

Marianas and the people who were the original inhabitants of the entire island chain, I have designated in this legislation this new time zone as Chamorro Standard Time. The word "Chamorro" refers to the indigenous people, possesses a proud cultural heritage, and forms the basis of the underlying historical and cultural connection between the people of Guam and the people of Luta, Tinian, Saipan, Agrihan, and other islands in the Northern Marianas.

ManChamorro ham todū gi tinituhon. We were Chamorros in the beginning.

ManChamorro ham esta pa'go. We are still Chamorros today.

This amendment to the Calder Act has been discussed with Federal officials in NIST of the Department of Commerce, and we anticipate only support for this effort.

Madam Speaker, I ask all of my colleagues to cosponsor and pass this legislation quickly, dare I say it, in a timely way. Let us not waste any time. Let us take the time to make time for all Americans.

#### ELIMINATION OF MARRIAGE TAX PENALTY

The SPEAKER pro tempore (Mrs. BIGGERT). Under the Speaker's announced policy of January 19, 1999, the gentleman from Illinois (Mr. WELLER) is recognized during morning hour debates for 5 minutes.

Mr. WELLER. Madam Speaker, today is a big day. The House Committee on Ways and Means is going to act on another item on our agenda, an issue of fairness; and today, in the House Committee on Ways and Means, we are going to move forward on an item on the Republican agenda which helps 800,000 senior citizens, senior citizens over the age of 65, who because they need to work or want to work, they want to be active longer, or maybe they have two pensions, had their Social Security benefits taxed away. And that is called the earnings limit, or the earnings penalty.

Today we are going to pass legislation which will wipe out that unfair quirk in Federal law which taxes away two-thirds of the Social Security benefits of 800,000 senior citizen who happen to earn more than \$17,000 a year.

We can all think of seniors that we know in our local communities who have to work, maybe they are waitresses, maybe they work or have a little hobby or they set aside some money and saved and invested well that they are making more than \$17,000 a year, and today they are punished; they are penalized.

We are going to pass legislation which deserves bipartisan support which wipes out the earnings limit for 800,000 senior citizens. That is a big victory as we work to bring about fairness to every American.

Today I want to talk about another issue of fairness, an issue which this House has voted to address, an issue which responds to a fundamental question of fairness, the difference between right and wrong; and that is, is it right, is it fair that under our Tax Code 25 million married working couples on average pay \$1,400 more in higher taxes just because they are married?

Is it right that a working married couple with an identical income, identical circumstances, pays higher taxes than a couple that lives together outside of marriage with identical circumstances? Of course not. It is wrong; it is unfair that under our Tax Code a working married couple pays more in taxes just because they are married.

I want to introduce to my colleagues in the House Shad and Michelle Hallihan, two public school teachers from Joliet, Illinois. Shad and Michelle, of course, teach public school; they just had a little baby, a young couple, a nice couple. They suffer the marriage tax penalty just because they are married.

They have a combined income of about \$62,000. They are two public school teachers supposed to have identical incomes of about \$30,000 each. They are middle class. Well, they pay the average marriage tax penalty.

Michelle pointed out to me, she said, Congressman, as you work to eliminate that marriage tax penalty, let your colleagues in the Congress know that that marriage tax penalty that the Hallihans pay would buy about 4,000 diapers for their newborn child.

It is real money for real people. And for other families in Joliet, Illinois, the hometown of Michelle and Shad Hallihan, that \$1,400, the average marriage tax penalty, is 1 year's tuition at Joliet Junior College or a local community college. It is 3 months' of daycare at a local childcare center in the south suburbs of Chicago. It is 7 months' worth of car payments. It is a washer and a dryer for couples like Michelle and Shad. And they are a beautiful couple. They are young.

But the marriage tax penalty is suffered by the elderly, as well. We have all heard the stories about elderly couples who get divorced because they can save money. Well, the marriage tax penalty punishes young and old just because they are married. And this House has done something about that. We have been working over the last several years to wipe out the marriage tax penalty. And 230 Members of this House joined together to cosponsor H.R. 6, the Marriage Tax Elimination Act, legislation which wipes out the marriage tax penalty for couples like Michelle and Shad Hallihan.

I am proud to say that this House voted, in fact 48 Democrats joined with every House Republican to vote to wipe out the marriage tax penalty, benefiting 25 million married, working couples

who suffer the marriage tax penalty.

Our legislation will essentially wipe out the marriage tax penalty for Shad and Michelle Hallihan. We do it in several ways. It has three key components. It is legislation designed to help everybody who suffers the marriage tax penalty, and we do it in three approaches.

