

year of the earned income credit program is fraud or error. That is, literally, we are throwing away \$4 billion a year. That is, over a 5-year period, over \$20 billion in fraud and error just in the earned income credit program.

I had hoped that the President was going to send up a reform proposal to help us get the fraud rate down to what should be the acceptable level, which is 1 or 2 percent. But to suggest that in a program where we have 21 percent fraud and error that we should actually increase the amount of extra money we are sending strikes me as just plain wrong, and it is wrong for the taxpayer.

Why should the taxpayer have to pay higher taxes just to be in a position to transfer money to people in a program where \$1 out of every \$5 that is transferred is going either to somebody committing fraud; that is, they are claiming they should get more money than they should get, or someone who has simply made a mistake?

We think that the earned income credit program needs to be overhauled, reformed, and improved before there is any conversation about shipping more money to people who are currently getting money under that program. But, in addition, we think it is particularly wrong in a tax cut bill to be transferring money to people who are, in effect, getting welfare, when the focus of the tax cut bill should be in cutting taxes.

Let me make one final point about this year's tax cut. There is pretty good reason to believe that because we have been very firm in our position on cutting spending, and because we have been very firm in our position on moving to a balanced budget, that we have had much lower interest rates than people expected. And, as a result, we have had more economic growth, and the result has been that we have more revenue coming into the Government. The more the economy grows, the more people go to work, the more take-home pay there is, the better off people end up being.

In that setting, I think it is very important that we look forward to next year. Not just this year's tax cut, but next year. And I simply want to propose that if the economy continues to grow, and if the Government gets more revenue than the budget agreement calls for, that the first claim on that additional revenue is to return it to the American people who earned it. That is, we should have next year, in 1998, an additional tax cut proposal to further lower taxes, to give tax relief to the American people, and to begin to simplify the Tax Code so that it is easier for small businesses and easier for individuals to fill out their tax forms with fewer regulations, less redtape, and less paperwork.

Mr. Speaker, I believe if we start down that road, that we can have a very dramatic effect and we can begin

to set up a pattern where the more the economy grows, the more we lower taxes, the more free time people have at home, the more time they can spend as parents, the more time they can spend as volunteers, and the more resources they have to invest in local small businesses to create even more jobs to then continue the same cycle.

So I hope we will complete this week, maybe by Friday or Saturday, the tax cut bill, the first tax cut in 16 years. I hope we will focus that tax cut bill on cutting taxes for taxpayers, and I hope that we will then be in a position to turn and begin to prepare for another tax cut and tax simplification bill starting next year to begin a series of annual tax cuts so that as the economy grows and jobs grow and take-home pay grows and revenue grows, we are then able every year to have one more step toward tax relief and tax simplification.

Mr. Speaker, I go back to the beginning. I think there is a moral case for cutting taxes that allows people to spend more time and resources as parents. It allows people to spend more time and more resources as volunteers in local charities. It allows people to spend more time and more resources helping create new jobs and new businesses. And for those three reasons, I think controlling the spending of the Government and returning money back home in tax cuts and having tax simplification and tax relief are morally correct for the country and will make America a better and a more prosperous society.

RECESS

The SPEAKER pro tempore (Mr. PEASE). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 25 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 2000

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. LINDER] at 8 p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2158, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1998

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105-180) on the resolution (H. Res. 184) providing for consideration of the bill (H.R. 2158) making appropriations for the Departments of Veterans

Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes, which was referred to the House Calendar and ordered to be printed.

COMMUNICATION FROM THE OFFICE OF THE SERGEANT AT ARMS

The SPEAKER pro tempore laid before the House the following communication from the Office of the Sergeant at Arms:

OFFICE OF THE SERGEANT AT ARMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, July 14, 1997.

Hon. NEWT GINGRICH,
Speaker of the House,
U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that I have been served with a subpoena issued by the United States District Court for the District of Columbia.

After consultation with the General Counsel, I will make the determinations required by Rule L.

Sincerely,

PATRICIA A. SCHAAP.

REVISED ALLOCATION OF ADDITIONAL BUDGET AUTHORITY AND OUTLAYS FOR SECTION 8 HOUSING ASSISTANCE

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

Mr. KASICH. Mr. Speaker, pursuant to House Concurrent Resolution 84, the concurrent resolution on the budget for fiscal year 1998, I hereby submit for printing in the CONGRESSIONAL RECORD a revised allocation for the House Committee on Appropriations to reflect \$9,200,000,000 in additional new budget authority and \$3,436,000,000 in additional outlays for section 8 housing assistance.

Sec. 203 of House Concurrent Resolution 84 requires that the chairman of the Committee on the Budget make an adjustment " * * * after the reporting of an appropriation measure * * * that includes an appropriation for the renewal of expiring contracts for tenant- and project-based housing assistance under section 8 of the United States Housing Act of 1937 * * * not to exceed \$9,200,000,000 in budget authority and the appropriate amount of outlays."

The House Committee on Appropriations has reported H.R. 105-2158, a bill making appropriations for the Departments of Housing and Urban Development, Veterans Affairs, and related agencies for fiscal year 1998 which includes \$9,200,000,000 in budget authority for section 8 housing renewals. Outlays are being increased by \$3,436,000,000.

The adjustments are as follows: