

have a better chance of affecting a decision if they can go down to their city council or down to the board of supervisors or even down to the legislature and raise an issue, than if in order to affect that issue they have to come all the way here to Washington, DC, thousands of miles from my home.

I believe it is critical for this Congress to recognize that in ignoring the 10th amendment over the past several decades and in arrogating more and more power to ourselves in Congress, quite frankly so that politicians here can buy themselves back into office, what we have done is we have taken power away from the citizens. It is time to end that.

Now, how do we end that? I want to talk to my colleagues tonight about one simple idea, and that is the notion as set forth in a bill which I have introduced to this Congress, which would, I believe, restore meaning to the 10th amendment of the U.S. Constitution. I hold a copy of it here. It is H.R. 2270. It is for Federal legislation quite unique in that it is less than 3 pages long. It is a simple bill which simply says that before any one of our colleagues, before any one of us here on the floor, could introduce a new bill calling for the Federal Government to take on some new project or some new legislation, you would have to spell out the powers granted to it to do that under the U.S. Constitution. I urge my colleagues to join me in supporting this and to set the terms so that we could not debate on this floor legislation in areas that the Constitution did not grant us the authority.

It is a simple idea; it is H.R. 2270. It says, out of respect for the 10th amendment, before we introduce a bill, we must spell out the constitutional authority that gives us, the Congress, the power to legislate in that area. It is a critical first step.

THE MYTH OF THE MAGICAL BUREAUCRAT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Michigan [Mr. HOEKSTRA] is recognized for 60 minutes as the designee of the majority leader.

Mr. HOEKSTRA. Mr. Speaker, before we start with our prepared remarks this evening, I would like to assure the gentleman from Arizona that as we move forward and as we get to another week of active reform in this Congress probably around the middle of July, we expect that that piece of legislation will have worked its way through the committee process and will be one of the items that this full House will have the opportunity to talk about.

Mr. SHADEGG. If the gentleman would yield briefly? I simply want to thank the gentleman for his assistance in moving this piece of legislation forward, thank him for cosponsoring the bill, and tell him that I spoke today with the gentleman from Florida [Mr.

CANADY], the chairman of the Constitution Subcommittee of the Committee on the Judiciary. He has indicated to me just what you have indicated; that is, that we are hopeful that we will get hearings on this legislation in the near future and that it can move forward. I appreciate the gentleman's effort on its behalf. I appreciate your support, and I think it is a step in the right direction.

Mr. HOEKSTRA. And the issue that we are going to be talking about tonight builds very much off of the problem that you describe. We are going to be talking about the myth of the magical bureaucrat, the myth of moving all of this power and responsibility from parents, from local levels of government to State governments, that the best place to make these types of decisions is in Washington. And we are going to be going through a number of examples this evening which we hope expose that myth for what it really is. It is for a bunch of people in Washington making decisions, spending money in areas where they really cannot have a significant, positive impact or most importantly, where they are not the most effective agent for bringing about the types of results that we want.

Mr. SHADEGG. If the gentleman would yield again, let me just simply say I commend you for this effort, and I want to pass on something. One of the greatest influences in my life, as I suppose in, hopefully, many American boys' lives, is their own father. My father was a tremendous influence on me, and he was very fond in the later years of his life of saying that the problem with the Congress was that it had come to believe that it knew how better to run every American business and every American's life than those individuals themselves. And that is the kind of notion that I think your effort is going at.

The simple truth is that the 535 Members of this Congress, House and Senate combined, no matter how well-intended, and the huge army of bureaucrats that we control, and there are thousands, tens of thousands of bureaucrats that we control, simply cannot know better how to run the day-to-day lives of every American and the day-to-day businesses of every American business or of every American church or synagogue. We simply cannot run those organizations better than they, and the myth of the mystical bureaucrat that can do it better than we can is indeed dead wrong.

Mr. HOEKSTRA. As we move forward this evening, we are going to talk about this myth as it applies to education, as it talks about creating jobs, as we talk about Medicare, as we talk about environmental types of legislation, so that is one of the key areas.

We could not have had a better introduction to our topic tonight than the legislation that the gentleman talked about, and I again would like to just reaffirm that I expect that this House will take positive action on legislation like that this summer so that this Con-

gress can again begin focusing on the issues that Washington should be dealing with, that Washington is good at, in moving the other types of decisions, the other types of responsibility and the dollars back to State, local, and maybe even back to the taxpayers, parents and individuals who really are the driving force behind so much of what goes on in this country.

Mr. SHADEGG. I commend you for your efforts and wish you the best.

Mr. HOEKSTRA. Thank you.

Let me just give a little bit of a brief introduction about what we want to accomplish this evening.

This is an election year. We are in the middle of a lot of rhetoric flying around. Those of us in Congress who want to focus on the real problems are finding it very difficult to break through what we call the clutter, the clutter and the noise. As Members of the Republican majority, we have grown accustomed to being called mean-spirited, radical. We are accused of being against women, children, and the elderly. We are accused of not caring for the poor or for the environment.

In the middle of all this rhetoric, what is really going on? Many of my constituents, many of the American people, seem to be very confused. We want to take this hour to really set the record straight on what we are trying to do in this Congress. We want to focus on what we believe is the core issue that is defining this battle in Washington, that has defined the battle, really, from January 1995 to the present point.

□ 2045

Many have thrown around labels. Some have called us extremists. But let us cast aside the labels for a little while. Let us cast aside the accusations and other typical Washington political jargon, and let us get down to the bottom of the debate. What are we really trying to do here? What is the core of the debate?

We can go back to the 1930's, the New Deal. Ever since the 1930's Congress has placed more and more of its faith in Washington, its bureaucracy, its bureaucrats, and in its money, in its programs, and in its services. As we have done that, we have moved much of the decisionmaking away from parents, individuals, entrepreneurs, small businesses. What we have done is we have created a myth that too many people have come to believe, the belief in the Washington bureaucrat: A belief in Washington money, a belief in Washington programs, and that Washington services can solve many, if not all, of this Nation's problems. This is really what all the fuss is about.

