

ago. 61 years ago, Mr. Speaker, on D-Day at a place called Brecourt Manor, Dick Winters led an ad hoc group of paratroopers, mostly from E Company, 506th Parachute Infantry Regiment, against a numerically superior force of German defenders, manning a battery of four 105-millimeter guns.

These guns were zeroed in on firing on Utah Beach during the initial D-Day seaborne landings. With only 12 men, Dick Winters led the attack that destroyed the German battery, killed 15 Germans, wounded many more, and took 12 prisoners.

The base-of-fire technique that Dick Winters used would become a textbook case for assault on a fixed site and is still taught at West Point.

Winters and his men destroyed these guns during a vicious engagement, lasting over 2 hours against heavy machine gun and infantry fire. This action saved countless American lives on Utah Beach. Dick would later be wounded, refused to be evacuated, maintaining that he would stay with his company.

He was nominated for the Medal of Honor by Colonel Robert Sink, his commanding officer of the 506th Regiment, a West Point graduate. His application for denial of the medal was based on an utterly arbitrary reason. The division commander directed that only one Medal of Honor was permitted to be awarded in the 101st Airborne Division for the Normandy campaign.

Mr. Speaker, it was never the intent of Congress to have an artificial limitation imposed on a soldier who committed acts of heroism and bravery as documented by his colleagues, by his subordinates, and by his leaders. Winters was awarded the Distinguished Service Cross, the Nation's second highest military award for his actions. This is a high honor, but he deserves the Medal of Honor as recommended by his commanding officer.

The Army has reviewed the matter and maintains that the Distinguished Service Award is appropriate. Thousands of people worldwide disagree. Again, Mr. Speaker, because of an artificial limitation imposed by the commander of the 101st Airborne that only one medal be given for the Normandy campaign, Dick Winters' recognition and the recognition of those who served with him have been denied.

Dick Winters was immortalized by HBO in the miniseries "Band of Brothers," produced by Tom Hanks and Steven Spielberg. Andy Ambrose, the son of Stephen Ambrose who wrote "Band of Brothers," has publicly supported Winters for the Medal of Honor, and so have thousands of other people all across the country, including every military person that served with Dick Winters and observed his heroism.

The entire Pennsylvania congressional delegation, all 19 members, Democrats and Republicans, including the gentleman from Hershey, Pennsylvania (Mr. HOLDEN), where Dick Winters resides, have signed on as original

co-sponsors of this legislation. Both chambers of the Pennsylvania State legislature having agreed and have publicly supported and passed legislation encouraging Congress to take this action.

Dick Winters is a humble man. He did not want this kind of attention. In fact, those who have supported this effort who came to me have said that Dick Winters did not want this to take place. But all of those people who served with Dick Winters, all of those soldiers who were there, who saw, who observed, and who realized his heroism in landing on D-Day and taking Easy Company all the way in to Hitler's headquarters, understand that Dick Winters deserves the Congressional Medal of Honor.

Again, Mr. Speaker, when Congress enacted the legislation creating the Medal of Honor, it did not allow artificial imposition of limitations. It said whatever soldier under any condition that is recognized by his or her peers for their actions should be eligible to receive this commendation.

In the case of Dick Winters, because of an artificial limitation, he has been denied that solemn honor of our country.

My bill does not mandate that the President award this Medal of Honor. It simply authorizes and allows the President to make this honor if he so chooses.

□ 2015

Mr. Speaker, we just celebrated D-Day. Sixty-one years later, when hundreds and thousands of American men stormed the beaches to liberate Europe, one of those bravest heroes, one of those extraordinary of the ordinary people who responded was Dick Winters. I encourage my colleagues to sign on and join us in righting this wrong and providing the support for the President to give Richard D. Winters the Medal of Honor.

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

(Mr. DEFAZIO 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 gentleman from Indiana (Ms. CARSON) is recognized for 5 minutes.

(Ms. CARSON 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 California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

(Ms. MILLENDER-MCDONALD 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 New Jersey (Mr. HOLT) is recognized for 5 minutes.

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

THE FUTURE OF THIS GREAT COUNTRY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from New Mexico (Mr. PEARCE) is recognized for 60 minutes as the designee of the majority leader.

Mr. PEARCE. Mr. Speaker, I address the body tonight about the future of this great country, and the previous speaker said we did just have a chance to celebrate Memorial Day.

In the district that I was in, we recognized the anniversary of the D-Day landing, and we understand that it is with the sacrifices of brave young men and women throughout history that a nation is able to sustain itself, and it is only through those sacrifices in each generation. One generation cannot pay for the next generation.