One is, first we help the working poor. Those who participate in the earned income credit, which helps those working poor families, particularly with children, well, there is a marriage penalty and we adjust the income threshold so that working, married couples who participate in earned income credit will see their marriage penalty eliminated.

Let us remember that the biggest part of the marriage tax penalty is caused when we have a husband and wife like Shad and Michelle Hallihan, who, because they are married, they file jointly, they combine their income. We eliminate the marriage tax penalty by widening the 15 percent tax bracket as well as doubling the standard deduction.

The Senate needs to act. I hope the Senate will join us and move in a quick way, a timely way, and in a bipartisan way to join us in wiping out the marriage tax penalty.

#### IMPROVING BUDGET PROCESS—KEEPING SOCIAL SECURITY AND MEDICAID SOLVENT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Michigan (Mr. SMITH) is recognized during morning hour debates for 5 minutes.

Mr. SMITH of Michigan. Madam Speaker, I would like to talk today about a couple of challenges facing this country.

One challenge is, is there a way to improve our budget process? Should we go to a biennial budget or other techniques that might be used to better serve the taxpayers of this country? And the second issue is the tremendous challenge of keeping Social Security and Medicare solvent.

On page 46 of yesterday's Roll Call, I wrote an article: "Entitlement Reform the Way to Go."

Madam Speaker, I include for the RECORD a copy of the article on page 46 of yesterday's Roll Call:

THE ONE THING I WOULD CHANGE ABOUT CONGRESS . . . ENTITLEMENT REFORM THE WAY TO GO

(By Rep. Nick Smith)

For 224 years, Congress has wrestled with the budget. As an ex-wrestler and current Budget Committee member, I know that can be both strenuous and challenging.

This has led some Members to seek a "quick fix" in an attempt to end the annual struggle. Biennial budgeting, however, is a

mirage that distracts us from the real budget problems we face.

Biennial budgeting would be an enormous change in our budget processes, the biggest since at least 1974. The effects on the budget struggle would be far-reaching and very largely negative from the Congressional perspective. Biennial budgeting will deprive Congress of much of the leverage it needs to compete equally with the administration. Specifically, Congress gives up.

Reconciliation in off years. The Congressional majority could lose much of its power in election years to use reconciliation. This will endanger its priorities in election years and would rule over the House tax cut strategy for this year.

Congress could include multiple reconciliation instructions in a biennial budget resolution, but this deprives Congress of flexibility needed to react to changing political and economic needs. The majority would have to fashion its political strategy for the next two years just three months after the preceding election.

Control over the agencies. The annual budget process allows Congress to express its will to government agencies. I know that we were more eager to cooperate with Congress at budget time when I was a member of the Nixon administration. Biennial budgeting will reduce our leverage to hold agencies accountable and encourage defiance.

Budget accuracy and flexibility. Economic forecasting is highly uncertain. The Congressional Budget Office estimate for fiscal 2000 two years ago was for a \$70 billion unified budget deficit. That's \$240 billion off the current fiscal 2000 estimate of a \$170 billion unified budget surplus. The estimate has shifted by \$40 billion just since October 1999.

This uncertainty means, the President would bargain for high second-year spending, and we would frequently need or be tempted to reopen the budget. When we reopen the budget, we would find ourselves with little leverage against a pre-funded administration that can resist unwanted budget modification with near impunity. When revenue is lower or spending is higher than projected, the pressure to increase fees, taxes and borrowing, rather than cut the administration, would be considerable.

Leverage over spending. Congress will inevitably grapple with supplemental spending requests in the off years. In the absence of pressure to produce a complete budget, an administration will always have poll-tested and politically-motivated requests in off years that will be hard to fend off in the absence of broader budget issues.

As a result, we will pass supplemental appropriations bills in most years that will grow as Members add their own pet election-year projects. All of this threatens even the very modest spending restraint that we've been able to exercise over the last five years.

I find it surprising, then, to hear of growing support for moving from our current annual budget to a biennial budget process. It does seem sometimes that we are on a budget treadmill that never stops. There is no solution, however, in ducking our responsibilities to exercise the power the Constitution grants us. Power atrophies unless it is used, and that is what will surely continue to happen to Congressional power if we adopt biennial budgeting.

Members interested in getting a handle on the budget should focus on substance rather than process. The truth is that the discretionary portion of the budget—which is the substance of the 13 annual appropriations bills—makes up just one-third of total federal spending.

The rest of our spending—chiefly, entitlement programs—is on automatic pilot and rising faster than inflation. This growth in entitlement spending puts enormous pressure on the other parts of the budget and will inevitably necessitate higher taxes or a return to excessive government borrowing.

