

Mr. BOYD. Mr. Speaker, I want to thank the gentleman from Washington for joining with us here on the floor, and we certainly do want to make him an honorary Blue Dog.

Mr. Speaker, I would like to yield now to the gentleman from Texas (Mr. STENHOLM) to summarize.

Mr. STENHOLM. I thank the gentleman for yielding, and I want to help clarify some other rhetoric that we will be hearing from this floor regarding spending.

I have served in the House of Representatives since 1979. When we look at discretionary spending by the Congress, it has declined by 36 percent from 1978 until the year 2000 as a percent of our gross domestic product. Entitlement spending has gone up 3 percent during that same period. Revenues have gone up 14 percent since that period. Interest rates have gone up 43 percent.

That is why we are emphasizing paying down the debt. Monies spent on interest are the least productive number of dollars that we can spend in this Congress. Money spent on defense, on veterans, on military retirees, on health care, on education, on agriculture are the most productive dollars that we can spend. So long as they are spent prudently and with policies that we can agree to in a bipartisan way, they are the most efficient and the best way to deal with our Nation's problems.

Mr. BOYD. Mr. Speaker, I want to thank the gentleman from Texas and, in summary, I want to read from the CBO's report that just came out, the summary. It will just take a few seconds here.

The summary starts out this way, Mr. Speaker, and I quote: "In the absence of significant legislative changes and assuming that the economy follows the path described in this report, the CBO projects that the total surplus will reach \$281 billion in 2001. Such surpluses are projected to rise in the future approaching \$889 billion in 2011 and accumulating to a \$5.6 trillion figure." We know over half of that is Social Security. Here is an interesting sentence, Mr. Speaker: "That total is about \$1 trillion higher than the cumulative surplus projected for the 10-year period in CBO's 2000 report, July 2000."

In 6 months, Mr. Speaker, the projected surplus changed by CBO's own estimates over \$1 trillion. And I want to read one more sentence that goes on later in the summary report, Mr. Speaker, and this really should give pause to many of our American citizens:

"Over the long-term, however, budgetary pressures linked to the aging and retirement of the baby boom generation threaten to produce record deficits and unsustainable levels of Federal debt." Mr. Speaker, I want to say that again. "Budgetary pressures linked to the aging and retirement of the baby boom generation threaten to produce record deficits and unsustainable levels of Federal debt."

I am reading directly from the summary of the CBO report which came out last month.

Mr. Speaker, I want to thank the indulgence of the House and for the Speaker's courtesy today, as well as my colleagues who came and assisted today.

TAX FAIRNESS

The SPEAKER pro tempore (Mr. KERNS). Under the Speaker's announced policy of January 3, 2001, the gentleman from Illinois (Mr. WELLER) is recognized for 30 minutes as the designee of the majority leader.

Mr. WELLER. Mr. Speaker, I appreciate the opportunity to address the House today, and I wanted to take a few minutes to talk about not only the accomplishments of this Congress, but also to talk about a major issue of fairness, a fundamental issue of fairness in the Tax Code.

I represent the south side of Chicago. I represent the south suburbs and Cook and Will, Grundy and Kankakee and La Salle Counties. This is a very, very diverse district of city and suburbs and country. The message that I have heard time and time again since I was a candidate for Congress in 1994 the first time, was that folks back home want us to look for solutions to the challenges that we face.

I remember when I was first elected in 1994, we wanted to do some pretty radical things. We wanted to balance the budget, we wanted to reform the welfare system, we wanted to pay off the national debt, we wanted to stop the raid on Social Security and Medicare. We were called radical for having those kind of ideas and that kind of agenda.

I am proud to say in the 6 past years that this Republican Congress has accomplished those very goals. Not only have we balanced the budget 4 years in a row, but we have paid down almost \$600 billion of the national debt. And according to the nonpartisan Congressional Budget Office, we are projected to see a surplus of extra tax revenue, a tax surplus of almost \$5.6 trillion over the next 10 years.