Since becoming the majority in Congress, Republicans have been attacking the myth that Washington can solve everyone's problems. We know that few Americans believe in Santa Clause. Even fewer believe in the tooth fairy. But here in Washington, everyone

seems to believe in the magical bureaucrat: this magical persons who can solve everyone's problems.

It is as though we believe that bureaucrats are magicians and that by spending tax money, taxpayers' money, your money on programs and services, what can they do? they can raise and educate children better than parents. They can build communities. They build communities and homes better than parents or better than Habitat For Humanity; that they are better at creating effective, income-generating jobs; that they are better than entrepreneurs and small businesses.

It is time for us to confront this bureaucratic myth. Blind faith in the Washington bureaucracy is hurting America. It is hurting America, in I believe four specific ways.

First, the myth that Washington can solve everyone's problems has created a belief that success is defined by spending money, success is defined by spending money and creating programs, not by the results that those programs or those dollars generate.

Second, the myth that Washington can solve everyone's problems has created the substitution effect, where people have a disincentive to take personal responsibility for their future and for themselves, where they have a disincentive to take care of their children and to participate in their community, because someone from Washington is supposed to do that; in other words, because a Washington magical bureaucrat is going to solve the problem, I do not have to exercise personal responsibility to solve it myself.

The third is the myth that Washington can solve everyone's problems has caused Congress to legislate to the lowest common denominator, creating one-size-fits-all programs which lower the standards. The minimum wage fight, I think, is an excellent example. Here we are debating a minimum wage, the lowest common denominator, instead of talking about increasing wages for everyone, which is the highest common denominator. Instead of focusing on the ideal, we are willing to lower the standard for everyone.

Finally, the myth that Washington can solve everyone's problems has cost the American taxpayers trillions and trillions of dollars. If it were inexpensive to believe that magical bureaucrats actually exist, we could keep spending money on the myth, but it is costing us. It is costing us, the taxpayers and working American families, big bucks, too many bucks to continue down this path. The myth that Washington can solve everyone's problems produces harmful thinking, it costs too much, it is hurting America in many different ways, and it is not working.

It is not a budgetary problem, it is a cultural problem: Magical bureaucrats substituting for parents, magical bureaucrats shoving everyone into one-size-fits-all programs, magical bureaucrats defining success by the dollars they spend, instead of the results they

achieve, magical bureaucrats doing all this with trillions and trillions of dollars that working Americans pay every year in taxes. We will never restore fiscal and moral sanity to our Nation until we destroy this blind faith in Washington to solve our problems.

Why is it so hard to balance the budget? Because Washington believes the myth, Washington perpetuates the myth, and Washington works every day trying to convince American people that the myth is real. Why is it so hard to reform Medicare? Because Washington believes the myth and sells the myth. Why is it so hard to improve environmental laws? Because Washington believes the myth and perpetuates the myth.

Why is it so hard to eliminate the Department of Education? Because Washington believes the myth and sells the myth each and every day that magical bureaucrats sitting at desks in Washington educate kids better than parents and better than teachers, and have more caring for local students than parents and local school boards.

Why is it so hard to eliminate the Department of Housing? Because Washington believes the myth that magical bureaucrats sitting at desks in Washington build communities more effectively than local citizens or than organizations like Habitat for Humanity. We cannot continue down this path.

With this introduction, Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. NEUMAN].

Mr. NEUMANN. Mr. Speaker, what comes to mind today is one of these mythical bureaucrats the gentleman is talking about. I was in a committee meeting with them discussing housing, this very issue. I saw in this meeting the almost fear that somehow, if Washington allowed the people in Beloit, WI, or Kenosha, WI, to decide how to handle the housing problems in their own community, if we gave them the flexibility to make decisions how to best serve the needs in their own community, that somehow things were going to go astray; but they are not going to go astray, because I have a lot of faith in Tom Kelly in Beloit, WI, and the people running the housing programs out there. They best know how to take care of the people in Beloit, much better than the people do here in Washington, DC.

I think this whole thing comes down to how can we best turn that responsibility over to the people locally to best allocate those dollars to do the best job for their people in their own community. That is really what this should be all about.

This is America. This is not supposed to be a country where somehow the people here from Washington are controlling all the lives of the people out there. This is supposed to be America, where people are taking responsibility for themselves, and the local school boards and the local towns are deciding how to best spend that money, or how to let the taxpayers keep their own

money better. That really is what this is all about.

Mr. HOEKSTRA. Mr. Speaker, I yield to the gentleman from Kansas [Mr. BROWNBAC].

Mr. BROWNBAC. I appreciate the gentleman from Michigan yielding to me, Mr. Speaker. I appreciate very much the gentleman also taking us to the root of the problem we are talking about today. That is the concept and the idea that we are going to create governmental solutions, and from a centralized planning authority in Washington, actually solve problems.

I want to talk about one particular example in this area that we are talking about, a magical bureaucracy being able to solve an issue. This is the agency of HUD, Housing and Urban Development.

Mr. Speaker, I would like to start this off by saying that no one here questions the good intentions of the people who work in these agencies, of the employees at HUD, or the people even that design these programs. These are good people with good intentions, but the problem is we want to talk about reality and what has been the actual reality of what has happened after all these good intentions and all this investment of resources and all these people pouring in from a centralized solution.

We are talking about a centralized bureaucratic organization in the form of HUD, Housing and Urban Development as an agency, trying centralized solutions from Washington for a Nation that covers 260 million people across five time zones that has the largest economy, that is the international leader of the world. We are going to plan all this in one central entity. That is the fallacy of what we are talking about.

The Department of Housing and Urban Development began with great fanfare in 1965. It was on the front lines of Lyndon Johnson's war on poverty. It was charged with these things: Renewing our cities, encouraging job creation, providing decent, safe shelter for low-income Americans. That was the charge in 1965. You can say, did we adequately fund HUD, this centralized planning model of what we were going to do?

Since then, in 1965, HUD and other bureaucracies have spent more than \$5.5 trillion on poverty programs, \$5.5 trillion. That is basically about the size of our national debt today. It would be virtually about \$19,000 for every man, woman, and child in America. Yet, by virtually any standard, any measure, poverty, crime, drug abuse, and violence are far worse today than when HUD was created in 1965, and since we spent the \$5.5 trillion. This is what the good gentleman from Michigan is pointing out about the fallacy of saying that, OK, if we are going to solve a problem, let us create a bureaucracy with good people in it to design a program that is going to fit the entire Nation in a one-size-fits-all, and

then let us fund it, and if it is not working, the answer is for us to put more money into it.

