

(4) When top management takes cuts, too.

She talks about the hiring freezes at lower levels, but not at the top.

(3) When nobody says "because we've always published this report."

"Hundreds of Federal documents," she says, "are published out of habit, not need."

No. 2, Madam President, as to how we will know the Government is being cut back:

When they take "solitaire" off the computer.

And (drum roll) the No. 1 way Federal workers will be able to tell when big Government is being cut: When there's nobody in the cafeteria at 2 p.m.

She says:

I believe the Federal culture can change. But does the GOP Congress have the guts to give the Federal bureaucracy a long-overdue kick in the pants? Some of us will be watching for the signs.

I found that amusing, and having served in the executive branch myself, somewhat familiar, Madam President.

I ask unanimous consent to have the entire article printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### A BUREAUCRAT'S GUIDE TO SMALLER GOVERNMENT

The following was sent in by a federal employee who asked to remain anonymous so she can keep her cushy government job:

Does tough, bureaucracy-busting talk from the new Congress and the White House scare the average federal worker? I'm a federal employee and have yet to see any signs of fear among my colleagues. Perhaps that's because I have yet to see any signs of real change in the federal government.

Yes, there are some grumblings about pensions. But we've seen administrations and Congresses come and go, with their blue-ribbon commissions on cutting budgets, pay and jobs. Yet, budgets always continue to grow, hiring expands, and people get paid more for doing less.

I recently asked a few of my federal-worker friends, "How will you know that the government is truly shrinking?" Here's our top 10 list:

(10) When the Equal Employment Opportunity (EEO) office has a layoff. Our EEO chief gets paid more than \$70,000 a year to coordinate "diversity" events and spout aphorisms at meetings. When that sacred cow gets a real job, I'll know the change has come. Which brings me to . . .

(9) No more paid time off for diversity or charity events. Today, the lazy but savvy employee can spend most of his or her workweek attending such vital events as Earth Week, Women's Equality Day, AIDS Awareness Day, or helping in the annual United Way shakedown.

Employees can get away with this because the federal culture, in general, lacks an urgency to produce. I'll know the cuts have had an impact when agencies like mine no longer can afford to have an \$80,000-a-year employee take "a few months off" to work on the United Way fund drive.

(8) When upper management is replaced for not making cuts fast enough. Politically appointed managers serve at the pleasure of the president. If he's displeased by an appointee's not being willing to cut, the appointee should go. Likewise, the appointee should threaten transfers or demotions to

senior civil servants who don't or won't hustle.

(7) When the entourage for agency heads disappears. My agency has about 600 people—small by federal standards. Even so, the guy who runs the place has a scheduler who's paid \$70,000 a year, a public-relations staff to write his speeches and press releases, and a clutch of assistants and advisers. These people are mostly civil servants, and they represent a bloat at the top as they pamper and package their boss. A congressman or senator can get by with fewer helpers. Why not a bureaucrat?

(6) When the newspaper subscriptions stop. Scientific or trade journals are one thing, but why does the federal government need to buy thousands of subscriptions to the Washington Post or the New York Times?

(5) When somebody gets canned—and quickly—for running a business from his desk. I saw my first answering machine in 1979 on the desk of a federal employee who was running a real estate business "on the side." Moonlighting on the job is still lucrative, as the chance of being punished, let alone fired, is very small. If the White House caves in to union pressure and won't push for streamlined firing procedures, then the Hill should do it and get these thieves off the payroll.

(4) When top management takes cuts too. Hiring freezes and "reductions-in-force" are two tricks politicians and upper-level civil servants use, probably because lower-level employees get shuffled around while the top-heavy structure remains intact. Corporate America has known for years that a flatter management structure is more efficient. A smaller budget coupled with a results-oriented Congress might do the trick for the federal sector.

(3) When nobody says "because we've always published this report." I heard Mike Espy did something right at the Agriculture Department. He stopped publishing the agency's yearbook because nobody read it. Hundreds of federal documents are published out of habit, not need.

The original need for all this paper came from the days when the federal government was one of the few reliable sources of information—and when the kind of information it provided was difficult to get otherwise. Economists call that "market failure," since the market couldn't give the service. Today, there is no market failure in information, thanks to modems and the Internet. Except for the Census (which is constitutionally mandated), the feds should stop handing out information for free, cut the staffs, and let the market take over.

(2) When they take "solitaire" off the computer. Gov. George Allen of Virginia did it to his state's computers, and he was right. He didn't think Virginia could afford to have such addictive time-wasters on people's desks, and the same goes for the federal government.

