

process to ensure that every effort is made to meet the needs of educationally disadvantaged young women and men.

Let me highlight some other key features:

First, the bill will encourage States to use their vocational education, elementary and secondary education, and second-chance program funds to develop comprehensive, quality school-to-work and education systems.

Second, it proposes a State grant and a national program authority, and it will increase the amount of the formula-driven State grant distributed to schools and colleges.

Third, it proposes that vocational education support the development of the in-school part of school-to-work opportunity systems.

Nonetheless, as I introduce this legislation, there are several areas where I continue to have concerns, and I look forward to working with our colleagues on many of these provisions as this bill proceeds through the legislative process. Among these concerns are:

The Perkins legislation should build more on the vocational system in place and improve upon those systems.

Section 101 and 103—I want to work with our colleagues to strengthen these sections and write them so that the Federal investment is more focused and States and locals are held accountable for implementing the priorities.

Section 104—I would like to see standards and limitations in the section permitting States and local education agencies to combine funds for any purpose in order to carry out services and activities.

Section 113—I have another concern with regard to the option for States to develop alternative formulas to distribute funds to local education agencies.

OPPOSING THE REPUBLICAN TAX PLAN

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mrs. MALONEY. Mr. Speaker, I rise to explain my opposition to the tax and spending cut plan offered by the Republican leadership.

There are several individual tax cuts in this bill that I support. Unfortunately, all tax cuts were lumped into one bill and could not be voted on separately, due to the procedural rule under which the bill was debated.

Therefore, Members were compelled to vote "yea" or "nay" on the entire plan. In the final analysis, the plan as whole was fiscally irresponsible, extremely damaging to New York City, and not in the long-term best interest of our children and grandchildren.

Over the next 5 years, this bill will cost more \$189 billion dollars, and over 10 years—because of the corporate tax giveaways tucked into the legislation—that cost will rise to as much as \$600 billion.

The bill provides only the most illusory plan of how to pay for these tax breaks in the first 5 years. The specifics that the new leadership has provided are devastating to urban areas in general and to New York City in particular.

Further, the plan offers no provision whatsoever to deal with budget-busting corporate tax breaks in the second 5 years, when the deficit is projected to skyrocket specifically because of those tax breaks.

The plan will eliminate the corporate minimum tax and change the rules on depreciation, significantly boosting the deficit beginning in the year 2001.

For example, the depreciation changes will actually increase revenues slightly between 1996 and 2000, but cause a revenue loss of more than \$120 billion between the years 2001 and 2005.

Only a small fraction of the tax breaks embodied in the bill—like indexing capital gains for inflation, which I support—will sufficiently stimulate the economy to begin to pay for themselves.

This year, interest on our national debt totals \$235 billion. It is the third largest portion of the Federal budget. By 1997, it will overtake defense spending as the second largest portion of the Federal budget, second only to Social Security.

Why? Largely because in 1981, the Reagan administration sought to provide tax cuts and increased defense spending before deficit reduction. And Congress went along with it. The result was an explosion in our annual budget deficit from \$40 billion in 1981 to nearly \$300 billion in 1992; and an increase in the national debt from approximately \$1 to \$4 trillion.

With the exception of tax cuts which truly pay for themselves, tax cuts should be our reward after we cut the deficit. But until we get our fiscal house in order, it is irresponsible to engage in a frenzy of tax cuts that are not credibly paid for.

We have made great progress in deficit reduction since President Clinton took office. We have reduced the deficit for 3 consecutive years, thanks to the budget package that I voted for in 1993. In so doing, we are reducing the cruelest tax of all on our children. Now is precisely the wrong time to take a U-turn on our road to successful deficit reduction.

That being said, there are several individual tax cuts in the package which I think are important and I might well have supported were they stand-alone bills that were responsibly paid for. It is likely that the Senate will overhaul this plan, restoring fiscal sanity to it before it comes back to the House for a final vote. If so, I will strongly consider voting for a bill or bills which include various forms of tax relief.

I have always supported expanding IRA contributions, so that all Americans will be encouraged to save. I also support allowing families to use their IRA—without penalty—for purchasing their home, in the event of illness or to help pay for the education of a spouse, child, or grandchild.

Since I came to Congress in 1993, I have been an advocate of reducing the marriage penalty, which charges couples more taxes than if they were two unmarried people filing independently. I have worked closely with my good friend, Congressman JIM MORAN, and have cosponsored legislation that would completely eliminate this problem.

In 1993, I was one of the staunchest opponents of the provisions in the Omnibus Budget Reconciliation Act to raise the amount of Social Security benefits that could be taxed on recipients earning more than \$25,000 a year or couples earning more than \$32,000 a year. I was very proud to play a role in changing those thresholds, thus sparing thousands of middle-class recipients around the country from a tax increase. And I continue to support rolling back the increased benefits tax on

those recipients earning more than \$34,000 or couples earning \$44,000.

Coupled with that change, I believe that we should also increase the amount that Social Security recipients can earn without losing their benefits. I think that raising that ceiling from \$11,000 to \$30,000 over the next 5 years is a good idea.