Mr. Speaker, I just beg to differ on that. The centralized command and control type of model failed in the former Soviet Union, has failed in command and control areas, and it is failing in America today. Past and current attempts to fix HUD have met with a great deal of resistance and past failure. Created in 1965, the entity has already gone through four major reorganizations of where we are going to reinvent HUD, four major reorganizations since 1965. All have failed.

Jack Kemp's efforts to reform HUD by giving power to tenants were stifled by a reluctant Congress at that point in time and an inflexible system. Yet the problem underlying HUD's national housing policy is the myth upon which it is created: The notion that Washington can address the housing needs for all Americans through a centralized system here where we set here how it is going to be in Connecticut, in Kansas, in California; this is how it is going to be. It just does not work.

There has been a surge of more than 200 separate Washington-based housing programs that have tended to displace rather than encourage local innovation and creativity. I want to add as a side note here as well, there have been a number of these that are trying to engage now more local creativity and innovation. I think those are on a positive note, as they try to localize and get local solutions brought forward.

We have had a lot of rules and regulations coming out of HUD as well that have stifled local creativity and innovative solutions to housing needs. It has caused former HUD Secretary Jack Kemp to recently conclude that HUD is an agency with a disparate and contradictory mission. "The more I was at HUD, the more I realized that the flaws were endemic to the bureaucracy."

He went on to say at a press conference we had, where Secretary Kemp was calling for the elimination of HUD and us giving these decisions back to local tenants, that there are good people that work at HUD. It is a failed design of the system. It is a failure for us to think that we can manage, and that a mythical Washington bureaucracy will solve the problem, because it will not. It tends to get more of a centralized focus.

Our model for housing opportunities is local empowerment. It is rooted in the premise that housing policy should bypass governmental bureaucrats and central planners and provide direct assistance to tenants themselves. In other words, we would seek to give vouchers to tenants that we want to help and ask them to go find their own housing abilities, whether it be with public housing, whether they purchase a housing unit, or whether it be in private renting. Housing is a local issue. Washington cannot solve local housing needs. Indeed, the more we focus on Washington, the more we take away

from local housing innovative solutions that we could come forward with.

Just recently the HUD bureaucracy has announced the planned construction of a new project in Washington, DC that has an estimated cost of \$186,500 per unit, \$186,500 per unit. This represents, I think, an enormous waste of taxpayer money, not to mention those poor families who will lose out because of the finite resources that will be spent on this project. Instead, HUD could have provided housing vouchers to individuals, they could have provided them to 35 families for 1 year for the initial cost of building one new unit in this housing project.

The Congressional Budget Office estimates that HUD has obligated the Federal Government to spend, and get this number, \$180 billion over the next 30 years to pay for the public and private housing commitments, most of which were made more than 10 years ago.

This experiment in central planning is already being passed on to our children. Besides, HUD's attempts to fix our Nation's housing problems, this bureaucracy applies Washington's answers to igniting economic growth in our urban communities.

□ 2100

A number of us believe that the key to economic growth in our urban communities and other places is to cut the burden of Washington. Let us cut that taxation, litigation, regulation and manipulation out of Washington so that we can have those localized solutions spring up and people go forward.

As Jesse Jackson once said, capitalism without capital is just another ism. We need to remove the barriers to self-creating capital. Block grants will not do this. People do it. People do these things. The Republican Congress has already passed reforms to try to be able to cut back on taxation, regulation, litigation and manipulation so people and localized solutions can flourish.

On a worse note, the HUD bureaucracy has become in some cases a catalyst of racial and economic segregation. That is according to a doctor who has worked at HUD, and an April 1996 desegregation suit brought against HUD, Thompson versus HUD, et al. by the American Civil Liberties Union of Maryland on behalf of several Baltimore public housing tenants who alleged that HUD illegally segregated black public housing tenants for 6 decades. This resulted in a settlement which caused HUD to break up several of the dilapidated Baltimore projects.

As one can see, there are direct social and economic costs to this mythical bureaucracy. The American people realize that compassion is not measured in how many billions we spend on bureaucratic solutions when this is done and people are hurt by it. This is one of the most uncompassionate solutions of all.

Fortunately, there is a better way. You have brought that to our atten-

tion. Our society benefits when people realize their own freedoms and creativity and our Government does not try to replace them. That is why I think this is a good discussion about a mythical bureaucracy does not solve things. Many times it can actually hurt or concentrate problems.

It is people. It is individual solutions. We have those solutions we are offering to the American people.

Mr. HOEKSTRA. I would just ask the gentleman to go back to his first statements where in 1965 we started creating this myth of HUD. And what were the parameters and the directives that the President in 1965 laid out? What was the myth that was created or started to be created in 1965. That continued to be driven even into 1996 as we try to change some of these programs?

Mr. BROWNBACK. The myth that was created, I want to read these off, it was on the front line of Lyndon Johnson's War on Poverty, charged with renewing our cities, encouraging job creation, providing decent, safe shelter for low-income Americans. We followed up spending-wise, spending nearly \$5.5 trillion since then on HUD and other low-income programs.

Mr. HOEKSTRA. I think we should just also say that if we go into Washington, DC, we go to the public housing projects, to get to the public housing projects that are inhabited today we go by 3 and 4 empty buildings. We go into Chicago, we go by almost a mile of empty public housing. We did not do any of those things very well.

I am sure my colleague from Wisconsin would like to say something about this. He is a builder in his real life; when he has a real job, he is in the construction industry. But my guess is, I just did some rough numbers at \$55,000 for a down payment for a smaller home, I recognize over these 30 years we could have built 100 million homes. Given a nicer home, we could have built, at \$110,000 a house, we could have still built 50 million homes over the last 30 years. It is amazing, \$19,000 for each and every American is how much we have spent on this program for the last 30 years with these kind of results.

I yield to the gentleman from Wisconsin.

Mr. NEUMANN. I will just point out with 250 million people in the United States of America, that is literally one home for every 5 people with the money we have spent.

