

I am concerned that proposals for a flat tax or a national sales tax would endanger the mortgage interest deduction.

The mortgage interest deduction is important to Hawaii, where the average cost of a single family home is \$312,000.

It is estimated that eliminating the mortgage interest deduction could cause the value of existing homes to drop between 20–30 percent.

As we in Hawaii face our greatest economic challenge since statehood, elimination of the mortgage interest deduction would be a disaster.

Homeowners would suffer a disastrous loss of equity. Thousands of realtors, construction workers, and employees of financial institutions would lose their livelihoods.

Mr. Speaker, I urge my colleagues to join me in fighting any attempt to eliminate the home mortgage deduction.

#### SPECIAL ORDERS

The SPEAKER pro tempore (Mr. LAHOOD). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

#### REGARDING THE PRESIDENT'S TAX PARTY

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

Mr. DELAY. Mr. Speaker, we would like to have gone into recess a few minutes ago, but the staff of the House has convinced me otherwise. But we wanted to go into recess to give time for our Democrat colleagues to go down to the White House so that they could celebrate.

And why are they celebrating? They are celebrating those Members of Congress who voted for the largest tax increase in the history of this country. We want to make sure they all were able to get down to the White House in a timely fashion. Included in that group are several former Members of Congress who lost because of that vote.

I am not kidding. This is not April Fool's Day. This is actually happening down at the White House as we speak. Do not worry, though. There will not be any Republicans invited to the White House tonight because not one Republican voted for the largest tax increase in history and so none of us got an invitation.

But down in my office right now we are having hot dogs and pizza to celebrate the fact that we voted for tax cuts last year. We are going to vote for tax cuts again this year. We are going to vote for tax cuts again next year. We will vote for tax cuts every year we are in the majority.

And we will continue to want to cut taxes for America's working families. Because we understand that over 50 percent of a family's income goes to the Government. If you add up State, local and Federal taxes and the cost of regulation, 50 cents out of every hard-

earned dollar that the American family makes today goes to the government. No wonder our families are in strain. No wonder it takes one parent to work for the Government while the other parent works for the family.

But Democrats, on the other hand, love to raise taxes. One prominent Democrat admitted that Democrats just do not like to cut taxes, they like to raise taxes. They think cutting taxes is irresponsible.

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They think raising taxes is responsible. Can we remember the debates of 1995 and 1996? Everybody said we cannot cut taxes and balance the budget; that is irrelevant, and it is crazy. Well, we did it last year. We cut taxes on the American family. We had the first balanced budget agreement in I do not know how many years.

But this is why they are usually responsible for increasing those taxes. Now, make no mistake about it, the Democrat budget not only increased taxes, it also increased spending and deepened the deficit. Now the Republican budget, the budget we passed in 1995, cut taxes and balanced the budget.

So the lesson here is very simple. If we want higher taxes and more Washington spending and higher deficits, then the American people need to vote for the Democrats. If we want lower taxes and a balanced budget and sensible government spending, then they should vote for the Republicans.

So I hope my friends are enjoying themselves down at the White House tonight. But their party's commitment to higher taxes is no party.

Mr. TAYLOR of Mississippi. Mr. Speaker, will my friend the gentleman from Texas yield?

Mr. DELAY. I will be glad to yield.

Mr. TAYLOR of Mississippi. Mr. Speaker, I am not going to argue with the gentleman on the tax increases, but it is misleading to the American people to say that this Congress has passed a balanced budget. They did not.

Mr. DELAY. Well, the gentleman reads a different budget.

Mr. TAYLOR of Mississippi. The budget plan that you passed—

Mr. DELAY. Mr. Speaker, I have the time, and I am reclaiming the time and I am going to answer the gentleman's statement.

Mr. TAYLOR of Mississippi. But, please, the American public needs to know we are not there yet.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Texas has the time.

Mr. DELAY. Mr. Speaker, the gentleman does not know what unified budgeting is. The gentleman obviously does not know. I agree with the gentleman that we have a huge surplus that we are spending on government spending. But if we take all the spending and all the tax revenues, then we are in surplus.

I want, as the gentleman wants, I am sure, I want to make it a true balanced

budget by taking the Social Security surplus and not spend it on government spending. If the gentleman will work with me, I guarantee we will come up with a budget that will accomplish that. I think I have the credibility to do that.

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 Extension of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mrs. MORELLA) is recognized for 5 minutes.

(Mrs. MORELLA addressed the House. Her remarks will appear hereafter in the Extension of Remarks.)

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

(Ms. CARSON addressed the House. Her remarks will appear hereafter in the Extension of Remarks.)

#### PUT SOCIAL SECURITY FIRST

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

Mr. SMITH of Michigan. Mr. Speaker, I think it is reasonable to carry on the discussion of what has happened in the last 5 years. I was elected, and my first year in Congress was 1993. In that year we had a deficit under the unified budget of \$322 billion. In the next, that year for the budget for 1994, President Clinton sent us a budget with a deficit of \$265 billion, a deficit in terms of a unified budget.

So it was not only on the \$265 billion that we were short, it was also what we were short borrowing from the Social Security Trust Fund and the other trust funds of this country.

I think, number one, we have got to start being very honest with the American people of what has happened. When the Republicans took the majority of this House in 1995, we changed the budget and started rescissions and started cutting down spending, getting rid of one-third of the staff in this Congress, cutting out committees, cutting out up to 200 different agencies and departments and divisions to try to reach a balanced budget.

The Republicans really were demagogued in that election that eventually followed because we were doing all sorts of budget cuts, cutting down on the spending of the Federal Government in order to get a balanced budget.

We ended up winning. We ended up in the spring of 1996 sending a reconciliation bill to the President saying the