A CALL FOR BACKGROUND CHECKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. FOLEY] is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, let me commend the gentlewoman from Texas [Ms. GRANGER] for that very important presentation.

Let me also talk about a problem that occurs to our young people after they are born. A high school janitor accused in the death of a student had a history of violence, but school officials waited until after he was on the job before seeking background information from the State.

The slaying of Michelle Montoya, 18-year-old popular Rio Linda High School student whose body was found in the school wood shop Friday, has focused attention on the school district's hiring policies and the State's handling of fingerprint checks and requests for background information.

The janitor, 34-year-old Alex Del Thomas, has a four-page rap sheet that includes violent felonies. The Grant Joint Union High School District hired Thomas in April, but the district did not submit a request to the State justice department for information about Thomas's fingerprints and potential criminal history until weeks later.

Thomas, a parolee, served nearly 12 years in Folsom prison for voluntary manslaughter. He pleaded guilty to the charge which stemmed from a 1984 Los Angeles robbery. Sheriff's investigators described him as a former member of the 107th Street Hoover Crips, a Los Angeles street gang.

My colleagues, a child has died once again in our community because of a lack of checking the backgrounds of those that work around our children.

Last week in Saint Lucie County, FL, a 2-year-old baby boy was raped by a 49-year-old individual and the baby died from a heart attack. Day after day you wake up to the TV shows describing another violent crime against our children, a violent crime of abuse, sexual perpetration, denying them their youth. And they are dying on our streets, or they are being convinced, through the Internet, to leave home and run off with someone else or being subjected to pornography and violence every day of their lives.

In 1993, we passed the National Child Protection Act, amid lots of cheers and whistles. States may do background checks, if they choose, if they choose. In Florida, you need a background check and a fingerprint card to get a real estate license. In about 38 States you need background checks and fingerprints to cut hair, to be a cosmetologist.

But if you are entrusted with the care of our children, if you are working in a day care center or school system or taking them out on field trips, we do not need to check the backgrounds. We will just let them go off merrily on their way and hope and pray that the children come back alive.

The National Center for Missing and Exploited Children today celebrated several heroes in our Nation's capital from around the country who have helped recover our children alive and healthy and brought them back to their homes after they had been abducted. I commend their hard work in seeking to solve the problem of abuse in our society.

We will be formulating legislation and several of us will be back on the floor tomorrow talking about the missing and exploited children's programs that we are launching across the Nation. But it is really high time that we focus on how to protect our children.

When you read a story like this, you have to ask yourself, how does a school district find it more important to have clean windows and clean hallways than protecting the lives of our children. They found it inconvenient to do a background check on this individual who just served time in prison for a felony murder. Had to rush and hire him. She was left to die inside her school's wood shop last week after she was beaten and her throat slashed.

Michelle's parents do not get a second chance, but a small investment of tax dollars to make certain that that person was fit for the job could have been done and they could have held off hiring them and saved a life.

But let us not let legislation get in the way. Let us not let protection of our children stand in the way of getting our jobs done. Let us not worry about another Michelle Montoya, because we are all much too busy. We pass laws in this Chamber and then we go on our way and think what a great job we have done. Let us pat each other on the back.

And another child dies, and another child is molested, and two girls are stolen from their home, found in a canal, their naked and beaten bodies found in a canal.

There are sick people running around our communities. They need to be caught. They need to be apprehended. They need to be sentenced to the most severe penalty.

But what would be better is if we apply the laws now, protect the children first, and then not have to suffer the consequences. My heart goes out to the Montoya family and every other parent who has suffered the devastation of the loss of a child.

BUDGET AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 5 minutes.

Mr. NEUMANN. Mr. Speaker, I rise this evening to address the House regarding the recently passed budget agreement. I would like to begin tonight by talking about what that agreement really means to the people in this great Nation we live in because it means an awful lot for virtually every generation of Americans in this country. Whether we look at our senior citizens by passing this balanced budget plan that contains a direction and a plan for paying off the Federal debt, when we pay off the Federal debt it really means that what we are going to do is put money back into the Social Security trust fund that has been taken out.

That is very good news for our senior citizens because that means Social Security is solvent for the foreseeable future. It also contains language that is going to allow us to take care of Medicare so that Medicare is once again solvent. For our working families, there are two real important things as we pay off the debt and restore the Social Security trust fund. It also means that we are in a position where we are not going to have to raise taxes on working families to make good on promises to seniors. But it also provides tax relief for the working families in America today through the $500 per child tax credit, a college tax tuition credit, capital gains tax reduction, and of course the death tax is being changed so we do not have to see the tax man on the same day that we pass away. I think it is a very important change in this great Nation of ours.

It seems ridiculous that we would find ourselves in that particular situation. For the younger generation it is great news because this budget contains a plan to literally pay off the Federal debt by the year 2023. And in paying off the Federal debt it means that we can pass this Nation on to our children debt-free. Instead of our children looking forward to having families that are required to pay $500 a month to Washington to do nothing but pay interest on the huge debt, instead of being in the situation we are in today, where we literally pay that $500 a month to do nothing but pay the interest on the Federal debt, this budget contains a plan to literally pay off the Federal debt so our Nation can inherit this country debt-free and keep that money in their own homes and in their own families.

To put it in perspective, just how far we have come with this budget, I think it is important we go back to something that many people in America remember hearing about; it is called the Gramm–Rudman-Hollings Act. It was first introduced in 1985. It laid out this blue line that we can see here as a plan for deficit reduction to get to a balanced budget. The red line shows what actually happened with deficits, and we will notice that we never actually got to the blue line. We never actually hit the targets for balancing the budget.

As a result of course the deficits exploded. In 1987, they realized that their 1985 plan was not working so they fixed it and they passed Gramm–Rudman-Hollings 2, and again the blue line shows the direction to get to a balanced budget. The red line again shows exactly what happened. And as we can see, they never hit their targets for a second time straight.

I would like us to contrast this picture, a plan that was laid out to balance the Federal budget where they never hit their targets, with the plan of 1997 and in particular what has happened from 1995 forward.

This chart, the red columns, show what we promised to the American people when we passed our plan to balance the budget in 1995. The red column shows what the deficits were projected to be. The blue column shows what they actually were. Notice the stark contrast between the Gramm–Rudman-Hollings, where they never hit their targets, and what has gone on out here today.

As a matter of fact, in fiscal year 1996, a year that is already completed, we not only hit our targets, but we were about $50 billion ahead in terms of deficit reduction. Right now today, 1997, we not only hit our target for 1997, but we are over $100 billion ahead of schedule. A lot of folks are asking how can that possibly happen. That happened because the economy performed better than anyone anticipated.

