

anyway. They had a Christmas miracle of a sort: Not a single human life was lost; and, in fact, nine new lives came into the world on the night of the storm.

Typhoon Paka was an extraordinary storm. A super typhoon with a double eye wall packing maximum sustained winds of 160 miles per hour and gusts of 195 miles per hour. One gust was clocked by the Air Force at 236 miles per hour, making it the strongest ever recorded. While experts continue to debate the accuracy of this reading, only wind speed captured national media attention, and then only briefly.

To have survived this enormous disaster with no loss of life is a testament to the resilience and vitality of the people of Guam, and I am proud to tell of the courage and strength and endurance of my people.

Immediately after the typhoon, residents from every corner of the island had stories to tell about the care and concern, the support and help that the more fortunate shared generously. Residents with generators ran extension cords to neighbors without power.

Caring people, like Carl Sgambelluri, knew that his old friend, Juan Cepeda, a disabled vet, would need help. Without being asked, Mr. Sgambelluri brought Mr. Cepeda a 1,000-gallon water trailer and a generator. He then got the generator going and left to help others.

Mr. Sgambelluri, the Fernandez and Poppe brothers, young George Quinata, Wally Hollis, Paul Cepeda, and bus drivers John Angoco and Joe Castro, who helped the Agana Heights Mayor Paul McDonald rescue five families, are among the many, many people who helped others to cope with this devastating storm.

Help also came with the Federal disaster declaration by the President the day after the storm. FEMA came and organized the Federal response team consisting of representatives of DOD, SBA, HUD, HHS, Labor, Corps of Engineers, Interior.

To date, FEMA has provided over \$8 million for debris removal, \$12 million in housing assistance, \$51 million in individual and family grants, and over \$7.5 million in SBA loans. The American Red Cross, Salvation Army and other volunteer service agencies have also worked hard to provide food and shelter, clothing and other household needs to the people of Guam.

When the Guam Power Authority originally announced that it would take 3 months to restore power, island-wide hearts sank. Yet now we are 6 weeks into the recovery and with help from crews from the Northern Marianas, Palau, Yap, Ponpei, Hawaii, California, and even the Air Force, repairs are more than 83 percent complete. This is phenomenal for those of us who endured a lack of electricity for months in previous typhoons.

The government of Guam, under the leadership of Governor Carl Gutierrez, the mayors of Guam, the employees of

GovGuam, were all tested in this latest typhoon and all passed with flying colors.

As we begin to plan the long-term recovery efforts, I will be working closely with FEMA and my colleagues in Congress to identify hazard mitigation projects and other ways to prepare for future typhoons and natural disasters. I have met with FEMA Director Witt who is organizing a Federal task force on Typhoon Paka. The government of Guam will be working closely with the Federal task force to recommend mitigation efforts for the island.

I want to applaud all the staff of FEMA who are involved in the Typhoon Paka relief efforts, especially Dale Peterson who is the Federal coordinating officer assigned to Guam, for their dedication and hard work on behalf of the people of Guam.

Washington and Guam may be separated by 10,000 miles, but when disaster strikes, the public servants at FEMA and other Federal agencies come through with flying colors to help their fellow Americans in the Pacific.

The story of Typhoon Paka may soon fade with the passage of time, but there are lessons that we can all benefit from. Perhaps this is what makes Guam so special. Because we live in "Typhoon Alley," we have learned those lessons well; and we have often learned to take stock of things that are really important.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

[Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. ALLEN) is recognized for 5 minutes.

[Mr. ALLEN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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 addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

#### STATE OF THE UNION

(Mr. MCGOVERN asked and was given permission to address the House for 1 minute.)

Mr. MCGOVERN. Mr. Speaker, I rise today as a proud American and a very proud Democrat. Tonight, 2 years ahead of schedule, the President of the United States will present to the American people its first balanced budget in 3 decades.

For many Americans listening to President Clinton's State of the Union

message, this will be the first moment in their lifetime to witness the President of the United States present his vision for the future in the context of a balanced budget. They will know for the first time in their lifetime that our Nation's strong economy, built upon sound fiscal policy, will be able to secure their future.

They will hear a vision committed to excellence in education, to quality health care for all Americans, to safe, high-quality care for our youngest children; and, most of all, they will hear from a President committed to ensuring that potential budget surpluses safeguard Social Security and Medicare for future generations.

Education, child care, health care, security in our senior years, all in the context of a balanced budget. Mr. Speaker, as a Democrat, I am proud of these achievements that provide opportunity and security for all working families.

