

working people and middle-income people and young people get involved in the political process, if they let the Congress and the President hear from them, if they make the political leaders of this country understand what their needs are and they will get involved, we can turn this country around.

We should not be proud that the wealthiest people have seen huge increases in their income and their wealth at the same time as we have the highest rate of childhood poverty of any industrialized nation. We should not be proud that 43 million Americans have no health insurance and that we are the only country in the industrialized world without a national health insurance system. We should not be proud that the CEOs make over 300 times what their workers make and that in the midst of the so-called economic boom, the average American worker today is earning less than was the case 25 years ago.

But ultimately to turn that around, to make the Government of the United States work for the middle class, work for working families, rather than for upper-income people, people are going to have to get involved in the process. They are going to have to vote. They are going to have to be informed about the issues. They are going to have to run for office. They are going to have to revitalize American democracy and pay tribute to the founders of this country who gave us the radical concept of democracy.

So I would hope that all of our people, especially the young people who are turning their backs to our Democratic system, get involved and stand up and fight for the rights of ordinary people.

Mr. Speaker, I thank the gentleman for joining me this evening.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

#### COLORADO CATTLE CONCERN

The SPEAKER pro tempore (Mr. TERRY). Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. SCHAFER) is recognized for 60 minutes.

Mr. SCHAFER. Mr. Speaker, I would like to invite those Members of the Republican Conference who may be monitoring tonight's proceedings and have something that they would like to add in the next hour during this special order to come on down to the floor and join in. I secure this hour every now and then on behalf of the Republican Conference just for that purpose.

One of the topics I wanted to discuss was with respect to some good news in agriculture over the last couple of weeks. Because while the bull is still loose on Wall Street, months after the

analysts and pundits first began warning in earnest of overpriced stocks and certainly financial meltdowns, another young crop of fresh-from-college-20-somethings with a computer and a catchy slogan has launched their initial public offerings and made millions.

Granted, short of cashing in their stock options, their net worth is only on paper and few Internet start-ups have yet to post real profits. But the investor cash fueling the IPO madness is real, and leading economic indicators suggest no predicted slowdown in the economy.

□ 1845

Consumer spending is up while unemployment rates are down. Business sector productivity, personal income and new home starts, all important indicators, are all on the rise.

Yet while that bull stampedes through the streets of New York, many of the cattle along the dusty cattle roads of eastern Colorado are going nowhere. That just might change soon. Until this month, the Clinton administration has done little to help America's cattle industry and cattle ranchers in their decades-long trade dispute with the European Union over U.S. growth hormones which meant that Colorado's cattle intended for slaughter and export to European consumers were banned and banned on the basis of dubious science.

Under prior World Trade Organization rulings, the European Union was required to drop its ban on U.S. beef imports absent risk assessments and scientific justification by May 13, 1999. The European Union refused to do so and in response the United States was notified of the World Trade Organization's intent to impose a 100 percent retaliatory tariff on approximately \$202 million of European Union products. This level of retaliation is estimated to be far short of the true value of U.S. beef that would be exported to the European Union absent the ban, but it is enough to get the attention of those nations which might utilize unfair trade tactics in the future.

Colorado agriculture increasingly depends upon the export market to expand sales and increase revenues and to expand world trade and agriculture has a significant impact on both the U.S. trade balance and on specific commodities and individual farmers. The cards are stacked against farmers and ranchers to begin with. No sector of the economy is subject to more international trade barriers than agriculture. The import quotas, high tariffs, government-buying monopolies and import bans imposed by other nations coupled with the overwhelming number of trade sanctions and embargoes imposed on other countries by our own government cost the American agriculture industry billions of dollars each year in lost export opportunities. These barriers continue to grow despite the General Agreement on Tariffs and Trade, GATT, and the North American

Free Trade Agreement, or NAFTA. Without question, they are devastating the ability for American producers to compete effectively, particularly at a time when exports now account for over 30 percent of U.S. farm cash receipts and nearly 40 percent of all agricultural production.

This particular dispute over the presence of growth-promoting hormones dates back to 1989 when the European Union put into effect a ban on the production and importation of meat containing such compounds. Growth-promoting hormones are widely used in the United States as well as other top meat exporting countries to speed up growth rates and produce leaner meat for consumers who display an increasing preference for reduced fat and cholesterol diets. Hormones used within the U.S. are regulated by the United States Department of Agriculture and are ones which occur naturally in an animal's body or that mimic naturally occurring compounds. The European Union banned the production and importation of meat derived from animals treated with hormones following an incident where a young boy was harmed after ingesting a concentrated quantity of an unregulated hormone produced in Europe. Citing extensive scientific evidence that U.S. growth hormones have been proven safe, the United States challenged the European Union's ban on the basis that it violates a 1994 Uruguay Round agreement on sanitary and phytosanitary measures. The sanitary and phytosanitary standards agreement requires a scientific basis for measures which restrict trade based on health or safety concerns. The World Trade Organization ruled in 1997 that the ban did indeed violate several provisions of those sanitary and phytosanitary standards agreements and ordered the European Union to eliminate the meat hormone ban by May 13, 1999. When the ban was not lifted last month, the United States decided to take action in the form of retaliatory tariffs.