We had this working model back in 1995. It was a theory. The theory went like this: If Washington could control spending and therefore borrow less money, that money would stay available in the private sector. And when the money is available in the private sector, more money available, interest rates will stay down. When rates stay down, people can afford to buy houses and cars. And when people buy houses and cars, somebody else has to build the houses and cars. That is job opportunities. And when people fill those job opportunities, that means they are leaving the welfare rolls and going to work.

The idea here is that less government spending, more money is available in the private sector, lower interest rates, lower interest rates leading to more homes being purchased, people living the American dream. More cars being purchased, leading to more job opportunities. That was our theory.

The theory worked better than anyone could have possibly imagined. And that is why it is that we see this chart over here where we have not only met the expectation in our promises of 1995 but we have exceeded them.

□ 1800

How did this happen? How did we actually control spending?

Well, Mr. Speaker, I will wrap up this portion of it, and I will have an opportunity to work with the very prominent freshmen that have joined us this year in Congress to carry this plan forward, by saying that I think this is the best thing that could possibly happen for future generations of Americans.

BALANCED BUDGET AGREEMENT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Missouri [Mr. HULSHOF] is recognized for 60 minutes as the designee of the majority leader.

Mr. HULSHOF. Mr. Speaker, the newly elected Republican Members of this body have faithfully and dutifully come to the floor each week to talk about positive solutions to some of the Nation's problems. We have done this since February and we have talked about ideas to renew American communities, ways to reignite the era of big citizenship, even as we dismantle the era of big government.

We have talked about ways that the Federal Government can be a partner rather than a parent. I think that the gentleman from Wisconsin, we would be happy to make him an honorary Member of the freshman class for this special order, but what we want to focus on is exactly what the gentleman from Wisconsin began with.

It is true, Mr. Speaker, that some of us here in this Chamber are a bit bleary eyed from a lengthy day, and I see staff rolling their eyes, I think they share in that feeling, but what I want to do is make an announcement. The American people, Mr. Speaker, have gotten their money's worth. They got their money's worth first of all yesterday, in that we focused as a body on I think the single most important issue facing this country.

We had a debate that began yesterday that went well past midnight. It was a debate that remained focused on the issues at hand. It was a professional debate, one that much civility surrounded that debate. We debated well into the early morning hours and for those individuals across the country, unfortunately, who will invariably find fault or choose to find fault with this institution, I think the American people got their money's worth yesterday and it was a testament to the positives of this great institution.

But far more important than that, Mr. Speaker, the American people got their money's worth in a substantive way. They got their money's worth in this bipartisan agreement in which 333 individual Members from across this great land resoundingly endorsed. This bipartisan agreement is going to help restore economic freedom and opportunities for all Americans. That is what we would like to focus on for the remainder of this special order.

I am joined by some of my colleagues, and I would be happy to yield to my friend from Kentucky, [Mrs. NORTHUP].

Mrs. NORTHUP. Mr. Speaker, I thank my fellow freshmen and those of us here that are here to talk about the budget. I appreciate having the opportunity to discuss this issue. It is one of the most important issues. It was discussed in my district at every public meeting and every discussion regarding the direction that the Federal Government is going.

In my remarks tonight I would like to focus on the bipartisanship, the fact that we understand how the American people feel; that they want us to recognize that good ideas come from both sides of the aisle and they come from both ends of Pennsylvania Avenue.

And so even though this budget agreement does not look like any one of us would have written had we had total control over it, we have had to learn the lessons that we have learned in every aspect of our lives and that is to listen, to build a consensus, to grow and to learn from others.

This has very much been a part of my life, Mr. Speaker. I have said a lot of times that I learned a lot of life's lessons growing up in a family of 11 kids. None of us got our way all the time. None of us got to watch the channel on television that we wanted. None of us got control of the family, but we learned to listen, we learned to understand the varied perspectives, we learned to deal with those ideas and we put them all together, and together we found a better way.

So many cynics are out there and they always feel that the glass is half empty, and I believe that we need to look at the glass half full; at what we gained. In my years of being in the Kentucky General Assembly it became so recognizable that it is so easy to oppose something that is big and complicated because there is always one thing one can be against. There are always a couple of things that one could find different, but if we are to make big progress we have to unite and do it together.

In closing, I wanted to say tonight that we talk about budgets, and they are inevitably about numbers, but in truth this is not a debate and it is not a discussion and it is not a consensus about numbers, it is about our children. It is about my six children, two who are joining the work force, two who are in the work force, and two who are about to complete school and join the work force, and it is about their opportunities, it is about their freedom from taxes, from the cost of paying for the debt that we have run up.

When I came to Congress I thought about my children, I thought about their generation, I thought about the opportunities I hoped that they will have. They are going to have to work hard. They will have to go to work every day and they will have to contribute to this country, because one thing that will not change is that they will be responsible for America tomorrow. But thank goodness we are giving them an America that will not be so burdened by debt.

It has been a wonderful last 24 hours. We have made such progress and I am proud to be here with the other Members of my class talking about what that accomplishment really means.

Mr. HULSHOF. Mr. Speaker, I appreciate the gentlewoman's comments. We sometimes do fall into the trap of talking about numbers, and certainly in the Kentucky legislature probably rarely did the gentlewoman even use the term ''billions of dollars'' and yet we toss those terms around here in Washington without really recognizing just what is involved when we are talking about these numerical values.

I think the gentlewoman summed it up very well and put it in very human terms, especially having come from the strong family tradition that she has and we appreciate her work with this.

The gentlewoman mentioned, Mr. Speaker, this bipartisanship. I think it is interesting to note that yesterday the newly elected Members on both sides of the aisle, freshmen, Republicans and Democrat freshmen, actually came together and we had a press event to announce our support for what had been hammered out in these negotiations by the administration as well as congressional leaders.

Quite frankly, many of us, regardless of party, in the months leading up to November of 1996, we campaigned, Republicans and Democrats alike, campaigned on this single issue. In fact, I recall and I was reminded by my staff that shortly after the election as we were talking about what we were going to focus on in this Congress, this 105th Congress, I made the statement that if all we did in this Congress was to pass a plan that would balance the budget, that we could fold our tents and go home and we could declare this Congress a success.

We have begun that step in that direction, and yesterday I think the strong support by not only the freshmen Republican Members but freshmen Democratic Members who joined us, joined us in this debate and joined us in this vote and in this effort, even as some more prominent Members of this body were making front page headlines, I think there is a difference between looking to the next election and then looking toward the next generation, and I believe we have focused on the next generation.

I see my friend from Wisconsin, who actually was here a newly elected Member in the last Congress. I would yield to the gentleman. How is it that we have been able to move in the direction that we have from the last Congress, when we had the government shutting down, into a bipartisan plan that garnered 333 votes?

Mr. NEUMANN. Well, first, Mr. Speaker, I want to thank the gentleman very much for being here and for making me an honorary Member of the freshman class. I do consider that a great privilege and great honor. During our freshman class we only gave that to one person during the entire Congress and that was to the gentleman from Ohio, [Mr. KASICH], so I consider this a great privilege in joining my freshmen colleagues this evening.