#### SAFEGUARDING SOCIAL SECURITY AND THE PRUDENT USE OF BUDGET SURPLUSES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin (Mr. NEUMANN) is recognized for 60 minutes as the designee of the majority leader.

Mr. NEUMANN. Mr. Speaker, I would like to begin today on a solemn note and extend my condolences to the BONO family and recognize SONNY for the great man he was.

I will never forget the first time that my daughter found out that SONNY BONO was serving in Congress and came in with the same class that I came in with in 1995, and she could not figure out what her father was doing in the same place as somebody as important as SONNY BONO.

So, Mary, our condolences are with you and your family; and our thoughts and prayers are with you and your family. I, for one, think you are going to be a great Congresswoman if you decide that is the direction you are going to go.

Mr. Speaker, on a light and positive note I would like to extend my congratulations to the Green Bay Packers. I am from the great State of Wisconsin and some think they did not win their second Superbowl on Sunday. In fact, what happened is that they just put off winning their second Superbowl in the 1990's for 12 months.

Some people around this Nation and some of my colleagues do not realize that the Packers are made up of a lot more than a football team. There is a lot of integrity in that group of individuals, people like Reggie White, who our young people look to as an example of leadership and for all the right reasons in this Nation. It is truly a pleasure to have not only the greatest football team in the country but also a team with the integrity that the Green Bay Packers have in the great State of Wisconsin.

On to the third topic and perhaps the most timely topic that we will address here today. The State of the Union address is, of course, this evening. And as I listened to the 1-minute speeches here this morning I kept hearing this one word repeated over and over and over again. It was "expansion." Expansion of this and expansion of that and expansion of the next thing.

The bottom line that I hear back home in Wisconsin is that what the people would like is to be able to keep more of their own money to make decisions on how to spend it themselves. When we hear the word expansion this evening, we need to understand that what they mean is expansion of Washington spending programs.

Do some of those expansions help people? Sure, they do. Of course, they do. But the question is, are we better off expanding those programs, taking money out of the pockets of people to pay for these expansions? Or would we be better off just letting people keep their own money and let them make decisions on how to spend the money themselves?

So as we go into this evening we need to understand that there is going to be a lot of new programs described, and they are going to sound just like apple pie and America. They are going to sound really, really good. And, frankly, if they are really, really good programs and the Democrats or the President would describe what it is that he is not going to do in government, that he is going to end some wasteful Washington spending program and reprioritize that money with something different, I guess I, for one, would be willing to listen to that.

But if what we are going to do tonight is talk about how we are going to use surpluses to expand Washington, rather than use those surpluses to pay down the Federal debt and return the money back to the people so that the people can keep more of their hard-earned money, then I would say it is going to be a very rough year ahead for us as we debate these issues. Because I, for one, believe that the American people support less Washington and keeping more of their own money in their own homes through the tax cut programs that are being proposed out here or across-the-board tax cuts, better yet.

One of the topics that we understand is going to be discussed in great detail tonight is the topic of Social Security, and I do understand that the President is going to suggest that taking some of the surpluses that are materializing and applying them to Social Security. So let me start with what exactly a surplus means and what a balanced budget means here in Washington. That is very important to understand as we look at what we are going to do with these surpluses.

First, what is a balanced budget? Washington definition, it sounds pretty good on the surface. Washington's definition of a balanced budget is that the

amount of money coming in is equal to the amount of money going out, and I would have to agree that on the surface that sounds like a pretty good definition.

It is important to recognize that that is the definition that has been used out here since the late 1960s, the last time we had a, quote, balanced budget. It is very significant that we have reached the point where the budget is balanced under Washington definition for the first time since 1969-1970; and, in fact, it is not political rhetoric or promise or any other political jargon.

The facts are in: From December 1, 1996, to November 30, 1997, for the first time since 1969-1970, the United States Government did not spend more money than it had in its checkbook.

Let me say that once more. It is so significant and it is such a change from where we have been in the past. For the first time since 1969-1970, and this is in the books. The books are closed on this. For the first time since 1969-1970, the United States Government for a 12-month period of time did not spend more money than they had in their checkbook. That is to say, by Washington's definition, the budget is balanced.

On the surface, this is great news. And not only on the surface. It is great news because before we can go on and address the other problems facing our Nation: Social Security, paying down the debt, lowering taxes. We first had to quit spending more money than was in the checkbook, and we first had to quit spending our children's money.

This is great news. It is a tribute to people like JOHN KASICH and NEWT GINGRICH and TRENT LOTT. Let us even mention President Clinton, so we don't fall into the demagoguing like the other side seems to be starting.

I learned this real quick in Washington, that there is absolutely no end to what we can accomplish in this city if we are willing to give somebody else the credit for doing it.