I emphatically support a meaningful capital gains tax reduction. I strongly believe that such a cut would provide a major boost to economic investment in the country and would be beneficial to individuals of all income levels.

Both individuals and corporations hold on to assets that have appreciated because they are unwilling to pay the Government almost 40 percent of the profits from their investment. This means that money that could be used for new investment or reinvestment remains locked into these assets and thus unavailable for the kinds of purposes that would help boost economic growth across the country.

But as much as I support these particular items, I could not, in good conscience, vote for a tax cut bill that will explode the deficit and result in massive tax increases to our children and grandchildren.

What few specific cuts that the new congressional leadership has specified to partially pay for these tax breaks will have a drastic, negative impact on New York City's economy.

Overall, the Republicans intend to squeeze \$62 billion from their welfare reform bill to pay for a portion of their tax cuts. In my opinion, that bill—which among many other things, cuts school lunches and takes away protection for children in foster care—is an unmitigated disaster.

I voted for a Democratic welfare reform bill that offered welfare recipients the tools of economic empowerment—training, education, child care—to help them get back to work and take charge of their lives. The bill demanded work, responsibility, and child support. That Democratic substitute could be described as "tough love." The Republican bill just told defenseless children, "tough luck."

It won't fix what is wrong with the welfare system. It won't empower people to go to work. It will only put families with children out on the street, which will increase homelessness and desperation in New York City and damage quality of life for all of its residents.

The cuts from the GOP welfare plan will take more than \$6 billion in Federal aid from the city and will cost tens of thousands of children—including many in my district—their basic nutritional benefits.

I recently issued a study on the welfare plan, which was reported in the New York Times, that stated the following:

Through cuts to Aid to Families with Dependent Children:

New York City will lose \$1.3 billion because title I freezes Federal funding at fiscal year 1994 levels over the next 5 years. That will result in over 280,000 New York City children losing their AFDC benefits through the planned Republican family-cap and time-limit provisions.

New York City will lose \$62 million in child care assistance because of the proposal's funding level cuts for fiscal year 1996 to 2000, resulting in 10,504 New York City children losing child care.

New York City will lose \$200 million in funding for child nutrition provisions, including the school lunch and school breakfast programs, meaning that 60,000 New York City children will be dropped from the school lunch program because projected funding levels under the welfare plan won't be able to keep up with annual 3.5 percent inflation and annual 3-percent increases in school enrollments by fiscal year 2000.

Of the 641,000 New York City children enrolled in the school lunch program, 522,000 of these children, the children who receive free lunches, may be forced to begin paying for lunch, with money they simply do not have.

Of the 170,000 New York City children enrolled in the school breakfast program, 154,000 of these children, the children who receive free breakfasts, may be forced to begin paying for breakfast, with money that they simply do not have.

New York City will lose over \$35 million in funding for family-based nutrition provisions.

The 316,000 children who participate daily in the Summer Food Program will see their food budgets cut by 50 percent as the result of massive cuts under the House-passed provisions.

The 85,000 children who participate daily in day care food programs will also see their food funding drop by 50 percent.

New York City would lose \$1.75 billion in food stamp assistance through the Republican funding level cuts over 5 years.

One million four-hundred thousand New York City food stamp recipients would see their food stamps allotment decrease beginning in fiscal 1996; 640,000 of these recipients are children. By the year 2000, food stamp authorizations will decrease by at least 30 percent compared to current projected levels of need.

New York City would lose over \$760 million in SSI benefits over 5 years under the welfare plan which means that 22,500 blind and disabled children in New York City alone would lose all benefits over 5 years, including AFDC and JOBS work training.

This litany describes just one-third of how the Republicans plan to pay for this tax plan. To make matters worse, the lion's share of the cuts—\$100 billion—are coming through broad reductions in spending caps.

Although the individual, specific cuts are to be made later, the Budget Committee has offered some suggestions concerning what programs to cut in order to meet these new spending cap reductions. These so-called suggestions add to the damage done to New York City by the Republican welfare bill.

The chairman of the Budget Committee proposes slashing mass transit, which all New Yorkers need to get from one place to another. The suggested cut will take almost \$.5 billion out of New York City over the next 5 years.

The Republicans suggest eliminating LIHEAP, which provides heat in wintertime to low-income senior citizens and low-income families who are among our most vulnerable citizens. This ill-advised proposal will take close to \$520 million out of New York City over the next 5 years.

They suggest cutting medical research by the National Institutes of Health, which will take more than \$153.6 million out of New York City's research institutions like Rockefeller University, Sloan Kettering and NYU.

The Budget Committee's scheme to eliminate the National Endowments for the Arts and Humanities will not only result in a nation that is culturally poorer and spiritually malnourished, but will result in New York City losing a total of \$259.1 million in grants over the next 5 years.

This is just a sample of what Republicans are suggesting that Congress cut in order to pay for this tax cut plan. And when all of these harsh cuts are made, this country will still be saddled with a growing deficit that the new House leadership does not even make a pretense of addressing.