Acting promptly and boldly will bring benefits as well. The unremarked secret of our current budget surplus is the welfare reforms enacted in 1996 and the Medicare changes enacted in 1997. To be blunt, we would still be in deficit without these reforms. But in both cases, one could also argue that the programs have been strengthened.

I have long believed that there are similar opportunities to improve our largest entitlement, Social Security, which is now 23 percent of total federal spending. As chairman of the Budget Committee Task Force on Social Security, I helped develop 18 unanimous and bipartisan findings that could serve as the basis for reform.

After the completion of the task force's business, I also introduced the bipartisan Social Security Solvency Act (H.R. 3206), which is scored to keep Social Security solvent based on these findings.

The effect of this reform (or of similar reforms such as the 21st Century Retirement Act (H.R. 1793)) would be to dramatically reduce the growth of government spending for decades to come. The charts on this page show how significant reform can be.

The first chart shows that federal spending will rise to nearly 35 percent of the nation's gross domestic product without changes in our entitlement programs, about 75 percent higher than it is today. Needless to say, giant tax increases will be needed to sustain this level of spending.

In contrast, the second chart shows what could happen if we simply adopt the Social Security Solvency Act. Under this scenario, we would experience a gradual reduction in federal spending as we shift to a retirement system based partly on worker-owned accounts starting at 2.5 percent of income and partly on traditional government-paid benefits.

This legislation would also fully restore the program's shaky finances and create opportunities for workers to live better in retirement by making full use of the power of compound interest.

This is not easy work. But if we do nothing, taxes will have to rise to the equivalent of 40 percent of payroll by 2040 to pay for Social Security, Medicare and Medicaid. Social Security and our other entitlement programs are complicated and alteration carries political risk.

The benefits from this effort, however, will also be substantial. Sound reforms will allow Congress to master the federal budget where gimmicky process reforms such as biennial budgeting are bound to fail.

Madam Speaker, what we are faced with in this country is an expanding cost of Social Security and Medicare. The two greatest challenges that the United States faces is the increased cost of the entitlement programs.

We have played around for the last 5 years desperately trying to reduce the expansion and increase of discretionary programs. But the entitlement programs account for almost two-thirds of Federal spending. One-third of Federal spending, the 13 appropriation bills that we agonize, that we argue, that we debate for almost 8 months of the year,

only account for one-third of total Federal spending.

We have been successful in starting to slow down the increase in that expending. So some years, in fact, it has been less than inflation. Generally, it is about inflation.

But the challenges that we are facing with Social Security and Medicaid are the hugest challenges we can say for future taxpayers. Because if we do not do something, Madam Speaker, if we do not force ourselves to deal with these kind of problems, because of the fact that life spans are increasing dramatically and because of the fact that the birth rate has substantially been reduced in the last 50 years, that means that fewer young people, fewer workers in this country are asked to pay a higher FICA tax to support the senior program.

The actuaries give an estimate that, if we are to continue the programs as they exist today, within 40 years, our payroll tax, our FICA tax, will be approximately 40 percent. Right now it is 15.3 percent. That is our FICA tax for senior programs.

Some people say, well, that would be unreasonable; that cannot happen. All we have to do is look at what is happening in countries around the world. Czechoslovakia, Japan, other countries in Europe are approaching already 40 percent payroll tax to support their senior program.

The country of France has an effective payroll charge, a payroll deduction, of 70 percent of what each worker in France earns to support their senior program. I mean, it is no wonder that France has such a tough time competing.

If we allow our entitlement programs to go on the way they are without some modification, without some change, without greater priority to use the surpluses for those programs, but we cannot do it with the surpluses alone, put all of the \$4 trillion surpluses that we expect over the next 10 years and it will be less than half enough to pay for the unfunded liability of Social Security alone, let alone Medicare and Medicaid.

I just cannot urge my colleagues enough or the American people to look at the consequences of what is going to happen if we do not deal with these important programs. Number one, Social Security probably is the most successful program that we have in terms of making sure our senior population does not live out the remaining years of their lives in poverty. So I think we cannot afford to let it go by the wayside.

Neither can we afford to put off the decision. The longer we put off the decision on Social Security, the greater and more drastic the changes are going to have to be.

We should have done it 4 years ago. We should have done it 6 years ago.

How do we develop the leadership in the United States to make the tough decisions that need to be made to change these programs? I mean, I appreciate the political vulnerability that any politician goes through if they suggest change in a popular program. We have approximately 12 percent of our seniors that depend almost entirely just on their Social Security check.

I urge my colleagues to read this article in Roll Call. I ask my colleagues and the President of the United States to be more aggressive coming forward with programs and proposals that can be scored to keep Social Security solvent for at least the next 75 years.