So let me give credit to lots of people, both sides of the aisle for getting us to where we are today. But, most important, let me give that credit back to the American people because it is a strong economy that has generated lots of extra revenue that is as important as what has been done here in Washington.

I do not want to downplay the significance of the Washington role in this. In all fairness, Washington has had good economies between 1969 and today, and every time in the past that Washington had a good economy they saw the extra revenue coming in, and they spent it as fast as it came in.

So, in all fairness, this is a combination of the people in Washington for a change not spending the extra revenue that is coming in. At the same time, the economy has stayed very, very strong, and we slowed the growth of Washington spending by over 40 percent since 1995 when I was first elected.

So it is a combination of those two things, and it is significant, and it is

important, and credit should be dished out for those things. But we should also understand that we are not at the end of the road. We have reached a milestone, but we have a long, long ways to go.

Let me explain in more detail what is wrong with the Washington definition of a balanced budget.

I come from the business world. I never held office before this one. I left the business world to run for office because I did not think it was right that we were spending our children's money. I did not think it was right how Social Security was being handled, and I thought taxes were too high and government was too big in general.

When we look at the solution that we have now reached a balanced budget, we need to understand the second part of this problem. The second part of this problem is in Social Security. In the private sector where I come from if we had treated a pension plan the way the United States Government treats Social Security, they would have arrested me and my business. It would have been illegal.

Let me show why that is true and explain Social Security. It is pretty straightforward.

The United States Government is collecting \$418 billion in taxes from the workers of this country under the heading of Social Security. It is paying out to our senior citizens \$353 billion. Now, obviously, if there is more money coming in in this system than what is going out, there is some money left over.

Social Security, the way it is set up today, is working. They are collecting more money than they are paying out to seniors in benefits; and the reason they are doing that, they are doing that because they recognize that in the not too distant future the baby boomers start to retire and these two numbers are going to turn around. There is going to be more money going out in benefits than there is coming from the taxpayers.

Now, at that point we are supposed to be able to go to this surplus that has been accumulating. You see this extra money, it is supposed to be set aside in a savings account. When these two numbers turn around and there is not enough money coming in to pay the benefits to our seniors, at that point we are supposed to be going to the savings account, getting the money out of the savings account and making good on the Social Security system.

Let me give a couple of dates. If this system were working the way it is laid out here on this chart, Social Security is safe at least to the year 2029. So as we are listening to the State of the Union this evening, it is very, very important that we understand that if Social Security were working the way it was set up and designed, the system is solvent at least to 2029 and potentially significantly beyond that year.

However, and this should not come as a surprise to many Americans, I know

out in Wisconsin when I talk with folks it is not a big surprise to them, that is not what is happening in Washington.

□ 1530

That extra money that is coming from Social Security is being put immediately into the big government checkbook. If this is the extra money coming in, those dollars are put immediately into the general fund, or think of it as the big government checkbook. The government then spends all the money out of that big government checkbook, and there is no money left to put down here in the Social Security Trust Fund where it belongs. So as a result, they put it in the big government checkbook. They spend all the money out of the checkbook, and at the end of the year they simply make an accounting entry and put an IOU down here in the Trust Fund.

It should be clear that when we say the budget is balanced, what we are really saying is that this checkbook over here equals zero, or if there is a surplus, there is a little bit of money left in that checkbook over there. So that includes this \$65 billion that came from Social Security was put into this account. It was then spent. And when they say the budget is balanced, that means they have spent that Social Security surplus as well, and IOUs are put down here.

Tonight when we listen to the State of the Union address, what I hope we will hear the President do is talk about a bill that we had proposed first 2 years ago when I first came here in 1995 to stop this, and more recently last year when we generated nearly 100 sponsors here in the House of Representatives. The bill is called the Social Security Preservation Act. It is bill number H.R. 857.

What the Social Security Preservation Act does, bill number H.R. 857, is it simply takes that Social Security money, that \$65 billion, and puts it directly into the Social Security Trust Fund. That means the Social Security money is not even getting into the big government checkbook.

What does that mean? Well, if we go back to this other picture, if we go back to this other picture where that Social Security money got put into the checkbook, and then they spent all the money out of the checkbook, and that is what they mean by a balanced budget, utilizing that Social Security money, the checkbook is not overdrawn. What that means is that if we do not put that money in the big government checkbook, we put it immediately down here in the Social Security Trust Fund where it belongs, that means there is still a shortfall here.

