

for those who sweep a lot? I beg to ask the question, and say no. First of all, there is a question of minimum wage. I am glad the Democrats have convinced Republicans that those who work on welfare deserve the minimum wage. But you know what she does not get, Mrs. Moore, who has three children? She does not get the opportunity to ask for a brace for her back when she is lifting heavy trash cans, or boots and heavy gloves to protect her feet and hands from broken glass, crack vials, and junkies' needles.

Can she talk to a union organizer? Of course not. Can she get the dignity of a paycheck? Can she translate the sweeping of the shabby lot into a real job, which most Americans think workfare will bring about?

Moore and many others say that as long as she is doing work other people are hired and paid to do, she should not need to wait to be treated like a worker with the kind of benefits and kind of health care that she needs. She says clearly that these city maintenance workers, in particular in New York, they make \$9 an hour. And while she does not, she says some of those workers drink coffee and remind her that she pays for their welfare check, creating a two-tiered, second-class citizenship when these so-called workfare individuals work alongside of the regular workers.

What about Hattie Hargrove, who used to work? She used to work and get benefits, but yet she was laid off by the parks department of New York. She had to go on welfare because she could find no job. And what is she doing in workfare now? Working in the city parks department with no benefits, alongside of those individuals who themselves will be downsized and soon to be unemployed?

We need to fix the welfare-to-work system. First of all, we need to recognize that we need the kind of jobs that will create opportunity for people to move from welfare to work, jobs that they can be hired for. We also have to recognize that we should not disadvantage low-income workers by attritioning them out and then putting in the work force people with no benefits, no ability to organize, no ability to understand and to be able to be protected against sexual harassment and discrimination. We are not giving dignity to these individuals who want to work, who want to be trained.

The other question is, if we truly want welfare-to-work, we need more child care, we need more moneys for transportation. And lastly, Mr. Speaker, let me say that the way to reform welfare is not to give big corporations the ability to run welfare like some States want to do, giving large corporations like Lockheed and others the ability to work welfare. And, lastly, we need to make sure that we give them the right kind of training, Mr. Speaker, in order to ensure that they get the right kind of jobs. Let us have real training and real welfare-to-work.

QUESTIONABLE DECISION BY THE CORPS OF ENGINEERS

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

(Mr. STRICKLAND asked and was given permission to revise and extend his remarks.)

Mr. STRICKLAND. Mr. Speaker, I come to the floor tonight to express a sentiment. The longer I live and the more I am involved in public life, the more convinced I become that the ordinary citizen is at a great disadvantage when they come up against the heavy hand of government or the all-powerful reach of a large corporation.

Case in point: I represent many small wonderful communities in southern Ohio. One of those communities is located on the banks of the beautiful Ohio River. It is a little village called Chesapeake. In Chesapeake, OH, many citizens have chosen to build their homes and to locate on the river because they appreciate the community spirit and the quality of life there.

A few months ago, a large corporation decided they wanted to establish a barge fleeting facility directly across the river from Chesapeake, OH; and, so, they approached the Army Corps of Engineers for a permit to do so.

Early on, the Congressman who preceded me in this office asked the Army Corps of Engineers to demand and require an environmental impact study leading to a statement which would determine whether or not the citizens, my constituents in Chesapeake, OH, would be damaged as a result of this fleeting facility.

When I was elected, I also asked the Army Corps of Engineers to have an environmental impact study completed before granting this permit. Nearly 2,000 of my constituents signed a petition to the Army Corps of Engineers. I met with the Army Corps in Huntington, WV. I met with the Assistant Secretary of the Army in charge of civil works in my office here in Washington. I simply asked that my constituents be protected. I said that if this permit was granted, it ought not to be granted until a study was done to make sure that all of the factors that should be considered were considered.

A few days ago, the headlines appeared in a local newspaper which said, "Corps Approves Barge Facility." And although I had been told that all the factors had been considered, I had been told that the aesthetic factors, property values, safety issues, recreational interference, water and air pollution, that all of these factors had been considered, it is my judgment that they were not and that the Army Corps of Engineers disregarded hundreds, even thousands of my constituents in order to support a large corporation.

This troubles me greatly. There is something wrong when ordinary citizens living in the small communities of this country do not get a fair shake. And I think the real attitude of the

Army Corps of Engineers was expressed by a spokesperson who said recently, I quote spokesman Steve Wright of the Huntington office, said,

Officials heard comments about the facility's effect on the environment, air quality and noise factors and the aesthetics of where this barge facility will be built.

And then he said, and I quote,

The people in Chesapeake who have concerns about the aesthetics might want to consider that they are on a super highway of commerce.

This attitude sickens me, Mr. Speaker.

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It shows a callous disregard and insensitivity to American citizens who have a right to believe that their government and the agencies of their government care about them and are willing to protect them. I believe the Army Corps of Engineers needs a careful look. Perhaps their decisionmaking process needs to be reevaluated. Perhaps their funding needs to be reevaluated, because any time a part of this government shows disregard for American citizens, they have gone too far. They may have won this battle, but I believe that the Army Corps of Engineers has damaged itself. It certainly has damaged itself in the eyes of this Member of Congress. I will never feel as positive toward the Army Corps of Engineers or have the kind of respect that I have had in the past for the Army Corps of Engineers until they change their mode of operation and put the interests of ordinary American citizens above the interests of large corporations.

DEBT REDUCTION: WHERE WE WERE, WHERE WE ARE, WHERE WE ARE GOING

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

Mr. NEUMANN. Mr. Speaker, I rise this evening to bring my colleagues and the country as a whole up to speed on where we were, where we are now and where I hope we are going to in this country.

I left a very good job in the private sector. I had no experience in public life, I had no one I knew that was in politics and I left the private sector, I left a very good business, because of this picture and this chart.

What this chart shows is the growing debt facing the United States of America. This shows how much money our Federal Government has borrowed on behalf of the American people. It shows a pretty flat line from 1960 to 1980. The debt did not really grow very much from 1960 to 1980. But in 1980 forward, the debt has just grown right off the chart. I would just point out to the folks that are watching this evening that we are currently about here on

this chart. It is a very serious problem facing our country, and it is why a lot of us came here in the class of 1994. It is now the sophomore class. For all the folks out there that are watching going, "1980, that's the year Ronald Reagan took over," they are blaming the Republicans for this, I say, "OK, I am hearing you." For all the people out there that are saying, "Well, the Democrats spent out of control in those years," that is OK, I am hearing that, too, because the parties have been blaming each other for this problem for the last 15 or 20 years.

I personally think it is time we stop blaming each other and figure out what we as Americans can do to solve this problem. The debt today stands at about \$5.3 trillion. The number looks like this. I used to teach mathematics, we used to do a lot of things with this number in our math classroom. \$5.3 trillion is the amount of money that the Federal Government has borrowed on behalf of the American people. Here is what we used to do in my classroom. We used to divide that number by the number of people in the United States of America to see how much it would be if each one were to pay off just their share of the Federal debt. It turns out the Federal Government has borrowed \$20,000 in behalf of every man, woman and child in the United States of America or for a family of five like mine, they have borrowed \$100,000.