But, tonight, I would like to look a little bit at the economic future that faces us, both in the world and in this country, and would like to have a discussion about what it is that will allow America to offer its promise into the future so that our sons and daughters, our children and grandchildren, would have the opportunities that our generation has seen.

I am the second-oldest year of the baby boom generation, and I will tell my colleagues that my mother and father grew up in very difficult circumstances in West Texas. When my father graduated from high school, he went to work for a cousin of his farming and actually in the role as a sharecropper.

I recently had a chance to visit with my mom and dad in the place where I was born and lived the first 2 years of my life. They were in circumstances that not many Americans would look to these days and find satisfactory, and yet I had parents that were willing to work through all of the circumstances that faced them to raise six children, to give every one of them the opportunity to attend college and graduate from college.

My mother went back to school when I was starting college. She graduated summa cum laude in 3 years, and I graduated somewhat below that in four and a half years, but their sacrifices in my parents' generation made possible the potentials in my generation. Now then we must look beyond our current circumstances into the future, and that is the discussion that I would like to have tonight.

When I am discussing that, I would, first of all, like to keep track with numbers on the chart and do some recognition there. So we will continue the discussion here much like a chalkboard discussion.

The first number I would put on the chalkboard is the number 2.55. That is the approximate size of our outlays, the approximate size of the budget that the United States has every year. It is the approximate size of the government spending. Now if we need a benchmark, and all numbers are relative, and so a benchmark that is very handy to the 2.55, that is trillion, is also then \$11 trillion, and that is the approximate size of our economy. So 2.55 is our government size. Eleven is the size then of our economy.

The important thing to understand about those two numbers is the relationship, and I simply divide the 11 into 2.55, and that equals about 23 percent. The 23 percent then is the most important number in the whole relationship. That is the percent of the 2.55 of our overall budget, and we, in fact, as people in our individual households are concerned about that same relationship.

If we want to know how much money that we are saving, we simply take the amount of money that we earn, we subtract the amount of money that we spend, and then we would have the rest available either for discretionary spending or for savings.

If the United States has one weakness going into the future, it is our savings rate, and that rate generally is about 1 percent. For instance, in comparing that, if one looked into mainland China, we would find that the people there, according to recent reports, save almost 60 percent of their total income. That tells us that there is much money available for reinvesting. There is much money available in times of economic downturns. There is much money there for education. There is much money there for the future.

So as we consider the U.S., we are right now the world's leading economy. We are, in fact, one-quarter of the entire world's whole economy, and so we would say that, with that information, that the U.S. is poised for a good future, and I do not doubt that.

As a business owner, as a person who made payroll checks, who looked into the future to ensure that I could write the payroll checks the next 2 weeks and the next month, I always liked to do forecasting. It is at this point, where we begin to examine some of the relationships that exist, some of the pressures in our economic system, that we begin to have deep understandings about things that we should be doing right now.

Always, wisdom is the taking of a current situation, adding time to it, extending it as far into the future as possible and discerning those things, those outcomes from current situations or current activities.

As we begin to take a look at the competitive pressures that we face in the world, all of us know and we recognize that our \$11 trillion economy is under duress. Some would say a lot of duress, some would say less duress. But we would know that China, for in-

stance, is causing great trade to occur between the U.S. and China. When any one of us go to the store, we find certain numbers of goods on the store shelves that actually only originate in China, and we know that with each \$15 purchase or each \$150 purchase that that money goes towards China. So we would say that China represents a downward pressure on our \$11 trillion.

Let us say that the 11 becomes 10. Then the important thing is to understand that we still must do the division. If we have a \$10 trillion economy, then our relationship here is 2.55. That is, over 25 percent of our economy at that point would be government spending. So anything that drives our overall economic size, the \$11 trillion of our economy, to a lower point are things that put us on an unstable ground. Anything that causes this top figure, the numerator, to increase also are things that push us in an unstable direction.

As we consider the effects, we must understand the relationship of what happens when this number begins to increase and what happens when this number begins to decrease. As the 2.33 gets larger, then we can understand, and economists of all kinds agree, that we move toward stagnation if our relationship gets too large.

We have stagnation if the number becomes larger, and if the number becomes smaller, then we have vitality and growth. So if this number is lesser on the scale of vitality, if this number begins to get larger and larger, then we would see stagnation occur.

There are examples of that in the world right now. Our number is .25; and, of course, we must add State and local taxes, State and local governments. Because the effect is cumulative. That as we consider adding about 16 percent State and local, then our number is actually converted to about .40. Since those State and local taxes and spending are beyond the capabilities of the Federal Government to affect, we simply understand that as we approach .25 in this Nation, we move towards stagnation. As we make the number smaller, we move toward vitality and growth; and so .25, according to many economists, is an extremely important position for us.