The other thing I could not help but think, as the gentleman from Kansas was going through some of these numbers, contrasting what you are talking about to a program like Habitat for Humanity. Back when I was in the building business when, before I got into the political world in any way, shape or form, I had a group of people from Janesville, WI come to me and say, "Hey, MARK, you're building a lot of homes. Would you consider giving us a hand in this Habitat for Humanity project?"

Rather than the Government coming in to do this, we got together in the

community and built the house. When the person moved into that house, it was a truly needy person that received this help. Can you imagine Habitat for Humanity, with the local support and local effort that they get from the local people, spending anywhere near this kind of money, and what they could have done with one-tenth of this amount of money if the control had just been left out there locally and we had had involvement with the local people to help the most needy people in their community? Can you imagine what we could have done in this country instead?

Mr. BROWNBACK. I think we would have renewed our cities, encouraged job creation, and provided decent, safe shelter for low-income Americans.

Mr. HOEKSTRA. I think if we take a look at Habitat for Humanity, it is active in Michigan. They take a caring attitude in reaching out and finding the people to move into these houses. These people are part of the process. They maintain their dignity. They put in sweat equity. They work hard. They put them on finance plans to enable them to buy these homes. They put them in the middle of the community so they are not segregated into little areas or pockets of the community.

Mr. NEUMANN. It is not only the person that is working on the home that winds up moving into the home, it is the community leaders and the community involvement that makes this process successful. I still ride by that first house that we built in Janesville, WI every now and then. It is still there, it is well cared for. Everything is right about it. It is not only the person that moves into the house, it is the involvement of the community in solving the problem. They own the solution to this problem and they are going to make it real.

Mr. HOEKSTRA. I would like to thank the gentleman from Kansas. You have got us off to a good start in talking about exposing this myth.

I now want to turn our attention to another myth. We have talked about the one that Washington creates communities, Washington creates homes, and we have found out that after \$5.5 trillion that is not the reality. I would now like to address another myth, that Washington bureaucrats create jobs, that they are better than entrepreneurs, they are better than small business at creating jobs. To do that, I would like to go back to my colleague from Wisconsin [Mr. NEUMANN] who has created real jobs working in the private sector as a small businessman in Wisconsin.

Mr. NEUMANN. I appreciate the gentleman yielding. This is an area that I very much like to talk about because we need the American people to understand that the American dream is not dead.

When my wife Sue and I started, we literally were in a position where we could not afford to pay our bills, and we took a chance on the American

dream. As we fulfilled the American dream, many jobs were created. We started in the real estate business and eventually got into home-building.

The first year in it we lost money. We built 9 homes, providing 18 jobs, and we literally lost money. My dream in that first year was simply to have the Government get out of our way, and allow our business to concentrate on growth and expansion and the things that would make a business successful.

As we stayed in the second year we basically had two choices, either let the Government take our business away from us, that is, the banks or whoever would take it, or we would turn the business around and become profitable. The second year we built 27 homes, then to 81, then to 120.

The key to this discussion is the way jobs are created is not by going to the government and asking for Government spending or a Government program. The way jobs are created is by entrepreneurs allowing their businesses to grow and expand like ours did.

At the end of 4 years when we were building 120 homes a year, there were 250 people in southeastern Wisconsin working because of that. Just think what that means. What that means is those 250 families are not on welfare.

Let us just go the next step. What were we really looking for to be successful in business? We just wanted Washington, the Government, to get out of the way so we could be successful at promoting job expansion and job growth.

When we look at the homebuilding business, and this is one I am very familiar with, what is the best thing that can happen for the creation of jobs? It is not more Government spending. It is a balanced budget. Why a balanced budget? It is because, like Alan Greenspan says, when the budget gets balanced, interest rates will stay low, 2 percent, a full 2 percentage points lower.

What happens when the interest rates are low? Our young people again have a chance to live the American dream. When the interest rates are low, people can afford to buy houses and cars, and people have to go to work to make those houses and to make those cars. When they go to work, they are no longer on the welfare rolls or on unemployment, costing the government money, but instead they are paying money in.

We just did this. We have just been through a balanced budget battle where everyone understood we were serious about getting to a balanced budget. Look what happened. When I came here they were projecting deficits for fiscal year 1996 of \$200 billion. We said we cannot have that. That is not good for our country. We are going to a balanced budget.

As we went down this road to a balanced budget exactly as Alan Greenspan said, the interest rates stayed low, we stayed on track. We passed a

rescission bill that took \$16 billion out, then we passed the appropriations bills that took another \$23 billion out, and the markets reacted.

This is the good news. It is not those numbers. The good news is the markets reacted, interest rates stayed down, people went out and bought Suburbans, they went out and bought Jeeps, they went out and bought houses, and people went to work building those products.

When they went to work, they went off the welfare rolls, and guess what happened? We not only hit the deficit targets that we had in our glide path to a balanced budget, we actually for the first time are about \$13 billion ahead of schedule. We are not only on our glide path to a balanced budget but we are actually ahead of schedule in this an election year.

I have a chart that shows this. This red line is where we were with the deficit when I first came here. This is so exciting to talk about because America does not understand that we are actually winning this battle against the budget. When we win the battle, it means jobs for our young people and it means the American dream can once again be fulfilled by American citizens.

This red line shows where we were when I came here, the deficit where it was headed. After 12 months here, yes, through lots of budget fights, very difficult budget battles and a couple of presidential vetoes, we had made progress. The yellow line shows where we were after 12 months.

We dared to dream, to dream that we were actually going to balance the budget, not the Gramm-Rudman-Hollings stuff that did not get done because they hit an election year and failed. We dared to dream we were actually going to do it.

This green line shows our dream, our glide path to a balanced budget. But here is what is different about this Congress versus the other Congresses that have been here before us. This Congress not only maintained their path to a balanced budget in this, an election year, we are actually ahead of schedule.

America does not seem to know that through all of those budget battles that we went through last year, we are winning. And when we were winning, everything worked exactly the way it was supposed to. People started buying those houses and cars, they started going back to work, and the cost of the Federal Government for welfare rolls and for unemployment went down just the way it was supposed to work. That is what led us to this point where we are ahead of schedule.