Mr. Speaker, it is difficult to pick up a newspaper today without reading about the extraordinary resilience of the United States economy and the significant profits being reaped by corporations and investors alike. Yet it is also difficult for me and other Members of Congress representing rural districts to talk with our neighbors back home, conduct town meetings or read through our constituent mail without learning of yet more foreclosures, defaults and farm auctions. Most of these people are not sharing in the windfall. Indeed, farm country is still in serious trouble and there is no evidence things are getting better. Low commodity prices, disease, weather-related problems, coupled with declining export opportunities, weak demand and overregulation have taken a devastating toll on agriculture. Real farm income has fallen dramatically over the last 2 years and real families are feeling the effects. While Congress recently helped

stave off disaster in rural America with an emergency assistance package, it is evident that more needs to be done and more needs to be done to establish real long-term solutions across the board. That is why the decision to retaliate against the European Union for its unfair ban on U.S. beef, even if for just a fraction of the overall monetary damage to the U.S. and U.S. producers, is a step in the right direction and a significant win for Colorado ranchers and farmers, and I would submit for ranchers and farmers throughout the rest of the country.

It is abundantly clear that in addition to free trade, America must guarantee fair trade. If I, other members of the majority and my colleagues on the House Committee on Agriculture can continue to compel the Clinton administration to pursue additional rightful corrective actions like this one, it might just give our farmers and ranchers back home a fighting chance and allow them to run with the bulls.

I recently had an opportunity to hear back from a number of State legislators in Colorado. Their concern on the floor of the Colorado House of Representatives was one for another economic issue, in this case the cause of balancing our Federal budget. As State legislators, my former colleagues and current friends in the General Assembly realize that it is important for the Federal Government to get its financial house in order. The State legislature recently sent to Congress a resolution that it adopted in both houses of the State legislature. It is a House Joint Resolution, 99-1016. It is based on a number of items. The resolution was drafted and offered by State Representative Penn Pfiffner from Colorado and also State Senator Ken Arnold from Adams County in Colorado. It concerns the General Assembly's support for legislation that would require a balanced Federal budget and the repayment of the national debt.

They cite a number of statistics, that the Federal Government has accumulated a \$70 billion budget surplus in 1998, the first surplus since 1969, and is considering policies for using that 1998 surplus and expected surpluses for 1999 and future years.

The Federal Government has amassed a national debt of more than \$5.7 trillion and in 1999 Federal tax dollars will be used to pay \$357 billion in interest just to the national debt.

The costs of servicing the national debt have become an increasingly large portion of the Federal budget, rising from under 10 percent of the budget back in 1978 to 22 percent of the budget in 1997.

Paying down the national debt will relieve future generations of the burden of paying the costs of servicing the national debt, says the Colorado State General Assembly, and they are right.

Paying down the national debt does not exclude the use of Federal moneys for tax relief or for saving Social Security for future generations.

Paying down the national debt will foster economic growth and stability.

The American Debt Repayment Act which provides for budgetary reform by requiring a balanced Federal budget for each year beginning with Federal fiscal year 2000 and requiring a repayment of the entire national debt by the end of Federal fiscal year 2029 has been introduced in both houses, here and in the other body across the hall.

The Colorado General Assembly urges the Congress in the following way. It says:

Be it resolved by the House of Representatives of the 62nd General Assembly of the State of Colorado, the Senate concurring herein:

Number one, that we, the members of the General Assembly, support the objectives of the American Debt Repayment Act to pay down the national debt and maintain a balanced Federal budget; and, two, that the members of the General Assembly strongly urge the United States Congress to commit to a plan to repay the national debt before approving a budget resolution.

These kinds of resolutions, Mr. Speaker, are important. States adopt these kinds of resolutions in their State General Assemblies on a routine basis. This is just one example. It is signed in this case by the Speaker of the House, Russell George, and the President of the Colorado State Senate, Ray Powers. These resolutions are taken to heart and utilized by many of us here in Washington. These are the voices of the front lines when it comes to government. In our strong tradition of federalism, we, of course, have separated the duties and responsibilities of governing our great Nation into generally three levels, the local level, the State level and the Federal level, and I am one who fundamentally believes as the 10th amendment to the U.S. Constitution suggests that it is States that bear the greatest responsibility in organizing and leading our societies through the political process. And so when States issue memorandum such as these and memorialize Congress to act in a certain way, Members of Congress should take heed. Members of Congress should pay attention. Members of Congress should respect the opinions of those who truly are on the front lines of leading our society.

Those 50, as a Supreme Court Justice once observed, laboratories of democracy, the States, really do understand the importance of a strong economy and a responsible Federal budget and a responsible Congress when it comes to managing the fiscal affairs of the entire Nation.

I want to jump to another subject for a moment. This is a much more personal one but one that is being carried out in a public way. I met a woman recently, I was speaking at an education conference in the State of Florida and a woman after the conference came up and gave me her business card and gave me some information about a program that she runs, because in the discussion

about education and looking out for the future and the well-being of our children, she has a program that she has initiated and is carrying out with great success in Florida that she told me about and asked me if I would not come to this floor at some point in time and share her thoughts and her objectives of her program with my colleagues. Her name is Tina Hesse. She is the abstinence coordinator for the Brandon Crisis Pregnancy Center in Brandon, Florida. She is one who comes to this particular mission of hers with tremendous commitment and compassion. She is one who has a personal story to tell and one who found herself at a young age to be with child and her credibility on the matter is one that she utilizes in a very positive way now to reach out to a number of young children all across Florida and hopefully even tonight throughout the country, because when she gives her presentation on teen sexual abstinence in high schools, her message is a personal one.

