

generated by the energy and enthusiasm when women get into a competitive mood.

But we have a long way to go, Mr. Speaker. In fact, we need more women CEOs. We need to address the question of pay equity, more engineers and scientists. Yet, Mr. Speaker, we have yet to elect the first woman president of the United States of America.

So I am grateful to the gentlewoman from Hawaii (Mrs. MINK) and former Congresswoman Green, as authors of this energetic legislation. They dreamed and we believed and we accomplished. Today we honor them for their work, and our commitment and challenge, Mr. Speaker, is that we go forth to do better, to do great things, and to create equality for men and women in the United States of America.

Mr. Speaker, I am pleased to join my colleagues in the Women's Caucus in honor of title IX, the landmark legislation that bans gender discrimination in school academics and athletics. I also wish to applaud the authors of this legislation, Representative Patsy Mink and former Congresswoman Edith Green. Their leadership ushered in a new era of appreciation for women in sports and in academia.

I also stand to congratulate the Women's World Cup Team champions. Their historic win a few weeks ago over China was watched all over the world and certainly serves as a testament to the importance of title IX.

Finally, I would like to offer words of congratulations to Air Force Colonel Eileen Collins, the first woman to pilot the Space Shuttle.

Each of these accomplishments serve to remind us that only 27 years ago, there was no title IX and women were still second class citizens. We have come a long way from the days when only men were expected to be legislators, excel in sports and fly into space. This is truly a great day for women in America and all over the world. It is vital that we do not pit the value of women's sports against the needs of men's collegiate sports.

Since title IX passed, we have seen that there have been significant increases in women's educational achievements. In 1994, women received 38 percent of medical degrees, 43 percent of the law degrees, and 44 percent of all doctoral degrees. In 1972, the numbers for professional degrees were in the single digits (9 percent for medicine and 7 percent for law).

In athletics, we have also seen more opportunities for women in intercollegiate sports. Institutions now must ensure that there is adequate athletic financial assistance, accommodation of athletic interests and abilities of women, and that the opportunities and treatments afforded to sports participants must be equivalent.

Some other program components include providing access to equipment and supplies, opportunity to receive academic tutoring, medical and training facilities and services, adequate support services and publicity. These benefits are some of the ways institutions ensure that sport participants receive equivalent treatment.

We know that title IX has had an important impact on women's sports. We have seen the success of the Women's National Basketball Association and the Women's Soccer Team

as evidence that access to these programs in college is crucial to professional development.

I am proud to stand here today to applaud this important legislation and these women who have blazed the trail of achievement for other women. These athletes will inspire a new generation of girls to engage in sports. CEOs, pay equity, and, yes, we have yet to elect this Nation's first women President.

I am grateful to serve in Congress with Representative PATSY MINK, one of the authors of this legislation. She must have only dreamed that we would be here today in honor of the great accomplishments of women due to her work. Today, we honor your work and the work of other women who have fought hard to give more opportunities to women.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. SLAUGHTER) is recognized for 5 minutes.

(Ms. SLAUGHTER addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

(Mrs. MCCARTHY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. BROWN) is recognized for 5 minutes.

(Ms. BROWN of Florida addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 5 minutes.

(Mr. BLUMENAUER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. NAPOLITANO) is recognized for 5 minutes.

(Mrs. NAPOLITANO addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Georgia (Ms. MCKINNEY) is recognized for 5 minutes.

(Ms. MCKINNEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

TAX RELIEF

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Arkansas (Mr. DICKEY) is recognized for 60 minutes as the designee of the majority leader.

Mr. DICKEY. Mr. Speaker, the discussion about tax relief has been brought to this body tonight in very eloquent terms. What I would like to do is to talk to one of my colleagues, one in particular, the gentleman from Pennsylvania (Mr. KANJORSKI), who is headed this way, to discuss the practical side of tax relief.

As I go about my district, and I have seen the discussions brought about, both the pros and cons, I am perplexed by the fact that people are saying we do not need tax relief.

I want to state at the front of this that there are three reasons that I can see for tax relief that is needed at any time, and especially at this time.

One is to support the economy. We have surpluses now that have never been so great. They were not obvious in that the projections 5 years ago, even 3 years ago, were that we were going to have deficits, a continuation of deficits. But we have surpluses now.

The economy is growing from a lot of different sources. There is a lot of money in the stock market. It is over 11,000 now, which is unheard of. When I came in 1992, I think it was right below 3,000. So it is a factor that we need to support the economy so that it does not go down, so that we can keep the surpluses. Tax relief is one way of doing that.

Secondly, we must shrink the government. We are doing a good job. It is not simple. We are doing it over a lot of objections. We are doing it through elections after elections, when people are saying, from the other side, you do not care about this, you are mean-spirited, you are this or that. But we have started bringing the cost of government down.

There is one sure way we can do that. That is to stop the blood supply or stop the money from coming in. Tax relief will provide that, and it will also help and give freedom to the people who work.

We have too many people who were finding their families in disarray. They are not spending enough time at the breakfast table, the dinner table, the supper table. That is because they are having to work two jobs. They keep talking about let us bring costs down, but our inflation is under control.

We have a lot of different factors that are being mentioned, but the big problem is that we are just taxing people to death.

This particular tax relief package includes something called estate taxes. That is something that I hope, when the gentleman from Pennsylvania (Mr. KANJORSKI) gets here that we can talk about in more detail. But we have to support the economy, keep the surpluses in place, shrink the government,

stop spending so that we will have smaller government, less bureaucracy. It will be less burdensome to the individuals, and give freedom to the people who work so they can have choices for their families, because we must build the families back.

The excuses that we have seen in the past have been, well, let us wait until we balance the budget. That seems safe for those people who want to keep taxes at a high rate. That seems safe because the deficit was projected for years and years and years. I think in 1998 the deficit was projected at \$377 billion, and we came in, or maybe these are not the accurate figures, but we came in at like something like \$72 billion for a surplus, a swing from a deficit to a surplus.

So it was safe for people to say, we won't have the taxes, those people who believe taxes are the way for government to operate. They were saying that is fine, let us just keep it there. Let us keep the taxes there until we can eliminate the deficit. Well, we have a balanced budget, we have eliminated the deficit, and we are progressing in that way. We need to keep it.

Also we heard that social security was a factor, we must protect social security and Medicare. That has been mentioned time and time again. At one point the administration proposed that we put 62 percent aside on social security. We have said, no, before we do anything, before we have tax relief, we have more spending, we are going to put 100 percent of the social security aside.