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#### RECESS

The SPEAKER pro tempore. There being no further requests for morning hour debates, pursuant to clause 12, rule I, the House will stand in recess until 2 p.m.

Accordingly (at 12 o'clock and 58 minutes p.m.) the House stood in recess until 2 p.m.

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□ 1400

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. EMERSON) at 2 p.m.

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#### PRAYER

The Reverend Joseph S. Edmonds, First Baptist Church of Ballston, Arlington, Virginia, offered the following prayer:

Almighty God, from everlasting to everlasting, Thou art God. We thank Thee for Thy presence and for Thy love.

Help us to lift up our eyes unto the hills, from whence cometh our help. Our help cometh from the Lord, which have made heaven and earth.

We thank Thee for enabling our forefathers to establish freedom of speech, freedom to worship Thee, freedom from want and freedom from fear.

We thank Thee for those who represent the American people in this House. I pray they will have the faith and courage of our fathers to make correct decisions. May they be a bridge to peace and justice in this troubled world, and may they bring joy and fulfillment to the American people. In Jesus' name, amen.

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#### THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

#### PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from California (Mr. LANTOS) come forward and lead the House in the Pledge of Allegiance.

Mr. LANTOS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

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#### THE REVEREND JOSEPH S. EDMONDS

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

Mr. MORAN of Virginia. Madam Speaker, it is my distinct honor to introduce this morning's guest chaplain, the Reverend Joseph S. Edmonds. Actually, it is not morning. It is now afternoon. Reverend Edmonds serves as pastor of the First Baptist Church of Ballston in Arlington, which is just across the Potomac, in the 8th District of Virginia.

Madam Speaker, Reverend Edmonds was born in Gretna, Virginia, spent his childhood in the District of Columbia, not far from this very building. After attending public school in D.C., Reverend Edmonds obtained his undergraduate degree from Carson-Newman College in Tennessee and earned a Masters of Divinity at Southeastern Baptist Theological Seminary in North Carolina.

Reverend Edmonds has been serving the Ballston community for over 10 years. He has been, and continues to be, a true shepherd to his congregation. Many have benefited from his spiritual guidance and generous spirit. Before moving to the Ballston area, Reverend Edmonds served communities in Maryland, D.C., and Florida.

On behalf of our district, I am pleased to welcome Reverend Edmonds here today.

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#### RECOGNITION OF OCTORARA BOYS SOCCER CHAMPIONS

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Madam Speaker, I rise today to honor some athletes from my district in Pennsylvania, the Octorara High School Boys Varsity Soccer Team. These outstanding young men are the 1999 Boys Double A Pennsylvania Soccer Champions.

Winning this State championship is no small feat. Octorara is not a large district, and they went up against some of Pennsylvania's traditional powerhouses. But what they lacked in size, they made up for in heart and determination.

Victory by victory, this team built a winning season and made it into a

championship year. They were ably led by their coaches, Chip Smallwood, Ken Baldt, and Paul Wood. The team is in Washington today with their principal, Hank Detering, receiving many well-deserved congratulations.

Madam Speaker, I just want to say that those of us from back home who watched this team fight its way to the top are very, very proud of them. So welcome to Washington, Octorara Braves. Let us do it again this year.

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#### HAIDER'S INFLUENCE SEEN UNDIMINISHED

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Madam Speaker, in a few days, we in this House will be voting on a resolution I introduced concerning the new government of Austria. Since the leader of this party, which is the Austrian government, the racist, xenophobic, neo-Nazi party has now resigned, it may be useful to ask why did he do so. He did not do so because he does not want to be part of the unpleasant political decisions that will have to be taken in Austria, tax increases, cutbacks on spending, layoffs of large numbers of government employees, but he is still the top man of this racist, xenophobic political party.

One of his principal allies, Deputy Speaker of Parliament Prinzhorn, yesterday said the following about his resignation: "It is not a resignation. He is a provincial governor and remains our strong man. It is a step backwards which is necessary in order to make two solid steps forward."

I am urging all of my colleagues who have not yet cosponsored this resolution to come on board. We cannot allow the new Europe to have governments in which neofascist parties play a key role. The European Union has expressed itself; it is time we do so.

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#### TIME TO REPEAL THE SOCIAL SECURITY EARNINGS LIMIT

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Madam Speaker, it has been said that the time to fix the roof is when the sun is shining. Our economy is shining brightly, and it is time to fix much of the unfairness in our Tax Code.

Right now our government unfairly punishes working seniors through the social security earnings limit. Americans have a strong work ethic. We have a strong desire to contribute to our surroundings. Yet, after the age of 65, our government punishes senior citizens who wish to stay in the work force.