She says, and I quote, I had a teen pregnancy when I was in high school, so I know where kids are in terms of their contemplation of sexual activity.

She is 31 years old now and delivers a very powerful message to children, primarily in schools but in other settings as well. Her program is called "Be the One" which began as a West Palm Beach pregnancy center program in the early 1990s. Hesse said the program title means be the one to wait to have sex.

There is a quote in an article that I am referencing here from the Tampa Tribune, May 20, 1999:

Hillsborough Secondary Education Supervisor Tom Schlarbaum, who approved the abstinence program, describes Hillsborough's present sex education program as abstinence-based compared to the abstinence-only approach of "Be the One" but he says, "The abstinence-only focus gives teachers another way to get a different message across." In his opinion it is an important one.

Mr. Speaker, I yield to the gentleman from Georgia.

Mr. KINGSTON. I wanted to point out on the subject of welfare reform just how well our country has done since the welfare reform.

Approximately 42 percent of the people who were on welfare in 1994 are off welfare now. We kind of take it for granted, well, welfare reform is working, but if we go back and we look at the struggle we had getting common sense welfare reform that was compassionate in that it wanted to help people, not push anybody out the door, not cut off anybody's insurance benefit or transportation or housing, yet at the same time say if you are able to work, you ought to be required to work. Yet despite that, the President vetoed the bill twice. The minority leader, Dick Gephardt, said this on the floor of the House in March 1995:

"A Republican welfare bill will throw millions of children out on the street

without doing anything to move people from welfare to work."

□ 1900

The gentlewoman from Hawaii (Mrs. MINK) said on July 17, 1996, it grieves me to be here this evening to see the end of a period of almost 60 years in which this country's belief in its responsibility to the poor is going to be shattered. This is not reform. This is destruction of the basic guarantees of our democracy.

Here is Representative Sam Gibbons on the floor, March 21, 1995: If Attila the Hun were alive today and elected to Congress, he would be delighted with this bill that is here before us, and proud to cast his vote for H.R. 4, the Personal Responsibility Act. It is the most callous, cold-hearted, just listen to this rhetoric, the most callous, cold-hearted and mean-spirited attack on this country that I have ever seen in my life; just fighting that kind of irresponsible rhetoric to the rolls decreasing that were on welfare, people working, people feeling good about themselves, the teen pregnancy rates going down, the crime rates going down; people like this woman who are back in the education system or back in the workforce feeling good, happy, independent, no longer shackled by this government system which encourages dependence.

Mr. SCHAFFER. If the gentleman remembers, at the time when that debate was unfolding here on the House Floor, the gentleman is right that a number of the more liberal Members of Congress, who view the government as the primary entity in organizing our society, believed that the American people really would not rally around the cause of helping the poor, of helping those who have become dependent on a welfare system, not just dependent but locked into a cycle of poverty that seemed to be never ending; that these liberals on the House floor who came to believe and approached the debate from the perspective that, my goodness, nobody else will be able to stand in the balance.

I appreciate the comments about the reduction in teen pregnancy and what a positive result that has had. People like Tina Hess have really filled the void where government once was viewed as the sole provider of these kinds of services. She is one who has found a way, through a nonprofit corporation, to go into schools and deliver a curriculum that is helping to continue to reduce these numbers.

Let me read one more final quote from one of the students. She said that the slides on sexually transmitted diseases show students how their lives can become miserable. A lot of teens think AIDS, or STDs, sexually transmitted diseases, will never happen to them but after a presentation at a school called Bloomingdale last week, one student wrote, and I am quoting the letter from the student, all this talk about pregnancy and STDs is going to make me stay a virgin until I am ready.

Now that is the kind of response that has really flourished throughout the country where those who have made some poor decisions, but who also take their role as citizens seriously, have managed to provide a real leadership role in the community to help drive these welfare case numbers down. It is remarkable.

In States like mine out in Colorado, over the last 2 years there are now 50 percent fewer families on welfare than there were just 2 years ago.

Mr. KINGSTON. In the testimony of the people, here is a bus driver in Milwaukee, when welfare reform first started there were a lot of complaints; people were afraid how they would fit in. Everything was new and different, but now many people have gotten into it and the morale and self-esteem has been boosted. We can tell they feel good. Most of the people are happy, too. Look into their eyes. They are happy. The eyes tell no lies.

Here is a former welfare mother: I could have succeeded long ago but I had kids and I was an over protective mother. I did take advantage of the welfare system, but now we are not living month-to-month running out of food. I earn \$11.49 an hour. I am still in poverty but I know it is not going to last forever. Just a total turnaround.

Here is an article from the New York Times, July 27, 1998: With caseloads falling at a startling pace for minorities as well as whites, taxpayers seem well satisfied with the new ethos of time limits and work demands, and yet here again going back to 1995 here was a quote from one of our colleagues, they are coming for the sick, the elderly, the disabled. I say to my colleagues, we have the ability, the capacity, the power to stop this onslaught. Another one said that welfare reform was like Nazi Germany.

So often we in our society seem to work ourselves up into a froth; fear of the unknown. What we need to do is to have a little more self-confidence and self-reliance.

I love the story from the gentleman about this educator also.