Having said that, I have to caution what is going on today. For some reason, a lot of people in this city have kind of lost sight of the fact that we have to keep working, that it is not going to be easy to get to a balanced budget.

And when we start losing sight of the fact that we have to keep our efforts focused on a balanced budget, let me go

right back to jobs and job creation. What is going to happen is, the interest rates are going to start to climb and inflation is going to pick up. When that happens it is much more difficult for the entrepreneurs to be successful out there and it just plain does not work. It is a spiral in reverse.

We cannot allow that to happen. We have to refocus our attention on balancing the budget, which is what I am doing here and which is what many of the freshman class came here to do.

Just one more thing. We have accomplished what is on this chart not by raising taxes on the American people like we saw in 1993, not by making it more difficult for our families to make ends meet because they have to pay higher taxes. We did this by reduced spending. The reality is that is the way it should be done. From the entrepreneurship from the private sector here, the best thing that government could do is get the mythical bureaucrat out of our way and allow the businesses to have the capital available to grow and expand and employ people so people can once again live the American dream.

I just have one final point on this, and I think it is very important. The American people need to understand that when the Federal Government balances their budget, that means the government is not going to borrow \$150 billion a year. When the Government does not borrow that money, it is available out there in the private sector for our young people to use to buy houses and to buy cars.

That is the whole cycle, the positive cycle. If we can get to a balanced budget, the government does not borrow that money, it is not available in the private sector for our people to build houses and buy cars and so on, and when they do those things, there are more jobs created. When they create those jobs, businesses have to expand.

What is necessary for businesses to expand is the availability of capital. Then we are right back to balancing the budget. If the Federal Government does not borrow that money, the capital is available for our businesses to expand, and when the businesses expands, that is job opportunities. Those are real job opportunities for real American people. That is what this should be all about. That is what the budget battle is about.

The final words here, we are winning. We have been through a lot in the last year and a half in the budget battles and doggone it, we are winning. We are winning the battle and we are doing it without raising taxes on the American people.

Mr. HOEKSTRA. I thank the gentleman for his discussion on that point, because really the giant sucking sound here in Washington is the Federal Government sucking capital out of the capital markets, away from entrepreneurs, away for young people, away from people who want to start businesses or build homes or start their futures. The

magical bureaucrats in Washington here define their success by how much money they spend on, quote-unquote, job creation programs, not by how many jobs they actually create.

□ 2115

If I had to make a choice about where I wanted to invest my dollars or who I wanted to have spending dollars to create jobs, I would go with entrepreneurs and not sending them to Washington and having Washington try to pick winners and losers.

Washington would never have picked Steve Jobs at Apple Computer as saying that looks like a good investment. Here is a guy working out of his garage. Let us go pump some money into that because I think that is going to create a new industry. I doubt if they would have picked Bill Gates. Those are not the type of people bureaucrats look at and say that is the wave of the future, because they are out of the mold. Entrepreneurs break the rules. Bureaucrats live by the rules. They cannot accept these kind of challenges.

I would like to yield to my colleague from Minnesota, who has joined us from the exalted Speaker's platform.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman from Michigan for yielding. I was listening probably more intently than most of the Members of Congress to this debate. I got excited by the discussion you have been having, and particularly about this chart, listening to what you are talking about. I think you have really sort of hit on what is, if I could describe it as, the nub of the great debate we are having in America today and the great debate we are having in this Congress.

In fact, let me say it this way: Senator PHIL GRAMM from Texas said it so well earlier this year when he was accused by some of the administration, I think it may have been the President. He said, you know, if PHIL GRAMM's budget passes, it means that there is going to be less money spent on education, there is going to be less money spent on children, and there is going to be less money spent on nutrition. And he really said it right. He said this is not a debate about how much money is going to be spent on education, or children, or nutrition. This is a debate about who gets to do the spending.

Ultimately, whether we are talking about housing policy, Medicare reform, all these others things we are talking about, the debate is about who gets to decide. Is it going to the American families or some magical bureaucrat here in Washington? We know it in our hearts, and I think the people understand this better than we sometimes give them credit for. They can make those decisions much better for themselves and their own families, and they will spend the money much more firmly than we can spend it here in Washington.

We can beat on the bureaucracy and the bureaucrats, and as I think the

gentleman from Kansas, Representative BROWNBACK, said, these are good people. They are trying to do the right thing. But ultimately the system consumes the participants. In fact, I was reminded as you were speaking earlier of something Thomas Jefferson said so long ago. He said, "Those who would trade freedom for security will lose both and deserve neither."

We have bought into this idea over the last 30 or 40 years that somehow Washington knows best and somehow that elected officials and bureaucrats in Washington can make better decisions than families and communities and individuals back in their neighborhoods. So I am delighted to just take a few minutes to say I think we are on the right track. We are winning this battle.

When we say we, I think we mean we, the American people, because this ultimately is not a debate between Republicans and Democrats, it is not a debate between the Congress and the President; it really is a debate about the future of this country. It is about real individuals and about real families. It is not about dollars and cents and CBO and GAO, because sometimes we get bogged down in this debate about numbers and accounting. This is not an accounting exercise, it is about whether or not we are going to preserve the American dream for our kids.

So I congratulate you for participating in this special order tonight. I think the American people need to hear more about this, because as I have said before, facts are our friends. The more the American people see about what is really going on here in this Congress, I think the more they are going to agree that this is the direction the United States of America is going to have to move.

Mr. HOEKSTRA. I thank the gentleman for his comments. I would like to move on and talk briefly about what the gentleman introduced, which was the issue of education. I think when Senator GRAMM actually got into a little bit of a debate with a bureaucrat from the Department of Education, who said that I think I know more about educating your kids and I care more about educating your kids than what you do, his retort was if you know so much about my kids, what are their names? I do not know that much about your kids was the answer.

But you know, that is the other myth that we are fighting here, that Washington bureaucrats, that a Washington bureaucracy cares more about the education of our kids than what parents in local communities do.

This myth is also hurting America. It creates the illusion that the magical Washington education bureaucrat can substitute, think about it, that the people in Washington can substitute for parents and local teachers. The myth again creates the illusion that spending equals results. The more dollars you spend, the better results you are going to have. And the myth leads

to policy designed for the lowest common denominator.