Think about that. Our Federal budget this year is \$1.9 trillion, but over the next 10 years we are expected to collect \$5.6 trillion in more tax revenue than we are projected to spend. A huge surplus.

I am also proud to say that we did something that our grandparents, many seniors and those who aspire to be seniors have complained about over the years, and that is we stopped the raid on Social Security. Three years ago, this Republican Congress took the initiative and passed legislation which locked away 100 percent of Social Security for Social Security. This past year we did the same for Medicare. And yesterday we did it again for the coming budget year. We passed the Social Security and Medicare lockbox, setting aside 100 percent of the Social Security

and Medicare trust fund surpluses for Social Security and Medicare to use those dollars not only to run our current program of Social Security and Medicare, but to set them aside as we modernize those programs to assure that Social Security and Medicare are there for future generations.

When it comes to welfare reform, I am proud to say that we reformed welfare. I remember when I was first elected we had more children living in poverty than ever before in our Nation's history and the highest rates of teenage illegitimacy. Clearly, our Nation's welfare system was failing. We passed welfare reform. Took us three times before we were able to convince the President to sign it into law, but he finally signed it into law in 1996. And since then we have seen our Nation's welfare rolls drop. In fact, in States like Illinois they have been cut in half, with almost 6 million former welfare recipients now on the tax rolls as working taxpayers. Clearly fundamental changes.

Think about it. We have balanced the budget, we have stopped the raid on Social Security, we have stopped the raid on Medicare, we have paid on the national debt \$600 billion, and we are on track to eliminate our Nation's debt by the year 2009, and we also reformed and made fundamental changes to our Nation's welfare system.

One of our other priorities, of course, has been the issue of bringing fairness to the Tax Code. Now, I was proud that as a key part of the Contract With America we enacted the child tax credit. In States like Illinois, that meant an extra \$3 billion in tax relief that stayed in the pocketbooks of Illinois taxpayers rather than going to Washington to be spent by Washington from that \$500-per-child tax credit alone.

But there are other issues in the Tax Code that we need to address that are important to families. I thought Valentine's Day was an appropriate day to raise this issue. It is an issue of fundamental fairness. Is it right, is it fair that under our Tax Code 25 million married working couples, husband and wife both in the workforce, pay on average \$1,400 more in higher taxes just because they are married? It just does not seem right, it does not seem fair that if a man and a woman who are both in the workforce decide to get married that they have to pay higher taxes if they make that choice.

The only way today to avoid the marriage tax penalty, if you are still single, is to not get married. And if you are married, the only form you can file to avoid the marriage tax penalty is to file for divorce. Well, that is wrong that under our Tax Code married working couples pay higher taxes than identical couples who live together outside of marriage. That is just wrong.

I am proud to say that this Republican Congress has made elimination of the marriage tax penalty a priority, and it is only appropriate that on this

day, on Valentine's Day, that we deliver a valentine to the 25 million married working couples who suffer the marriage tax penalty and let them know that we want to eliminate the marriage tax penalty. It is wrong that married couples should have to pay higher taxes.

I am proud to say that our current President, President Bush, agrees that elimination of the marriage tax penalty needs to be addressed. Unfortunately, the previous President vetoed our effort to eliminate the marriage tax penalty, because last year we sent the Marriage Tax Elimination Act to President Clinton. He vetoed the bill. And of course that means 25 million couples still suffer that penalty.

During the campaign last fall, then-candidate Bush said had he received the bill, had he been President, he would have signed it into law. So we have an opportunity with our new President to work towards our goal of eliminating the marriage tax penalty.

Let me explain how the marriage tax penalty works. The marriage tax penalty occurs when a man and a woman, husband and wife, both are in the workforce. When they marry, they file their taxes jointly, which means they combine their incomes, and that usually pushes them into a higher tax bracket.