That comes from years and years of using social security for the wrong reasons. Not one year has one dime been set aside to protect social security until we have passed the lockbox, not one year. The trust fund has been used for all kinds of things. It has been used to finance the Vietnam War, to finance spending programs, to finance the government getting bigger. It has brought about more and more deficit, more and more debt, and greater and greater government, and less and less control of our lives. But we have taken care of that with the lockbox. We are taking care of social security and Medicare.

Now we are told, let us wait until the debt is paid off. Here comes another excuse, another delay for these people who want taxes. Now what we have done in this bill that is coming up is we have plugged the tax reductions into whether the debt is coming down. So if the interest on the debt is not reduced in certain years, then the reductions in the income tax or the 10 percent across-the-board tax will be delayed 1 year.

So then we are faced with the fact that we are going to benefit from our keeping the debt down because the interest will be lower, and from that point, if we spend too much, we will suffer from it, so we are going to have a good and a bad consequence.

I just think what we have as the problem and the thing that is per-

plexing, as I have stated, and I see that the gentleman from Pennsylvania (Mr. KANJORSKI) is here. But what I am saying, some people, when they hear the word "taxes," they say, yes, that means I am going to get something. Some people, when they hear "taxes," they say no, I am not in favor of this because somebody is going to take something away from me and take my incentive for working.

What I would like to discuss in this time we have here with the gentleman from Pennsylvania (Mr. KANJORSKI) is the pros and cons of it. We happen to have appeared before this body one other time, when we discussed another issue, and we had a friendly discussion. People called my office and said, why are you so friendly with somebody on the other side? He got the same kinds of calls.

I would just like to propose to the gentleman that maybe he could make an opening statement, and we can just start talking in front of the American people. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. KANJORSKI).

Mr. KANJORSKI. Mr. Speaker, I thank the gentleman very much. First of all, I want to congratulate my good friend, the gentleman from Arkansas, because what it should establish to the American people is that a Republican and a Democrat can come to the House floor and engage in debate and talk about the real issues that we are involved in, and not the partisan or political issues that so often we get involved in in our debates on the floor.

So I really welcome this opportunity to share this hour with the gentleman from Arkansas (Mr. DICKEY), and what we want to do is not necessarily talk about a particular tax bill, whether it be the House version of the tax bill, the Senate version, or the President's version. I think what we really want to talk about with the American people is sort of representing the average American sitting there in the living room, trying to come to some conclusion as to what their government should be doing right now in regard to fiscal policy and tax cuts that will have great ramifications on their family, on their community, and on the future of not only this country, but indeed, the world.

The proposition that I would argue tonight, if we were going to put it in debaters' terms, would be, resolved that the Congress of the United States take no action this year in regard to affecting the revenues as represented by the Tax Code adjustments, as suggested by either the House, the Senate, or the President.

That proposition that I would argue is based on several things.

First and foremost, anyone in economics today agrees that although we can project out what the income will be 10 years from now, 20 years from now, or 30 years from now, and sound very intelligent about it and very informed, and I am sure the gentleman

from Arkansas or I could give that argument, but the fact of the matter is that there is a common parlance term for that, and I will just give the initials, it is BS.

The fact of the matter is, we have a hard time in our system, and with this complex economy of the United States and of the world, to even project out what is going to happen 3 months or 6 months from now. If anyone doubts me, listening to this, if we knew what was going to happen 3 months from now, we would all immediately run down to the markets, whether it would be the stock market or the bond market, buy options, and retire 3 months from now, if we knew where it was going, because clearly it is going to be reflected in those markets.

□ 2100

The market is a day-to-day operation. It really is an intelligent operation as a free market. It indicates what people's, in varying degrees, their analysis has made them come to a conclusion. There are winners. There are losers. Some people buy thinking a stock is going to go up. In fact, it goes down; and they lose. Some people sell when they think the stock is going to go down; and in fact, the stock goes up.

That is what a free market is. That is how markets exist. To my knowledge, there is no one that I know that can tell me even what is going to happen tomorrow on these markets, no less 3 months from now, 6 months from now, and clearly not 5, 10, and 15 years from now.

It almost appears to me to be the height of conceit that anyone at any office, elected or otherwise, or in any position in this country that would have the audacity to make these projections.

Now, why is that important? Well, when we pass tax laws, they are not easily reversed, particularly if we pass a tax law and reduce taxes and therefore reduce revenues.

We have seen over the course of the history of the last 20 years, only four major tax packages enacted in law. This will be our fifth. So the earliest life turn is about 4 years, 5 years.

In 1981, we saw a tremendous tax reversal and where, in the Reagan administration, the concept of Reaganomics, supply-side economics, said that basically we can hold what we committed when we ran for office. When Mr. Reagan ran for office, he said, "I will balance the budget. I will increase expenditures for military and defense. And I will cut taxes." So he cut taxes, balanced the budget, and spent more for defense.

Now I argued at that time to myself, I did not see how one could do that. I did not see how one could cut revenues on the one hand, spend more money for the defense on the other hand, and balance the budget.

Well, Mr. Reagan was right in two instances. The two instances were an act of this body can, in fact, cut taxes, and they did in 1981, almost \$900 billion.

Mr. DICKEY. Mr. Speaker, was that with the help of the gentleman from Pennsylvania (Mr. KANJORSKI)?

Mr. KANJORSKI. No, Mr. Speaker. Fortunately, I was not here. But our predecessors were here. I have to say that that tax cut probably was not passed only by the Republican majority, because, as the gentleman from Arkansas knows, in the House, as a Representative, there are a lot of people pressing us for tax cuts. So it becomes a very popular political thing to do. Oh, let us get on the bandwagon.

As a matter of fact, some of my friends that talk about that occasion call it the Christmas tree. Everybody had something to add on and give a gift to somebody back home or some industry or some group of people they were interested in.

Anyway, what they did is they made this tremendous commitment to cut taxes and then, and I think rightly so, although I was not in favor of it at the time, I will quite frankly tell my colleagues that they did make an increase in the expenditures for defense. It was sizable; over the course of that decade, probably a trillion dollars for defense.

Now, looking back with the hindsight and the ability to see what happened in 1989 and 1991, the Wall falling and the destruction of the Soviet Union as we knew it for 50 years of our lives, we could say, well, that was the expenditure, a greater defense expenditure to win the "Third World War" without fighting it. Because, in fact, we forced in a poker game, if you will, the Soviet Union to try and match the American capacity to spend for defense.

They were great accomplishments. Fine. We brought the Soviet Union to dissolve into new states. Hopefully, over a period of time becoming more democratic and making the world more stable. We had a military that was fully equipped to handle the needs and protect the interest of America and, indeed, the free world; and it was accomplished.