Here is the kicker in this thing. The interest alone, just the interest on that Federal debt, we really owe that money to individuals who buy T-bills, to foreign countries. We saw the Japanese threaten to call their notes and the stock market plunge here a couple of weeks ago and I saw threats from the Chinese today that they were going to call in their notes. We actually owe that money to people and we are paying interest on it.

The interest alone for a family of five on average is \$580 a month. It is not all in income tax. A lot of it they do not really see. It is like when you walk into a store and you buy a loaf of bread, the store owner makes a small profit on that loaf of bread and part of that profit gets sent out here to Washington and gets applied toward this interest. When it is all over and done with, an average family of five in the United States of America today is paying \$580 a month in the interest on this Federal debt.

I would like to concentrate on what brought me here to Washington and talk about the past, and the people out there are a little cynical as we talk about some of these issues and for some reason they do not believe everything that they hear from Washington, D.C., and rightly so.

When I came to Washington, I was very frustrated because the people in Washington promised continually we were going to have a balanced budget. Then they promised another balanced budget and they raised taxes. They did all of these things supposedly to get us

to a balanced budget, but the balanced budget never materialized.

I would like to start with this chart that shows the Gramm-Rudman-Hollings promises of 1985. This blue line shows the promises that were made by the Congresses then to get us to a balanced budget by 1991. The red line shows what actually happened. I emphasize again this is the past. This is pre-1995. This is 1994 and before. The promise was made to balance the budget. That is the blue line. The red line is what actually happened. Deficits ballooned.

So in 1987 they figured out they were not going to be able to follow this path, so they again promised the American people they would balance the budget and the blue line again shows the Gramm-Rudman-Hollings fix, but again we see the red line is what they actually did, and the deficits exploded.

The amazing thing to me is that the people in this community cannot quite figure out why the American people are so angry at Congress and at Washington. Here is the reason. Washington has repeatedly made promises to the American people that they were going to deal with this very serious problem, the growing national debt, and in the past, and I emphasize in the past, they were not able to accomplish their goal. So they made these promises back there in the late 1980s and the early 1990s. In fact, the deficits ballooned when they were supposed to be getting to zero.

In 1993, Congress got together and they decided what they ought to do to bring these deficits down and they passed the largest tax increase in history. Gasoline taxes went up, Social Security taxes went up, taxes on taxes went up, all taxes went up. All the people paid more taxes with the idea that somehow if Washington took enough money out of the pockets of people and brought it out here to Washington, somehow that would lead us to a balanced budget.

When we start talking about and thinking about the past, the people are very cynical because they have received promise after promise that we get to a balanced budget, and then in 1993 the people got together in this community, in Washington, and said well, the only way we can get to a balanced budget is to raise taxes and they passed the biggest tax increase in history. I emphasize again, this is the past. This is pre-1995, this is before the Republicans took over in the House of Representatives and in the Senate. This is the track record that had been laid down.

I would like to yield to the gentleman from Minnesota [Mr. GUTKNECHT], who is also going to talk a little bit about the past and how government spending happened in the past.

Mr. GUTKNECHT. I would like to thank the gentleman from Wisconsin. I have a chart of my own I would like to show. I really like the way we are

going at this, by talking a little bit about where we were, where we are and where we are going. I think the gentleman is absolutely right.

I was home over the Fourth of July break. We were in about six parades, at a lot of community festivals, including Spam Jam, had a wonderful time in Austin, MN, on Saturday, but in talking to a lot of folks, there is a good deal of cynicism. On one hand I think they are very happy that they think that we are getting closer to a balanced budget, but they have had their hearts broken before.

I want to show this chart, and I hope people can see this, because what it shows is a history. Benjamin Franklin said, "I know no lamp by which to see the future than that of the past." The track record of Washington and the track record of Congress over the last 30 or 40 years has not been very good. What this chart shows is between 1975 and 1995, the red lines show how much Congress spent for every dollar that it took in. What it really translates to on average between those years of 1975 and 1995, for every dollar that Congress took in, they spent \$1.22. That is the bad news and it is the truth. But if we look at the blue lines, that is since the gentleman and I came to Congress. We said that we are going to change the way Washington works, we are going to make the Federal Government go on a diet, we are going to eliminate wasteful Washington spending, and we are going to balance the people's books.

I am happy to report that we are making real progress. If we look at these blue lines, there are two things that I think are good news. First of all, the amount that we spend in excess of what we take in is coming down dramatically, and frankly we are ahead of schedule. I think the gentleman may have another chart on that.

But if we look at it since we came to Washington, the average is about \$1.075 as opposed to \$1.22 over the last 20 years. So we are making progress, but I think the American people have every reason to be cynical. But as Patrick Henry once said, "The price of liberty is eternal vigilance." The real critical path is that we stay on this path as we go forward.

The bad news is that if we had not made some serious changes in the way Washington works, if we had not been willing to make some changes both in entitlements and in domestic discretionary spending, the truth of the matter is we were going to absolutely consign our kids to a life of debt, dependency and despair and a lower standard of living. For the first time a growing number of Americans were saying that they believed that their kids would actually have a lower standard of living than they have enjoyed. That is just plain wrong. That is the essence of the American dream. The bad news is Congress had not done a very good job over the last 40 years. We have not done everything right. I certainly do not want to say that we have not made some

pretty serious mistakes, but I think on balance we are heading in the right direction. We have eliminated something like 289 Federal programs, we have saved the taxpayers in excess of \$50 billion, and thanks to that, there is more consumer confidence. It is not just consumers, but there is more confidence on Main Street and on Wall Street and in the business community. We are seeing more investment, we are seeing more jobs, and so we are taking in more revenue. The real name of the game, you cannot tax yourself to prosperity. What we need is economic growth. As a result of the growth that we have seen over the last couple of years, yes, the deficit is coming down dramatically, we are on the right path, we are ahead of goal, we are under budget and we have got to keep the pressure on to stay that way.

Mr. NEUMANN. I would point out, the gentleman is kind of moving into the present. I would just like to sum up this picture of the past and then move forward into the present. When we sum up this picture of the past, I just keep coming back to this chart and I just keep thinking of these promises. This is where the deficit was going to get to zero in 1991, the Gramm-Rudman-Hollings promise of 1985 and this is what actually happened. The deficits exploded. Then they made a new series of promises to the American people. Again the deficits exploded.

The past is not a very good track record of keeping their commitment to the American people. So in 1993 what happened, biggest tax increase in American history. I think it is real important to point out that that tax increase passed in the House of Representatives by a single, solitary vote. Lots of people in this community knew that raising taxes, taking more money out of the pockets of the American people was not the right way to deal with this problem. It went over to the Senate and in the Senate that 1993 tax increase passed by a single, solitary vote again, and we got the biggest tax increase in American history as their plan as to how we could get this under control.