Let me give an example of a married couple from the district I represent in the south suburbs of Chicago. This is Shad and Michelle Hallihan, two public school teachers from Joliet, Illinois. They actually live in a little town called Manhattan, but they are public school teachers in the Joliet area. They have a combined income of about \$65,000. They now have a little boy named Ben. When they file their taxes, with their combined income, and after they do the personal exemptions and all the other provisions they have, they pay an average marriage tax penalty of almost \$1,400.

And as Shad and Michelle have pointed out to me, for Shad and Michelle Hallihan and for the average married working couple, \$1,400 is real money to the folks back home in Illinois. Here in Washington, \$1,400 out of a \$1.9 trillion budget, it is a drop in the bucket. But for real people and real communities in places like Illinois, \$1,400 is a year's tuition at Joliet Junior College, it is 3 months of day care for the Hallihan family for their little child while they are teaching at school, it is 4,000 diapers for their infant. It is real money for real people.

And people like Shad and Michelle Hallihan and 25 million other married working couples suffer the marriage tax penalty, and unfortunately they continue to suffer the marriage tax penalty because our previous President vetoed our legislation to eliminate the marriage tax penalty.

I am proud to say today that we announced our plans to reintroduce the Marriage Tax Elimination Act for this Congress, legislation that as of today

has over 230 bipartisan cosponsors. Now, I would point out that we need 218 votes to pass a bill; a majority of the House is 218. So a bipartisan majority of the House is cosponsoring our legislation to eliminate the marriage tax penalty.

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For couples like Shad and Michelle Hallihan, we would help them by eliminating that marriage tax penalty with the Marriage Tax Elimination Act.

We note that our proposal does a number of things. Number one is, in the Marriage Tax Elimination Act, we essentially wipe out the overwhelming majority of the marriage tax penalty by, number one, broadening the brackets. There are five tax brackets, and we broaden each of them so that married couples, joint filers, can earn twice as much as a single filer in that same tax bracket and stay within each bracket paying the same rate.

That helps those that itemize their tax, couples like Shad and Michelle Hallihan, that happen to be homeowners.

Second, we double the standard deduction for joint filers twice that for singles. That will help married couples who do not itemize their taxes, usually middle class families, if you own a home, you itemize your taxes, but if you do not itemize your taxes, you use a standard deduction. So we help them, those who could not itemize by doubling the standard deduction.

We recognize the alternative minimum tax has a consequence when you adjust the rate brackets and we make a fix in our legislation that ensures that, even though we are adjusting for the marriage tax penalty, families like Shad and Michelle can continue to qualify for the child tax credit.

And last, for low-income working families who qualify for that earned income tax credit, we adjust the marriage tax penalty there, as well.

In fact, by adjusting the income threshold for married couples by \$2,000, we provide for the average family of four eligible for the earned income credit about an extra \$400 a year in extra income that they can use by eliminating the marriage tax penalty in the earned income credit, as well.

The bottom line is we wanted to eliminate the marriage tax penalty. We feel it is fundamentally wrong that you should pay higher taxes just because you are married.

Now, President Bush has stepped forward because he recognizes, and we are very thankful that we have a President who agrees, we need to address the marriage tax penalty. And President Bush has a very balanced approach to cutting taxes. He says, out of a \$5.6 trillion surplus that we should take about a fourth of that, \$1.6 trillion, and use that to lower taxes, stimulate the economy, and bring fairness to the Tax Code.

The centerpiece of his tax cut, of course, is changing the rates and going

from our current five rates to four rates. And of course, in addition to that rate reduction, which he feels is very important, and I agree with him, to stimulate this economy, he also attaches to it a proposal which will help reduce the marriage tax penalty, a second-earner deduction.

Now, that is an important step forward. But I would note that the President's plan provides only about \$700 in marriage tax relief; and, of course, the marriage tax penalty on average is \$1,400. So his proposal only does about one-half of what we need to do if we really want to eliminate the marriage tax penalty.

So our hope is that, over the next few weeks, next few months, as we work to move the President's tax proposal through the Congress, particularly as we work to stimulate and revitalize our economy, that we can address the need to eliminate the marriage tax penalty, as well.

