform use with certain necessary exceptions. Agencies need clear authority to obtain information regarding the travel card issued to its employees. The agencies must be able to verify that charges are business related. This bill gives them that authority. This will make the Federal Government a better customer, which will in turn increase the size of the rebate that the Government receives.

The Travel and Transportation Reform Act of 1997 contains several other provisions along these lines as well as authority to participate in travel pilot test programs. The idea is to clear away obstacles to better management, to encourage a concerted effort to improve the efficiency and cost-effectiveness of Federal travel.

Mr. Speaker, I include a copy of H.R. 930 for inclusion in the RECORD:

H.R. 930

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Travel and Transportation Reform Act of 1997".

#### SEC. 2. AUTHORITY TO REQUIRE USE OF THE TRAVEL CHARGE CARD.

(a) IN GENERAL.—Under regulations issued by the Administrator of General Services, the Administrator may require that Federal employees use the travel charge card established pursuant to the United States Travel and Transportation Payment and Expense