So when we talk about surpluses, it is important to know that what they actually mean here in Washington is that there is more money in the checkbook than what has been spent, but part of that money is the Social Security money. To the extent our President tonight suggests that we take

that extra money and put it down here in the Social Security Trust Fund, so that Social Security is once again solvent for our senior citizens, I think you will find not only myself but other Members of this Congress supporting him.

There is a lot of other things going on tonight. I think virtually every American at this point in time knows that there are going to be distractions from this speech tonight due to some private things that are happening in his personal life. We should let these facts unfold slowly, take a deep breath and see what the truth is. Nobody wants to downplay the significance of them, but they have not been proven at this point in time.

So for tonight, let us focus on these kinds of issues that are most important, and while these facts are unfolding on the other side here, let us focus on doing what is right for the future of the country. Let us keep our eyes where they belong, focused on the good of the future of this Nation that we live in.

I think it is very, very important as we discuss the Social Security issue that we understand that beyond the problems the President is having, again, I do not want to downplay them because I do not find them acceptable, but beyond those problems we do have issues facing this country that are very, very important to the country. And we do not want to lose track and lose sight of the vision that we have for the future as it relates to Social Security.

Let me suggest a vision. The first vision is this: We stop Washington from spending the money that is supposed to be going into the Trust Fund. We get the money put back in the Trust Fund that is supposed to have been put there in the first place. If we were to do that by the year 2002, there would be about \$1.2 trillion sitting down here to guarantee the solvency of Social Security to our senior citizens.

At that point in time, that Social Security money is actually down here in the Trust Fund; there is real dollars there. At that point in time, if somebody wants to begin a discussion about something else relating to Social Security, I would listen to it. But before that discussion even begins, we need to make sure that the money is down here in the Trust Fund so Social Security is solvent for our senior citizens.

I have got a couple other charts that I would like to look at just briefly to kind of remind us where we are at as we focus on the State of the Union address. This first chart that I have here shows the growth of the national debt from 1960 all the way up to 1995. I think it is very, very important we keep this picture in mind as we keep hearing these words, expansion of, expansion of, expansion of; bigger Washington; Washington helping people, as opposed to people helping themselves; Washington doing it as opposed to people doing what is right for themselves; Washing-

ton collecting the money out of the pockets of people so Washington can expand their programs.

We need to keep this picture in mind tonight. This shows the growth of debt from 1960 to 1995. You will notice the debt did not grow very much from 1960 to 1980, but from 1980 forward it has grown right off the chart. Again, I know all the Democrats say, that is the year Reagan was elected; and all the Republicans go, if the Democrats had not spent all that extra money in those years, we would not be in this mess.

The facts are, it does not matter if it is a Democrat or Republican problem at this point in time. It is an American problem because we are right at the top of that chart right now. We better do something about it before it is too late.

I am happy to say that the growth rate has been slowed dramatically, and we are in the process of changing it. But when we listen to the State of the Union tonight and they talk about spending this extra money, let us not forget this picture.

The debt today in this Nation is about \$5.3 trillion. The number looks like this for the folks that have not seen it before. If you divide that number by the number of people in the United States of America, our government is in debt \$20,000 for every man, woman and child in the United States of America. I have got three kids and a wife at home in Wisconsin. For our family of five, that means the United States Government has borrowed \$100,000.

Here is the real kicker. It is this bottom line here that is the most significant thing on here. This is real debt. Interest is being paid on this debt. A family of five like mine is literally paying \$580 a month every month to do absolutely nothing but pay interest on the Federal debt. A lot of people say, well, that does not include me. I am not paying that much in taxes. Wrong. When you do something as simple as walk in a store and buy a pair of shoes for your kids, the store owner makes a profit on that pair of shoes, and part of that profit comes out here to Washington in the form of taxes, and, you guessed it, one out of every \$6 that they send out here goes right back here to do nothing but pay interest on the Federal debt.

This needs to be kept in mind as we listen to the State of the Union tonight. We do not have a surplus that is available for spending. The United States Government is collecting too much taxes and doing too many things in this country, and we have run up this debt that needs to be addressed.

I would like to talk a little bit about how we got here, and I think we should give credit to how different things are right now today. What I have got here is a picture of the Gramm-Rudman-Hollings bill of 1986. There was also one in 1985. Many Americans remember Gramm-Rudman-Hollings. Many Americans remember the budget deal of 1990.

All of these things were going on in the past.

The Gramm-Rudman-Hollings of 1987, by the way they all looked the same, here is the blue line that shows how the deficit was supposed to go down to zero by the year 1993. The red line shows what actually happened out here in Washington. Promise after promise after promise was made to balance the Federal budget, and, in fact, promise after promise after promise was broken to the American people. In fact, in 1993, they looked at this deficit in Washington, and Washington concluded, we cannot control Washington spending. The only thing we can do is reach into the pockets of the American people. And it was in 1993 that they decided to close this gap. What they would do is reach into the pockets of the American people and take out more taxes.