We have passed in this Congress, under Speaker HASTERT, the Educational Flexibility Act, which has already passed the Senate and signed by the President, but the ed-flex bill gives local school systems more control, less Washington micromanagement, less bureaucracy breathing down their necks. Now, even though that is successful, we are starting it and most school systems say, yes, we want to run our show locally, we are trying to go a little bit further and do something called Straight A. What the Straight A program calls for is a charter between individual States and the Federal Government, and basically the Federal Government says that if the States meet certain outcomes and have high results, then we will free them from certain Federal regulations.

My school boards in the 18 counties that I represent in southeast Georgia,

they are ready for that. They know they have the ability to educate children better in Georgia than Washington can educate Georgia children. So they are confident about it.

I am sure in Colorado, and I visited the gentleman's people, they are full of that good old western pride that made our country so strong and they are as independent as anybody. I am sure they are going to be delighted to get into this Straight As program.

Mr. SCHAFFER. Absolutely.

Our governor, Governor Bill Owens, is one who is looking forward to a day when there is greater flexibility to allow not only him but the rest of the Colorado General Assembly, and not to mention our school board leaders who are elected officials accountable directly to the people, these are the folks where they actually know the names of the students and the teachers and the administrators, all of these folks are looking forward to the day when they will be unleashed from the Federal rules and regulations that hamper their ability to teach children in an effective way.

We spend billions of dollars here in Washington and yet for the billions we spend the actual proportion of Federal funds that actually reach a classroom is relatively small, somewhere on the order of 7, 6, sometimes as high as 9 percent, in some needy or poorer school districts, but for that small, relatively small, portion of Federal funds that make up an overall classroom budget, the strings and the red tape and the requirements and mandates attached to that minority of cash is overpowering.

There are school districts in my State that have to hire people just to fill out the Federal paperwork so that they can get the money.

This is money that comes to Washington. The American taxpayers are working hard every day and paying their taxes. The money comes here to Washington, D.C. The Congress then, through its formulas and so on, divvies up this cash in a variety of ways and then there is this huge bureaucracy not too far from where we are now that then goes to work on this money. By the time that cash makes its way back to Colorado and back to the State of Georgia and every other State in the Union, there is just a fraction left for the kids.

That is what our Straight As proposal is designed to resolve, not to spend more money in Washington. We do not need to do that. We can actually increase the proportion of dollars that make it to a child by cutting all these silly rules and regulations.

I know there are people over there in the Department of Education who are nervous about this discussion, nervous about the debate and they oppose straight As, and with good reason. Our goal is to get rid of a lot of those people. I will be candid and frank with the gentleman and with them and with the American people. I frankly care more about my children in public schools

and all of the children of my friends and neighbors back in Colorado than I do about these people down the street here in the Department of Education. I want the money to get to the kids and to the teachers who know how to teach, rather than the bureaucrats who know how to provide paperwork and produce more headaches for communities around the country.

This Straight As proposal, it is a big thing. There are 760 Federal education programs. The ed-flex bill that we passed dealt with, I think, 9 of them; 9 significant ones. It was a big step in the right direction.

To follow up, to take the next logical step, to show the American people that we are serious about moving authority out of Washington and empowering our local communities, this Straight As proposal is a significant one.

I might add that we have almost 100 cosponsors now in this Congress, including on our side of the aisle, the Republican side, every Member of that committee is on board, every Member of our Republican leadership is on board. It is a bipartisan bill. We have Democrats who are cosponsors of Straight As. This is a big initiative and an exciting one, and the gentleman is right, before I turn it back over to the gentleman, to suggest that the education leaders in my State, and I would bet in the State of the gentleman also, and the other 48 states, are really getting excited about the prospect of receiving their cash back without Federal strings attached.

Mr. KINGSTON. I think that the question also on the subject of money is, do we want the dollars that we earn, that we work hard 40, 50, 60 hours a week for, do we want that money, those tax dollars, that portion of our income, to go to a bureaucrat in Washington or do we want it to go to a teacher in a classroom?

One of the things we have been pushing are more dollars to the classroom, not tripling the bureaucracy in Washington who is micromanaging our school system, and I think that is important. I think the local flexibility is the key, though.

In Colorado, the gentleman certainly had the big tragedy in Littleton that we are all aggrieved about, but we need to ask ourselves, maybe Washington is, in fact, part of the problem. Maybe pushing large, impersonal schools, where the teachers do not know the students as well, maybe the teachers are afraid to question kids who are acting suspicious or odd or peculiar because they are afraid of being sued themselves, and this kind of atmosphere really has been fostered by this large centralized government that has grown in the last 10 years in our country.

If people could run their own communities, their own schools and their own lives, I think we would have a much better society.

It is interesting, while this administration rushes out after the Littleton

tragedy to pass more gun control laws, they have completely ignored the fact that last year there were only 8 prosecutions for possession or discharge of a firearm in a school zone, and only 8 prosecutions for possession of a handgun or ammunition by a juvenile, and 6 prosecutions for the transfer of a handgun or ammunition to a juvenile.

As the gentleman knows, in Littleton 23 existing gun control laws were broken. We have all of these on the books, but this administration is not prosecuting. What a difference it would make if they would prosecute. We do not know how it would have affected Littleton, but we do know that there are a lot of laws on the books that this administration, this Justice Department, has chosen not to enforce.