That brings us kind of to the present. The present I am going to define as from 1995 to now. I am going to define it as the time when the Republicans took over out here and look at just exactly how different it has been from before, from this picture of the past to what has been going on in the last 3 years. A lot of folks do not remember that in 1995, when the Republicans took over, we laid down a plan to balance the Federal budget, too. Our plan was a 7-year plan to balance the Federal budget. We are currently in the third year of our 7-year plan, and I think it is more than fair for the American people to look at our projections and see whether or not we have kept our word to them. So I brought a chart, and this chart shows what the projected deficit was, that is the red column, that was what was in our plan back in 1995. The

blue column is the actual deficit. The first two columns here are 1996. That year is over and done with.

The first year of our plan, we were not only on track, but we were roughly \$50 billion ahead of schedule. Contrast that to those charts I had up here before where they never hit the targets. First year, on track, ahead of schedule. Year 2, 1997, this fiscal year is about to end. This year we projected a deficit of \$174 billion. The actual is going to be, we are now hearing, as low as \$45 billion. Again over \$100 billion ahead of schedule.

I think it is real important to note what happens. The government was projecting that it was going to borrow out of the private sector \$174 billion. Instead, it borrowed \$100 billion less, \$67 billion, and maybe even less than that. What happens? When the Federal Government did not go into the private sector to borrow that money, that meant the money stayed available in the private sector. When the money was available in the private sector, that meant the interest rates stayed down and when the interest rates stayed down, of course, people bought more houses and cars, and when people bought more houses and cars, of course, that was job opportunities. So they left the welfare rolls and went to work and this is what has led to the strong economy that we have right now today.

We are now going into the third year. This is what we are spending our time on out here in Washington right now. We are in the third year of this 7-year plan to balance the Federal budget. The facts are in the third year, once again we will be ahead of schedule, ahead of what was promised back there in 1995, a strong contrast between the broken promises of the late 1980's and early 1990's and what is going on now, where we are not only hitting our targets but we are actually ahead of schedule. It is a very, very different Washington from what was here before 1995.

I will go a step further. I think we also need to contrast the tax increases of 1993, the other side's solution to this problem, with how we have gone about solving the problem. The other side said the only way we can hit these targets, the only way we can get to a balanced budget and reduce the deficit is to take more money out of the pockets of the people and bring it out here to Washington.

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When the Republicans took over we said, "No, no, that's not how we're going to do it. We're going to curtail the growth of government spending. If we curtail the growth of government spending, government doesn't spend as much, we should be able to get to a balanced budget without raising taxes." And in fact that is exactly what has happened.

This red column shows the average growth of spending in the last 7 years

before the Republicans took over. Spending at the Federal Government level was going up by 5.2 percent. This blue column shows how fast it is going up, and I would point out that this is not the draconian cuts that the other side would like you to believe are going on. Spending was going up by 5.2 percent. It is now going up by 3.2 percent.

There are a lot of folks in this community, myself included, that would like to see this government spending go up by even less, but the point is it is still going up but it is going up at a much slower rate than what it was going up before.

Government spending has been curtailed. The growth of government spending has been curtailed to a point where we can both balance the budget and reduce taxes on the American people. That is the good news.

And I just point out for those that are interested in the inflation-adjusted dollars, before the GOP took over in 1995 spending was going up at an inflation-adjusted dollar increase of 1.8 percent. That has been reduced by two-thirds in the GOP plan.

So we have effectively curtailed the growth of government spending, not the draconian cuts that they would like us to believe, but curtailed the growth of government spending to a point where when we look at charts like these we see that we are not only hitting our targets but we are ahead of schedule, and we are now able to continue hitting our targets and remain ahead of schedule while at the same time reducing taxes on the American people.

And maybe we should throw it open to a little bit of discussion about these tax cuts. It is real important when we talk about the tax cuts that we realize we are still on track to our balanced budget, we are not breaking the agreements like they did in the past. We are certainly not raising the taxes like they did in 1993. In fact, we are on track to a balanced budget and reducing the taxes at the same time.

And here in this discussion about the present, let us just pause a little bit and talk about the tax reductions for the American people, letting the people keep more of their own money.

Mr. GUTKNECHT. If the gentleman would yield, let me go back to a couple of points, because again we understand why the American people are cynical. They should be cynical. But let us just talk about a couple of numbers, and I think you were the first one to really discover this, and in fact I think we should also point out that I think all of your charts have been verified by the Congressional Budget Office. I mean you did not make these numbers up. Those are the actual numbers, and the Congressional Budget Office is the non-partisan, bipartisan group which is in effect the official scorekeeper for Congress.

So when we talk about budget numbers, when we talk about limiting the growth of Federal spending to 3.2 percent, that is what the Congressional

Budget Office says. And more importantly, another point that is many times demagogued is that we are making these huge cuts. The truth of the matter is Federal spending is still growing at faster than the inflation rate.

And what we said, I know when I first ran I said we could balance the budget if we would simply limit the growth of Federal spending to slightly more than the inflation rate, and still allow for those legitimate needs of the people who depend on the Federal Government and our legitimate needs for national defense and so forth. We can do all that and make room for a modest amount of tax relief for working families, and that is exactly what we are doing.

But you are the first one to really discover how much a difference we have actually made because, as you recall, back in 1995 we said that in fiscal year 1997, which we are in right now, this Congress would spend \$1,624 billion. Well that, you know, is what we said 2 years ago, and that was legitimate, and I think those were honest numbers. The truth of the matter is this Congress is going to spend \$1,622 billion. We are actually going to spend less money in this fiscal year than we said we were going to spend 2 years ago.

Now I would ask my colleagues and anyone else who may be watching this special order to ask themselves when is the last time that Congress actually spent less than it said it was going to spend. I cannot remember a time in my lifetime when that has actually happened.

You also mentioned something else that I think we need to really emphasize because I think the American people understand this, and frankly I had a very interesting meeting yesterday in my office with a gentleman who is very closely affiliated not only with our welfare system but with many people who are on the system, and I do not want to disclose his name because some of the things he said were very, very intriguing.

And I think the American people have been way out in front of this whole welfare reform debate for a long time because they know that if you encourage people to become dependent, unfortunately what you do is you make people even more dependent, and the tragedy of our welfare system has not been that it has cost too much money, although that certainly has been a by-product. The real tragedy of the welfare system that we have in this country was that it destroyed peoples' initiative and it destroyed families, it undermined work and it undermined personal responsibility.

Well, the good news about not only our budget but our welfare reform plan which requires work, requires personal responsibility, encourages families to stay together; well, the President went on the radio the other day, and he said by his own admission there are over a million families that are no longer de-

pendent on the welfare system in America today. That is an enormous victory, and I do not care if the President takes credit, I do not care if the Republican Congress takes credit, and I really think the American people should take credit. But that is an enormous victory, and again it is not about saving money, it is about saving people and it is about saving families and it is about saving children from one more generation of dependency and despair.

Mr. NEUMANN. If the gentleman would yield one second on the welfare issue, I was in a place in Kenosha where it was kind of a one-stop help find job and get them off the welfare rolls all at the same time, Kenosha, Wisconsin, and it was one of the most exciting conversations I have had in a long time, and it illustrates what you are saying. When people are on welfare they are depending on the Government for their raise, they are depending on the Government for everything they get.