And (drum roll) the No. 1 way federal workers will be able to tell when big government is being cut: When there's nobody in the cafeteria at 2 p.m.

There's a story that now-Supreme Court Justice Clarence Thomas was hated when he was a commissioner at the Equal Employment Opportunity commission, because he would scour the coffee shops in the afternoons and order people back to work. Someday, I hope a manager will find an empty cafeteria at 2 p.m. because his employees can't afford to goof off.

I believe the federal culture can change. But does the GOP Congress have the guts to give the federal bureaucracy a long-overdue kick in the pants? Some of us will be watching for the signs.

#### SENATE VOTES \$16 BILLION IN CUTS

Mr. BENNETT. Now, Madam President, I rise this morning to talk about what happened in this Chamber last night.

I am interested in the fact that neither the Washington Post nor the New York Times—the paper that considers itself the paper of record in the United States—took proper notice of what happened here last night.

I would like to correct that and talk about it for just a minute. I have here a copy of the Washington Times, the upstart newspaper, and it says in the headline "Senate Votes 99 to 0 for \$16 Billion in Cuts."

Now, Madam President, we were here 2 years ago, when the Senate was fighting about \$16 billion—interesting symmetry in numbers—for a stimulus package which we were told was absolutely essential to get the economy on its feet. Indeed, we were told on this floor that if we did not pass this stimulus package of \$16 billion in increased spending, the economy would collapse, people would be out of work, everything would fall apart.

We Republicans opposed the stimulus package. We did not have enough votes to defeat it, but we had enough votes to prevent cloture, and we kept talking about it and ultimately it was taken down.

That is, for those who do not understand the language of this place, "taken down" means that the majority leader removed it from the floor and it was left for dead.

We were told at that time, we have dealt the economy a serious blow. Indeed, that stimulus package was an appropriations bill referred to as "an emergency." It was an emergency appropriations bill, the advantage of that being that it did not have to come under the budget requirements.

You see, we have budget caps here and they say this is what is required. But if you have an emergency appropriation, that goes above the budget caps. We had this \$16 billion stimulus emergency before us and promises of all kinds of dire disastrous events that would occur if we did not pass it. We did not pass it. The disastrous events did not come to pass. And then, in this Congress, to show the difference, we had a bill on the floor, a rescission bill—meaning we were cutting out of the present fiscal year's activities \$16 billion. In business terms this is a \$32 billion turnaround.

While we were debating these \$16 billion in rescissions, in cuts, we were told, again on this floor: Disaster. If you make those cuts you will be throwing children out into the snow. If you make those cuts you will be trying to balance the budget on the backs of those people least equipped to handle it. We were told how terrible that would be. And we persisted. We stood firm.

When I came on the floor last night to vote I expected the vote on this bill

to be as close, if you will, as the vote on the stimulus package was, because we had heard all these terrible things. Then, when the vote started to come in, I was stunned to hear the people who were voting for these \$16 billion in cuts. I thought maybe I am on the wrong side. Maybe this is a motion to table, because I am going to vote for this. But the other kinds of Senators, who are voting for it, are not the ones I expected to be for these cuts, having heard all this rhetoric. But I looked around—no, everybody was voting for it. As the headline says in this morning's paper, "Senate Votes 99 to Zero for \$16 Billion in Cuts."

That demonstrates the change that has occurred in just 2 years. We have gone from \$16 billion in a stimulus package that we had to have or the economy would collapse, bitterly fought over, highly partisan, narrow vote—to a unanimous vote in the Senate that says \$16 billion can come out of the current fiscal year's activities without hurting the economy. Indeed, I would suggest, it would help the economy.

So I am delighted to have been 1 of the 99 that voted for those cuts. I am delighted to welcome the new converts to the side of those of us who believe that the Government can survive, that we can downsize the bureaucracy, that we can get some progress toward bringing our fiscal affairs in order, regardless of the rhetoric that has gone around.

#### SMALL BUSINESS

Mr. BENNETT. There is another point I want to make, Madam President. During the debates 2 years ago there was a lot of conversation about small business. Everyone loves small business. Everyone recognizes that small business is the engine that drives the economy, because all of the new job growth comes not in the big businesses but in small business. The new job growth comes from the entrepreneurial effort, the young man or young woman who starts his or her own business, hires a couple of neighbors, then takes on a few more and pretty soon you have 8, 10, 12 employees where you had none before.