What happened over the last couple of years is that government was growing at a very, very rapid rate, and I understand what the gentleman is saying about numbers, but it is also important, I think, that the American people at least put into perspective what is going on.

This red column shows how fast government was growing in the 7 years before we got here in 1995, and the blue column shows how fast it is growing now. Now, it is important in the blue column to realize that it is still going up. Government spending is still going up.

So when we talk about the truly needy people in this Nation, these programs are not being cut and annihilated and all those bad words that we heard in the last Congress. That is not what is going on. Government spending in fact is going up, and in a very organized and direct and caring manner.

Government is learning to control the rate of growth of spending. It is learning that instead of growing at 5½ percent it can only grow 3½ percent. And if it just controls the growth of spending, not radical cuts like we heard in the last 2 years, but just control the rate of growth of spending, that is what is going on here and that has led us to be on track and ahead of schedule as we look to balance our budget.

In the part of government that Washington controls the most, and there is a lot of parts to the budget, but the part that Washington controls the most is the part that probably many of our colleagues maybe even have never even heard of. It is called nondefense discretionary spending. That sounds like a complicated term. That is the part of government that includes everything except Medicare, Social Security. Those are called mandatory programs. Does not include interest. It includes that small part of government that we actually vote on year after year in the appropriations process.

In that area we can see in this chart, again the red column is how fast it was growing before we got here, and we can see how that growth has been slowed and actually in real dollars we can see what it was going up before in the red column and now it is actually shrinking. That is the part that is actually shrinking. When we ask how have we stayed on track and how are we able to do this harmoniously, we are now on this track and ahead of schedule and it puts us in a position where instead of demagoguing, one side to the other, and frankly both Republicans and Democrats have a tendency to do that to each other, but instead of doing that this year, we have stayed on track.

The track is laid in place and now we have to carry that through, and that is what the freshman class is such a very important part of.

I have one more chart that to me really says it all. It says hope for the future of this great Nation. It says our seniors can once again count on what they are expecting from government in Social Security and Medicare. It says our working families can expect to keep more of their own money instead of sending it to Washington. And it says our children can look forward to a bright future in this country.

This red line in this chart shows where the deficit was headed if there had been no laws changed in 1995. So if the 1995 laws were still on the book today, this red line shows us where the deficit was headed. In our first 12 months here they were very difficult. I compare them to a war. There were no bullets being fired, but it was just short of that, is what was going on.

In the first 12 months this red line got moved down to here. That is how much progress we made in terms of getting government spending under control. We also laid this plan into place to balance the budget. This green line shows our plan for deficit reduction, for getting to a balanced budget so that our children could once again have hope in the future of this great country we live in.

Remember the Gramm-Rudman-Hollings where we never hit the targets? This green line shows the targets that were laid into place in 1995. The blue line shows us what is actually happening. We are winning this battle that was started 2 years ago, and we are not only hitting the targets, we are exceeding our expectations in terms of reducing this deficit and to a balanced budget so that our seniors can again be confident that Medicare is there for them, that Social Security will be there for them, so that our working families can look forward to keeping more of their own money instead of sending it to Washington.

We are ahead of schedule so that our children in this great Nation we live in, and I have three of them, they are all teenagers, and I hope they are not too far away from starting their own families, but those children can now start thinking about the fact that this Nation is not going to destroy its economic future, but rather is going to get to a balanced budget, pay down the debt and now provide them with the opportunity to live the American dream.

It is not going to be given to them. It will have to be theirs through lots of hard work. They will have to get up in the morning, go to work every day, and work very, very hard, but they can look forward to a situation where instead of sending their paychecks to Washington, they get to keep them in their own homes and decide how they want to spend their own money.

□ 1815

That is what this chart is all about, and that is the track record that we are laying down for the American people.

Mr. HULSHOF. If the gentleman from Wisconsin [Mr. NEUMANN] would yield, before returning here to the Nation's Capital, as we had this debate yesterday, I had the privilege to stop by one of the schools in my district, Ashland School, and I spoke with a ninth grade class. It was their Government class. We were talking about issues, and I was really trying to put it in terms that they could understand.

They were asking what are we going to be addressing this week. I told them I thought it was going to be quite historic because I believe we were going to pass a budget resolution with a lot of

support from the other side as well as from our side that would finally get us on the path that unfortunately we had gotten off of in the past couple of decades and trying to boil that down in terms that they could understand.

These were 14- and 15-year-olds and some 16-year-olds not yet old enough to vote but some of them starting to get their cars. So we started to put it in real terms. I mentioned to them that, if we took the Federal debt, this big number, and if we divided it up by every man, every woman, every child, every ninth-grader across this country, that each one would owe us or have to pay somewhere in the neighborhood of about $20,000. And suddenly their eyes popped wide open because we started talking about some of the things that they could actually purchase, or some of them that were beginning to work and trying to get some money to purchase a car that suddenly this was a very real figure to them.

So they wanted me to come here and say fix this problem. I think the gentleman from Wisconsin [Mr. NEUMANN] has talked about, I think, the plan to do that.

I see that my friend, the gentleman from Colorado [Mr. BOB SCHAFFER] is here, who also has been a tireless worker in this effort. I would be happy to yield to my colleague.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I thank the gentleman for yielding.

This theme that my colleague mentions of the incredible debt that every single American owes right now just to the principal on the debt is something that really gets one's attention when confronted with it. But it is not just that debt, that immediate $20,000 that we all owe today.

In fact, I have mentioned this before. My wife and I just had our fourth child a fewer months ago; and on the date of her birth, she owed $19,700 to the Federal debt. That was her obligation. And that is true of any child born today. But we cannot just stop at the debt. Again, that is just the principal.

Mr. Speaker, when we look at what that child is obligated to the pay over the course of his or her working life on the interest on that debt, it amounts to approximately over $200,000, again over the course of that child's working life. Now, that is assuming, as the gentleman from Wisconsin [Mr. NEUMANN] pointed out, the red line here.

That is if the Government continued to run on as it did until the Republicans showed up here that the interest on that debt would have continued to climb and continue to be an insurmountable burden for every single child in America. But that line is changing and that is really the positive and the optimistic portion that we need to focus on today.

We are really changing that number, that $200,000 obligation that we heard over and over and over again on the interest on the debt is contemplated in this budget agreement that we are moving through Congress right now. We are, in fact, lowering the burden and making it possible to pay that debt off sooner than any Congress prior to us had ever contemplated and ever envisioned. That is really what is exciting, what I hope people focus on and take into consideration as they decide where they may stand on this issue and watch it move through.

Mr. Speaker, I would like to point out a couple things. I prepared some notes ahead of time. For those of us who care about children or have children or are concerned about children in our districts and our neighbors' children and grandchildren, and so on, I hope we think about them at this particular point. That is the object of our attention when we are constructing this budget and moving it through this process.