In this place they were taking me around, they were showing me how people left welfare and got their first job. But they did not talk to them just about their first job after they leave welfare. They were showing them their second and third and fourth job, they were all the way down the line to where their fourth job would be and how much money they could earn as they move through this process.

In other words, if they were willing to take responsibility for themselves and work hard, they could actually get ahead in America. That is what made this Nation great, and it provides hope and opportunity for their families to live a better life than they thought they could. Well, they had only the government to rely on. What a wonderful statement as we look at welfare reform, to look at an organization that is showing people not only their first job, but what the potential is as they improve their lives and the lives of their family, looking at their second job and their third and their fourth job opportunities and how that improved lifestyle can make things so much better for their families.

That is what welfare reform is about.

Mr. GUTKNECHT. And frankly that is what many of our colleagues were talking about for a number of years before we came here. They were talking about moving away from the welfare state and to an opportunity society, and we are making real progress in that direction.

In fact, in meeting with particularly small business employers in my district, the biggest problem that I hear at virtually every stop is we cannot find people. We have; in fact I have had a number of businesses say we turn away business, we simply do not have enough good people to get the product out the door or to get the job done so we are turning away business, and is that not a wonderful problem to have? And that people with modest amounts of skill now are able to get out there to become self-sufficient.

And I have often said this, and I really believe this, that a job is more than the way you earn your living. A job helps to define your very life. It is about a sense of self worth. And what we are giving to over a million families today is something they did not have a year ago, and that is a job, a future, real hope and real opportunity.

And if I could I want to share one more story, I know that you go to schools often, as well as I do. I often go to schools, I read to kids, I listen to kids, and we can learn a lot sometimes from kids. And I was at a school a few months ago in my district, and one of the teachers, after the kids went home, we were meeting with the teachers. We were talking about welfare and what it has done to families and what it was doing in their particular school, and actually she was quite congratulatory.

She said, "I think you guys are doing the right thing about welfare reform," and she said, "I'd like to tell you a story. There was one of my students who came in. He has just started acting better." His behavior was better, he was carrying himself better, everything about him was better. His deportment was better, his studies were better, his grades were better. So finally the teacher said, "You know, Johnnie, is there something different at your house?"

And Johnnie said, "Yeah, my dad got a job."

I mean it has an effect on families, and so by getting the economy moving stronger, by increasing consumer confidence, by getting Americans to believe once again that Congress can balance the budget, that we can live within our means and we can allow Americans to keep and spend more of what they earn, we have done a lot more than just balance the budget. It is about helping families to really have more hope in their futures.

Mr. NEUMANN. I think again we should emphasize that we are now talking about the present, what has happened from 1995 to 1997 and how things are different, and certainly the concept of able-bodied welfare recipients leaving the welfare rolls and going to work so they have hope and opportunity in their life is certainly significant. I think it is important that we continue to contrast the present to the past, to show how different it is now, in 1995 to 1997 through the present, to what it was before.

And remember the Gramm-Rudman-Hollings broken promises of a balanced budget versus now, where we are not only on track but ahead of schedule in our third year of our plan to balance the budget. And the tax increases of 1993, biggest tax increase in American history, passed in this institution by a single vote, went over the Senate in 1993; again it passed the Senate by a single vote. Taxes went up, the gasoline tax, social security tax.

I would like to just point out as we talk about these families and we think about our families out there, that not

only are we in the third year of a 7-year plan to balance the Federal budget and on track and ahead of schedule, we are also about to pass one of the biggest tax cuts, at least in the last 16 years and maybe ever, and we are doing that at the same time that we are balancing the budget. These tax cuts are very real.

And you know I hear all the demagoguing out in this city, and they try to muddy the waters to a point where nobody seems to understand. But you know what? I found out in Wisconsin they do understand.

A family of five that I see in church every Sunday, they got 3 kids, one headed off to college and 2 kids still at home. They are middle income folks, probably earning between \$40,000 and \$50,000 a year. They understand what these tax cuts mean. They know that for each one of the kids that are still at home they are going to get \$500 back to put into an account.

And it was real interesting. I was having a conversation with the parent, and she said, "When I get that \$500 it goes immediately into an account to pay for their college," and that is what this is all about. They sure understand that they are going to get their \$500-per-child tax cut.

And they also understand, the one that is off at college, the one that started college, they are going to get \$1,500 to help pay the tuition at that college.

Now their son happens to be headed to the same college I think my daughter is headed to, so we sure understand about the cost of going to college. This family of 5, they may not have understood all this demagoguing that is going on out here, but they understood the idea that they were going to keep a thousand dollars, \$500 for each of the kids at home, and get \$1,500 help to pay for college; they understood that very, very well.

So when all the demagoguing is done out here in this city and the people actually see the money coming back or, better yet, it is their money, they get to keep their own money; when they see that actually happening, they are going to understand perfectly well that it is not about the demagoguing. It is about them keeping more of their own hard-earned money instead of sending it to Washington. It is about them knowing better how to spend their own money than the people in Washington, and that is what these tax cuts are about.

Capital gains, we started talking to some folks that had invested in some real estate, and they are thinking of selling the real estate, and some people that had pension funds, and virtually every American has some sort of a pension fund. When they cash in the pension funds, the capital gains reduction kicks in.

Before, if you would have made a \$10,000 profit on your pension fund over a 15- or 20-year period of time, you would have sent the Government \$2,800

out of that \$10,000 profit. Now you only send them \$2,000, you keep the extra \$800 in your own house, in your own pocket.

That is what these tax cuts are about. They are about the American people keeping more of their own money in their pockets instead of sending it to Washington.

I would add one other thing to this, that the death tax is being reformed so that the estates that are being passed on from one generation to another are not being taxed again when someone dies, and that is very, very important as we look at what these tax cuts are really all about.

I see my good friend the gentleman from Florida [Mr. WELDON], has joined us.

Mr. WELDON of Florida. I thank the gentleman for yielding, and I want to thank you in particular for the hard work you do here on this budget issue. I think you have clearly stood out in our class as somebody who has worked very, very aggressively to rein in the deficit monster.

And I was sitting over in my office, and let me just add, by the way, that the gentleman from Minnesota [Mr. GUTKNECHT] as well has been doing a super job fighting for—and you know this is not just a fight for us. This is a fight for the working people all across America, working families who have trouble making ends meet, who do not know how they are going to pay for the braces, who do not know how they are going to pay for college when, you know, the little girl and the little boy who is getting big gets to that college age. How are they going to do it?

□ 2030

This is not about numbers. This is about families. This is about how American families are going to make ends meet.

I want to thank both of the gentlemen. I was sitting over in my office, and I was watching the charts they were displaying and the way they were explaining all of this. I wanted to come over here and just join in. I just want to ask a question if I can, I would say to the gentleman from Wisconsin [Mr. NEUMANN].

That chart that is on the floor there, if we could just put that up, I have a question about that. Mr. Speaker, I would ask the gentleman, is he saying that spending prior to our arrival in January 1995, when the 104th Congress got sworn in, when all three of us arrived, spending was increasing here at almost 2 percentage points ahead of the inflation rate?