I and several members of the Committee on Ways and Means have met with the President. We have also met with the Treasury Secretary, Secretary O'Neill, and other representatives in the administration to talk about the need to do more to eliminate the marriage tax penalty.

We believe that really the way we can do more is when we adopt the President's rate reduction plan, which simplifies the Tax Code and lowers taxes for all Americans, that we also adjust the brackets in the President's plan so that we eliminate the marriage tax penalty. And that can be phased in.

In the same way that the President proposes with his rate reduction, we can make the adjustments for the marriage tax penalty, and we believe it should be done at the same time. It only makes sense when you adjust the rates to deal with marriage penalty at the same time.

So, my colleagues, I want to share with you that we feel this should be a bipartisan priority. And I am proud to say that 230 Members of this House are now cosponsors of the Marriage Tax Elimination Act.

I particularly want to thank my good friend, the gentleman from Michigan (Mr. BARCIA), who is the lead Democratic cosponsor of the Marriage Tax Elimination Act. He and the gentleman from West Virginia (Ms. CAPITO) and the gentleman from Indiana (Mr. KERNS) have taken the lead in working together with us to eliminate the marriage tax penalty. We want it to be a bipartisan effort.

There is no reason that Republicans and Democrats cannot work together with the Bush Administration to eliminate the most unfair consequence of our complicated Tax Code, and that is the marriage tax penalty.

My colleagues, we need fast action on the President's tax cut. And here is why I believe it is important that we need fast action.

I have watched the nightly news, just like my neighbors have, over the last

several weeks in the Chicago area. We have seen tens of thousands of our neighbors losing their jobs because of the weak economy that President Bush inherited from his predecessor.

Unfortunately, companies like Montgomery Ward are going out of business. LTV Steel has declared bankruptcy. Lucent and Motorola and Outboard Marine and other companies in the Chicago area are announcing massive layoffs. And those individuals are telling me they are having a hard time finding a new job.

Well, if we want to stimulate the economy, Congress needs to set politics aside and move quickly, move quickly. We need fast action to cut taxes, to put more money in people's pockets, to help families pay their high home heating bills, to help families pay off their credit card bills, to put confidence back in the minds of the decision-makers in business as well as consumers about their future of our economy.

I believe, as we move quickly, not only should we lower taxes for all, but we need to address the need to eliminate the marriage tax penalty.

I am proud of the way that the President has balanced his tax plan. Because if you look at the President's tax plan, you will note that under his proposal that the biggest beneficiaries are moderate and middle class taxpayers, because they see the greatest proportion of their income returned in tax relief, meaning that moderate, middle income, taxpaying families will have the biggest portion of their income back essentially as a pay raise, an extra few weeks' pay, an extra end-of-the-year bonus that they can use to meet their needs.

I am proud to say he is doing that. And for a family making \$50,000 a year, President Bush's proposal would provide an extra \$2,000 in higher take-home pay. That is an extra three weeks' pay under the President's plan.

Now, if they are making \$40,000 a year, it is about \$1,600 more in higher take-home pay because of lower taxes. So that is pretty meaningful if you think about it. And at the end of the day, when his plan is done, higher income Americans will pay a higher proportion of the income tax burden.

So if you are concerned about who gets what and who pays more, low, moderate, middle income families will see a greater proportion of their income back in tax relief and, at the end of the day, wealthier Americans will pay a higher proportion of the overall tax burden. So if that is important for you, it is something to think about.

But for a family making \$50,000 a year, a married couple with two kids, they will see an extra \$1,600 to \$2,000 in higher take-home pay under the President's plan. At the same time we reduce rates for all Americans, we believe that we should eliminate the marriage tax penalty, as well.

We want to help couples like Shad and Michelle Hallihan, two public school teachers who work hard every

day, to ensure that the children of the Joliet-Will County area have a bright future.

We also want families like Shad and Michelle Hallihan to have a bright future as well by ensuring that Shad and Michelle Hallihan get to keep what is theirs. It is wrong that when they chose to get married that they had to pay higher taxes. That is just wrong.