President Hoover once sardonically observed, he said, ''Blessed are the young, for they shall inherit the national debt.'' Now, Americans of my generation have frankly done somewhat of a disservice to those children, because frankly, up until just a few years ago, this Congress has not had the courage to pay for the things that we want right now. We figured that my daughters and our children and everybody else's children would not mind paying for the things we want right now, we would just pass the bill on to them.

We have not been paying our debt as we go, and we have been shrugging it off on our children. But we must begin to pay as we go before it is too late, before we have condemned our children to a lifetime of exorbitant tax rates and bankrupt entitlement programs. It is incumbent on all of us as we step up to the plate and take responsibility for our Nation's future. We have come a long way, but we still have a long way to go.

This balanced budget agreement between congressional Republicans and President Clinton is an important first step, but it is no more than a first step. If we are to ensure the long-term solvency of entitlement programs like Medicare and Social Security, if we are to ensure that not only that the budget stays balanced but that we begin to pay off that enormous national debt that I spoke of, then there is still much work ahead of us.

I would be kidding if I said that all or even most of our disagreements have been resolved. They have not been resolved. But slowly, steadily we are making progress. And faced with the prospect of government growing larger and larger each year, like a snowball rolling downhill, we have stood in its path, held up our arms, and demanded that it stopped. We have slowed the run-away growth of Medicare and Medicaid spending and returned more power to the States and to the local governments and to the American people.

Everyone knows that the bipartisan balanced budget agreement is not perfect. It does not provide working Americans with as much tax relief as I would have liked to have had. Government spending is not restrained as much as I think it ought to be. Washington, DC, still wields too much power and authority and influence over our lives, and the Federal Government is too large. There is still much work to be done. Returning power and authority back to the States and the communities and individuals themselves, we need to do all that.

We are nowhere near being finished. The agreement does represent a good start. It is the first real hope of getting our country out of the red ink and back into the path of fiscal sanity. The balanced budget agreement is not perfect, but we still must not allow the perfect to be the enemy of the good. Every American will feel the practical, real-world effects of a balanced Federal budget through lower interest rates, greater economic growth, and a higher standard of living. In terms of the money in our pockets at the end of the workday, a balanced budget is the greatest tax cut of all.

Mr. Speaker, the day we have sought for so long has finally arrived. Of course, there are those on both sides of the debate who are quite unhappy with the bipartisan budget compromise. Much grumbling has been heard from the peanut gallery. The cynics and the press have taken their shots at the agreement, as well. Fair enough, let them take exception. No one has ever claimed the balanced budget agreement is perfect. But balancing the budget is a goal. It is a goal that is too important to let it elude us once more just because the best agreement that we could reach with the President does not go far enough. It is a start.

Remember, it was 28 years, it has been 28 years since Richard Nixon first took office that we have been trying and failing to balance the Federal books. Enough is enough. We cannot permit the annual flood of red ink to capsize the ship of state. There will be another day to argue for the rest of the Republican agenda. But today, let us say there will be no more debt. The better part of valor is discretion. We must take other victories small and large as we find them. And this bipartisan agreement with President Clinton is a victory, not only for Republican ideals, but for the American people.

Mr. HULSHOF. If the gentleman would yield, I think the point is significant that 1969 was an amazing year. That was the year that the Mets won the series. It was the year that Neil Armstrong first walked on the surface of the Moon. And it was the last time that the Federal Government passed on to the American people a balanced budget.

Mr. NEUMANN. If the gentleman would yield, I had the wonderful privilege of having my wife here in Washington, which does not happen very often, and she is here tonight. In 1969 I was a sophomore in high school, as was

she, and we were dating each other. And that is a while back at this point in time in my life. So I believe we started going steady in 1969, so it is a very memorable year.

Mr. HULSHOF. Well, just as Mr. Armstrong uttered those words that are etched in history, ''one small step for man and one giant leap for mankind,'' I am hopeful that what we accomplished early this morning as far as this bipartisan agreement will be at least a step toward another historic milestone.

I would be happy to yield to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. I thank the gentleman from Missouri [Mr. HULSHOF] for yielding. It is interesting that we passed the balanced budget agreement today, because it seems like years ago when we were up 24 hours doing what we have been doing.

I wanted to speak specifically on the tax relief portion of it, because for too long Americans have sent far too much of their hard-earned dollars to Washington, DC. This bipartisan balanced budget agreement provides for the first time significant tax relief and serves as a first step toward reducing the outrageous tax burden on American middle-class families.

The agreement guarantees that American families will get a tax relief that they desperately need. It provides new tax credits for higher education and a reduction in the death tax, and it also gives capital gains tax relief that will end double taxation and spur an explosion of economic growth and bring new jobs and renewed prosperity to the working people all around America.

Perhaps the most important, however, is that the balanced budget agreement finally makes one of the key promises of the Contract With America a reality. At last, it gives a long overdue $500 per child tax credit to American working families.

So let me say to all the parents struggling to make ends meet, the parents who burn the candles at both ends in order to put food on the table, the parents who sacrifice their own needs and give everything that they have got to make sure their children have a bright opportunity, we have finally heard you and we have finally done something about it. We recognize that nothing we say or do in Congress is as important as the daily work you undertake, the work of raising the next generations of Americans. We have no more right to take such a large chunk out of your paycheck each month as we would to snatch the bread directly out of the mouths of your children.

Mr. Speaker, being a mom or dad is the most sacred obligation and the most awesome responsibility that anyone can possibly assume. Family is the backbone not only of this great Nation but of all civil society. It was Aristotle who observed that the state is made up of households. Without strong households, even a nation as mighty as the United States will surely crumble.

The Republicans' $500 per child tax credit will allow families to keep an extra $500 of their own money for each child. That is $500 that parents themselves will be spending on their children's welfare instead of giving it to Washington bureaucrats.

I do not doubt that almost every family in America will spend that $500 more wisely than we would in Washington. It is hard to raise a family these days. I know, I am a father of four children, and my wife and I work constantly trying to do the right things for our kids. It is very, very difficult. But the world is complicated, probably more complicated and more threatening than when I was being raised in the 1960's and the 1970's, and parents have to work harder.

It seems like everybody has two-income families. And sometimes parents, moms and dads, are just ships crossing in the night and they do not get to sit down at the family dinner table anymore and impart information from generation to generation. But it is very, very important that we do, that we spend time as the family unit together.

Family tax credit is Washington, not just returning money back to the family, not taking money from the family, but actually returning power and responsibility back to the moms and the dads and also saying, because we are going to be taking less from you, you will be able to spend a little bit more time with each other.

Mr. Speaker, let me yield back. I wanted to make a few other points, but I think it is just so important that we all recognize that part of it. And again, balancing the budget is not about numbers, it is about people.