Mr. NEUMANN. Yes. Yes. Spending was growing much more rapidly than inflation, almost twice as fast as the rate of inflation.

Mr. GUTKNECHT. Mr. Speaker, if the gentleman will continue to yield, in the last 20 years Government spending at the Federal level has increased to nearly double that of the national inflation rate. That had been the pat-

tern. The gentleman almost quoted a good old farm fellow in my district who said it so clearly. He said, the problem is not that we do not send enough money in to Washington. The problem is that Congress spends it faster than we can send it in.

So raising taxes to try to balance the budget has never worked. What really has to happen is we have to limit the growth in spending, allow spending to increase but at a much slower rate, and we cannot only balance the budget then but we can actually allow American families to keep more of what they earn.

Mr. NEUMANN. There is a big danger in this chart. This is where some of our conservative friends look at this and they see that Government spending is still increasing faster than the rate of inflation. They look at this chart and say, why is Government spending still increasing faster than the rate of inflation? I personally agree with them. I would much prefer to see this even smaller than what it is.

But there has been a huge change in the growth of Government spending from what was here before and what is here now. It is this curtailing the growth of Government spending that has allowed us to be in the third year of our 7-year plan to balance the budget and be ahead of schedule, and now be able to come out to the American people and say, look, the budget is going to be balanced in 2000, maybe even in 1999, and we are going to reduce taxes.

Mr. WELDON of Florida. Mr. Speaker, if the gentleman will continue to yield, I think a lot of this gets right at the issue of what is right and what is fair. I rose on this floor over an hour ago and I was talking about the President's criticism of our decision to index capital gains to inflation. He is going around saying that is going to explode the deficit.

I just take real offense at him saying that, and some of his staff saying that, because the problem was created by too much spending. The charts that the gentlemen have put forward make that very, very clear. The issue of indexing capital gains to inflation is a very simple one. If you are a working man and you manage to set aside \$1,000 for an investment, let us say it is for your children's college, you have an 8-year-old, and in 10 years they are going to be in college and that doubles in value to \$2,000. But if inflation has been such that it has really only gone up about \$500 in value, we say you pay capital gains on that \$500. Bill Clinton wants you to pay capital gains on the whole \$1,000 increase in your investment. In effect you are paying capital gains taxes to Washington, DC, on inflation.

I just think that is dead wrong and it is an issue of fundamental fairness. Likewise, it is just wrong and unfair for elected officials to come up here to Washington and to vote over and over again to increase spending and then throw up their hands and say we have to raise taxes to balance the budget.

Mr. NEUMANN. That is the past. That is 1993 that we were talking about, where they did literally throw up their hands and pass the biggest tax increase in history. I would just add, as we are discussing what President Clinton is throwing out here in these tax cuts, the other big argument going on here in the community is, if a person is not paying any taxes today, can they receive a tax cut.

In Wisconsin people start laughing when I ask that question. Of course, if you are not paying any taxes today you cannot receive a tax cut. But that is the other big argument in whether or not this tax cut package passes. If a person is paying no taxes today, the other side wants to give them a tax cut. It is not really a tax cut; what they want to do is send them a check, which actually becomes welfare.

So the other big argument, it is the indexing argument the gentleman mentioned, and the argument about whether or not a person who is not paying taxes should receive a tax cut. Most of our hard-working families that are paying taxes think it would be unfair for people not paying taxes to receive a tax cut. It comes back to this fairness issue.

Mr. WELDON of Florida. Mr. Speaker, if the gentleman will continue to yield again, I am aware that the President wants to do that. He wants to give the \$500 per child tax credit that is in our bill to people who do not pay taxes, so it essentially amounts to \$500 per child. We can call it a welfare check, we can just call it benevolence, but this is somebody who is not paying any taxes, no Federal withholding at all. He wants to turn around and give them the \$500 per child tax credit.

I agree with the gentleman that the \$500 per child tax credit should go to people who are paying taxes. It should not be turned into a welfare program.

One of the other things that is really bothering me about what the White House is doing is they are doing some very, very strange calculations on people's income. They are doing something that totally boggles my mind, where if you have a house and you have a family income of \$30,000 a year, but if you lived on the street and you rented your house out for \$500 a month, then they do \$500 times 12 and they get \$6,000 and they say, really, your family income is \$36,000.

Mr. NEUMANN. Could the gentleman go through that once more? I want to make sure I understand it. If a family is earning \$30,000 a year and they are living in this house, the Government does not say you are earning \$30,000 a year. The Government, under the Clinton administration, is saying that if they lived in a tent in the backyard and rented the house out and then collected \$500 a month, or \$6,000 for a year, they are going to say that they have to count that rent toward their income?

Mr. WELDON of Florida. Let me just clarify, OK? It is not the Government in the sense that the Congress is not

saying that, the Congressional Budget Office is not saying that.

Mr. GUTKNECHT. Not even the IRS says this. Only the Treasury Department uses this convoluted system called imputed income.

Frankly, I have to say, and I think I am a fairly well educated person, I was in politics before I came here, I had never heard the term "imputed income" before I came to Congress.

It is worse than just the \$30,000 example. What they have done is taken a family at \$44,000, they have assumed they could rent their house for \$1,000 a year, which adds \$12,000 to that income, brings them up to \$36,000, and then they assume someone in that income bracket would probably have at least a \$20,000 capital gain.

So they take someone who has approximately the median family income in the United States, and all of a sudden they have imputed them into the wealthy category, making more than \$75,000 a year. It is one of the most convoluted, crazy things I have ever heard in my life, and yet only here in Washington can a crazy idea like that have any credence.

Mr. WELDON of Florida. Mr. Speaker, if the gentleman will yield further, only at 1600 Pennsylvania Avenue does that have any credence, because I believe people like the gentleman from Ohio, Mr. JOHN KASICH, and the gentleman from Texas, Mr. BILL ARCHER, do not use these kinds of convoluted figures.

Mr. GUTKNECHT. We actually had some Members of this Congress come before the House not too long ago and say, in effect, with those numbers, that our tax cut was targeted at the rich.

Mr. WELDON of Florida. If the gentleman will continue to yield, does he mean Members of the House of Representatives?

Mr. GUTKNECHT. Yes, colleagues of ours from States the gentleman would recognize.

Mr. NEUMANN. On the other side of the aisle, I might add. I think that is real important.

Mr. GUTKNECHT. The IRS does not use that. Frankly, in all of this discussion, and the gentleman from Wisconsin [Mr. NEUMANN] and I were talking, earlier, frankly, what we need to do is get, and I think the Senate Finance Committee already has an electronic work sheet on a web site and we hope to have it on a web site very, very soon, and we will have work sheets available, and perhaps by the next time we have a special order we can have a chart made up so average American families can calculate for themselves; do not take my word for it, do not take the Treasury Department's word for it, calculate it for yourself.

I will give a classic example. The same story. I came home a couple of weeks ago, there was a family going to a garage sale, they had three kids. That is \$1,500 more they would have to spend. Those kids, when they go to college, it can be up to \$1,500.