But in that price, it did not only cost us that trillion dollars for defense expenditures, it cost us an increase from 1980, when Mr. Reagan became President, of a debt of the United States, not a deficit, a debt of \$800 billion to, at the end of his administration, it was about \$3.5 trillion. It was a \$2.7 trillion increase in the debt of the United States in that period of time.

Mr. DICKEY. Mr. Speaker, reclaiming my time, is the gentleman from Pennsylvania attributing that to the fact that there was tax relief given?

Mr. KANJORSKI. Mr. Speaker, clearly, we cut revenues, and we spent more money, and we ended up in debt. What we did is we financed America, as opposed to financing it by revenues and tax revenues, we financed it by going into debt. I mean one can justify that. And we probably can do that in the future to some extent. But the question is how far do we want to go into debt long-term in the United States, and who does it benefit, that debt, and who

does it really hurt? I think we should talk about that debate.

But let me set, if I can, the standard. So we went through this, that administration, and then we came into the Bush administration. Just prior to the Bush administration, the second tax bill was passed. In a way, I did not support that tax bill in the House, but I voted for it finally when it came out of conference, and I did it really for a simple reason.

It was Bill Bradley who was the United States Senator at the time, and his argument was, I thought truthfully correct, that we should try and make our tax policy reflective of the free market, to free up decision making by corporations and individuals of where they make their investments and where they put their money, not based on tax avoidance that is a policy set by the legislators of tax policy, but that supply and demand of capital and funds be freed up to operate in the marketplace.

That is one of the reasons we did away with the difference between capital gains and earnings. They were taxed at the same rate. That was the first time that occurred probably in 50 or 70 years in tax policy in the country. It was good policy.

Our problem is the Christmas tree in 1986 when we brought the levels of tax rates down, even Mr. Reagan had advised to come down no lower than 35 percent on the top bracket, no, the Christmas tree makers in the House and the Senate were not happy. They brought it down to 28 percent and 14 percent on the low side.

Mr. DICKEY. Mr. Speaker, reclaiming my time, the gentleman from Pennsylvania hit this thing twice. The Reagan tax relief bill brought supposedly 19 to 20 million jobs into the economy that did not exist before. Is it possible that the fact that the spending kept going up is the reason why we had the deficit and not the tax relief? In other words, is it true, is it not a possibility that the tax relief actually played toward reducing the debt by employing more people, increasing the number of taxpayers, and bringing in more revenues in that fashion?

Mr. KANJORSKI. Mr. Speaker, that argument applies to the present day. There is not any doubt in any mind, we are at \$5.5 trillion, if we want to become greater spenders, I think the economic theory indicates that we can spend ourselves into higher revenues and greater job creation. It is just we are going to end up with a much higher debt. That is really the issue I am much interested in. Where do we want to stop, or what do we want to do with this accumulated debt?

See, in my mind, I can certainly justify debt in fighting a war. I would not care, if America were in world war, if we have to double or triple the debt; and, oftentimes, that is when debt did occur that way.

Mr. DICKEY. Even taking Social Security surpluses or Social Security income?

Mr. KANJORSKI. Absolutely.

Mr. DICKEY. Okay.

Mr. KANJORSKI. If we want to have to go to war to defend this country, we have a win-lose situation. If we lose, we do not have a Constitution, we do not have Social Security, we do not have America.

Mr. DICKEY. Mr. Speaker, I can go along with that.

Mr. KANJORSKI. So that type of risk of that nature, that justifies almost any fiscal policy.

Mr. DICKEY. Mr. Speaker, before we really get into some of these other things, it is clearly a situation where the gentleman from Pennsylvania believes that we ought to keep the taxes where they are, we ought to have more control in the Federal Government. I want less taxes and less control in the Federal Government. Is that not a fair statement?

Mr. KANJORSKI. No, not quite, but close, Mr. Speaker. Close. Here is what I want.

Mr. DICKEY. Mr. Speaker, I ask the gentleman from Pennsylvania to characterize what he thinks I want and what he wants and see if we can get the differences set out.

Mr. KANJORSKI. Mr. Speaker, I think the gentleman from Arkansas wants to try and give back to the American people what he may perceive as excess funds coming from them. I think that the gentleman somewhat has lost faith in the political system, both the Congress and the Presidency, or even the enlightenment of the American people; that if this money, all the surplus money practically that will come in or is projected to come in over 10 years, if it is not returned, it will be improperly spent.

I think I look at it as two things. I think it is the first time in my lifetime that we have an opportunity of reversing this tremendous trend of increasing the national debt of the United States, and, in fact, we can start paying it off. I think that is fiscally responsible and that is the fiscal conservatives' position.

Now, that is not to say that, at some point, we should not examine a tax cut because, certainly, if we knew the excesses of revenues were so great that we could pay the debt off in a couple of years, that would be great. But we all know that \$5.5 trillion is not going to be paid off in a couple of years. Even the President's most optimistic view is that he could retire the public debt of \$3.6 trillion in 15 years. But that again is assuming all these assumptions work out.

I have been around the House long enough to know, every time I hear my friends on either side of the aisle, including my fellow colleagues on this side of the aisle, when they start making an argument based on all of these assumptions, seldom do these assumptions work out. I would like to err on the side of conservatism, fiscal responsibility.

I think two things, too, on the side of the gentleman from Arkansas. Last

year, I voted against what I thought was an irresponsible resolution, although proposed by a very good friend of mine, and I really like the gentleman from Oklahoma (Mr. LARGENT). The gentleman from Oklahoma said, let us pass the resolution to do away with the income tax code by the year 2001.

I checked the other day. That was in June of 1998. Some 219 of my fellow Republican colleagues voted yes, and about 208 of my Democratic colleagues voted no, and it passed.

The whole theory, if we go back to that argument that the gentleman from Oklahoma (Mr. LARGENT) and those proponents made that day was that this gigantic out-of-control tax code has got to be finally shot and put to rest, given a decent burial. The only way to do that is pass a resolution that, on a certain date and a certain time, it is dead. It is repealed.

Some of us argued that is awfully nice to say that, but if we do not have something to replace it, it is really injurious to the decision makers and business and in our communities and in our families of what are their obligations going to be 3 and 5 years from now.

The whole purpose of passing a tax statute rather than year to year is to give people the benefit to project their needs and how they can respond to the obligations that they may have from the government.