And, this bill contains one final indignity for New York City. Tens of thousands of families, including more than 6,000 in my district alone, will have to pay for a \$10 billion tax increase through changes to the retirement system that will more than triple the cost to Federal workers.

Mr. Speaker, as I said earlier, none of these spending cuts will go to deficit reduction. While it is widely recognized by both political parties that the deficit is the cruelest tax of all, the Republican plan provides absolutely no tax relief from it.

We must not repeat the irresponsible tax cuts of the 1980's, which have been so disastrous for our economy. And I believe that yesterday's vote will result in greater deficit increases.

I have little faith that having now passed some harsh cuts to pay for the popular part of the Contract With America, the Republican majority will not have the stomach or incentive to vote for even more unpopular cuts to Federal programs to further reduce the deficit.

Reinforcing my concerns about repeating the mistakes of the 1980's is the fact that the Republicans have pledged to increase defense spending again.

In all, Mr. Speaker, April 5 was a lost opportunity.

A lost opportunity for those of us who wanted to vote for tax cuts that would be both prudent and beneficial to the economy.

And, most importantly, a lost opportunity to help future generations of Americans who will pay for this tax folly. Ultimately, it is our children and grandchildren who will suffer the ill effects of the 104th Congress excesses here yesterday night.

JUST A PIECE OF PAPER

HON. JACK KINGSTON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 6, 1995

Mr. KINGSTON. Mr. Speaker, on April 3, 1895, one of the great cities of Georgia's First Congressional District and indeed America was born. The following article, written by Mrs. Lois Barefoot Mays talks about this event and the celebration of the Folkston, GA, U.S.A. centennial parade last Saturday on April 1.

[From the *Charlton County (GA) Herald*, Mar. 1, 1995]

JUST A PIECE OF PAPER

(By Lois Barefoot Mays)

To see me from afar, you would think I was just an ordinary piece of paper. But I'm very special. Why, I'm one hundred years old and still going strong. I am the charter for Folkston, Georgia, United States of America, North American Continent, God's little blue planet Earth, the Universe.

On April 1st, 1995, my little town will be the center of the universe. There will be a joyous homecoming of people who once lived within my borders and who will return for my one hundredth birthday. They'll celebrate together with the residents by dancing, eating tasty food, enjoying a patriotic parade and especially by greeting friends they haven't seen for a while.

There'll be lots of smiles, hugs and handshakes. They'll speak of friends that have died and maybe even take time for a thoughtful walk through the well-kept cemetery.

Perhaps they'll recall leaders of the Folkston community who made lasting impressions on their lives. People like Dr. McCoy, Mrs. Belle Roddenberry, L.E. Stokes, Miss Mayme and John Harris, William Mizell, Mary Stokes Davis, Scott and Ralph Johnson, Tom Gowen, John Southwell and others. And they will have good stories to tell about those leaders, stories worth remembering, that can be used in Sunday School rooms later when they study what integrity means.

I won't be able to hear all that's going on because I will be resting in a file somewhere, but my spirit is alive and well in this southeastern Georgia bit of heaven.

I was really born as the Town of Folkston in April, 1895, but before that date the Village of Folkston was here. As the cry of a new-born baby signals a brand new life, the wail of a steam engine on the newly-laid rails of the S.F. & W. Railroad brought folks together and when stores and homes were built near the covered platform called "The Station", the Village of Folkston was born. That first loud train, scaring people and animals alike, thundered through what is now Folkston on March 30, 1881. Why, that's the same year President James A. Garfield began his term of office and the year the painter Pablo Picasso was born!

Fourteen years later the village had a splendid depot, large Masonic Lodge, at least six stores, two hotels, cotton gins, grist mill and homes for the nearby families. It was no longer called "The Station" but had been named for Dr. W.B. Folks of Waycross and called at first, "Folkstown" and quickly shortened to "Folkston".

As the men of the village, always eager to argue the merits of their favorite horse, leaned on the fence of the Roddenberry Hotel livery stable in the spring of 1895 and discussed events of the times, the main topic must have been local government and how to have some control over clearly illegal situations. They needed strict rules that would make it unlawful for anyone to indulge in card playing or dancing on the Sabbath; rules that made it against the law to fasten horses or mules to shadetrees or buildings in such a way that folks couldn't walk on the sidewalk or get in the door of a store. And they needed men elected by the majority of the other men of the village to be the ones to enforce these rules.

So, on the 26 day of March, 1895 a referendum was held, seeking the will of the people. A decision was to be made: did they really want a charter with printed laws with which to abide, or did they want to continue as just a group of families brought together by the common bond of living close to the railroad tracks.

Results of the election were probably predicted beforehand. Thirty-two men voted on that day and those thirty-two men voted a resounding unanimous "YES, we want to be a real TOWN of Folkston." Three of the community's leaders, J.S. Mizell, H.S. Matox and H.A. Renfro were election superintendents that important day and immediately a short