Do not take our word for it. We ought to have a work sheet, whether it is on a web site so people who have access could do that, or an actual written work sheet so people can calculate their own tax. It is not what it might be worth to somebody else, but what is it worth to the average family in the gentleman's district? To the average family in my district it is worth over \$1,000 a year.

Mr. WELDON of Florida. Mr. Speaker, if the gentleman will continue to yield, that gets back to what I was talking about before. This is not about numbers. We tend to spend a lot of time here in Washington throwing around numbers, but this is really about moms and dads in Minnesota, in Wisconsin, in Florida, where I come from, having more money to buy clothes, to buy braces, to set aside for college education.

One of the points that I really want to stress is we, the Republicans in the House of Representatives and in the Senate, are delivering on a Clinton campaign promise of 1992 to provide a middle class tax cut.

One of the things that motivated me to run for Congress back in 1994 was that Bill Clinton had campaigned on ending welfare as we know it, and then just did not follow through on that. He campaigned on a middle class tax cut and he raised taxes. Of course, it did take us to pass welfare reform, and now we are following through on another Clinton campaign promise, to provide that middle class tax cut. Our tax cut is a middle class tax cut.

What boggles my mind is to have Members on the other side of the aisle get up day after day and tell us that, if we would just let them do the tax cut, that they would do a better tax cut. These are the people who raised taxes in 1993, who did not want to cut taxes in 1993, or 1994, or 1995, or 1992, or 1991. They want to increase spending, and increase spending, and raise taxes, and raise taxes.

For them now to come before this body, to come before the American people straight-faced and look us in the eye and say their tax cut would be a better tax cut, or their tax cut would really, truly be a middle class tax cut, to me is absolutely amazing.

It is the Republican Congress, the Republican Senate, and yes, we have been working with the administration on this, and this is a cooperative effort and he is agreeing to go along with us, it is a Republican initiative to finally deliver on the Republican promise of 1994 and the Clinton promise of 1992 to provide a middle class tax cut.

Mr. NEUMANN. Mr. Speaker, it is true, everything the gentleman is saying. But I think the most important outcome here is that it is good for the American people. That is what this is all about. The gentleman has gone back and hit on those past things. I think it is important.

We remember the broken promises, where Gramm-Rudman-Hollings is

going to get us to a balanced budget, and it did not happen; in 1993 where they said they were going to cut taxes but instead they gave us the biggest tax increase in history. And I think it is very important we contrast that to the present, and we look at the fact that we are fulfilling our campaign promises for 1994. We are actually doing what we told the American people we would.

I would like to kind of wrap up the discussion of the present and turn our focus to the future with this chart. This chart shows when we came here what the deficit stream was projected to be. Deficits were headed up over \$300 billion. If we had come here and played golf and basketball instead of doing our job, this is where the deficit line would have gone. Twelve months in the yellow line shows how much progress was made. The green line shows our hope to balance the Federal budget. This is our Republican plan laid into place in 1995 to balance the Federal budget.

Mr. GUTKNECHT. That was the original 7-year plan.

Mr. NEUMANN. The original 7-year plan to balance the Federal budget. We were to get to zero in the year 2002. We are now in the third year, and it is important to note that the deficit is significantly under those projections. We are in the third year of a 7-year plan to balance the Federal budget and we are not only on track, but we are significantly ahead of schedule. It is very, very important to note the contrast between what was here before and what is happening now. We are laying down this track record so the American people can once again have some faith in this institution.

Mr. WELDON of Florida. If the gentleman will continue to yield for a question, Mr. Speaker, I want to look to the future. As the gentleman knows, I represent an area of Florida that includes the Kennedy Space Center, an area that has always had its eyes looking to the future.

The question I have for the gentleman is, I believe if we remain committed to our principles that that black line that is showing there will come down to the zero mark and we will have the budget balanced. If we stay true to our principles and hold the line on spending, we will actually start showing a very small surplus. Is that not correct?

Mr. NEUMANN. That is absolutely correct. I think the gentleman is coming to the significant question here of, after we balance the budget, then what? Is our job done?

Mr. WELDON of Florida. That was the question I wanted to ask the gentleman. Go ahead.

Mr. GUTKNECHT. If both Members will yield for a second, the gentleman from Wisconsin [Mr. NEUMANN] and I both serve on the Committee on the Budget. We actually have gotten the CBO and others to run some numbers. If our economic growth rate remains even close to the level it is at, in fact,

it could drop dramatically from what the economic growth rate has been for the last year, we will balance the budget on our current path not in the year 2002, not in the year 2001. I believe, and I think the gentleman from Wisconsin [Mr. NEUMANN] will probably agree with me, we are going to balance the budget by the year 2000.

□ 2045

Frankly, it may even be 1999. I want to come back to one of the points you made. You said this is not just about numbers. We talk about 12.3 percent and 174 billion. It flies past most Americans like a Nolan Ryan fast ball. It is about people, but more important, I think what we are doing really is all about preserving the American dream for our kids. What kind of a country are we going to give to our kids? That is why it is important that we talk a lot tonight about the National Debt Repayment Act. You have spent an awful lot of time on this. You have an awful lot of cosponsors. That is where we are really headed in the future. That is why it is important.

I wonder if you would share about the National Debt Repayment Act.

Mr. NEUMANN. Mr. Speaker, I put another chart up here because I think it is important that we recognize the differences between the past and the present, but we also realize that once we get to a balanced budget we still have this \$5.3 trillion debt. That debt is going to be passed on to our children if we do not do something about.

That brings us to the future. That brings us to, after we balance the budget, then what? The answer to that question is the National Debt Repayment Act. The National Debt Repayment Act does this. After we reach a balanced budget, it caps the growth of government spending at a rate 1 percent below the rate of revenue growth. It caps, after we reach a balanced budget, it caps the growth of government spending 1 percent below the rate of revenue growth. So if spending goes up by 4 percent, revenue goes up by 5, that creates a small surplus. That surplus is then used one-third to further reduce taxes and two-thirds to pay down the national debt.

So we create the surplus by capping the growth of government spending. We take one-third of the surplus, let the people keep more of their own money, additional tax cuts, two-thirds goes to repay the national debt. If we do that, by the year 2026 the entire Federal debt will be repaid in its entirety and we can pass this Nation on to our children debt free.

In doing so, when we repay the national debt, we are also putting the money back into the Social Security trust fund that has been taken out. Every year the Social Security system collects more than it pays back out to seniors in benefits. The idea is, we are supposed to be building this savings account, a savings account that, when we do not have enough money coming in,

is where we are supposed to get the money to make good on payments to seniors.

The problem is, the money has not been going into that savings account. It has been spent on other Government programs. In fact, that trust fund, that Social Security trust fund, is now all part of this \$5.3 trillion debt. So under the National Debt Repayment Act, we create the surplus after we have reached a balanced budget, two-thirds goes to repay the debt and, as we are repaying the Federal debt, we are also putting the money back into the Social Security trust fund. And we pay off the debt in its entirety so we can give this Nation to our children debt free. Instead of them sending \$580 a month out here to do nothing but pay interest on the Federal debt, they can keep that in their own home in their own family and decide how best to spend their own money rather than sending it out here to Washington, DC.