Mr. DICKEY. Mr. Speaker, what I see in this body, and I have only been here 7 years, is that we do not do a whole lot until the end of the day, we do not do a whole lot until the end of the week, and we do not do a whole lot until the end of the term.

Now, I am defending my vote to say that we are going to terminate the tax code at a certain date because that is how we operate. We are not going to operate without a deadline, and we probably will not do it until 6 months or a year until that deadline comes up.

Now, of course, it did not pass. The law did not pass the Senate. It had not been signed into law, so those people listening do not have to worry about it. But I am just saying those of us who are so concerned with the spending and the fact that, if we let up at all, we are going to continue to spend, and the Internal Revenue Code and Internal Revenue Service is one way that we spend.

Mr. KANJORSKI. Mr. Speaker, let me try and respond to the gentleman from Arkansas. I think two problems are at fault there, two fundamental errors. One, why do we want to get rid of the tax code? Because it is so lengthy, so complicated. Most Americans are so fed up with the time they have to expend preparing their taxes and business people preparing taxes and the expense of preparing taxes that they wanted to simplify it. Yet, just the other day when we voted the tax cut, we added 560 new pages to the tax code. We made it far more complicated. That will spurn about, oh, another 10,000 pages of

IRS regulations to implement our changes in the law. Why did we do that if we were serious about changing it?

Mr. DICKEY. Because we are trying to stimulate the economy, Mr. Speaker.

Mr. KANJORSKI. Mr. Speaker, I could agree with that.

Mr. DICKEY. Mr. Speaker, what we have is we have a structure called the IRS, which is horrible. It favors the rich. It favors the people who have got enough lobbying strength to make exceptions. The poor working stiff is out here, who does not have the shelters, has to pay a lot more than the rich people.

Mr. KANJORSKI. Mr. Speaker, I believe the gentleman from Arkansas agrees with that. But then if we look at the tax code we just passed, two-thirds of the benefits go to the upper 9 percent, and a third of the benefits go to the richest 1 percent of our population. So that certainly is not taking care of the 91 percent that only got a third of the tax benefits.

□ 2115

But let me give the second problem.

Mr. DICKEY. I do not agree with what the gentleman just said, by the way, but go ahead.

Mr. KANJORSKI. By passing the tax code right now, and by taking this supposed, assumed, money that may come in, the gentleman has now limited the funds that would be necessary to make intelligent new tax policy. Because if we want to make a simplified tax policy, we will not be able to project what revenues will come in from that tax policy for several years. Now, if we had a surplus, we could take that risk at that time.

Further, we know that Medicare and Social Security do need adjustment, do need support. Why should we not take this surplus and make sure that Social Security and Medicare are secure 25, 30, 40, 50 years from now?

Mr. DICKEY. What does the lockbox do? The lockbox theory says we will not touch the money from Social Security and Medicare. We are going to protect it.

Mr. KANJORSKI. Matter of fact, let me talk about the lockbox.

Mr. DICKEY. Did the gentleman vote for the bill?

Mr. KANJORSKI. No.

Mr. DICKEY. So what the gentleman said was let us keep Social Security available for spending like we have had before?

I do not want to be argumentative about it, but that is the way the gentleman's vote could be interpreted; is that not correct? Is that not a fair interpretation?

Mr. KANJORSKI. What we are doing now is taking all of the surplus from Social Security, but it is a little amount, from beyond Social Security, and we are actually doling it out by reducing taxes over assumptions that cannot be correct over 10 years.

Mr. DICKEY. Reducing what taxes, now, income taxes or FICA, Social Security?

Mr. KANJORSKI. Corporate taxes. All kinds of taxes. Not Social Security.

Mr. DICKEY. Let me ask the gentleman this question. Those people who want to tax, those people who say on August 7 of 1993, or whenever it was, voted for the largest tax increase that this Nation has ever had, also want to keep Social Security available for spending. Is that a fair corollary; or is that a corollary with the gentleman?

Mr. KANJORSKI. No. And I appreciate that the gentleman could have heard that assertion made sufficiently long enough by some people that are trying to sell a political agenda, but it is really not correct.

Mr. DICKEY. Those two things exist with the gentleman, do they not?

Mr. KANJORSKI. There were two fundamental things that happened. In the Reaganomics of the 1981 tax cut and the 1986 tax cut, we never got to balance the budget. The Presidents, both Reagan and Bush, never sent to the Congress a balanced budget.

Mr. DICKEY. I understand that.

Mr. KANJORSKI. Every year it was out of balance. So they just recognized the right to live in deficits.

Mr. DICKEY. They spent more.

Mr. KANJORSKI. Spent more than was coming in; therefore, we were building up the debt in the United States.

Now, there were two heroic acts, two heroic acts, one performed by a Republican president and one performed by a Democratic president. And I may not have ever said this to the gentleman before, but I was here in 1991, and I remember when President George Bush met with the leadership of the House and the Senate and tried to get our fiscal House in order in 1991; and they brought back a proposal that I voted against and which did not carry in this House, a budget proposal.

They brought it back a second time. I voted against it, and it failed in this House. And then they called a group and said what is it going to take to pass a budget? And I quite frankly said we are going to start cutting this deficit and, therefore, the debt of the United States.

Mr. DICKEY. Let me ask the gentleman this question. Does the gentleman think we can cut deficits better by cutting spending or increasing taxes? What is the gentleman's opinion?

Mr. KANJORSKI. Cut deficits?

Mr. DICKEY. Does the gentleman think we can cut deficits better by increasing taxes or by cutting spending? Which is better, if the gentleman has to make a choice between the two?

Mr. KANJORSKI. Well, it depends where the taxes are going to come from and what amount they are and who we are taking it from.

Mr. DICKEY. Well, was it better that we increased taxes back under George Bush or cut spending? Which was the better circumstance?

Mr. KANJORSKI. Very clearly, because we were already in deficit, how

could we not increase taxes? And we were already cutting spending. That was the beginning.

Mr. DICKEY. Spending was going up every year. Spending went up every year.

Mr. KANJORSKI. That is absolutely true. The budget of the United States has gone up every year. The population of the United States has grown every year. And every year from now until America becomes less than 50 states or has a decrease in population as a result of a catastrophe our government will grow. We will always have more Americans year to year.

This whole argument of people saying, oh, they are spending more this year than they did last year. Of course we are, because this year we have 8 million more Americans.

Mr. DICKEY. I just happened to think, and of course I wanted to get into this discussion, and I wanted someone who might be watching and listening to us to see if there is a difference. Those things that the gentleman is talking about, the historical things, what I think is that if we stop spending, we do a better job of cutting the deficit than by increasing taxes.