Now as we look around the globe, we might want to consider other countries, just to verify the example. Germany is an example, and Germany at this current point has a relationship not of .23 but of .52. If the relationship is actually .52, we would say, well, if this theory holds true, if this economic premise holds true, that we would think that Germany has a more stagnant economy, one that is less vital, one that has less potential to create jobs. The Germans themselves say that they have not created a job in 10 years.

They have economic spending of the government that is too high a relationship to the overall economy, and what that does is it begins to soak out the reinvestment dollars. It soaks away

the potential for companies to grow and reinvest in research and development. It soaks away the pay raises so that even the people are stagnant in their incomes, and there is not a growth potential.

So we find that, in fact, this number got larger for the European countries, and Germany is just one of the many European countries that is stuck at a low growth rate and with very limited capability to produce jobs and new industries.

If we look even closer, we would have to consider the former Soviet Union. What Ronald Reagan understood was that the Soviet Union had a number that was very high. It was almost a fully controlled state economy, and he understood that, with just a little bit of pressure, the Soviet Union's economic system would simply collapse. He began to arm us, watching them arm in return, watching them drive their government spending higher and higher, knowing that we could sustain it because we had low percentages and they could not sustain it because they had high percentages. In fact, during Ronald Reagan's tenure as President, the economy in the Soviet Union collapsed, the Wall fell down, and freedom moved to many people.

While an astute observer would ask at this point, what about mainland China? Mainland China has got a state economy that has the Communist Party that runs that government exactly the same way as the Soviet Union. But, in fact, what has happened is that the Chinese have recognized, after the mistakes the Soviets have made, they have, in fact, privatized pieces of their economy. So the estimate for China is actually about .40. Estimates range as high .60, which is not much above Germany, and not everything is known about the Chinese economy, but the estimate is that where we are at .23 and, adding in our State and local economies, about .40, the estimation is that China is very similar to that .40.

So one would ask, what about their economy? The Chinese economy is performing very well. There are pockets of poverty throughout China, but the Chinese economy is growing strongly. They are producing jobs. They are, in fact, showing that this relationship between government spending and the entire economic size is, in fact, a very important measure.

It is not enough to simply know right now what the situation is. We must look forward into the future. We must forecast where we are going, and if we allow our economy to decrease down to 10 or 9 because of the competitive pressures of China, the competitive pressures of the European Union are also well-known, the competitive pressures of India, providing much software, those competitive pressures are all realized as taking pieces of our economy because they are providing as good a product as we are at a better price. Then we realize that the downward, the

long-term trend is for this economy size to decrease, increasing the relationship of government spending to our economy, moving us towards stagnation, moving us toward a point where our children might not have the hopes and the dreams fulfilled that our generation has had.

□ 2030

Now, if the economic size is sustained and we are able to continue our growth and continue to build our economy against this worldwide competition, we also have to worry about the size of our government spending. If we maintain this \$11 trillion or even grow it, our number here could increase simply by increasing the size of our government spending. That is a very important function as we consider our relationships right now. We are fighting currently on the Republican side to hold spending back. We are somewhat hampered because of the mandatory spending programs which are allowed to escalate without us being able to give comment on those each year. In this year's budget process, though, those mandatory programs, welfare, Social Security, Medicaid, Medicare, those mandatory programs are actually coming to review to see if we cannot begin to dampen this down because there is great understanding we are facing increasing economic pressures. Also there is understanding if we can reduce spending, there is movement here toward a smaller relationship and toward a more vital economy, giving promise for the future.

So we have to answer the questions, how are we spending the money and to what purpose, and are we actually achieving anything. One of the more distressing things as I look through many of the programs, we are spending lots of money but we are not coming out with outcomes. The outcomes desired maybe are never measured by the bureaucracy that puts the money in. There is not a relationship between money spent and outcomes, so we have to ask ourselves how can we convert to that sort of a system.

There are considerations in this Congress that would allow us to measure benefit for dollars spent and not just talk about the dollars spent. Many times we in this body are simply urged to spend more money to cure the problem. The problem is not that we do not spend enough money, the problem is that we do not always get the outcomes that we would like.