If you multiply that by the thousands, tens or hundreds of thousands of opportunities around the country, you realize that is where the new jobs come from. As the big businesses are downsizing, the small businesses are providing the new job engine and opportunity.

In the debate that went on with respect to the economy 2 years ago, everyone said kind things about small business. But when it came to talking about the realities of small business I, as a former small businessman, found an enormous amount of misunderstanding or, frankly, plain ignorance about the way small businesses work. Two areas concerned me the most and I am hoping that this vote that oc-

curred last night signals as big a change in understanding of these two areas as it does with respect to how we are going to handle our fiscal affairs.

The first area that upsets small business people the most, as I go around and talk to them, is the area of regulation, overregulation, but perhaps even more frustrating, simply stupid regulation—lack of common sense. It has been my experience that we in the Congress write legislation and we have a relatively focused attitude as to what will be regulated—about the distance between my two hands. We legislate to this regard.

Then, when the people in the executive branch receive that piece of legislation they move the hands out and they start writing regulations within these parameters—like the fish that got away, when it is being discussed later on around the campfire. Then, after these regulations are sent out the enforcers get ahold of them and they enforce them as if there are no parameters, and the hands spread even wider. So the small business person comes to us in Congress and says, "What are you doing to us?"

We say, "This is the legislation that we wrote"—back to the original distance between the hands.

And they say, "But we are faced with inspectors who are regulating as if there are no parameters at all."

We have, within this Congress, a proposal that would say after we legislate, and then the regulations are written, the regulations have to come back before the Congress and for 45 days we get an opportunity to cut them back to the level that we had in mind when we passed the law. If we can make that stick we will make a significant contribution to the health and welfare of every small business in this country and, indeed, back to my comments about the anonymous Federal bureaucrat, we might even see some signs that Government is being brought under control, and not so many people are in the cafeteria after 2 p.m.

The second area that was discussed last year with respect to small business that frustrated me as a small businessman coming to the Senate had to do with tax policy. It was very clear to me, with all of the wonderful things people were saying about small business, that most of the Members of this body did not understand how small businesses really operate, and did not understand the impact of our tax changes on small businesses. We were told, for example, that the tax increase would fall only on the rich. I remember clearly the chart which President Clinton referred to in his address to the Nation, where he had a series of bar graphs and the bar graphs at this end were very small. He said these are the people in this income bracket who will pay more taxes and these are the people in this income bracket who will pay more taxes. These are the people in this income bracket.

Now look at the people in this income bracket. These are the people

who earn over \$250,000 a year. They are going to pay all the increased taxes and that is what we want. It is for the rich people to pay the taxes. As if only Michael Jordan was going to have to pay more taxes; nobody else was going to have to pay any more taxes.

Now, \$250,000 a year is a lot of money for an individual, but it is not a lot of money for a small business that is growing. Many times, \$250,000 a year is a problem. Why? Because the business is growing and it needs money for inventory, it needs money for receivables, it needs money for additional facilities. Where is the money going to come from? It is going to come from the profits being generated. And the business, for tax reasons, is being taxed as an individual.

I said in this body before, has anyone here ever heard of a K-1? That is the tax form that a small businessman or small businesswoman uses to report that income on his or her individual tax return. I pointed out in that bar graph that the President pointed to, 77 percent of the tax returns filed by people who were represented in that bar graph contained K-1 income. They were people who were reporting business income as if it were personal income in order to avoid double taxation. Yet, in this body, we were saying they were the rich and they had to have the tax increase put on them.

I hope that on the basis of last night's vote, we will recognize that the way to balance the budget is not to say let us soak the rich, let us soak those who show this kind of income on their personal tax returns, ignoring the fact that in many, many instances, it is not personal income, it is business income that is being reported. And the business needs that money desperately to continue the job creation pattern.

We would say, on the basis of last night's vote, the way to balance the budget is the way we did it last night, with a 99-0 vote in favor of spending cuts rather than the siren song of tax increases.

I conclude with this comment, Madam President, with respect to this question of tax increases and spending cuts.

In a business, you know what your costs are. And I look at what would happen if you were to cut your costs, cut your overhead. You can project that with some degree of accuracy. The thing you cannot project in a business with any degree of accuracy—well, maybe some degree, but it is pretty dicey—is how your sales are going to go, how your revenue is going to go up.

So if you were facing a shortfall in your business, you can cross your fingers and hope that the sales will go up to cover that shortfall. I assure you, I have done that many times in my career, hoping against hope that the sales will go up. But the one thing you can be sure of is that if you cut your overhead, those savings will be there in the