I think if we increase taxes, we are decreasing the chances of reducing the deficit. That is from a businessman's standpoint. I am a businessman. I have had to meet payroll, I have had to borrow money, I have had to pay interest, I have had to control inventory, I have had to pay insurance premiums and pay taxes. I have had to balance all of that and then across the counter still please the customer. And from that standpoint I am saying this, that I believe that cutting spending is 10 times better than increasing taxes if the goal is to cut the deficit.

Mr. KANJORSKI. My answer to that is, depending on what spending we are going to cut and depending on whose taxes and why we are going to increase them.

I will give the gentleman an example. Today, people that have lived in this country with the existing market that has doubled or tripled their net worth in the last 6 years, even though they pay 1 percent more in taxes than they did 6 years ago, I doubt there is anyone who would trade their net worth in today, if they are in the upper 5 percent income bracket in this country. They will certainly not do that.

Mr. DICKEY. If they are in the stock market, I agree.

Mr. KANJORSKI. Not only the stock market. Compare it to salaries. I heard Senator HARKIN talk today about the last 20 years. If we took executive salaries, CEO salaries in the United States and the minimum wage, and we tracked them to give the minimum wage increase the same percentage as the corporate executive increase was, the minimum wage today would be \$40 an hour.

And, obviously, I am not saying that is bad. That is a business decision. That is the people who own the stock

and control these corporations, and these are people that help create great wealth in this country. So I am not opposed to that.

But let me go back to spending. If the gentleman makes the argument that all spending is the same spending, I do not agree with him, and that all spending costs money and could drive us into debt, I do not agree. There is intelligent spending and stupid spending, quite frankly. Intelligent spending, and I will give the gentleman an example, the GI Bill of Rights. When that was instituted by this Congress in 1945, it was a novel new idea that all these young American men and women that were going to be returning from all over the world into the private sector were going to be upskilled and uptrained and educated. It cost a great deal of money in the first 4 and 5 years of the GI Bill of Rights. But where is America today as a result of that expenditure? That trained, educated, skilled work force developed the computer, developed space industry.

Mr. DICKEY. Just for the sake of time, there is actually plenty of things that we agree on that spending is perfect for, like the highways and the judicial system and the military. My gosh, the gentleman and I will not argue about that. But what I am saying is just cutting spending. I am not talking about which spending we cut. If we reduce cost, and I think this administration has done that, if we reduce cost in certain ways, we reduce the number of employees and those things, that has a greater impact.

Mr. KANJORSKI. And we have.

Mr. DICKEY. Let me finish. That has a greater impact than increasing taxes. Now, the same thing, if we cut spending and reduce taxes, then we have a double benefit.

Mr. KANJORSKI. Absolutely. There is no question about that.

Mr. DICKEY. Does the gentleman have confidence that we can continue to cut spending? Has the gentleman felt the pain of our cutting spending in this House?

Mr. KANJORSKI. What I guess I am arguing is a simple proposition: the gentleman is an average American family, and the gentleman is making \$400 a week and the gentleman has debt of \$10,000, credit card debt, auto debt, whatever, and suddenly the gentleman's employer asks him to work 50 percent more hours a week, instead of 40 hours a week can the gentleman work 60 hours a week and be paid the same amount or double time. The gentleman has an opportunity to make \$200 a week or \$400 a week more than the gentleman ever had.

Now, the gentleman does not know how long that is going to last, but right now the gentleman can say, gee, it is going to last for a month or so because my employer really needs this work done because he has sales to meet. Now, the gentleman meets around the kitchen table or the dining table on Sunday with the family and

the gentleman says, I think I am going to have 20 weeks of this 50 percent more time, so, therefore, I am going to make either \$200 more a week for 20 weeks, which is \$4,000 or \$400 more a week for 20 weeks, which is \$8,000. We are going to have \$4,000 or \$8,000 more to spend in this family in the next 10 weeks.

Now, who in their right mind would say, okay, Daddy, let us go on an around-the-world vacation? No, an intelligent mother and father would say, oh no, we are going to take some of that money and pay down our credit cards, or pay off the car, or take some of it and put it in the bank for education for the kids' future.

There is no real difference here. What we are arguing about or differing on is we are just like that family. For the last 40 years, 30 years, since 1969, we have been increasing our debt every year, and particularly in the last, oh, about the last 20 years, since 1980 it has been exponential in its explosion. Now, I can justify why we did it, but now we are in prosperous times. Our unemployment rate is 4.2 percent. Most people cannot even believe it could get down to that level but certainly cannot see it falling much below that.

Mr. DICKEY. So the gentleman is saying we should spend more now?

Mr. KANJORSKI. No, I am saying we should start paying off that debt.

Mr. DICKEY. Are we not doing that?

Mr. KANJORSKI. No.

Mr. DICKEY. Of course we are. Fifty-one billion dollars was paid off on the national debt, we are talking about non-Social Security debt, in 1998, and \$122 billion is projected for this year.

Mr. KANJORSKI. That is right.

Mr. DICKEY. Now, we are 7 months in it, and the gentleman may say, well, the projections will not work. The gentleman probably did not believe in 1998 that we would be paying off \$51 billion in the national debt.

Mr. KANJORSKI. I absolutely believed it.

Mr. DICKEY. So interest rates are going down. This tax package, that I voted for and the gentleman voted against, says that we will not have the tax decreases unless the interest on the national debt goes down every year.

Mr. KANJORSKI. No, no.

Mr. DICKEY. Every year. It will extend it one more year for 10 years.

Mr. KANJORSKI. It is really a false claim. If the interest rate jumps up to 10 percent from the 5.6 percent it is at now, that immediate next year—

Mr. DICKEY. Not interest rates, the interest payments.

Mr. KANJORSKI. The interest payments.

Mr. DICKEY. The interest payments on the national debt, if they do not go down, the tax reductions do not take place. Does that take care of the debt problem?

Mr. KANJORSKI. No, because the gentleman is talking about interest, not the size of the debt. The interest payments are depending on what the

interest rate of that year is. I can grow the debt and have lower interest rates.

Mr. DICKEY. But does not the lack of dollars that the gentleman pays in interest free up more dollars for paying the national debt off?

Mr. KANJORSKI. No, not unless the gentleman has the money to pay the debt off. Right now we are not going to have that. We are, quote, taking \$1 trillion over the next 10 years, if all assumptions are right, that would have gone to the debt. And instead of letting it go to the debt, we are sending it back to the American people. But that means that an interest rate on the Federal debt, assume it is 6 percent because that is where it is about, that means \$60 billion every year more will have to be paid ad infinitum until that is reduced.