Mr. HULSHOF. Mr. Speaker, I appreciate the gentleman joining us on this day as we continue to wrap up and talk about what I think is probably going to be looked back upon as one of the most important positive steps that we have made, certainly in this Congress.

I think the gentleman from Georgia [Mr. KINGSTON] makes a good point. I am privileged to serve on the Committee on Ways and Means, which, among other areas of jurisdiction, tax relief is one of the things that we will be dealing with. And I was engaged in a dialog with a Member on the other side, another member of the Committee on Ways and Means, who was talking about how much that a certain item was going to cost Washington in revenue. And my response, perhaps because as a wide-eyed new Member, but my response was, well, Washington's loss is the American family's gain. I think that this plan does include much needed relief, as the gentleman has pointed out.

Mr. NEUMANN. Mr. Speaker, I will just point out one or two additions to this, and it certainly relates directly to the idea of people keeping more of their own money as opposed to sending it to Washington. Did my colleagues know today the Federal Government in Washington, DC is spending about $6,500 on behalf of every man, woman, and child in America?

So when we talk about these tax cuts or we talk about people keeping more of their own money, they are already sending $6,500 per person for every man, woman, and child in the United States of America. That is the equivalent of how much this Government spends today.

When we talk about tax cuts, the real question we should be asking ourselves is, do we think Washington could get by on, say, $6,000 for every man, woman, and child? It almost gets to be laughable when we talk about it, if it was not sad that we are taking that much money from our families, and if it was not for the burden that taking that money from our families places on us and the strains that those things place on our families.

□ 1830

I have just one more thing, and then a few notes here that I would like to go through. This past weekend I had an opportunity to talk to one of our family's friends from church. They have got three kids. We were talking about these tax cuts. The tax cuts to them are very, very real, the idea of the fact that they have two kids still living at home, that they would receive $500 per child. They are middle-income people. I do not know exactly their salary, but it is between probably $30,000 and $50,000 a year. The idea that they would get to keep $500 per child more of their own money in Wisconsin, in their home, in their family as opposed to sending it out to Washington, that is an important idea to them. They have one in college. Of course, the college tax credit would also be part of that.

I have a few notes that I just want to run through. This whole debate is really about less Government, not more. In the 1990's, America has engaged in a great national debate about the roles and the responsibilities of Government. Liberals and conservatives, Republicans and Democrats alike, we have argued and argued about the role and the scope of Government. The questions we have debated so furiously, sometimes bitterly, but always with conviction, is how to solve America's problems: By ceding more power and authority to Washington, DC, or by retaining it in the States and local communities, in the churches and in our families?

As Republicans, we have always argued for a less centralized bureaucratic control and more individual liberty. We believe that in the affairs of State, it is always preferable to err on the side of freedom. The bigger a nation's government, the more it taxes citizens, the less freedoms that society will enjoy. As Republicans, freedom has been our greatest cause and freedom cannot coexist with a bloated, wasteful, corrupt Washington that inserts its tentacles into every aspect of our lives.

It is wrong for the U.S. Government to spend more money each year than it

takes in in taxes. It is wrong for politicians to load down our children and our grandchildren with a debt tomorrow so they can avoid making the hard choices today. It is wrong to continue blindly down the same perilous path that we have been on for almost 30 years.

In 1980, Ronald Reagan told us that Government was not the solution, Government was part of the problem. He pledged to get Government off the backs of the American people, to restore freedom, that alone could make the United States that shining city on the hill once again. He transformed not only the Republican Party but the entire national debate. The basic question that has dominated American politics since Ronald Reagan's election has finally been answered. America's problems can best be solved by less Government, not more.

We have won the battle of ideas. President Clinton himself has declared that the era of big Government is over. Political leaders on both sides of the aisle understand that while Government does do many good things, it cannot do everything. Even if Government could solve all of America's problems, and it cannot, even if Government did not threaten our individual freedoms, and it does, we can no longer afford it. I think that brings us back to what we were discussing before. When we start thinking about every man, woman, and child in America paying something like $6,500 a year just to pay their taxes to this Government, we begin to understand the impact of this over-Government-spending on our families in this great Nation. A lot of people do not even realize when they are all paying taxes, when you talk in the store and buy a loaf of bread, the storeowner makes a small profit on that money that you paid him or her for that loaf of bread. When they make that small profit, part of that profit comes to Washington in the form of taxes. When it is all over and done with, this Government is collecting an average of $6,500 for every man, woman, and child in America, every year, to fund the programs that it is currently running.

That is what we are talking about when we are talking about controlling the size and scope of this Government. We are talking about reeling in spending so that we do not have to continue collecting that much money from our families and placing that great a burden on our families today financially.

Mr. HULSHOF. Mr. Speaker, I think the gentleman makes an excellent point that oftentimes these taxes are in the form of fees that are actually hidden in some forms.

I had a radio townhall meeting that was focused on Tax Day. We were just talking about all different types of tax issues. A gentleman made a point, he said, I am puzzled because I hear you in Washington talking on the floor of the House and in other ways that we are paying more in taxes than we do for food, clothing, and shelter combined. He had just figured out his individual income tax form. He said, ''I'm only paying 21 percent. I don't understand how it is that you can make this claim.''

The point was as we tried to explain to him was that many of these taxes are actually hidden and we do not write out a check as we do to Uncle Sam on April 15. For instance, this morning many of us who grabbed our first cup of coffee, we paid a tax. When we drove to work this morning, we paid a gas tax. Of course, we pay income taxes on our salaries. For those of us fortunate enough to pursue the American dream and to be able to own a home, we are going to pay property tax, not to mention the payroll taxes and workers compensation taxes and fees and then, as the gentleman mentioned earlier, when we die, there is the Government with its hand out wanting a death tax. That is the large picture of all of these different fees and taxes that the Government has very cleverly put on us as a burden and how it is that we end up paying this burden that we are trying to provide relief for.

Mr. Speaker, I yield to the gentleman from South Dakota who was also debating very vigorously well into the morning.

Mr. THUNE. I want to thank my friend from Missouri, our very distinguished freshman class president, a member of the Committee on Ways and Means. It is a great privilege to be here this evening, a little earlier in the evening than we were last night, but again following up on some of the discussion that was held in talking about what is truly an historic occasion for this country and something that I think is this incredible accomplishment for the future of our kids and our grandkids.

The gentleman mentioned taxes. We are very tax-happy in this country. One of the things that occurs to me is I do believe that in many ways, taxes have a very subtle, insidious effect. In many ways we do not see the effect of the taxes when we pay them.

The gentleman alluded to some specific instances where we end up paying taxes and many times are not even aware that that is the case. It strikes me that there are some things in this particular proposal, the plan that we approved last night, which are just going to be tremendous benefits to people all over this country. I think of those in my own State. Of course, our State is primarily agriculture and small businesses. We have a lot of family farms, we have a lot of small businesses on the main streets of South Dakota, and things that are going to really benefit an area like that.