Mr. WELDON of Florida. Mr. Speaker, if the gentleman will continue to yield, as I understand it, we are paying out about \$340 billion to pay interest on that debt. So with your legislation, which I am a cosponsor of, not only would we be able to pay off the national debt and take that burden off of our kids and the future of our children and not only would we be able to provide more tax relief for working families, but we would no longer be paying these \$300 billion a year interest payments; is that correct?

Mr. NEUMANN. That is correct. For a family of five, that translates into \$580 a month to do nothing but pay interest on the Federal debt.

Mr. WELDON of Florida. In effect it is a win/win situation that taxpayers would get to keep more of their hard-earned money and we would pay off the debt and we would not have these big interest payments. And we would actually have more money within the Federal budget to pay for roads, for example, or say maybe a manned mission to Mars, for example?

Mr. NEUMANN. And do not forget the other part of that, that is that the Social Security trust fund is restored. It is so important to look at this because if the money is not in the Social Security trust fund, Social Security is bankrupt in the year 2012. So it also solves the Social Security problem at least through the year 2029.

Mr. WELDON of Florida. I am really glad you brought this issue up, the National Debt Repayment Act, because that was one of the reasons I came over to join you and Mr. GUTKNECHT. I want to thank you for allowing me to join you in this conversation. I think it has been very informative.

Mr. GUTKNECHT. Mr. Speaker, I just want to talk a little bit about the National Debt Repayment Act. A lot of people I think are going to look at this and some of our critics on the other side of the aisle will say this cannot happen. I want to remind them, these are the same Members who said we

cannot balance the budget, we cannot reform welfare, we cannot reform Medicare, we cannot reform the Medicaid system. We cannot do all of that and balance the budget and provide tax relief. And yet we are proving that it can be done.

And what the National Debt Repayment Act shows is that by again just limiting the growth modestly of Federal spending, and I think I am correct in this, Federal spending under the National Debt Repayment Act will still continue to increase. We are not talking about pulling the rug out from senior citizens and people who need legitimate services from the Federal Government. Spending will still go up.

Mr. NEUMANN. Faster than what I would like, I might add. But absolutely. Spending would still go up and could go up faster than the rate of inflation. It is important to remember that revenues to the Federal Government grow because of real growth in the economy but also because of inflation. So it is really kind of two things happening simultaneously. Revenues, in fact, increase.

Mr. GUTKNECHT. Show that chart. I think people are astonished when people see the numbers, the average Federal revenue growth over the last 17 years.

Mr. NEUMANN. The average increase in revenue to the Federal Government over the last 3 years was 7.3 percent. Inflation is only 2½, 3 percent. So it is going up at over twice the rate of inflation. Revenue to the Federal government. This is the amount of money that came in this year compared to last year; 5-year average, 7.3 percent increase; 10-year average, 6.2; 17-year, bottom line revenue to the Federal Government has been growing at a very significant rate over the last 17 years. It has not been revenue that is the problem. The problem has been spending that is out of control. This chart also shows that the budget agreement that we signed, a lot of people said it was pie in the sky, it was not.

Mr. GUTKNECHT. It was rosy scenarios.

Mr. NEUMANN. The budget agreement only projects a 4 percent growth. I think it is real important to see that 4 percent number next to these numbers, what has actually been happening. It is very, very conservative. In fact, I asked the question, if revenues grow by 6 percent instead of 4, what happens? In fact we find that we have a balanced budget by the year 2000. We run a surplus in the year 2000. That is when the National Debt Repayment Act would kick in, two-thirds of that surplus goes to pay down the debt, one-third goes to reduce taxes even further for the American people. And that is what this is all about.

I think maybe we should conclude or start to wrap this up by just kind of briefly going back through the past, the present and the future. I always use this chart to talk about the past because I think it says it better than

anything else we have. During the late 1980's and early 1990's, the American people were promised a balanced budget. This blue line shows how it was supposed to work. Deficits exploded. In fact we did not follow the blue line. They never hit their targets. They said, in 1987, we will fix that. And they gave the American people another whole series of promises, and they never hit that target either. The American people got cynical.

In 1993, they looked at this picture and they said, well, we sure cannot curtail the growth of government spending. The only thing we can do to get this under control is to reach into the pockets of the American people and collect more taxes. So in 1993, by a single vote in the House of Representatives and a single vote in the Senate, they passed the biggest tax increase in American history and they thought that was the only way to reduce the deficit. The American people responded in 1994 and said we have had enough of this. We do not like those broken promises. We do not think you need more of our money. You are already getting enough of our money out there in Washington. They sent a whole new group of people out here and the GOP took over control of Congress.

We are now in the third year under Republican control of Congress. In the third year of our plan to balance the budget, the contrast is so stark. The first year of our plan we promised a deficit, of our 7-year plan, we promised a deficit of \$154 billion. It was actually 107. First year on track, ahead of schedule. Second year Republican control, second year of our 7-year plan to balance the Federal budget, we promised a deficit not greater than 174. The deficit was 67. Second year on track, ahead of schedule. Third year is what we are debating right now, deficit promise of 139, it will be under 90. Third year of a 7-year plan on track and ahead of schedule.

Notice the stark contrast. Not only are we on track and ahead of schedule to produce what we promised the American people, a balanced budget, we are not only on track and ahead of schedule, but we are also letting the American people keep more of their own money. That is the tax cuts. Five hundred dollars per child, \$1,500 to help go to college. Capital gains coming down from 28 percent to 20 percent. Reducing the death tax so families can pass on their estates to their children.

These are all things that are now coming about at the same time we are staying on track and ahead of schedule to balancing the budget. This has all been done not with the old theory, the 1993 theory that the people rejected in 1994, the idea that we have to raise taxes. This is all being done at the same time that we are lowering the taxes on the American people. It can happen. It is working beautifully. The American people are responding, the economy is responding in a very, very positive way. The future, that is past,

present, the future after we get to a balanced budget, we have still got a \$5.3 trillion debt.

The National Debt Repayment Act, after we reach a balanced budget, will cap the growth of spending at a rate 1 percent lower than the rate of revenue growth. By doing that, we can then create a surplus. With that surplus, two-thirds goes to reducing the Federal debt, one-third goes to additional tax cuts. We can pay off the entire Federal debt under this plan by the year 2026 and pass this great Nation of ours on to our children completely debt free. So instead of having to send \$580 a month to pay interest on the Federal debt, our families can, in the year 2026, just keep that money in their own home, put it away to save for their kids' college or send them to a better school or buy a better house or better car, whatever they see fit, but not send the money out here to Washington.

The National Debt Repayment Act then, the future, caps the growth of government spending at a rate 1 percent below the rate of revenue growth. Takes two-thirds of the surplus and uses it to repay debt and the other one-third to reduce taxes even further. And as we are paying off the Federal debt, it is important to remember that also will restore the Social Security trust fund money. All the money that has been taken out would be returned to the Social Security trust fund under the National Debt Repayment Act. That is a vision.