Mr. SCHAFFER. Right.

Mr. KINGSTON. I think it could make a tremendous difference.

Mr. SCHAFFER. The whole theme here is one of local government. Local government is the closest to the people, the most accountable to those who are paying the taxes, and all three of these topics that we have discussed here really center around the theme of local authority and the notion that centralizing power and decision-making in Washington is a recipe for failure.

Going back to the welfare issue, when the debate took place on whether to reform the welfare system, the gentleman is right, there are people who said we cannot watch Washington give this authority up; it will hurt people.

We are seeing now in the debate on education reform the exact same dynamics. People here in Washington are saying, wait a minute; we cannot cut the Federal bureaucracy in Washington. That will hurt schools.

Mr. KINGSTON. If the gentleman will stop there.

Mr. SCHAFFER. Sure.

Mr. KINGSTON. This particular president has been very wise in appealing to the population of the country. He talks about less Washington power and welfare reform, even though he vetoed the bill twice. He talks about more control of education locally. Now, unfortunately, we know, after 7 years that he does not always do what he says he is going to do, but maybe all politicians are that way, at least a little bit.

□ 1915

But it is interesting that members of his party are often out of step with what he is in fact saying himself.

In a case in point, in social security, we had a long debate about the lockbox concept, and the concept of a lockbox is so that the Federal government would quit mixing social security funds for peoples' retirement with operating expenses to run government agencies. We passed that after a long debate. There were a lot of procedural tactics to keep the bill off the floor, but once it got on the floor it was passed on an overwhelmingly bipartisan basis.

It went to the Senate, which up until this week has not moved on the bill and had no plans to move on it until the President finally came around and said it. But it is that fear, the fear-mongering that we hear over and over again. It is the same people saying the same irresponsible things to scare America's educators, America's children, America's seniors, the environment, and whatever. It is just a fear-mongering tactic.

Somehow, once we get through there, it is not as bad as they thought, for some reason.

Mr. SCHAFFER. It is the culture of Washington that suggests to all of us here when we become a Member of Congress that no one in America can lead a successful life without somebody from the Federal government getting involved in their day-to-day affairs.

The gentleman and I came here as part of a new Republican majority to throw that type of mentality out of the city. It is taking a long time. That mentality that I just described has deep roots in this town. But systematically, day by day, we are proving them wrong. We are showing that trusting the American people is a recipe for success, and we are seeing it now with an economy that is just cruising along and doing extraordinarily well. We are seeing that now with a discussion on the House floor and over in the White House about what to do with surplus revenues, if Members can imagine that.

We are now talking about millions of Americans who are no longer dependent on the welfare system because we trusted local and State governments and the ingenuity of the American people to pull themselves up by their bootstraps. We just helped the Federal government get out of the way. That works.

Listen to this quote, going back to the welfare discussion for a moment. "The AFDC world is very insular." I am reading a quote from a high school counselor in Milwaukee, AFDC being the Aid to Families With Dependent Children program, which is really one of the primary programs in welfare.

Mr. KINGSTON. Which incidentally is now temporary aid to needy families.

Mr. SCHAFFER. He says the AFDC world was very insular. "I don't think people left their neighborhoods. Now we are seeing a lot of mobility, people getting out more, families having a lot more exposure to services, like counseling and parenting classes. It seems like everywhere I go there is a sense of business in the streets, a lot of activity."

For a high school guidance counselor to make these observations in Milwaukee tells us where he is making these observations. He is seeing this in his children that he is serving. He is seeing this in the neighborhoods, where education becomes the important order of the day.

I think the message of this high school guidance counselor and others who make these same observations is a

message that needs to be told at the time we are debating education reform. It is the next step. If welfare reform worked by getting the Federal government out of the way, by empowering States, empowering local communities, and treating Americans like Americans again, perhaps we ought to try the same thing when it comes to schools: Get the Federal government and its 760 Federal programs out of the way, and let those principals and administrators and locally-elected school board members and teachers and parents do what they know how to do, which is teach children and care about them and build strong communities.

Mr. KINGSTON. I think it has worked for welfare reform, and we need to, I think, be bold in our initiatives with social security, with Medicare, with tax relief, and all of our other issues that we are dealing with in this Congress.

The agenda, as the gentleman knows, that we are working on under the gentleman from Illinois (Speaker HASTERT) is the BEST agenda.

B is for building a strong military, one that can fight a war on two fronts, defend our country, one that is ready and modernized and has a good quality of life for the soldiers; E, E is for education, local control, excellence in education; S is for saving social security; and T is for lowering taxes through spending reductions and through revenue that does not go to social security.

One of the interesting things on the tax relief is that right now Federal taxes currently consume 21 percent of America's gross domestic product, the highest percentage in the history of our country.

Last year tax revenues grew by about 9 percent, and the average American now works 129 days in order to pay off their total tax bill. This is an all-time high. When the gentleman and I were raised, our parents, say in the fifties, paid 5 percent Federal income tax on average. In the 1970s it was 16 percent. Today it is 25 percent Federal income taxes.

What is really telling to me is that individuals and families who are earning \$50,000 a year pay about 82 percent of the total Federal income tax revenue. Let me repeat that. Individuals and families earning \$50,000, and I suspect that would probably be about 90 percent of the people who watch C-Span, they are paying 82 percent of the total income revenue, income tax revenues to the Federal government. That is a huge disproportionate tax burden.