We talk a lot about preserving the culture of the family farm in America. One of the big deterrents to that is the fact that when someone dies, we have a death tax. It is very difficult to pass it on. In many cases, those properties have to be liquidated just to pay the Federal Government what is due in taxes. I think that bringing some relief in the area of death taxes is an incredibly important step in this process and it is something that certainly will benefit the farmers, the small businesspeople, the people who make their living off the land in my home State of South Dakota.

I would also say that the capital gains tax relief that is incorporated in this package is something, again, that is going to help those very same people. Those are the people who create the jobs, create the wealth, provide the opportunities and keep this country's economy moving forward. I believe, again, if we can somehow bring some tax relief, that will give them the opportunity to do what they do best, and that is to continue to promote and allow the entrepreneurial spirit in this country to thrive.

Just a couple of thoughts, if I might. I think that the beauty of this thing is that a Democrat President and a Republican Congress have finally agreed on a plan to balance the budget by 2002, erasing the annual deficits that darken our children's future like a black cloud. Most of us I think would say, ''It's about time.'' At last the politicians have stopped fighting; if only for a moment, have actually started working together for a change, doing what needs to get done.

As I walked up and down the streets of my State in South Dakota, and I would suspect that it was the gentleman's experience as well, one of the things that we heard repeatedly is, ''Can't you people in Washington work together in a cooperative bipartisan way to solve these problems?'' I might say, too, as well, that for those of us who have been here a very short time, members of the freshman class, both political parties for 28 years, we have not been able to get to a balanced budget and we arrived on the scene. I think that speaks very well for the freshman class this year. I know there are a lot of people who have been a part of this process for a long time and who have been committed to it as well.

Most Americans, I believe, think we ought to put partisanship aside, roll up our sleeves and go to work solving the Nation's fiscal problems. They like the idea, at least I think the 1996 elections suggested this, of a political party from one side in the White House and a Congress from the other, swallowing their pride, holding their noses if the case need be, and meeting each other halfway for the good of the country.

The Democrats have joined the Republicans in agreeing that the United States must get its fiscal house in order. We have finally come to understand that to avoid doing so is not only bad policy but it is immoral as well.

I think a new consensus is emerging in this country, a consensus of common sense, of fiscal restraint born of the realization that our children's future depends on an economy free of crippling deficits and a skyrocketing national debt. As Thomas Jefferson once said, it

is incumbent on every generation to pay its own debt as it goes.

Republicans and Democrats have finally stopped bickering and come together to find solutions to our most chronic of economic problems. Where we can find common ground, where we can agree on solutions, we have acted to cut spending and to provide tax relief for American families. Where we are still far apart, and we are in some areas, we have done the best that we could.

The American people, I believe, are tired of tantrums, they are tired of accusations and name-calling and intransigence on Capitol Hill. They demand that we cooperate, that Republicans and Democrats alike work together to find common solutions to our problems. We Republicans gave a little. The Democrats gave a little. We agreed to support some of the President's domestic initiatives and he agreed to respect our priorities.

I think critics on both the left and the right have denounced the bipartisan balanced budget agreement because it does not fully satisfy all their demands. They are absolutely right. The budget agreement cannot be all things to all people. It is, indeed, a compromise, but compromise, after all, is a prerequisite of democratic government. Without compromise, there can be no progress.

One sign that the balanced budget agreement is a good one is that no one is completely satisfied with it. Everyone, Democrats and Republicans, Congressmen and Senators, can think of ways the agreement should be altered to make it more to his or her liking. There is a time for ideology and a time for practical wisdom. There is a time for fiery rhetoric and a time for calm and reasoned accommodation. There is a time for speechmaking and there is a time for action.

It is time to act. We have compromised on specifics, on details, without compromising our principles, for there are certain core principles, I believe, that Republicans will never compromise on. We will never compromise on the principles of limited government and individual freedom. The balanced budget agreement represents a critical first step. Keeping our principles always in sight, we need to move forward together.

I think that leaves us with one final question; that is, where do we go from here? I think it is important that we look down the road because we have achieved a great milestone. Reducing the size of the Federal Government, reforming entitlements, revamping the Tax Code, all of these goals are extremely important and they have not been forgotten. But the importance of the balanced budget amendment should not be underestimated. The road ahead of us is a long and an arduous one. As conservatives, we look at this budget agreement as a promising beginning and nothing more.

Much of this year will be spent implementing the provisions of the understanding between congressional Republicans and President Clinton and writing the terms of this agreement into law. This is only a starting point. We have no time to waste congratulating ourselves.

Where we can agree, we still need to work together, and we will work together. Where there remains disagreement, I say, let the debate begin; because if this were the end of the discussion, many of us might have reason for concern, but this is only the beginning of what will be a long process. The journey of 1,000 miles starts with a single step. Tomorrow there will be plenty of time for passionate debate, for uncompromising stands, and for further battles. So today let us join hands across the aisle and make that important first step together.

To my friend from Missouri, I look forward to working with him and the other members of our freshman class, some of whom are on the floor this evening, the gentleman from Colorado, Mr. BOB SCHAFFER, a very distinguished member of our class, to do the things that are important, to see that we implement the promises that have been made, that we continue to stand firm on the principles that we believe in and the things that we talked about, and the reason that we are here today.

We have something which I think is just absolutely an historic start, and I look forward to continuing down the road toward fiscal responsibility and fiscal sanity in this country. I think it is the right thing to do, for our kids and for our grandkids.

Mr. HULSHOF. I appreciate the gentleman's words. I think very eloquently stated.

I yield to the gentleman from Colorado.

□ 1845

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I appreciate the gentleman. I want to continue on the observations that the gentleman from South Dakota observed.

Mr. Speaker, we talk about what cutting spending and slowing the rate of growth in government means for the American people, and it really is dollars in the pockets of American families and American individuals. Well, this is how this works. What occurred in 1995 when the Republicans took over the Congress and began to become serious and make this institution serious about shrinking the size of the Federal Government, the impact of that was to put more cash, more wealth not in Washington's pocket, not centralized here in Washington, DC, and in big government, but to move that wealth out to the country again and put it back in the hands of the people who are earning it and working hard, who, in fact, spend those dollars more wisely and better on things that are more important for their children, for their farms, for their businesses and so on.

When you look at these blue bars here; again this is the levels of the deficit, and these are the charts of the gentleman from Wisconsin [Mr. NEUMANN] that was here a few minutes ago. The red lines, the red bars, are what in 1995, under the Republican plan, what we projected our deficit to be. As you can see, our deficits are much lower all the way out through 2002 as a result of less spending.

