

COMMUNICATION FROM STAFF  
MEMBER OF CHIEF ADMINISTRATIVE  
OFFICER OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from Kay Ford, Associate Administrator of the Office of Human Resources of the House of Representatives:

OFFICE OF THE CHIEF ADMINISTRATIVE  
OFFICER, U.S. HOUSE OF REPRESENTATIVES,

Washington, DC, October 14, 1998.

Hon. NEWT GINGRICH,

Speaker of the House, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that the Office of the Chief Administrator has been served with a subpoena issued by the Superior Court of the District of Columbia.

After consultation with the General Counsel, I will make the determinations required by Rule L (50).

Sincerely,

KAY FORD,

Associate Administrator, Office  
of Human Resources.

THE BUDGET AGREEMENT AND  
THE ACHIEVEMENTS OF THE  
105TH CONGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Georgia (Mr. GINGRICH) is recognized for 60 minutes as the designee of the majority leader.

Mr. GINGRICH. Mr. Speaker, I want to talk about the budget agreement and the achievements of this Congress. This is probably the next to the last day that we will be in session, and it seems to me appropriate to look back, not just over the last 2 years, but over the last 4 years, because this is sort of the end of phase two of what has been a very dramatic change in policy.

Four years ago, for the first time in 40 years, since 1954, the American people asked a Republican leadership to take over the Congress. We came with a set of goals. We had campaigned on a Contract With America, where we said that we would balance the budget, reform welfare, cut taxes, strengthen defense. We worked very hard at that.

We had to learn a lot. No member of the Republican majority in the House had ever served in the majority as a Republican, except the late Bill Emerson, who was here as a page, a sophomore or junior in high school, when the Republicans were last in charge. So we did not know a great deal about the complexities of our system.

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We passed bills in the House. In fact, we met our commitment under the Contract With America, and we passed all the bills except one that was in the Contract within the first 93 days. But then they went to the Senate, and we learned the hard way that the other body can be more complex and more difficult. And then even when we worked out agreements with the Sen-

ate, we discovered that under the Constitution with the President's power of the veto, working things out between conservative Republicans and a liberal Democrat can be very complex.

One of the reasons I am so proud of the budget negotiations of the last few weeks is that I think we took into account that complex constitutional provision and we established an opportunity for us to continue to move in a direction we believe in, while recognizing the power of the President's veto pen and recognizing that on some issues the other body does not fully agree with us. This occurs, I think, in a backdrop of frankly pretty remarkable successes.

Probably the most powerful single items we campaigned on in 1994 were reforming welfare and balancing the budget. And the track record is clear. In the last Congress, we passed welfare reform three times. It was vetoed twice, and the third time it was signed into law.

Today, because of that Republican welfare reform bill signed by a Democratic President in a bipartisan effort, there are 3½ million fewer people on welfare, 3½ million more people in the private sector. That means we have been liberating poor people from being trapped in public housing, living on food stamps, and Aid to Families and Dependent Children. We have been giving them the kind of training, the kind of job opportunities, we have opened up for them the opportunity to go to live a better life with a better income, to have a chance to climb the ladder of opportunity.

But there was an important secondary effect which had been felt by every State government, most city governments, and now by the Federal Government. And that is when we take 3½ million people who have been living on welfare, drawing money from the government, and put them out into the private sector where they are paying taxes, we change the cash flow of the government very dramatically.

This has helped State after State. I noticed it in Montana. It had a 50 percent decline. There are counties in Oklahoma that have had a 70 percent decline in welfare rolls. In New York City, Mayor Rudy Giuliani has announced that his goal is to have no one on welfare after the year 2000. Every able-bodied adult will either be working or being trained to work, but no one will be sitting passively receiving welfare.

These are very dramatic changes. That was the number one change of the first 2 years that the Republicans were in charge of the Congress in this cycle.

But in that period, as powerful and as important as welfare reform was, it did not meet all of our goals. We were not strengthening defense. We were stopping the liberals from cutting defense, but we were not strengthening it. We were not cutting taxes. We had not balanced the budget.

So, we came back and last year, in a very difficult, very complex negotia-

tion with the President, at the end of July we reached a bipartisan agreement. And it was historic. Last year, we saved Medicare. We passed the entitlement reforms to balance the budget, and we cut taxes, including a cut in the capital gains tax to continue economic growth, giving us what will soon be the longest peacetime expansion in American history. Including a cut in the death tax as a step towards abolishing the death tax, because we do not believe it is right to punish parents and grandparents when they work and save all their lives by having them taxed when they die. Including a \$500 per child tax credit, which we had committed to in the Contract With America, because we believed, and do believe now, that it is important for parents to have the money in their take-home pay so that parents are in a position that they can spend the money on their children. And that is why we thought a \$500 per child tax credit was a good idea.

I happened to be with Governor Terry Branstad at one point when the septuplets were born, and we were talking about what it meant to have \$500 a year tax credit when a family has that many children, and how much they need the money and, as I went into, parents all over America who have two or three children who might be working at a job where that extra \$1,500 a year is a big deal. We are grateful and glad that we could pass and get signed into law the \$500 per child tax credit.

We also passed educational tax breaks last year, which the President proposed and we adopted together, and on a bipartisan basis we did some things that were good for education, particularly at the college and vocational-technical level.

Because we saved Medicare without raising the FICA tax, which would have killed jobs; because we reformed the entitlements and saved \$600 billion; because we were able to cut spending on the domestic discretionary side, and there I commend the gentleman from Louisiana (Mr. BOB LIVINGSTON) for his hard work; because we were able to cut taxes to continue economic growth, the budget in the fiscal year that just ended, fiscal year 1998, is balanced for the first time since 1969.

Now that is a tremendous achievement. \$71 billion is the current projection. We will know the exact number in a couple more weeks when the Treasury reports. But the estimate now is that the budget was balanced not in 2002, when we promised we would balance it; not in 2005, which was the President's proposal; it is balanced in 1998, 4 years ahead of schedule.

And of the \$71 billion, every penny will be put aside, actually to pay down the debt as a step toward saving Social Security. Every penny, the largest surplus, I think, in American history. And the important thing is, it is being followed this year, and we are now in fiscal 1999, the fiscal years run from October to October, now in this fiscal year,