Mr. DICKEY. It is \$358 billion that is projected for next year in interest on the debt, just to get a figure.

Mr. KANJORSKI. What I am saying is, why can the gentleman not join me and say, look, we are working extra time, our economy is as prosperous as it can be, let us form a policy to get rid of this debt while we can? We cannot pay the debt off when the economy is in recession or depression. If we do not pay it off when we are in prosperity, where is the fiscal hope of ever paying it off?

Mr. DICKEY. Here is the answer to the question. In 1961, President Kennedy had a reduction in the capital gains taxes and tax revenues went up. In 1996, we had a reduction in capital gains, tax revenues went up.

Mr. KANJORSKI. Absolutely.

Mr. DICKEY. It does not necessarily always happen. The gentleman and I have discussed this before.

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But it is a possibility that the tax reductions are going to increase the amount of revenue.

Mr. KANJORSKI. Absolutely. I tell you right now, if you reduce the capital gains tax in 1999, you will have more revenue in 2000. Why? Because everybody that has had their stock go up 100 percent or 200 percent in the last 4 years, they are not going to be stupid. They are going to sell and pay less taxes than they would this year and take a benefit, so you are going to get that up-front tax revenue.

Mr. DICKEY. I want to talk about one other thing. Let us talk about the estate tax now. In this provision, and I know you agree with some of these things, but in this provision of estate taxes in the bill that we just passed, it provides that there is going to be reduction of the estate tax over a period of time to zero.

Now, I want to see if you agree with this. After someone pays the Federal income tax and after they pay capital gains tax if they had capital gains, after they pay tax on savings on their dividends and after they pay excise taxes, fuel taxes, income taxes and State taxes and then sales taxes and all

other taxes that I have not named and someone is left with something after all of that, is it good that we tax that that has been accumulated or saved from all of that effort at the rate of 37 to 55 percent at someone's death?

Mr. KANJORSKI. No and yes. Like all things, there are not simple answers. I wish there were.

Mr. DICKEY. Are you in favor of reducing the estate tax?

Mr. KANJORSKI. I think the estate tax certainly should be adjusted for small businesspeople, for farmers and for people that are in net worths of even a couple of million dollars.

But let me ask you this. Assume that an individual has a net worth of \$100 billion and assume that person has a life expectancy of 45 years, and if there is no estate or income tax, what do you think that person's accumulation of wealth will be and the next generation of that wealth in perpetuity?

What am I suggesting? If you apply that formula to just Bill Gates, and I hate to cite Mr. Gates because he has made a great contribution to America, but I am sure he is already thinking that because he has indicated that he does not want to keep that in a family. But if you did apply it, probably by his 75th or 80th birthday, he will have a net worth value, at just growth of 10 percent a year, of \$2 trillion.

Mr. DICKEY. What is your question?

Mr. KANJORSKI. Without an estate tax, that growth will constantly compound ad infinitum. So that if you carried that to the extreme, you get to the Benjamin Franklin example, that all the money in the world would be owned by one person.

Mr. DICKEY. That person has to die for this thing to work. For this estate tax to apply, Bill Gates has to pass on.

Mr. KANJORSKI. No, no, no. Because his children are not going to have an estate tax.

Mr. DICKEY. We do not know about the children.

Mr. KANJORSKI. My argument is, I do not know how they would do, but I think that is open to a very strong argument.

Mr. DICKEY. What you are saying is you just want to stop the accumulation of wealth no matter how hard you work, nor how much talent you have or how much you contributed to the society?

Mr. KANJORSKI. It all depends. If we want economic kings or czars in the world.

Mr. DICKEY. I do not think that is going to happen. Let me give you an example.

A young man, younger than I am, younger than we are, came to this city and told the story of what it was like in a small town in my district where he owns a bank, he owns three banks, his family does, a car dealership and some timberlands. When his grandmother dies, he is going to have to borrow money and pay \$20,000 a month to pay the death taxes that are going to be on her estate. Now, when his dad dies, her

son, it is going to be more than that, because hers will come into his and then it comes down.

Now, here is what will happen to them. This may be something where you are in favor of. They will have to sell. They cannot expand, first of all. If they cannot meet the debt payment, they are going to have to sell off their interest. Is that what you say is the benefit of the estate taxes? Or are we stifling growth, reinvestment and further employment by doing this and forcing these people to pay \$20,000 a month to the Federal Government for 10 years?

Mr. KANJORSKI. I understand what you are saying. That is a very tough event, but I would say there are probably 5 or 6 million Americans listening to us, all of which would not mind inheriting three banks, an auto dealership and timberland and most Americans do not have that when they pass on. They generally pass a mortgage on the house and debt on.

Mr. DICKEY. But they are going to have to buy it back from the government.

Mr. KANJORSKI. If we intelligently debate this as we are doing tonight, there is a solution to that problem. Part of the problem of estate taxes, which I agree with, we should find a way of taking artificial inflation out of an inheritance tax. There is no reason to penalize someone who has owned a piece of property for 40 or 50 years and a portion of its present value is represented by inflation and not real growth.

Mr. DICKEY. You are talking about indexing now?

Mr. KANJORSKI. Sure. We can index that. Secondly, we can certainly raise the exemption a great deal so that the hundreds of thousands of Americans that have become millionaires in the last 6 years under the Clinton administration do not lose what they have earned over those years. I can understand that. We want to encourage people to contribute and to make wealth, but what we do not want to do, it seems to me, and I would like to argue this point, I think we have to find a mechanism that one great man can come along in a family and then for the next 200 years of his survivors, contributing nothing, can end up being the wealthiest people in the world. I do not think we want to do that.

I heard another figure today that impressed me and why we have to think about this. It is not pressing today that we think about it, but as Americans, to have public policy. The wealth of three Americans, three of our wealthiest Americans today, are greater than 600 million people living in the world today. Three people have the accumulated wealth of 600 million.

Mr. DICKEY. I have seen that.

Mr. KANJORSKI. How is this country going to imbue its free market system and its democratic government around the world if people think there is no way that we have equality? That

is not to say we should confiscate this wealth.

Mr. DICKEY. I think where you and I differ on this—

Mr. KANJORSKI. You and I are lawyers. You know the rule against perpetuities. What is the rule against perpetuity?

Mr. DICKEY. You cannot keep passing it on from generation to generation to generation.

Mr. KANJORSKI. You are claiming by inheritance to do away with the rule on perpetuity in families. If you cannot do it in a trust estate.