Now this was far and above beyond our projections and our hopes and what we had aspired to accomplish with deficit reduction, and again what this shows: this was a surprise to many people, so there are many people that still do not believe this. They still cannot believe that the deficit actually shrunk more than we had hoped, even with the new Congress taking over back in 1995. And we expect that to go down even more.

This is the real effect of moving wealth out of Washington and strengthening the financial positions of every American family, not by giving families handouts or by giving more Federal benefits or creating more government programs, but just by leaving people alone, just by taxing them less, by allowing the dollars in their pockets to be more productive.

And you know the deficit projections, even the blue bars that we have projected out in 1998, 1999, 2000, 2001 and way over there at the end in 2002, and let me point that out. This way over here at the end, the far left of the graph in 2002, you cannot see the line here, right over there. That is because we projected that deficit will be a negative deficit in 2002 by about $1 billion at this point in time. But even these projections have the possibility, the outside prospect, of even coming in lower than we project here today.

Now these are conservative numbers because we are a conservative legislature. We want to be careful. We do not want to over promise and then end up under delivering at some point in time. But just as these projections here for declining deficits were far surpassed and far exceeded by reducing the deficit more than we had anticipated, that opportunity, that chance, still exists here. In fact, if the economy continues to perform as strong as it is today over that next 7-year period out to 2002, we will see deficits come into a balanced budget period before the end of the decade. And again that is all predicated on some assumptions that turning wealth, turning authority, turning of power away from Washington, DC, and toward the States and toward families and communities is in the long run beneficial for communities.

Now the gentleman from Missouri mentioned tax cuts before. You know, many people did not believe this either. They did not believe that we could actually cut taxes and see us glide, put ourselves on a glidepath towards a balanced budget. Even the President during the course of the 1996 campaign said this is ridiculous, you cannot cut taxes and balance the budget at the same time. But, lo and behold, we come

here to Washington, and when forced to compromise and sit down at the table with reasonable Republicans and those who understand full well the economic history of America, that President came to the conclusion that cutting taxes is indeed necessary to achieve our common goal of balancing the budget.

Now there are those, as we mentioned before, in the outside, the fringes, of those represented here in this body who oppose the idea of tax cutting. They do not want to put more authority into the hands of families throughout the country. They like holding it here because it puts them in charge here in Washington and in the Congress.

Well, fortunately this morning, when we voted on this package, the reasonable voters, the reasonable thinkers, the reasonable Members of Congress who are dedicated to balancing the budget, came to their right conclusion, that cutting taxes, reducing spending, reforming entitlements and making government smarter will accomplish a balanced budget by 2002. That is the promise of the agreement that was reached this morning and that was confirmed by this House and will soon be, I am confident, over in the Senate as well.

It is the capital gains tax, the inheritance tax, the $500 per child tax credit, the tax relief for college students, families who send their children to college, those kinds of reductions in tax policy, that tax relief that we provide to families, that is the seed corn that really helps us start our economic engine to go a little faster, to be a little more productive, to run a little stronger.

This case was proven a couple times. There are many economists and many liberal thinkers who really believe that when you move authority out of Washington that it causes the country to undergo some kind of damage. But President Kennedy, a Democrat; President Reagan, a Republican, both proved to the American people that when you cut tax rates, you effectively increase tax revenues to the Federal Government.

Now what I mean by that is that when you tax people less, they go out and make better investments. They pour their income and their wealth into more productive activities. They buy new businesses, they buy that new piece of equipment that allows you to be more efficient, they put their child or their children into better schools, or maybe go invest in getting the better college degree, or getting the masters degree and so on. They put this wealth into more productive activities.

What President Kennedy and President Reagan proved is that this trend is something we should expect that is a real promise to the American people. Cutting spending, cutting taxation, making government more efficient results in more liberty, results in more wealth for the American family, more independence and more freedom.

Mr. HULSHOF. Mr. Speaker, I think this is a point worth visiting about.

You know, the economic pundits, some of the political pundits have really in the last weeks, you know, have had a heyday with poking holes in and pointing out some parts, perhaps, of the agreement that they do not choose to support. Some economists talk about or mention the fact that our economy, granted, has been very strong for a period of time but that it is living on borrowed time, that if you look back in history that surely there is, you know, perhaps a downturn ahead.

But I think the gentleman is dead on with this point, that looking back at history, whether it is a modest cut in the capital gains tax rate, and we do not know what that is going to be or how extensive that is going to be, but I know even through the campaign and even beyond since being sworn in as a Member of this body people back in the Ninth Congressional District of Missouri have talked about holding on to capital assets. I have got a good friend, a gentleman who is in his mid sixties who worked a lifetime, his career, for Wal-Mart and accumulated through that company stock that he now cannot dispose of because he cannot take the hit that the capital gains tax rate would put on him and his family because they are really at a time their kids are grown and they are out of a house. But they are really trying to make it through retirement and trying to plan efficiently, and he by no means considers himself to be a wealthy American, and yet when you listen to these, you know, the pundits; you know they talk about tax breaks for the wealthy and this demagoguery, and I think the gentleman has a good point, and I yield back to him.

Mr. BOB SCHAFFER of Colorado. Well, tax cuts for the wealthy is really a joke when you hear people say that here because what we are talking about here is your average American.

I got to tell you I come from eastern Colorado. It is a very agrarian district, just farming and ranching is the primary industry, and when I go on farms and meet farmers and ranchers in the small towns in the eastern plains of Colorado, what they tell me is about the impact of the capital gains tax.

Now these are farmers who worked the land every day, they work hard. They are not wealthy; these are not rich people. If you look at their portfolio, you might come to that conclusion, but all of their assets, all of their hard earned income, is invested back into the farm, back into equipment. You know, expensive equipment, poured into the costs of just maintaining land any more with high property taxes, Endangered Species Act that you have to comply with, endless rules and regulations that come out of Washington. By the time the day is over the farmer has very little to show for the hard work that they have poured into their labor, but the impact of the capital gains tax is one that is critically important if they want to sell a certain portion of their farm, if they want to sell equipment, if they want to sell a home, sell anything tall of value that they have accumulated.

First of all, they paid income on the income that they earned in the first place to put into those investments, and then when we cause that farmer to pay again on the capital gains and the value of those assets, we tax that farmer twice. It increases the failure rate of farms throughout the country, it increases the price of food and the price of production for consumers.

Mr. Speaker, a capital gains tax cut is not about helping the rich, it is about helping me, it is about helping you, it is about helping just about anybody we meet on any given day as a Congressman in our district relating to constituents.

And the inheritance tax, the same applies there as well. Again we have farmers with large acreages that when the farmer gets old and decides that he wants to get out of the business and leave the farm to his children, it is virtually impossible to keep that land in production any more. The cost of inheritance tax at over 50 percent of the value of a farm and the assets makes it almost just out of the question to have one of the children continue to keep that land in production.