Let us take a look at each one of those. The myth creates the illusion that many Washington education bureaucrats substitute for parents and local teachers. The myth assumes that parents have not addressed the major issues their children face, assumes that parents do not have the will to make the sacrifices on behalf of their children, assumes that parents do not have the knowledge and the expertise to solve their children's educational problems. Therefore, the magical Washington bureaucrat must step forward, meet the social obligations that families, citizens, local schools and communities are ignoring.

The reality is that Federal programs displace parents and local initiatives and solutions. They drive parents out of the process.

I have gone back and talked to parents, I have talked to local school administrators, and what you find is that the schools that work best are the ones that have the open door policy, that say any time a parent wants to come into their kid's school, the doors are open.

But what has happened is more programs come from Washington, more mandates come from Washington, the end result is that administrators at the local level are starting to look more toward Washington for their direction about what they should be doing in their schools rather than looking to the parent and the local community for what should be going on in their schools.

Once that link between the local community and the local school is broken, education goes only one way, and that is down, because once the local community no longer trusts the local schools because they do not reflect the values, the priorities, of the local community, the school system is lost.

The myth creates the illusion that spending equals results. Hey, if you are spending \$1 billion on the Save the Kids Program, you must be saving kids, right? Otherwise why would you spend those kinds of dollars and why would you have a program with that kind of name on it?

The myth says the problem is not with the programs themselves, but with the taxpayers. According to the myth, the taxpayers never cared enough to increase taxes and spend money on these programs when they had control at the local level, and Washington had to step into the process.

The myth says that the people who want change, those of us saying this does not work and what is "this," what we have created here in Washington by showing that we care, it is kind of like what my colleague from Kansas described in the housing and urban development. What we have created here in Washington is 760 programs. We really care, 760 programs. We care even more, because we have created 40 agencies,

departments, or commissions, and boy, we really care because we are spending \$120 billion.

But what is the reality of all of this spending? The reality at HUD was that we were going to improve America. The reality of 40 commissions, 760 programs, is SAT scores are dropping. In 1994, 17-year-olds scored 11 points worse in math than 1970. Sixty-six percent of 17-year-olds do not read at a proficient level and reading scores have consistently fallen since 1962. U.S. students scored worse in math than all other large countries except Spain. Finally, freshmen, think about it, 30 percent of all college freshmen, think about it, 30 percent of all college freshmen must take remedial education classes.

In 1996, despite the poor results in educational achievement, many of us that are advocating this, for saying take these dollars, move it to the parents, move it to local school districts, to get involved with the kids, we are extremists. We do not care when we say the system is broke. The myth, the reality that Washington is trying to perpetuate, is not reality. The reality is a failed program. It is a myth that we care.

The myth leads us to develop policies that are for the lowest common denominator. We are not driving for excellence in education. We are trying to design something for the lowest common denominator. There are lots of problems here in education.

Mr. BROWNBAC. If the gentleman would yield for just a minute for a question, I would ask you, you came from the private sector in the business world. What would happen to your business had you done something similar, investing this sort of time, resources, and focus in a particular program area and had the types of results that you have just articulated?

Mr. HOEKSTRA. If I were still employed, most likely if these were the results of my area of responsibilities, I would be unemployed. The business would have never let such a key part of its future languish with these kinds of results for this long. They would have stepped in a long time ago and said "You are selling us down the wrong track. You are out. We have got to take a new look at addressing it," because this is a very critical matter. We are talking about the education of our kids, the kids that are going to be running this country in 5, 10, 15 years, the kids that have to compete on an international basis if this country is going to continue to be the leading example for the world. Business would have never survived if they let this problem go on.

Mr. BROWNBAC. If I can ask another question, and I am just giving you this hypothetical question, if this was your company and this was your core product that you had to have good results out of, and you were having these sort of results, they would not have said to you, OK, Mr. HOEKSTRA, we are going to give you another \$1 bil-

lion to spend because you have not produced on this, and the reason is we just did not give you enough money.

Mr. HOEKSTRA. No; they would not have given me \$1 billion. They would have asked me to come up with a new plan, to come up with a new process, to systemically take a look at what I was trying to do and figure out what the real problem was.

It is very evident here in education. The problem is not money. Some of the best school districts in the country have some of the lowest per pupil spending. It is not an issue of dollars, it is an issue of where decisions are made. As we are trying to reform this and improve it, we do hear the extremists now calling us. Like you said, if I were making the kinds of decisions and changes we are trying to make here in Washington in the business world, I would be called too conservative, not willing enough to really face the issues.

We are proposing change here in Washington and we are gutting programs that in reality do not work.

Mr. BROWNBAC. If the gentleman will yield further, let me put you in another role and ask you if you were the superintendent of schools at a particular local school district and had these sort of results, spending this sort of money in this sort of program design, what do you think the school board would ask of you there?

Mr. HOEKSTRA. The school board would ask for my resignation. They would say "These are our kids. We need to get somebody in here that can get the job done." So they might, before that, they might ask me what the problem is? The problem is, I think, as we have talked about it, we have asked administrators and bureaucrats to look to Washington for their direction. When you take a look, I have oversight on the Education Department. The Education Department, they are not educational experts. You would think they would be educational exports. They are accountants, primarily, because they are moving money around the country rather than really providing expertise.

I would be glad to yield to the gentleman from Wisconsin.

Mr. NEUMANN. Just a couple of points. With the 760 different educational programs, would you have any idea how many bureaucrats are necessary to run each one of the programs?

Mr. HOEKSTRA. Well, at this point in time we are trying to gather that information. Finding 760 programs is difficult. Having them scattered over 40 different agencies, we are calling up these agencies, trying to get that data. No, I do not know how many people there are in Washington.

Mr. NEUMANN. Is it safe to say there are a good number of bureaucrats necessary to run each one of these 760 different programs?

Mr. HOEKSTRA. There are bureaucrats at every level. There are over

5,000 in the Department of Education, which administers about 260 of these programs. There are bureaucrats at the local level who are trying to figure out what is coming from Washington.

Mr. NEUMANN. How many of these bureaucrats work for nothing?