What exactly did they do? Well, they raised the gasoline tax by 4.3 cents a gallon. They did not even spend it on building roads. They raised Social Security taxes on seniors earning \$32,000 a year or more. They raised some marginal tax bracket. They raised taxes, period. They reached into the pockets of the American people, took more money out here in Washington, and their idea of balancing the budget was simply collecting more money from the people as opposed to controlling the growth of Washington spending.

I think it is important as we look back and remember the past, the broken promises and the higher taxes, that we also evaluate if there is anything different from 1995 to 1998. When the Republicans took over in the year 1995, we laid out a plan to get to a balanced budget, and, in all fairness, the President signed into this plan as well. Again, we promised the American people a balanced budget by the year 2002.

The American people yawned; they laughed at us. They said, you are just like all the rest. You will not get this budget balanced. Again, I qualify this, as we started this discussion today, when they say balanced budget, that means the dollars in equals the dollars being spent. But I am happy to say that for the first time we are not only on track to balancing the budget, but, in fact, we have balanced the budget for the first time statistically in the books. From December 1, 1996 to November 30, 1997, the United States Government did not spend more money than they had in their checkbook. In fact, this red line did hit zero.

Is there a difference? Here is Gramm-Rudman-Hollings of the past. Here is what we are doing today, and, in fact, yes, there is a very big difference.

I hear a lot of discussion about how this happened and how this came about. There are two ways to balance the budget. One thing you can do is continue Washington growth in spending and just let things go up out here, reach into the pockets of the American people and get more money out here in Washington. That was the 1993 plan; that was not the 1995 plan. The 1995

plan was to control the growth of Washington spending. When we were elected, we recognized that the American people did not want more Washington and more taxes. What they wanted was a balanced budget by reducing the growth of Washington spending. They wanted less Washington and more money in their own pockets.

Again, I think it is important we look at statistically what has happened. I brought a picture with me to show this. Here is how fast spending was growing before 1995. It was growing at a 5.2 percent annual rate. Here is how fast spending is going up since 1995: 3.2 percent. And as a matter of fact, last year, the numbers are now in, this number is only 2.6 percent. So the growth rate of Washington spending has been cut literally in half in less than 3 years.

I would encourage my colleagues to do this at town hall meetings. I have been asking my constituents which one of two things they think is most likely to happen. Listen carefully to these two choices. The first one is that a Martian spaceship lands in the back yard, and the Martians get out of it, come in, have a cup of coffee, go back in the spaceship and go back to Mars. Second one is that the United States Government got more than \$100 billion of unexpected revenue and did not spend it.

What happens with most of my constituents is they start laughing and going for the coffee pot because they do not believe it is possible that the United States Government got \$100 billion in unexpected revenue and did not spend it. But the facts again are statistically in the books. In 1995, when we got here, we laid out a spending plan. We said we would not spend more than \$1,624 billion in the year 1997, and, in fact, we spent about \$20 billion less than that.

For anyone who has a hard time believing this, do not feel bad. When I told my wife these numbers for the first time, she said somebody in Washington was lying to me, just to give you an idea that in our house we do not always trust it all either.

I encourage you go to the Internet. This information is available. Check out the 1995 budget plan, how much we said we were going to spend in 1997, and then check out how much was actually spent so you understand just how far we have come.

At the same time look at the revenue projections. The revenue projections were about \$1,450 billion; \$1,555 billion actually came in. That is to say, over \$100 billion of unexpected revenue came in, and we spent 20 billion less than promised. That is an amazing accomplishment in this country. It is a statistical fact that is easily checked out, and I would encourage my colleagues to start talking about this because it helps the American people understand just how different this country is today versus where we were a few years back.

What else has happened on account of this? I don't think we should just look

at balancing the budget and where we are at today. I think we should look at where we are going to in the future. With this slowed growth of spending at the same time our economy is remaining strong, we are going to start running surpluses under Washington's definition. As these surpluses start to develop, I think the first thing we need to do is pay attention to the Social Security Trust Fund. That money that has been taken out of the Social Security Trust Fund needs to be put back.

We have written a bill in our office called the National Debt Repayment Act. Remember all that Social Security money is part of that \$5.4 to \$5.3 trillion debt. In the National Debt Repayment Act, what we do with these, quote, surpluses, we take two-thirds of the surpluses and start repaying the Federal debt. In repaying the Federal debt, all of that money that belongs in the Social Security Trust Fund gets put back into the Social Security Trust Fund, and Social Security is solvent at least to the year 2029 and beyond.