Mr. SCHAFFER. They are overpaying, too. The interesting thing about Washington, and what may frustrate many of these taxpayers who are working hard and know where every dollar of their income goes and where their taxes hurt, I turned on the news yesterday and discovered that the President of the United States woke up yesterday and found \$1 trillion laying around, discovered that there is \$1 tril-

lion in additional surplus revenue that the Federal government has all of a sudden found.

That is a great thing, I think. What it shows is that the economy was even stronger than they realized over at the White House; that the entrepreneurial spirit of the American people is even more inspired than perhaps the White House gave it credit for.

Mr. KINGSTON. Let me say this about that surplus that people often are missing in Washington. That surplus is projected on unrealistic spending restraints. We can say, we are going to have this surplus, but that is making a huge, a huge assumption that we are going to continue on a very moderate spending path which the gentleman and I know every day a new special interest group comes to us and says, break these spending caps, spend more than projected.

To me, that is one thing that is wrong with the surplus. The other thing is, as the gentleman has already pointed out, it makes a big assumption that the economy is going to continue to roll along at the current rate.

Mr. SCHAFFER. That is right. In order to make that happen and to encourage that kind of economic growth, the kind that we have experienced over the last 6 years, we have to make sure we do the right things that help foster economic growth.

I want to ask the gentleman, just in terms of speculation and knowing the nature of the city, when there are extra dollars laying around, whether they are real or perceived extra dollars, can the gentleman define for the House what the gentleman thinks the debate will be over the next few months or years around this \$1 trillion surplus that the President tripped over yesterday and accidentally discovered?

What does the gentleman think will happen next on the House floor? Does the gentleman think we will have the courage to give that money back to the taxpayers?

Mr. KINGSTON. There is a double-edged sword to bragging about the surplus. Number one, when we go out and talk about the surplus, we feel good politically because we say, look, some of our policies have worked, and for the first time since 1969 when Woodstock was held at Yasgur's farm, the budget now is balanced, or it is not in deficit. There is still this huge Federal debt, but just the annual spending is not a deficit. So there is a political punch to Democrats and Republicans about it.

But the down side is that we are also sending a signal out to the special interest groups that, hey, there is plenty of money here, come and get it, and wink wink, nobody will mind if we break our spending caps, the bipartisan budget agreement of 1997, because we have new money, and no one likes new money better than Washington's special interest groups.

I am a member of the Committee on Appropriations, but it is not unique to us at all. Every single day a new group

comes up and asks us to break that spending cap, that 1997 agreement. There are legitimate concerns. It is not just coming up with frivolous things, it is just that hey, we have legitimate concerns, and do we really have to go back and do the hard work of reinventing government or reinventing the status quo and figure out a better way to build a mousetrap? Can't you just give us more money this year? We hear it from health care, from education, from all kind of government bureaucracies.

I am very, very concerned that that anticipated surplus is not going to be as large as we want it to be because we are going to use it as an excuse to relax our austerity.

Mr. SCHAFFER. That is actually the point I wanted to make, because I do not care who we are, whether we are a liberal over there in the White House or on the other side from where we stand, we do not just find \$1 trillion laying around. We either know it was there, or maybe a portion of it. We just do not magically wake up one day and discover, hey, we have \$1 trillion more cash than we thought.

The point I was intending to get to here is this: That waving that \$1 trillion surplus figure around to the American people really does send the green light, it sends the go signal to all of the lobbyists, all of the special interests, and even to many Members of this very Congress that, start smiling, it is time to spend again. We have money laying around.

We really do not have huge piles of cash laying around Washington, D.C. There are lots of games and lots of manipulations that go into bragging about the size of this debt.

There is no question that over the past few years, since the Republicans have taken over the control of Congress, we have slowed the rate of growth in Federal budgeting. We have done so to the extent that we have allowed the economy to catch up with us. But we do not have the trillions and trillions of dollars laying around Washington, D.C. to begin to start celebrating and spending.

Mr. KINGSTON. The odd part is, and just in a personal home, it is fun to buy a new boat or a new car. I have had one new car in my life, and I have never owned a new boat, so I really do not know the feeling, but I know it is a lot more fun to buy maybe a new TV or a new stereo than it is to buy a new drier or to get a new set of tires for your car.

In politics it is the same way, it is far more glamorous and sexy to go out and create a new government arts program or a new program for some special interest group that is going to help a limited number of people but it is going to sound real good to all, and we rush out and do that rather than pay down the debt.

With a \$5.4 trillion debt, I strongly urge, and I know the gentleman has been fighting for it, that we include not just debt service but debt payment

in every budget that we have. We should have, and last year our colleague, Mark Neumann, advocated I think it was a 25-year budget debt pay-down that would have paid off the national debt I think by the year 2025, or maybe even sooner than that.

That should be the center of the debate, not what are we going to do with this new money.

That debt right now, we do pay interest on it, and that interest I think is something like I believe \$500 per person, so a family of four pays about \$2,000 a year in taxes servicing the national debt. That is \$2,000 a year that could be used for college tuition, for groceries, for a vacation, for a couple of months of house payments.

That money is absolutely gone to the bondholders. It does not buy better education, better health care, better national security, it is just gone.