So these taxes, by cutting those taxes, we really will see the economy perform in a way that I described before that allow us to achieve these goals and objectives of lowering the deficit and eventually getting to the point where we begin to put more and more emphasis on paying off the national debt which is another huge problem that does need to be dealt with.

But seeing a very liberal President like Bill Clinton and a conservative Congress like that we represent here come together to agree that the American people sent, for some reason sent a liberal President, a conservative Congress, they sent us all back here to Washington and stirred us up and said please get the job done, balance the budget. The fact that we have been able to come from those two positions to the center in such a commonsense approach that you see here represented today is a great day for America.

Mr. Speaker, I really believe that. We really are making life more promising for American children, for my kids, for your kids and for all those that we care about in our districts and throughout the country.

Mr. HULSHOF. I see, Mr. Speaker, our time is just about to elapse.

House Concurrent Resolution 84 will never become a household phrase, does not fall trippingly off the tongue, but that is the resolution that passed early this morning, about 3:30 this morning, by a 333 vote to 99 margin. This is a plan that will balance our Federal budget. It is going to restore economic freedom and opportunities for all Americans.

To sum up what we have talked about, Mr. Speaker, this agreement saves and protects Medicare for the next decade which insures that older Americans will continue to have access to quality health care. Family farms and family businesses will finally have relief from the very punitive Federal inheritance tax. The forthcoming budget also calls for a reduction on the tax and savings and investment, otherwise known as capital gains which will create additional economic growth as we have discussed. There will be education initiatives for families who are wanting to put kids through school, additional funds available for Pell grants and moneys, much needed moneys, some $9 billion more for roads, for bridges and for infrastructure. Those are additional moneys, $8 billion over and above what the administration requested.

This is a win-win budget.

You know there was a lot of passionate debate, and I am honored the debate went well into the evening last night and early this morning. In fact this morning I have been answering some questions today because there were several substitute amendments and some have asked me why did you not support this version or that substitute amendment or that particular one; why did you support this one? And it was difficult for me to describe a day that happened a couple of weeks ago where we had had a very contentious day in this House, it had really been a tough day, debate had really become somewhat partisan, and I choose, Mr. Speaker, rather than going through the tunnel and walking through the maze back to my office over in Longworth, I decided on that day to walk out the front door out into the sunshine. It was a beautiful spring day; the clouds, not a cloud in the sky, a beautiful crisp day here in Washington, DC, and as I burst out the front doors of this House out into the sunshine, at the bottom of the steps of this Capitol there were about 35 or 40 high school students all dressed in their school colors, and their choir director facing them, and they were singing a four part harmony medley of patriotic songs.

And in that instance, in that instant moment, suddenly the divisive debate melted away, and I thought of that moment, Mr. Speaker, last night, as we left the Chamber about 3:30 in the morning, because what we accomplished here last night was for those students and students and men and women all across this country just like them.

This is truly a historic day for them and for all Americans.

THE DEMOCRATS' EDUCATION AGENDA

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, tonight I want to talk about the Democrats' education agenda. As many Americans know by now late last night the House passed a budget agreement that would balance the Federal budget by the year 2002, and this agreement was very much a compromise between Democrats and Republicans. Like any compromise, it does not have everything that both sides wanted, and while I voted for the agreement and I am pleased that it addresses some of the country's most pressing education needs, I want to stress that I believe strongly that there is a lot more work that needs to be done.

☐ 1900

As I said, however, there are a number of positive developments in this budget agreement with respect to education. The President's America Reads Program was included; this $2.75 billion program aims to teach every child in the country to be able to read independently by the end of the third grade.

Other elements of the Democrats' education agenda that are a part of this budget agreement include an expansion of Head Start. One million children will be covered in Head Start by the year 2002.

The President's technology literacy challenge fund will also will be fully funded. It will play an invaluable part in preparing our children for the future by teaching them how to use computer and other technologies and giving them the resources on which to learn. Every classroom in America will be connected to the information superhighway, every teacher will receive the needed training, and all students and teachers will have access to the needed technology.

For higher education, which is obviously very important, the budget agreement includes $35 billion in targeted tax cuts. This $35 billion includes cuts consistent with the Democrats' family first agenda and the President's HOPE scholarship and tuition tax deduction proposals.

These tax cuts have been a major part of an education agenda the Democrats have been pursuing for some 2 years, and they are an important component of our larger plan to make everyday life more affordable for the average working American family.

The agreement, I should say, Mr. Speaker, also includes a $300 increase in the Pell grant award and that increase brings the maximum Pell grant award to $3,000.

Mr. Speaker, I want to stress again that the inclusion of these items in the balanced budget agreement is without question a vindication for Democrats. President Clinton and congressional Democrats place education at the very top of the country's priority list, and we have been successful in getting some, and again I will stress some, of our goals accomplished.

I have alluded a number of times to this notion that there is still work to be done with respect to education, and I can use the Pell Grant Program, I think, as an excellent example of that. While the $300 increase in the budget represents the largest such increase in over two decades, the fact of the matter is that a much larger increase is needed.

I know that there are many students in this country that depend upon the Pell grant, and the Pell grant is essentially the cornerstone of all of our student aid programs. It is a means through which millions of students who would otherwise have been unable to attend college have been able to attend college. But a lack of adequate increase in the program over the years has resulted in a substantial decrease in the real value of Pell grants.

It is very easy to understand. Basically what we are saying is that even though the amount available for the Pell grant has increased, inflation has been much higher than the amount of the increase that the Federal Government has been providing. So if you look to a January 1997 report from the Congressional Research Service, it says that although the maximum grant level increased by 34 percent from 1980 to 1997, after you adjust that for inflation, the real value actually decreased by 13 percent. Increases, again, in the Pell grant funds have not kept up with inflation.

This has obviously made it very difficult for students dependent on such grants to meet the cost of college. At a New Jersey State university, Rutgers, which is in my home district, 8,498 of the approximately 20,000 students receiving Federal aid received a Pell grant during the last academic year. However, these students as well as millions like them in schools across the country would obviously have had an easier time paying for college if we could simply keep the Pell grant funding levels even with inflation. We can see, of 20,000 students at Rutgers, this is really almost getting close to 50 percent that depend on the Pell grant and have found that they cannot keep up with inflation with the grant that they are getting.

Now, another issue that I am concerned about is the potential inability of tax benefits to help those on the lowest end of the income scale. In other words, I, for one, am very much in favor of the education tax cuts that have been promised as part of this budget resolution, but the problem always is that tax cuts or even tax credits are not that helpful if one is not paying taxes. So again, as valuable as they are, they are not addressing those on the lowest end of the income scale.

What we are saying then is we need to look beyond, if you will, and target more, if we can, to lower-income people who no longer have any tax liability to pay for college.

Still another important element of our education agenda that was not included in the budget agreement was school construction. Those of us of the