That is what this is all about. Broken promises of the past, the tax increases of the past, those are days gone by. The American people rejected those ideas in 1994. In 1995, through the present, we are now in a situation where we are in the third year of a 7-year plan to balance the budget. We are on track and ahead of schedule. We are letting the American people keep more of their own money. It has been done by curtailing the growth of government spending as opposed to raising taxes on the people. The future holds very bright prospects for our children. It holds us paying off the Federal debt, reducing taxes even further, and making sure the Social Security trust fund is solvent for our senior citizens.

Mr. GUTKNECHT. Mr. Speaker, I think our time has about expired. I think you have summarized very well where we were, where we are and where we are going. The negative naysayers said you cannot balance the budget, you cannot provide tax relief, you cannot reform welfare, you cannot save Medicare, not all at the same time. Well, it is happening.

This chart illustrates very clearly where we were. For the last 20 years, we spent, this Congress spent \$1.22 for every dollar they took in. We are now spending less than \$1.04 for every dollar we take in. We are making real progress. We are on the right track. The American people understand that. And we are going to balance the budget and let people keep more of what they earn.

Mr. NEUMANN. I want to wrap up this evening with a tribute to a church that I attended twice in the last 3 days here. The church held a very special service and they put in a huge amount of effort. A little church in Williams Bay. It is Calvary Community Church. What they did is they held a special worship service on two nights to honor our veterans. When I went there the first night, the church was absolutely packed. I got there about a half hour before the service started. There were 900 people there. I could not believe it. I walked in the place. It was absolutely jam-packed. All American citizens there to pay tribute to our veterans. What better place could they be to celebrate the Fourth of July weekend?

I went back the second night, my wife and I. Sue and I were driving over to the church service and we said, they cannot possibly have 900 people in this church again the second night in a row. They had 900 people the second night in a row. What that does for me is it reinvigorates me, gives me hope for the future of this great country.

We saw in two nights 1,800 people turn out to a church to pay tribute to the veterans that have done so much to give us this great Nation that we live in. I thought that would be a fitting way to wrap this discussion up this evening because they have done so much in the past to give us this great Nation that we live in today. It is now our responsibility, our awesome responsibility to do the right thing so that our children receive a better Nation than we received, so that we live up to our responsibility to pass this Nation on to the next generation in a fiscally sound way, a way that they can also look forward to living the American dream, hopes and dreams for their families and for their children and their grandchildren. That is what this is all about.

ON TRADE

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under the Speaker's announced policy of January 7, 1997, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes as the designee of the minority leader.

Mr. BONIOR. Mr. Speaker, I cannot help but comment on the discussion that we have just had here before I talk about trade, because I think it has a distorted view of history. I would like to correct my colleagues who just spoke by reminding the American people that in 1993, when the Clinton administration took office, they inherited a \$300 billion annual deficit from the Republicans.

□ 2100

Three hundred billion. And, of course, in 1993, we passed a very important budget that has worked in several ways:

It has eliminated literally hundreds of government programs. It reduced

the Federal work force by 250,000 people, I believe. We have the lowest Federal work force since John F. Kennedy, the lowest Federal work force today. And it also brought the deficit down from the Bush Republican number of \$300 billion annually down to about 65 this year, every year reducing that budget deficit. And not one Republican voted for that 1993 budget deal that basically has brought us into balance.

So when my friends speak of spending, they have this convenient amnesia about their policies and how it was in the 1993 bill that we were able to finally get some control to the point now where our debt relative to our gross domestic product is the lowest of any Western developed nation in the world today.

I want to turn to another subject, if I could, this evening, Mr. Speaker, and that is trade. I will be joined hopefully by a few of my colleagues to talk about the North American Free Trade Agreement and its effects on the people of Mexico and the United States over the past 3½ years.

We are engaging in this discussion because sometime this fall, we think, Congress will be asked to approve something that is known as fast track. Now, people are out there saying what is this fast track that he is talking about; is that some kind of a Washington special lingual term that is out there to confuse the rest of us? Well, fast track is an authority that the Congress surrenders to the administration to make a trade deal. Fast track forces Congress to accept or reject an entire trade agreement rather than allowing us to improve upon the agreement that is reached by our trade negotiators with other nations.

The administration wants fast track, all administrations want fast track, in order to expand NAFTA to other nations in Central and South America. What we are saying is that, before we rush ahead to expand NAFTA, we should understand the effects it has already had on the workers in the United States and in Mexico.

I try to use the analogy that, if our house has a flooded basement, our roof is burning and we have chaos in our house, we do not decide to build an addition to the house. We decide to take care of these problems that we have before we pass on improvements to our house. The same is true with our trade agreement.

We will see much analysis of NAFTA over the next couple of weeks, starting later this week, when the administration is going to release a report on NAFTA, and we will discuss that a little later this evening. What I would like to discuss now is the remarkable election that took place on Sunday in Mexico.

Mexico is our neighbor. There are good people in Mexico, hard-working people, people who are struggling, people who have had a very difficult time with human rights and democracy. Elections have repeatedly been stolen in Mexico.

They had a very important election on Sunday. There were over 100 million people in Mexico. Opposition on both the left and the right of the ruling Institutional Revolutionary Party, or PRI, as it is called, these opposition parties scored significant victories, victories that will unravel nearly 70 years of one-party rule in Mexico. And the biggest one ever was the Party of the Democratic Revolution, which is a party that is headed by Mr. Cardenas, who was overwhelmingly elected the mayor of Mexico City. And by the way, this is the first time they allowed the second most powerful position in Mexico, the mayor of Mexico City, to be elected.

This election was significant for many reasons, but I want to focus on two of those reasons this evening. Most people agree that the conduct in the election on Sunday was not perfect but that it was by far the fairest national election conducted over the past 68 years in Mexico. This was the first real chance that the people of Mexico have had to see their ballots actually tallied and counted and not discarded or misplaced somewhere.

The voters rejected the PRI. That is the 70-year ruling party. They protested its economic policies and they bravely chose change. Now, in the past, they have chosen change, but their ballots were not counted and elections were stolen from the people, and it was done on a regular basis. The most notable example was the Presidential election in 1988, not too long ago, in which most people believe that Cardenas handily beat Carlos Salinas only to have the apparent victory snatched from him by the PRI massive electoral fraud.

In that election Cardenas' phones were tapped, his top aides were murdered, and the government halted the vote count on election night and declared Salinas the winner. Over the next 6 years, as many as 500 Cardenas and PRD activists were murdered in an attempt to intimidate and silence the opposition. That is a startling, startling number. Five hundred of his supporters and activists were murdered by the ruling party.

What amazed me through all of this was the acceptance of Carlos Salinas in America as some kind of savior, an intellectual, elite, smart, sophisticated individual. He fooled the entire elite intellectual community in this country.

It has been said in Mexico that the PRI governed not from the ballots of democracy but from the bullets of revolution. It has also been called the perfect dictatorship by one of the great writers of Mexico, Octavio Paz. It was only a matter of time before these misdeeds of the PRI caught up with them, and on Sunday these misdeeds did catch up with them.

While many people will try to characterize the vote on Sunday in Mexico as only being significant because it produced a major shift in power away