

amount which individual taxpayers are currently allowed for IRA's. The legislation does not increase the \$2,000 limit. Second, the legislation addresses the spousal IRA issue. The legislation allows homemakers to make the same deductible IRA contribution as their working spouses.

The purpose of this legislation is to increase our national savings rate. IRA's are a proven tool to boost our savings rate. This legislation increases the amount that can be deductible in an IRA. Taxes are just deferred. The focus of this proposal is savings for retirement. A new analysis commissioned by Merrill Lynch on the financial wealth of American families shows that half of American families currently have below \$1,000 in net financial assets. Action needs to be taken to improve this statistic.

Allowing homemakers to contribute the full amount to an IRA corrects an inequity and creates an incentive for savings. Increased retirement savings will result in economic growth and help retirees become financially independent. We have to encourage individuals to save for their retirement. This legislation is a step in the right direction. I urge you to support this legislation.

THE EXPORT ADMINISTRATION ACT OF 1995

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. ROTH. Mr. Speaker, today I have introduced the Export Administration Act of 1995. The text of this bill generally reflects the provisions reported to the House last year by the Committee on Foreign Affairs, together with certain of the modifications recommended to the House last year by other committees. Title I of this bill originated with legislation that I introduced in the 103d Congress as H.R. 3412.

As the chairman of the Subcommittee on International Economic Policy and Trade of the Committee on International Relations, I intend to renew the effort to reform our export control system and see it through to completion, with enactment of reform legislation.

The legislation I have introduced today is the starting point for this final push to enactment. In essence, we are picking up where our committee left off last year. Prior to acting on this legislation, our subcommittee will consult with other members of our committee, with other committees and interested Members and with representatives of the President as well as other interested parties. Refinements and modifications will be made and reflected in a measure which will be presented to the subcommittee for its consideration and approval as soon as possible.

My goal is simple: To reform our outdated export control system, help our high technology industries and create new American jobs.

The last time Congress reformed the Export Administration Act was in 1979, some 15 years ago. The last time it was amended in any significant way was in 1988. Therefore, the current law simply does not reflect the profound changes which have occurred during the past 5 years alone: the end of the Cold War and COCOM; the new challenge of proliferation; the breakup of the Soviet empire;

the beginnings of a market economy in China; the diffusion worldwide of advanced computer and communications technology; and the advent of a new global trade agreement.

Yet our export control system still operates under an old statute, needlessly impeding many high technology exports while not adequately focusing on proliferation threats. Testimony last year to our subcommittee indicated that some \$30 billion in American exports are affected by this outmoded system, together with the thousands of jobs which would otherwise be created by reforming the system.

In introducing this legislation, I welcome recommendations from my colleagues on how this bill can be further strengthened.

I intend to continue our subcommittee's tradition of approaching legislation in an effective bi-partisan manner and to bring to the House a bill that every Member can vote for and that the President can sign into law.

BALANCED BUDGET AMENDMENT LEGISLATION

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. STUMP. Mr. Speaker, I am pleased today to reintroduce a balanced budget amendment. This amendment, if ratified by three-fourths of the States, will mandate that the President submit and Congress pass a balanced Federal budget.

The last budget Congress balanced was in 1969. Since then, both deficits and the national debt have soared to astronomical levels. We must put an end to this obscene accumulation of debt or face the prospect of a national bankruptcy.

Mr. Speaker, there are many in this body who will say that the balanced budget amendment is not needed, or that to balance the budget we will have to cut vital and important programs to the bone. Nothing could be further from the truth.

While it is true that Congress has always possessed the ability to balance the budget, the fact that it hasn't done so in 26 years indicates that a balanced budget has not been among Congress' top priorities. And while it is also true that things have changed around here, what has not changed is the threat our national debt poses to the economic futures of our children and grandchildren. We must assure them that we will do everything in our power to allow them to live in a debt-free nation.

I am sensitive to the concerns expressed by those who fear a wholesale slaughter of vital and important Federal programs. To be sure, balancing the budget will not be without a certain degree of pain and sacrifice. However, it would not require the wholesale dismantling of vital programs, such as Social Security, that its critics allege. Indeed, balancing the Federal budget could only strengthen Social Security and other programs whose trust funds are invested in Government securities.

Mr. Speaker, the people of this country voted for change—for a different approach to government. We should give it to them. I can think of no better starting point than to pass a balanced budget amendment.

INVESTMENT IN AMERICA ACT

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. TRAFICANT. Mr. Speaker, every session since coming to Congress in 1985, I have introduced a bill to reinstate a 10-percent domestic investment tax credit [ITC] for the purchase of domestic durable goods. I am reintroducing this bill today, and I invite all Members to become cosponsors.

Mr. Speaker, as you know, the Ways and Means Committee intends to overhaul tax policy in the upcoming 104th session. I believe my 10-percent investment tax credit bill should be considered as a part of that new tax plan.

The way this bill works could not be simpler. If an American consumer buys a domestic product like a new machine or computer to improve their business, the consumer can take a 10-percent tax credit if that product was made in America. If the consumer purchases a new American-made automobile or truck, they can take a 10-percent tax credit. The tax credit would be worth up to \$1,000.

Investment tax credits are not new, but mine incorporates Buy American language to assist economic enhancement. I believe that repealing the investment tax credit in 1986 was one of the major reasons for the downfall in investment. As a result, American companies are competing with one hand tied behind their backs. Under my bill, at least 60 percent of the basis of the product must be attributable to value within the United States to take advantage of the credit. In other words, language the Commerce Department already uses to define an American-made product.

The purpose of the Investment in America tax credit is to stimulate the economy by spurring consumers and businesses to purchase American-made goods to enhance our long-term competitiveness. I don't know of a simpler way to change our complex tax policy for the better. I have always argued that the social problems this country faces can be linked to the unfair and harmful trade and tax policies enacted by the Congress. The 104th Congress offers us a unique opportunity to make a difference in the direction this country is headed.

Mr. Speaker, I urge all Members to cosponsor my bill. As a Congress, we need to show the American people that we are sincere about making America a strong nation once again.

THE NEW CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, November 16, 1994, into the CONGRESSIONAL RECORD.

THE NEW CONGRESS

The 104th Congress that convenes in January will have both the House and Senate under Republican control for the first time since 1955. That changed makeup as well as the current mood of the country say a lot