Mr. HOEKSTRA. At last count, I do not believe that there were any. Actually, it would be illegal for them to volunteer.

Mr. NEUMANN. Let me go on with the point. With 760 different programs and a large number of bureaucrats, Washington bureaucrats, necessary to run each one of the programs, and each one of those bureaucrats drawing a salary, we have many, many tax dollars designed to help the education of our young people that are going to pay salaries of people here in Washington, as opposed to getting out to the young people these dollars were designed to help.

Mr. HOEKSTRA. We have a tremendous number of dollars that should be intended to educate kids that are never making it down to the local classroom.

Mr. NEUMANN. I would just like to point out as it relates to education there is another way to do this. Before I built homes, I was a math teacher. I came out of college as a math teacher. I would go downtown and hear from our businesses downtown that my students did not understand the math that the people downtown thought they should understand.

We did not turn to Washington, DC, for a solution. I was teaching at Milton, WI, at the time. What we did was a survey. We developed a survey and we sent it out to our local people. You see, I took offense at the idea that my math students did not know the math that they thought they should know coming out my classroom. That somehow was very offensive to me.

So we did a survey. We asked them what is it you are expecting our students to know when they come out of our classrooms? We got lots of people that responded to our survey. We developed a test to see whether or not the people downtown were right or whether or not our students actually did not know what they were supposed to know when they graduated from high school. Guess what we found?

□ 2130

We found the vast majority of them did not know what our businesses expected them to know when they came into the private sector to take a job. So what we did at that point is initiated a program locally, at Milton, WI, at Milton High School, and through the school system there that corrected the problem. Within 2 to 3 years we found the problem was corrected and the vast majority of the students graduating gained the knowledge that was necessary, that the business people downtown expected them to know before they graduated from our high school.

But that is the difference between the idea of Washington, DC and the bu-

reaucrats here solving a problem versus the people in Milton, WI; the local control and the local people being involved and what it is they expect their students to know and how to develop solutions to problems locally. It does not have to be done from Washington, DC.

The other thing that happens when Washington starts doing it, and the gentleman alluded to it, every time we take a responsibility for education away from the parents and away from the community people, that is one less reason that they have to be involved in the education of the young people. And as their involvement decreases, the test scores go down, as the gentleman was alluding to.

So the gentleman is right on the money here. We need to get education back to the local level and get the local businesses and the local employers, we need to get those folks actively involved with the school systems deciding what it is that our students need to know in order to function in our society when they get out of high school.

Mr. HOEKSTRA. Mr. Speaker, I would like to now yield to the gentleman from Kansas [Mr. BROWNBACK] to talk about, I am not sure we will have time to get all the way through with it, but to at least talk about one other myth that is being perpetuated here in Washington.

Mr. BROWNBACK. Mr. Speaker, I want to again thank the gentleman for yielding to me for a few moments. I want to take a few moments to explain how the myth of the magic of Washington bureaucracy is actually at times hurting the environment which it is designed to protect.

The environmental movement has produced some wonderful results of protecting the environment, especially in improving people's attitudes and people's outlooks and actually improving the environment. We are all committed to a good, clean, healthy environment. If we do not provide a good, clean healthy, environment for our kids and our grandchildren, they will not have anyplace to live.

We have to take care of Mother Earth, we have to do the right things to take care of the environment, and I know of no Member in Congress, no Member whatsoever that is not strongly supportive of a good, clean environment. We have to provide that. But I want to provide one bit of information that I do not know if it is commonly known about Washington bureaucracy and the environment.

Does the gentleman know who the biggest polluter in America is? The biggest polluter in America today?

Mr. HOEKSTRA. If the gentleman would yield, it is the U.S. Federal Government.

Mr. BROWNBACK. It is the Federal Government. It is the Federal Government. For example, hundreds of billions of dollars and many decades will be required to clean up Federal hazardous waste sites. I will give the gen-

tleman some General Accounting Office numbers on this. And the General Accounting Office is the watchdog of the Federal agencies of the Federal Government.

GAO says Federal agencies expect to spend \$54 billion this year, this year, to clean up their own facilities as far as environmental waste and environmental problems created. And the Office of Management and Budget estimates that as much as \$389 billion in additional funds may be needed through 2070 just to clean up pollution and waste caused by Washington.

There are many government programs in Washington and run by Washington, and enacted by this Congress even, or past Congresses, and operated by government bureaucracies that actually harm the environment. The Government should take steps to make sure its own house is in order. If we could clean up the Federal Government's own mess, the bureaucracy mess that we have created, that the bureaucracy has created, we will go a long ways towards improving the environment in America, towards making this country better for our children and our grandchildren.

It makes no sense for Washington, a Washington bureaucracy to subsidize environmental destruction on the one hand while establishing laws and regulations and bureaucracies to mitigate that damage on the other hand. And here is a classic example of a place working against itself on an overall policy that we all support: a clean, good, healthy environment, better for our children and grandchildren in the future; and yet the Federal Government being the biggest polluter in America.

I yield back to the gentleman from Michigan.

Mr. HOEKSTRA. I do not know if my colleague from Wisconsin has any closing comments. I think we are about at the end of our time.

Mr. NEUMANN. Do we have a little time left to do an environmental quiz?

Mr. HOEKSTRA. We have 4 minutes.

Mr. NEUMANN. Would the gentleman like me to do a little environmental quiz here tonight? I want to see where the gentleman stands.

Mr. HOEKSTRA. Only if the gentleman asks my colleague from Kansas all the questions.

Mr. NEUMANN. I will ask my colleague from Kansas. This is a question I ask the American people in virtually every town hall meeting I go to. I do a little environmental quiz and I just ask a few questions.

The first one is, does the gentleman think it makes sense for the Federal Government, before they initiate a new rule or a new regulation, to do a cost-benefit analysis; that is, to decide if the cost is worth the benefit received?

Mr. BROWNBACK. That would seem basic to me, something we should ask of everything.

Mr. NEUMANN. That is the first antienvironment vote that we took, because that is what we said. We want a

cost-benefit analysis before we enact a new regulation.