We do not need anything else in Social Security to make it solvent. So if you hear anybody else talking about tampering with Social Security because it is going bankrupt, my colleagues, you need to go to those people and say the real problem is that that money needs to be put back in the Trust Fund. National Debt Repayment Act, two-thirds of the surplus goes to paying down the Federal debt, much like you would repay a home mortgage, and in paying down a debt, the money gets put back into the Social Security Trust Fund.

There is going to be a lot of competition for that other third. In our bill we return that other third to the American people in the form of tax cuts.

There are two things wrong in this Nation, as I see it, as we look at our vision for the future. One is that we still got this \$5 trillion plus dollar debt hanging over our heads that we are about to pass on to our children. The second one is that the Social Security Trust Fund is going too high. Third one is that taxes are too high.

The National Debt Repayment Act repays the Federal debt so our children inherit a debt-free Nation. It puts the money back into the Social Security Trust Fund so Social Security is once again solvent, and it lowers taxes for virtually every taxpayer in the United States of America.

I would keep going back to this chart because this chart is the key to everything. As long as we can control the growth of Washington spending, as long as we can slow down how fast this government is growing, as long as we can slow down the expansions that you are going to hear about tonight, as long as we stay firmly rooted in this concept that we cannot let this government grow, we will be in a position to continue the tax cuts, to make payments on the Federal debt and to restore our Social Security Trust Fund.

□ 1545

Speaking of tax cuts, I did not mention that for the first time in nearly 16 years there was a significant tax cut passed last year. And again I go back to this chart. Had the spending in this column since 1995 been up here at the same level it was before, we would not only not have a balanced budget, but we also could not talk about tax cuts to the American people. But because this spending has been slowed, and remember in the most current year it is down to 2.6 percent, because this spending has been slowed, we are now in a position where we have a balanced budget, we can make the first payment on the Federal debt, much like we would make a home mortgage payment, we can restore the Social Security trust fund so Social Security is solvent for our seniors, and we can lower taxes on working Americans.

Last year we passed the first significant tax cuts. And I would encourage my colleagues again at their town hall meetings to talk with their constituents first and foremost about the \$400 per child tax credits.

If a worker looks at their paycheck from December of last year and then they look at their paycheck for January of this year, for every child under the age over 17, the paycheck in January of this year should be \$33 per month higher.

I will say that once more. This \$400 per child tax credit for every child under the age of 17; if a worker does absolutely nothing, they will get the 400 bucks at the end of the year. But if a worker is smart enough to go in and change their W-4 form, and it is very, very simple, you walk into your placement and ask for a new W-4 form. When you fill out the new W-4 form, what will happen is it will give you another \$33 per month per child under the age of 17 in your take-home pay.

What is really going on here? What is really going on is when we look at your paycheck and the money that you have earned, the American people, \$33 a month that was coming to Washington is now going to stay in the hands of our constituents and the families back home in Wisconsin and across America.

I have been asking my constituents the question. I find one that has a couple of kids, or three kids ideally, because if you have three children under the age of 17, the tax cut literally means \$100 per month more in the home. And I have been simply asking this very common sense question. If we are talking a hundred dollars a month that that family has earned, who can spend that money better, the people in Washington, albeit with good intentions, the people in Washington; or do you think that family could spend that hundred dollars a month better in their own homes if they kept it instead of sending it to Washington? That is what the tax cuts are all about.

We did not stop at the \$400 per child tax cut. If you have a college student that is a freshman or sophomore, in the

vast majority of cases you are eligible for a \$1500 tuition tax credit.

I was at a college over the break here and I was talking to a group of about 800, and apparently they were in from all over the country at this particular college group. And I told them about this \$1500 per student tax credit. Sunday night in my house I got a call from a young lady in Tennessee. She had seven children. They were earning about \$70,000 a year. Why it was Tennessee instead of Wisconsin, I cannot tell you, except these young people must have been in the audience and struggling to pay their college tuition bills.

So she started talking to me, "Mark, how do we actually do this?" I said, "Well, listen, you have a sophomore in college. They are paying about \$3,000 for their tuition, in this particular case, after all the other grants and things. That means you are going to get a \$1500 tax credit for that sophomore in college. What you need to do is go in and change your W-4 form to take more exemptions and start keeping an extra \$125 a month right now."