Mr. SCHAFFER. People in Washington like to take the credit for the strong economy and take credit for balancing the budget, and we deserve some credit, I think. As I mentioned, we did slow the rate of growth in Federal budgeting over the last 6 years. That has allowed the economy to catch up. But the American people are the ones that really deserve the credit.

We can help in a number of ways. There are many people here in Washington who believe that we were wrong to cut taxes over the last couple of years. We reduced the capital gains tax, we reduced inheritance taxes, we managed to provide a \$500 per child tax credit. There are an assortment of other taxes that we managed to knock down just a little bit.

We have not repealed them or pulled back the overall tax rate nearly as much as we can and perhaps should. But those people who criticized us for trying to reduce the tax burden and provide tax relief are also wrong, because what we found was that by leaving more cash back home in the hands and pockets of those people who earn it, we have inspired those individuals to become more productive with their own capital, with their own wealth. They have created more jobs. They have made wiser investments.

□ 1930

It is, in fact, that heightened level of economic activity that is saving the country today. That is the reason we balanced the budget. That is the reason the President believes that, if those American people continue to do the same things, make the same wise investments, perform strong economically as they have been, over the next 15 years, that there will be the surplus.

But it really means for us, I think, that we need to find more ways to ease the burden on American families and American business owners and people who are creating wealth and continue to shrink this government. Those are the assumptions the President has built into his numbers, but I do not believe that he has the commitment that

the gentleman from Georgia (Mr. KINGSTON) and I do and the rest of the Republican majority to actually stick to those budget caps and actually see the surplus grow.

Mr. KINGSTON. Mr. Speaker, we do not see any signs of it in the rhetoric that we are going to stick with this bipartisan agreement that everybody signed off on.

But to get back in terms of tax reduction, one of the big problems, and the gentleman from Colorado knows the expression, I think it is attributed to Jesse James, but I am not sure, "Why do you rob banks?" "Because that is where the money is." Why do the rich get tax reductions? Because they are the ones paying the taxes.

Now, I know that is real hard to accept when one builds political careers on class warfare and class division, as many politicians do. But the reality is, if one wants to give tax relief, one has got to give it also to the people who are paying the big taxes.

As I pointed out before, households earning more than \$50,000 are paying 82 percent of the income taxes right now. We have got to let them have some tax relief. But what is the benefit of that? Job creation. The entrepreneurs that the gentleman is talking about.

Ted Turner in Georgia makes a tremendous amount of money. Do my colleagues know what, in schools all over America, they should be teaching kids how they want to be an entrepreneur, they want to grow, they want to have capitalization, they want to be independent.

Now, not everybody is going to do that, be able to do that, and we want to have all kinds of jobs and options for people. We want to help those who never will be independent. But the reality is, let us do not punish Ted Turner when he gets to be where he is.

I mean, has it been good for the state of Georgia and Atlanta for CNN to be located there? Absolutely yes. Is it good, all those jobs? Yes. Are those people also, many of them who work for him, wealthy? Yes. Is that good? Yes. They buy lots of shoes and cars and stereos. They spend all kinds of money which creates jobs in Atlanta, Georgia.

But we go at this thing with the myopic that they are rich. It can only be attributed to luck, not hard work and enterprise. Therefore, there is an injustice about it, and we have got to punish them for being rich. We hear that over and over again.

But in this time of the surplus and the surplus, not all of it is coming from Social Security, but Americans are paying about \$500 a year more than the government needs to operate.

Now, I do not know anybody who likes overpaying a bill. I do not care who it is, if it is Bill Gates or the gentleman from Colorado (Mr. SCHAFFER), nobody like overpaying.

Mr. SCHAFFER. That is right.

Mr. KINGSTON. So one are overpaying one's taxes by \$500 more a year

if one is an average family than we need in this room, in this Chamber, in this Congress to operate one's government with.

Mr. SCHAFFER. It was Willie Sutton, by the way. Willie Sutton was the bank robber who told the judge, when the judge asked, "Why do you rob banks?"

Mr. KINGSTON. Mr. Speaker, is the gentleman from Colorado intimate with bank robbers? How does he know these fine things?

Mr. SCHAFFER. I remember that. It was Willie Sutton.

Mr. KINGSTON. Well, I only remember Shakespeare and Winston Churchill, so the gentleman can correct me any time on bank robbers.

Mr. SCHAFFER. Mr. Speaker, I remember that in particular because there is another Willie in this town who looks at obtaining cash in much the same way. When asked why he prefers taxes to be high rather than low and why he prefers additional spending rather than less, the answer is much the same way. We are going to continue to tax the American people \$500 more than they need to be paying because that is where the money is.

Mr. KINGSTON. Mr. Speaker, I know the gentleman has heard the old story about the man is driving down the road and sees a pig, and three of the pig's legs are wrapped up in bandages. Actually, he has three wooden legs. He says, what is the story about this pig.

He says, oh, that pig is a magic pig. It has really done a lot. He said, one time the family was burning, the House was burning, and that pig ran in and pulled us all out of bed and saved the entire family. Another time, my son was drowning, that pig dove in the lake, swam out there and picked him up and kept him from drowning and pulled him back from shore. On another occasion, my little girl was in an automobile accident, and the car was burning, and the pig leaped through the window and pulled her out and saved her.

The guy from the city said, well, that is amazing. That is a remarkable pig. But tell me, what about the bandages.

He said, well, it is obvious. You do not eat a pig like that all at once.