Does the gentleman think it makes sense, when we talk about spending the American taxpayers' dollars to clean up waste sites, that we first do a risk assessment and we clean up the sites that are the highest risk to the environment first and the other ones later?

Mr. BROWNBACK. Well, I would think that it would make absolute sense to clean up the highest priority ones first.

But I want to inquire of the gentleman of one. Does the gentleman think when we clean up an environmental site that we should pay more to lawyers and lawsuits on cleaning up an environmental site or should we actually pay money to clean up that site?

Mr. NEUMANN. It is clear to me we should be using the dollars to clean up the site. And right now only 50 percent of the tax dollars are actually getting out there to be used on cleaning up the site.

And I would point out that is another vote that has been scored as antienvironmental if we do a risk assessment.

Now let me ask another one. If the Federal Government initiates a new rule or a new regulation, and that new rule or new regulation causes an individual's property, has individual property, to decrease in value by more than 20 percent, say, the public is going to gain by this new rule or regulation. They want a waterway through a farm, so a farmer can no longer farm his land. So they initiate this new rule or regulation.

Does the gentleman think it is reasonable that the Federal Government should compensate the individual citizen for the loss of his property value?

Mr. BROWNBACK. Not only reasonable, but I believe constitutional.

Mr. NEUMANN. That is called takings, and that is the third antienvironmental vote we took.

Let me do one more question. If there was a forest fire and the trees burned out, and we are now looking at all this charred timber out there, and a lumber company says I can still harvest some of the timber, even though it is charred, we can still harvest some of this timber.

So the lumber company makes a deal they will buy the charred timber and replant the forest. Would it make sense to the gentleman that we would allow the lumber company to go in and harvest the charred timber and replant the forest, as opposed to leaving the charred timber to stay there to rot?

Mr. BROWNBACK. That would make sense to me.

Mr. NEUMANN. That was the fourth antienvironmental vote that has been scored by the environmental groups in this country today.

Mr. HOEKSTRA. If the gentleman will yield, I think just recently the fifth environmental vote was if a Member votes against allocating family planning, which is the code word for

worldwide abortion, if we vote against family planning as part of the foreign aid package, is that an environmental vote? If a Member voted against promoting abortion on an international basis, that is an antienvironmental vote.

I think the gentleman has a great quiz, and I want to thank my colleagues for joining me. I think we are going to keep raising this issue over the coming weeks.

Washington has drawn its strength from this myth for way too long. Washington cannot solve everybody's problems, and when it pretends to, it really ends up too often hurting America and Americans.

When we move decisionmaking to Washington, we substitute Washington wisdom, "Washington wisdom," for the common sense of the American people. That is not the direction we want to be going. That is not the direction we need to go to address the problems that are facing this country. It is costing us trillions and trillions of dollars.

I think working together we will one way restore Washington to its proper role in American society. That is what our colleague from Arizona talked about when we began this an hour ago. There is much work to do to make that happen, but we are committed to working on that and seeing what we get back to common sense America and away from Washington wisdom.

CUTS IN GOVERNMENT WASTE NOT MADE IN NEW BUDGET

The SPEAKER pro tempore (Mr. CHRYSLER). Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, last Thursday we passed a large appropriations bill which completed the process of budgeting and appropriations for the fiscal year which began last October 1. It is finally all over and I have read the boast in the papers and heard them on television and radio of the majority party, the Republican majority, that they have cut the Federal budget by \$23 billion this year, \$23 billion since they came into power; \$23 billion has been cut out of the Federal budget.

And one would say, well, it is wonderful that all that waste has been trimmed, but when we examine the nature of the cuts, we find that the places where one knows there is a great deal of waste have not received any great cuts. On the other hand, when we go to look at the fine print of what we passed last Thursday, we find there are many, many people on the bottom, the folks who need the most in our society, who are going to be hurt. They are the victims of the \$23 billion in cuts.

It is quite interesting just to pick up today's paper, the New York Times, and see a contrast in articles. On one page we have an article which talks about the Freeman. You might say,

well, I am getting off the subject. The Freeman are out there in Montana and surrounded by the FBI, there is a standoff, there is a possibility that we may have some kind of violent explosion there. What does it have to do with the budget of the United States? What does it have to do with the fact that the Republican majority are boasting they cut the budget by \$23 billion? Well, the article that I am referring to that appeared in today's New York Times is headlined as follows: It says "Freemen Depended on Subsidies. Evicted Anti-Tax Rancher and Partners Got \$676,000 in U.S. Aid."

These are people who are angry with the government and have been yelling loudly to outsiders that they want the government off their back. The latest sign that has been posted by the leader of this group calls the U.S. Government a corporate prostitute. Nevertheless, they are the beneficiaries. The Clark family is the beneficiary of \$676,000 in U.S. aid.

This category certainly has not been hurt much by the \$23 billion in cuts because the \$23 billion in cuts that have taken place under the leadership of the Republican majority do not involve drastic cuts in the programs that the Freeman were beneficiaries of, agriculture programs of various kinds. There is a whole slew of agricultural beneficiary programs that have been flowing to the farmers, the agribusinesses, for many years and they are not being drastically cut in this \$23 billion cut this year.

The farmers programs are going to be phased out over a 7-year period. That is the public relations hype that we have been told: Do not worry, they are going to be phased out over a 7-year period. But they are still absorbing billions of dollars in waste.

And I will read on in this article and we can see what kind of waste I am talking about.

In the case of Mr. Clark, Ralph E. Clark is the leader of the Freeman. It is his ranchhouse that is surrounded. "Mr. Clark, a Freeman in a cowboy hat, nailed to a fence post a manifesto denouncing the Federal Government as a corporate prostitute." I am quoting. "Corporate prostitute" is his language. But to read on in the New York Times article obviously April 30, 1996, which I will enter into the RECORD, to read on, quoting from the article, "But tarnishing this image of rugged individualism, a new study of Federal payments indicates that over the last decade Mr. Clark and his ranch partners received \$676,082 in government checks to cushion a variety of farming setbacks."

We, the government, we the people we the taxpayers have been cushioning the setbacks of Mr. Clark and his family over the last 10 years.

□ 2145

They were dependent on the helping hand of the government, just like everybody else up there in agriculture, said Kenneth Cook, who is the President of the Environmental Working