One of the problems with tax cuts is that you do not get the money back until next April, one of the problems is that those college bills are coming due right now, today. So what the workers need to do is go in and change their W-4 form. If they have a freshman or sophomore in college, it is \$125 a month or \$1500 total. Just start keeping that extra money. Increase the withholding to the point where the take-home pay goes up increases \$125 a month and send that on to the college student to help pay their tuition.

If you have a junior or senior, grad student, et cetera, it is 20 percent of the first 5,000 up to 1,000 maximum. So for parents of college students who are juniors, seniors, grad students, et cetera, it is 20 percent of the first 5,000 up to \$1,000 maximum. And, again, just go in and change your W-4 form.

Here is what will happen. For those people that do not go in and change their W-4s and start keeping the money now, that means it is in your money, you are sending it out here to Washington, Washington will see this big heap of money out here and they are going to want to and spend it. So you could be a tremendous service to this country if you would go in and change your W-4s and keep your own money instead of sending it out here. Because once it gets out here, the temptation to spend it is enormous. And you will hear that in the State of the Union this evening, if you have not heard it already.

Couple of other things on tax cuts. If you own a home and you sell your home, you have lived in it for 2 years or more, in virtually every case in America today, virtually every case, there is no longer any federal taxes due when you sell that house.

If you have invested in stocks and bonds, I have been doing a very interesting thing in my town halls at home.

When I go out and meet with constituents, I ask a roomful of people how many of you have invested a stock, bond or mutual fund of any sort. And I have found that almost every hand in the room goes up in almost every case. Well, when you make a profit on your stocks and bonds, and by the way, I for one sincerely hope the people making an investment in this country, that buy stocks, bonds or mutual funds, I sincerely hope you make a profit doing it. I really do, because that is what investment is all about.

The difference is that the capital gains tax rate, the rate you pay on the profit that you make, has been reduced from 28 cents out of every dollar you earn down to 20 percent out of every dollar you earn. I have to keep referring this back to what is going on out here. I want to refer to this chart once more. When we hear about these tax cuts and our families keeping more of their own money in their own families, what we are really talking about is Washington not spending this extra money. This is how fast spending was going up before. This is how fast it is going up now.

And when we talk about getting to a balanced budget ahead of schedule, sure the economy is strong, very true, but it is also the fact Washington has chosen not to spend this money and, instead, let the families keep that money in their own home. Let those people that invest in stocks and bonds and mutual funds and make a profit, let them keep more of that profit they make. That is what this is all about.

Another one that is very, very important, the education savings account, I call this the grandparent account. If there is a family out there with kids and they would like to save for the kids' college tuition, they can now put \$500 per child into a savings account to save up for the kids' college tuition. I call it the grandparents' account because a lot of times grandparents will make this \$500 deposit.

Roth IRA for the empty nesters who say none of that stuff affects me. Many of those folks in their 40s and early 50s, where the kids are grown and gone, they are saving up for their own retirement. In the Roth IRA it is \$2,000 a person that can be put away and saved. When you take that money out in retirement, there is absolutely no taxes paid on the interest or the appreciation of whatever it is that you have put into the Roth IRA account. There are absolutely no taxes due on any of the earnings when you take it out at retirement. This is a phenomenal change in the Tax Code to encourage savings and investment in our land.

I am going to conclude my portion here today by talking about one last tax cut that I think is very important for the future, and I think it says a lot about what a lot of us believe that are serving here in Congress today, and that is the adoption tax credit.

In the past it has cost \$10,000 to adopt a child in this country, and there are

many families that would like to adopt children and just plain cannot because of the cost involved. We have changed the tax code so there is now a \$5,000 adoption tax credit to help those families that would like to adopt children.

In summarizing, we have come a long ways in a few years. We are through those broken promises of Gramm-Rudman-Hollings I and Gramm-Rudman-Hollings II, the budget deal of '90, the budget deal of '93. That stuff is in the past. Raising taxes to get to a balanced budget, that is in the past. That is not what is going on out here any more.

Controlling the growth of Washington spending, slowing down how fast spending is growing in this government. I would like to see this get down to a zero at some point. So we have a long ways to go. But by slowing the growth of Washington spending, coupled by a strong economy, we have actually reached a balanced budget not in 2002 as promised, but rather 4 years ahead of schedule.

We are about to make the first payment, and here is our vision for the future, we are about to make the first payment on that debt. And over a period of time we have the plan written to pay off the Federal debt so our children can receive this Nation absolutely debt free. As we pay that debt off, Social Security is restored. The money that has been taken out is part of that debt, so we pay that money back into Social Security and Social Security is solvent for our seniors.

The third part of the vision is that we continue to lower taxes on American workers because we know the tax rate in this country is too high. That is where we are going.