Mr. DICKEY. You can do it with intent, though. You can bypass the rule against perpetuities. You can exempt it from applying. It can happen. But vesting is what is so very important in that. I am sure this does not mean anything to anybody.

Mr. KANJORSKI. We know that Benjamin Franklin put an accumulation, I do not know whether it was \$100—

Mr. DICKEY. Excuse me. We are talking about two different things. I think I am listening to you from the standpoint of what you want to do is just share the wealth.

Mr. KANJORSKI. No.

Mr. DICKEY. What I want to do is try to protect the economy. The estate tax is harming the economy.

The estate tax is harming the economy. Do you agree with that?

Mr. KANJORSKI. The estate tax?

Mr. DICKEY. The death taxes are harming the economy. In my situation, this family knows what is needed for those three banks in small town Arkansas. They know what the dealerships can do and what they cannot do. If they have to sell to someone, say, from Omaha, Nebraska, who comes in there, we will not have the same productivity. We will not have the same progress.

Mr. KANJORSKI. All the adjustment necessary can be made there and should be made there after an extended debate, that we think about why we have inheritance tax policy affecting the very largest accumulation of wealth down to the very minor accumulation of wealth. Certainly I agree with you.

Mr. DICKEY. We agree on that. Lead me into this other area. We are using the death tax to share the wealth. How does that help our country?

Mr. KANJORSKI. No, we are not. I certainly do not want to use the death tax to share the wealth. What I am disturbed about is those people who without some way of either encouraging them to be philanthropic with their assets or taxing them, we go on in perpetuity accumulating wealth like a vacuum cleaner.

Mr. DICKEY. What happens, though, in the estate plans, and you and I have seen them, where to avoid estate taxes, all of these things go into charitable trusts or charitable institutions so that there is no tax.

Mr. KANJORSKI. And that is very serving to the economy, to have this type of philanthropic activity.

Mr. DICKEY. You say it is serving the economy?

Mr. KANJORSKI. Sure.

Mr. DICKEY. It is hurting our ability to pay off the national debt.

Mr. KANJORSKI. No.

Mr. DICKEY. So taxes are not needed to pay off the national debt? What we are doing with the death tax, we are driving those assets into tax-exempt entities.

Mr. KANJORSKI. Let me ask you a question. Would you agree that the economy of 1999 is probably the best economy that you have ever lived in in your lifetime?

Mr. DICKEY. I think historically it is, do you not?

Mr. KANJORSKI. I agree.

Mr. DICKEY. I claim credit for it.

Mr. KANJORSKI. Would you join me in the wish that we could perpetuate this economy as many more months or years as possible because it is increasing wealth for everyone in our system?

Mr. DICKEY. Yes, sir. I think to do that we need to reduce taxes.

Mr. KANJORSKI. That is where we differ. I want to get to that point. Right now we are at the top level of our production of commodities, of materials. We are at about 90 to 92 percent of absolute capacity to produce. That is about the highest level we have been in in our lifetimes. There is not much productive capacity left in our economy.

Mr. DICKEY. That is what they have been saying for the last 2 years.

Mr. KANJORSKI. We are down to 4.2 percent and right now if you go to some employers or some workshops, you find the level of performance of employees has fallen because we are tapping the very minimally trained people in our force, which is very healthy, but sometimes services and activities fall as a result of that because we are getting people in the workforce that never worked before. That means we are at maximum capacity of production and we are at maximum employment. Now, what a tax cut does—

Mr. DICKEY. Wait a minute. There is an exception to that. That is, our tax in relationship to the gross domestic product is the highest that it has been since 1946. It is 20.1 percent. Does that relate to your discussion?

Mr. KANJORSKI. No, it is always going to do that as long as we keep running deficits, as we have run deficits. Next year if the deficit does not go down and it goes up, you are going to need more interest for the debt. It will keep going up. Every \$100 billion, you are going to need \$6 billion more, every year ad infinitum.

Let me give you an example what we are all worried about. I join guys like Alan Greenspan. I cannot say he favors or believes in everything I believe, but we do agree on one point. He says this is not the time to cut taxes. This is the time to pay off the debt.

Mr. DICKEY. When is the time to cut taxes from your standpoint?

Mr. KANJORSKI. From my standpoint clearly not until we reduce the increase in debt back to the Reagan years. I would like to go to zero.

Mr. DICKEY. How can you go to zero faster by taxing?

Mr. KANJORSKI. Because that money is a revenue in and it buys bonds.

Mr. DICKEY. But you just got through saying it is perfectly reasonable to expect that by reducing the taxes we will increase revenues.

Mr. KANJORSKI. No. Artificially for a year in capital gain, you will get more capital gains revenue in because it will exacerbate the market.

Mr. DICKEY. I see what you are saying. I did not understand your position. I disagree with it.

Mr. KANJORSKI. Your problem is and what Mr. Greenspan argued to us the other day in his appearance on the Humphrey-Hawkins report, is that at some point when this economy starts turning down, you are going to have to provide a mechanism to encourage it to return from recession to recovery. That is when you cut taxes. So we may have to go into deficit spending when that happens. But why would you spend and put more money out for consumption when we cannot create any more product and we do not have any more people to employ?

So what we are all worried about is through this type of fiscal policy, you are going to have more money chasing the same amount of goods and the same amount of people that are available and start to exacerbate inflation. We have a tremendous impact on fiscal policy in the policy of taxation. But we have an independent body downtown called the Federal Reserve, and they control the monetary policy of this country.

Basically Mr. Greenspan says that if you shove more money out there to buy more goods and there are not those more goods, the price of those goods are going to go up and the cost of that labor that is limited is going to go up, you are going to cause inflation and we are going to have to raise the interest rate to counter, with monetary policy, that inflation. Let us look at what that does.

Mr. DICKEY. That stops the tax decreases from going into effect if that happens. We have got the mechanism to control that.

Mr. KANJORSKI. The mechanism on taxes, first of all, only apply to the change of the rate on personal income tax, not to the estate tax, not to any of the others. They are set. Once they are passed they are set. But also every time the Federal Reserve would increase interest rates by 1 percent, it costs the American government \$55 to \$60 billion. Every 1 percent. To see interest rates go up to 8 or 9 percent, as has happened many times in your lifetime and mine, if that were to occur—

Mr. DICKEY. Not with balanced budgets though, I do not think.

Mr. KANJORSKI. We have not lived in too many balanced budgets.

Mr. DICKEY. That is what I am saying. 1969 was the last balanced budget.

Mr. KANJORSKI. If we enact this tax code, most of us, and I think when I say most of us, most of the economists agree, we will be out of a balanced budget in a very short period of time.