That is what the government is doing to the American entrepreneur, the American small business person, and the hard-working taxpayer in general, just grinding them down.

Some statistics that I wanted to say, the Census Bureau says that the average household now pays \$9,445 in Federal income taxes, which is twice as much as it was in 1985. The typical American family pays more in taxes than we spend on food, clothing, housing, and transportation combined. It is very similar to the story. You just do not eat a pig like that all at once, you grind them down.

Mr. SCHAFFER. Mr. Speaker, the people who have the most at stake in this debate really are those American families earning less than \$50,000. They

already pay above 82 percent of the overall tax burden, and they constitute 91 percent of incomes.

When we talk about providing tax relief, trying to ease the burden on these very individuals, it will be the Democrats on the other side of the aisle that will come up here to these podiums and try to suggest that we are trying to reduce taxes on only the wealthy. Well, it is not the wealthy. It is 91 percent of all income taxes and 82 percent of the total burden being paid by those who earned \$50,000 or less.

I received a letter from a woman in Fort Collins who understands this full well. She says in one paragraph in this letter that she sent me, a woman from Fort Collins, Colorado, she says, "Although my family is not wealthy, it makes sense to me to give the extra money back to the people who paid it."

I think that she accurately sums up the sentiment of most Americans if we ask, where should this tax relief go? Where should this overpayment and cash revenues go? It should go back to those who overpaid.

Eighty-two percent of the taxpayers in America are those earning \$50,000 or less, and those are the ones that we think deserve their money back.

Mr. KINGSTON. Mr. Speaker, I know that the gentleman's time is about to expire, so I will just close with this, that, again, under the leadership of Speaker Hastert, we are working on what we call the Best agenda. Again, the B is for the best, strongest military. E is for excellence in education. S is for saving Social Security. And T is for reducing taxes.

We are making a lot of progress. This year, for the first year in many years, the appropriations bills will be passed out of the House ahead of the cycle, ahead of the calendar, and we are making a lot of progress.

I appreciate the gentleman from Colorado allowing me to share some of his time tonight, and I look forward to working with him in the balance of the year.

Mr. SCHAFFER. Mr. Speaker, I appreciate the gentleman from Georgia in joining this special order. America is good, not so much because of the Congress or our laws or things here in Washington. America is a great country because of the people and because of the philosophy of life that we have here in the United States. It is that philosophy and those people that we in order to honor more by not talking so much about growing Washington, but by shrinking the power of the Federal Government and encouraging and strengthen the lot of the American people.

TO MODIFY DUTY-FREE TREATMENT UNDER GENERALIZED SYSTEM OF PREFERENCES AND FOR OTHER PURPOSES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. COOKSEY) laid before the House the fol-

lowing message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

*To the Congress of the United States:*

The Generalized System of Preferences (GSP) offers duty-free treatment to specified products that are imported from designated beneficiary developing countries. The GSP is authorized by title V of the Trade Act of 1974, as amended.

I have determined, based on a consideration of the eligibility criteria in title V, that Gabon and Mongolia should be added to the list of beneficiary developing countries under the GSP.

I have also determined that the suspension of preferential treatment for Mauritania as a beneficiary developing country under the GSP, as reported in my letters to the Speaker of the House and President of the Senate of June 25, 1993, should be ended. I had determined to suspend Mauritania from the GSP because Mauritania had not taken or was not taking steps to afford internationally recognized worker rights. I have determined that circumstances in Mauritania have changed and that, based on a consideration of the eligibility criteria in title V, preferential treatment under the GSP for Mauritania as a least-developed beneficiary developing country should be restored.

This message is submitted in accordance with the requirements of title V of the Trade Act of 1974.

WILLIAM J. CLINTON.

THE WHITE HOUSE, June 30, 1999.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 7 o'clock and 40 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1018

#### AFTER RECESS

The recess have expired, the House was called to order by the Speaker pro tempore (Mr. DREIER) at 10 o'clock and 18 minutes p.m.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 775, THE Y2K ACT

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 106-213) on the resolution (H. Res. 234) waiving certain points of order against the conference report on the bill (H.R. 775) to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the

year 1999 to the year 2000, and for other purposes, which was referred to the House Calendar and ordered to be printed.

#### REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 10, FINANCIAL SERVICES ACT OF 1999

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 106-214) on the resolution (H. Res. 235) providing for consideration of the bill (H.R. 10) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and for other purposes, which was referred to the House Calendar and ordered to be printed.

#### REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF CONCURRENT RESOLUTION PROVIDING FOR ADJOURNMENT OF HOUSE AND SENATE FOR INDEPENDENCE DAY WORK PERIOD

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 106-215) on the resolution (H. Res. 236) providing for consideration of a concurrent resolution providing for adjournment of the House and Senate for the Independence Day district work period, which was referred to the House Calendar and ordered to be printed.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. McNULTY) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

Mr. BAIRD, for 5 minutes, today.

(The following Members (at the request of Mr. PEASE) to revise and extend their remarks and include extraneous material:)

Mr. DIAZ-BALART, for 5 minutes, today.

Mr. MICA, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. PETERSON of Pennsylvania, for 5 minutes, today.

#### ADJOURNMENT

Mr. SESSIONS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 19 minutes p.m.), the House adjourned until tomorrow, Thursday, July 1, 1999, at 10 a.m.