So as you listen to the State of the Union tonight, I think it is very, very important that we understand that if you hear the word "expansion," that means more Washington. And just temper your reaction to these new good programs with an understanding that expansion means the American people send more money to Washington so Washington can decide how to spend that money as opposed to Washington spending less money, leaving it in the pockets of the American people for them to decide how they can best spend their money in their families.

#### DEMOCRATS UNITED BEHIND PRO-FAMILY, PRO-CHILD MESSAGE OF PRESIDENT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I must say that I do not intend to use all of the time this evening. I will be joined by the gentlewoman from Texas (Ms. JACKSON-LEE) and we wanted to briefly, if we could, talk a little bit about the Democrats' unity behind the pro-family and pro-child message that we know

will be an important part of the President's State of the Union address this evening.

I think it is fair to say that for the last few years, and certainly in this past year in 1997, the Democrats have stressed the need for measures that basically help the family, help the average family in this country, particularly those who have children, and a big part of that has been affordable health care.

We all realize, and Democrats in particular realize, that more and more people in this country do not have health care insurance. And even if they do have health care insurance, a lot of times they are not getting the quality of care or they do not have the access to all the procedures that they should have.

In addition to that, there is a real problem in this country in terms of the availability of child care for America's working families.

And also pensions. Many of my constituents have complained to me about lack of adequate pensions, people that were promised pensions, or thought that when they retired that pensions were going to be available to them and all of a sudden find out that they are not.

So tonight the President will be stressing this Democratic pro-family, pro-child message, and there are just four points that I wanted to highlight. One is the need for more affordable and accessible health care for what we call the near elderly, those seniors aged 55 to 65 that have a greater risk of losing employer-based health insurance but yet are not eligible for Medicare.

Democrats are proposing a targeted and self-financing proposal which will enable Americans ages 62 to 65 to buy into Medicare by paying a premium. And they will also provide coverage to displaced workers over 55 through Medicare and COBRA coverage for those whose companies renege on their commitments to provide retiree health benefits.

Also, Democrats are very conscious of the fact that there are problems with managed care in this country, and we are going to work, and the President will talk tonight about high quality health care through a consumer Bill of Rights that he has proposed. No patient should be denied high quality care. Care should be based on medical needs and not financial ones.

So a big part of the Democratic agenda this year will be managed care reform and basic consumer protections for individuals in HMOs or managed care organizations.

Also, Democrats want to invest in child care for America's working families. The President will announce a historic initiative to improve the quality and availability of child care for all parents. Democrats are working to ensure that parents no longer have to make choices between work or not working that basically revolve about whether or not they have access to child care.

And lastly, Democrats want, and the President will talk tonight about the effort to achieve secure and comfortable retirement. For more than 50 million American workers, there is no pension coverage. And Democrats will work to promote pension plans among small businesses.

I do not want to take up a lot of time. I want to yield to my colleague from Texas, who has been so much involved over the last year, in 1997 and before, in bringing this pro-family, pro-child message to the floor of the House of Representatives. I would yield to her at this time.

Ms. JACKSON-LEE of Texas. I thank the gentleman from New Jersey for his leadership and for allowing us to have an opportunity through a special order to address the American people and to emphasize the Democrats united message.

For many of us returning to Washington, we were certainly asked what would be the focus of this next year, and I am very glad to say that we have not strayed away, with the leadership of the President, from what are really truly important issues to this country, and that has to be more affordable and accessible health care.

I could not have been more pleased when the President announced more than 2 weeks ago the idea that individuals 55 to 65 had a greater risk of losing health insurance or coverage, and that he wanted to stand on the side of those hard working Americans who might have fallen on hard times because of downsizing and with an inability to have health coverage, that they would be eligible for Medicare. That is not a throw-away of good dollars, that is a providing an enhancement of dollars, and I think that is extremely importantly.

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I also want to say that I could not be more enthusiastic about a consumer bill of rights as it relates to health care.

I have experienced it personally. I know how families sometimes are subjected to difficult decisions; and, therefore, when they need a consumer bill of rights most, it is when they need medical care, and decisions have to be made. We need to be able to ensure patients that the patient-doctor relationship is a sacred relationship. It will not be tampered with because of financial concerns and because someone has to save money moving people from one hospital to the next, dumping people out of hospitals. I think that is extremely important.

I would like to add two other points about the importance of the State of the Union and unity of Democrats leading out in this country along with my colleagues who are thinking along the lines of making this economy better but also working with people who need our help most, that is America's working families, child care.

Chairing the Congressional Children's Caucus, I had the pleasure of