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Mr. DICKEY. Okay, let me ask my colleague this; let me change the subject a second.

Marriage tax penalties; we right now are encouraging people not to live together if they love each other but not to get married. We are also, in this code, encouraging school bond construction by being more favorable on the taxes in that area.

Does the gentleman agree that tax reductions should solve other problems like trying to encourage people to get married and also by bond construction for schools and so that the local authorities can build more schools?

Mr. KANJORSKI. I just spent 6 days a week ago traveling across America with the President, and I went to Hazard, Kentucky; I went to the delta of Mississippi; I went to East St. Louis in Illinois; I went to the Indian tribes of South Dakota; the hispanic community of Phoenix, Arizona; and to Watts in Los Angeles. And I went there trying to find out what policy the government could pursue to help these people, and I came away with a lot of observations.

One observation is regardless of how many people tell us that this economy has helped all people, it has not. This economy has been very helpful to the upper 5, 10, 15, 20 percent of the American population. We are part of that population.

Mr. DICKEY. Of course that employment now, unemployment is at an all-time low for an all-time period of time.

Now I do not understand what the gentleman is saying now.

Mr. KANJORSKI. Well, to some of those people, they are living in poverty level even though they are working poor. They are working poor.

Mr. DICKEY. Well, we are doing that to the military. I know we are doing that to the military.

Mr. KANJORSKI. Yes.

Mr. DICKEY. The military is existing on housing and food stamps in some instances.

Mr. KANJORSKI. The Indian tribes of South Dakota, 75 percent unemployment. The unemployment rate in the delta of Mississippi was twice the national rate. But the explanation given by a lot of the officials, I think, I believe is the education level in the State of Missouri is 50 out of 50 States. And they said that is what we need before we can get people hired.

Mr. DICKEY. Did the gentleman say Missouri or Mississippi?

Mr. KANJORSKI. Mississippi.

Mr. DICKEY. Okay.

Mr. KANJORSKI. In order to attract new businesses in there they need a trained work force and an up-scale work force, and we have got to have the capacity to do that.

What I came away realizing is, one, all people are not benefiting from this prosperity; two, there are distressed areas in this country that need help; and, three, where we agree:

We can use, sometimes, tax policy to encourage where money goes, and I would much rather see capital investment in the private market made in these distressed markets where the government has anything to do with the decision-making and is not part of it.

Let us utilize the great magic of the free market. It is a tremendous tool.

Mr. DICKEY. Well, cannot we do that? I mean does the gentleman agree that tax credits and tax incentives are helpful?

Mr. KANJORSKI. Absolutely, if they are proper. But they are not proper if we have favorite special interest groups that come down here.

Mr. DICKEY. Well, what about education savings accounts where one can put in not \$500 but \$2,000 a year?

Mr. KANJORSKI. Absolutely. If we can afford to do that properly, there is no question, and I think that type, I think that is where it is going, to the right place.

Mr. DICKEY. Well, that is what is in this bill.

Mr. KANJORSKI. Sure, we know there are those little segments in the bill. But our problem is look at what we reduce, the corporate tax rate, the individual tax rate at the highest level to 1 percent. Let us look at what we did to the special interest groups. But we do not want to argue this bill.

Look, we are never, as we know.

Mr. DICKEY. The gentleman is right about that. That is correct, that is correct.

Mr. KANJORSKI. As we know, no two Members in this House will ever agree 100 percent with what is in a spending bill or what is in a tax bill. This is the House that comes to order with compromise, and we have to accept things we do not disagree with.

Mr. DICKEY. There are a lot of people in my district who I talk to and who support me, are saying the things that the gentleman is saying, not in the depth that the gentleman is saying, but they are saying not now, maybe later.

I do find that the people who say, give the economy the augment like we want it or a little bit more fervent than the people who say we just do not feel right about it.

But that is why I am listening to what the gentleman is saying.

Mr. KANJORSKI. I think our risk is I do not know how low the unemployment rate could go, but it is as low now it has ever been in my lifetime. I always used to think 5 percent was full employment. As a matter of fact, I think Humphrey Hawkins said 6 percent is full employment, matter of Federal statute. Well, 1.8 percent under that.

I always felt that I never expected us to have what I think is a Clinton recov-

ery of 1993 built on the Bush sensible tax increase of 1991.

Mr. DICKEY. Now, wait a minute. The gentleman thinks both of those tax increases have brought us low inflation, lowest unemployment, low interest rates and higher productivity.

Mr. KANJORSKI. Yes.

I am going to join the gentleman some day in sponsoring a statue to George Bush because he did have, he gave up his Presidency to do the right thing.

Mr. DICKEY. Why does the gentleman think he gave up his presidency?

Mr. KANJORSKI. Well, he knew that he made the promise no new taxes.

Mr. DICKEY. Because American people do not like tax increases.

Mr. KANJORSKI. Look, we started out this discussion knowing, I do not know of a Member of Congress who likes to vote to increase taxes. They will always vote to cut them. It is not hard to get numbers to cut. I do not think any American likes to pay taxes unless they think it is absolutely necessary or could be used for a good purpose.

I think the gentleman is hearing out there from his constituents, the same thing that I am hearing. We do not want wasteful spending, and I agree with that. But we want measured, intelligent spending, and we want to pay down the debt.

Mr. DICKEY. Let me tell my colleagues this:

I have enjoyed discussing this with my colleague who has not smiled a whole lot. I have been trying to smile over here, but it has not been coming across. We must continue this sometime. Thank you so much.

Mr. KANJORSKI. I think it helps us all.

NO FAVORED NATION TRADE AGREEMENT FOR CHINA UNTIL CERTAIN PROMISES ARE KEPT

The SPEAKER pro tempore (Mr. SHERWOOD). Under the Speaker's announced policy of January 6, 1999, the gentleman from Ohio (Mr. BROWN) is recognized for 60 minutes as the designee of the minority leader.

Mr. BROWN of Ohio. Mr. Speaker, 10 years ago last month, China's Communist dictatorship sent its tanks and armored carriers crashing through the pro-democracy protest in Tiananmen Square in Beijing. Hundreds of innocent protesters were crushed to death, hundreds more were mowed down by machine gun fire, hundreds more were arrested and executed. The men and women who gave their lives for freedom in Tiananmen Square in Beijing and those who are still languishing in Chinese prisons are in many ways the heirs to the legacy of our Founding Fathers. In the days leading up to their slaughter, they quoted Jefferson not Mao. Their source of inspiration was not Mao's Little Red Book, but our Statue of Liberty.