We believe, by adoption of the Marriage Tax Elimination Act, we can eliminate the marriage tax penalty, and we want to work with President Bush and Democrats and Republicans, both in the House and the Senate to get the job done this time.

I was so proud last year when we passed the Marriage Tax Elimination Act out of this House and the Senate. It broke the hearts of 25 million married working couples when President Clinton vetoed the bill. But it is a new day. It is a new time of opportunity. We now have a chance to do the right thing, and that is, to eliminate the marriage tax penalty.

It is important to say that, here on Valentine's Day, what better valentine can we give 25 million married working couples than to eliminate the marriage tax penalty?

Let us work together. We have 230 cosponsors today. Hopefully, we will have more tomorrow.

NEED FOR GOOD MANAGEMENT IN EXECUTIVE BRANCH IS LONG OVERDUE

The SPEAKER pro tempore (Mr. KERNS). Under the Speaker's announced policy of January 3, 2001, the gentleman from California (Mr. HORN) is recognized for 30 minutes.

Mr. HORN. Mr. Speaker, with a new administration, it is time that we face up to the lack of management in the executive branch.

Mr. Speaker, today I am introducing legislation to create an Office of Management within the executive office of the President, H.R. 616.

The language of the bill is below and will be part of the RECORD.

The proposal that complements and extends the efforts of recent congresses to focus on one of the greatest challenges facing the Federal Government is seen best this way: finding an effective way to manage the complex collection of Government cabinet departments, independent agencies, and laws and regulations that exist to serve the public and provide for our national security.

Some might argue that this proposal is unnecessary or unimportant. Those arguments are profoundly misguided. The challenge of effectively managing our Government is, in fact, one of the most vital issues before us.

If we hope to solve the long-term problems that threaten Social Security and Medicare, and if we hope to strengthen our social safety net for children and other vulnerable members of our society and if we want to reduce

the tax burden on American families, then we must start with a well-managed Federal Government.

As most Members of Congress know, each year we receive reports from the comptroller general of the United States, those excellent reports that billions of tax dollars are lost to waste, fraud, and abuse.

A January 2001 report by the General Accounting Office, which works for the comptroller general, stated the following: "We have identified inordinate program management risks in major program and mission areas. These range from large benefit payment programs that sustain substantial losses to the earned income tax credit that experiences a high rate of noncompliance."

In addition to these two programs, the General Accounting Office stated that poor management policies place vital programs such as Medicare, supplemental security income, student financial aid, and the Department of Housing and Urban Development's single family mortgage insurance and rental housing assistance at the high risk of waste, fraud, and misuse of the taxpayers' money.

The new GAO report lists 21 programs that remain at high risk of waste, fraud, abuse and mismanagement, in addition to the emerging government-wide problem of managing its strategic human capital.

Among the most significant problems, the report cited the Department of Defense's poor financial management. Despite the GAO's recognition of this serious accounting problem, which dates back to 1995, little has changed.

In May of last year, the Subcommittee on Government Management, Information, and Technology, which I chaired, found that the Department of Defense still cannot produce auditable financial statements. We started on that on a bipartisan basis back in 1993 and most of us said they will never make it. We were right.

In fact, the Department's Inspector General reported that, in 1999, the Department of Defense had to make book-keeping adjustments that totaled \$7.6 trillion, not million, not billion, we are talking about trillions, \$7.6 trillion in order to reconcile its books with the United States Treasury and other sources of financial records.

The GAO's examination of the comptroller general of those adjustments found that at least \$2.3 trillion of the adjustments were not supported by documentation, reliable information, or audit trails.

The Department of Defense is not the only agency with such problems. It is just the biggest. The subcommittee's examination of the 1999 financial audit of the Health Care Financing Administration found that the Agency had erroneously paid out an estimated \$13.5 billion in its Medicare fee-for-service program. That is roughly 8 percent of the program's \$170 billion budget.

As the General Accounting Office testified at a subcommittee hearing on