For instance, there are welfare-to-work programs that for \$50 per person operate and there are programs that for \$500 per person operate, and then we have some programs trying to put some people back to where the expenditure is \$30,000 per person. At some point we can no longer just throw money at the \$30,000-per-person program saying that it is worth any cost to put people back to work. Instead, we need to put the most people back to work the most effectively for the few-

est number of dollars. Those are business decisions that anyone in business would have to make, and they are business decisions that we in this country are going to have to make. We are either going to make those decisions while we have a nice future looking at us, or we are going to wait until we move into stagnation and then try to correct it from a point of weakness.

For myself as a former business owner, I wish we would go ahead as a Congress, both Democrats and Republicans, and recognize that Republicans and Democrats are not enemies of each other. The enemies of the country are those who would decrease our economic size; they are those who would force us into greater spending for no greater output; and they are those, as the terrorists say their ambition is, who would annihilate America. Those are the enemies of America. Republicans and Democrats have different philosophies and different points of view, but in my mind those are simply tensions on the system to pull us back and forth. But we are not enemies; we each want to see our kids and grandkids have a future that we ourselves have seen. That is my commitment in coming to Congress, to see what we can do to ensure that the future of this great country has the vitality and the vibrancy to continue to offer promise for new generations.

If we are going to consider the spending, we have to understand the competitive models of government. We often are very familiar with competitive models in companies. Formerly, much of the retail buying in this country was done at Montgomery Wards, maybe Wacker's if we went back far enough. Today, the great amount of retailing is done by large chains like Wal-Mart and Target. They provide great avenues for shoppers to go and satisfy their daily needs; but those companies came about, replacing other companies that did not see the efficiencies of greater distribution points, the efficiencies of computerization. So each one of us in our own way is familiar with competition that occasionally will drive one company out of business while raising up a new replacement in its place.

If we are familiar with competition among companies, we also to an extent have seen competition among States. One State will offer incentives so that a company would come in and provide jobs in that State. We find States that will simply bid away jobs from another State by offering greater incentives. So in our mind-set, we are very familiar with competition among companies.

We are somewhat familiar with competition among States. What we must begin to be aware of is that there is competition among countries. Entire nations are beginning to compete the cost of government. They are saying we can regulate you in the same way except at a better price. Large international companies are beginning to move around. They have flexibility.

The Internet allows the exchange of data freely; and if a company can find a nation that charges a lower tax rate, they are just as liable to go there to find their home as they are to go to a nation that provides higher tax rates.

Now, that all needs to be considered in this entire economic discussion, and so we will flip the chart here. We will begin to look at one nation. Many of us are aware of the Irish miracle, that is the miracle of Ireland where they went from an economy of one size and grew it proportionally larger. What Ireland did was no miracle at all. What Ireland did was they just recognized that companies are looking for competitive governments. Their tax rate internally was very similar to ours, about 36 percent for domestic corporations. They were after the corporations that would come from outside Ireland, and so they offered a 10 percent rate of tax to foreign companies. Foreign companies saw where they could move from the United States, which has a 36 percent Federal tax rate, plus the local and State rates, so companies from many nations began to move to Ireland to take advantage of this low tax rate that was offered to foreign companies.

The European Union saw this as messing up their economic model, and so they browbeat the Irish and said they needed to review that 10 percent tax rate; that 10 percent tax rate needs to be changed. That is, we do not want you competing with us, us European nations. You need to come up to match us, not us begin to figure out how to offer government cheaper.

The Irish, being the Irish, looked at the proposition that they should reconsider their tax rate, and they did. They actually were very accommodating. They went up and said you are correct, the 36 percent is far too high, and they made that 12 percent, creating an economic boom on domestic corporations; and they went to 12 percent here. So we now have, again, the Irish miracle of domestic growth as well as still being extremely competitive with their foreign corporation rate. In fact, this past year, just 5 to 10 miles north of my district in New Mexico, the Irish have come in and are reinvesting in America by building a cheese plant in the area of Portales and Clovis, New Mexico.

Now, the idea that government can and should operate cheaper, just like any company can, is one that is going to affect us. If we as a Nation do not realize that we cannot sustain the high 36 to 45 percent tax rates that we are charging, if we do not realize that and begin to lower this number here, we are going to face a future that moves us toward stagnation and away from economic vitality.

That is extremely important for the next generation, but it is also important for our generation because as 40 million baby boomers move to retirement and we begin to retire in 4 years, 3½ years now, as we begin to move to retirement, we have to understand that Social Security is a pay-as-you-go system, that we do not actually have

money in the bank. We simply have those bonds; but if we do not have workers in the system here providing the jobs locally, then we are going to see that pay-as-you-go system under great duress.

If Social Security comes under duress, it is going to have to be bailed out with more government spending which is going to increase this number. It is going to increase this number, and we are going to move toward stagnation just as the Europeans have and just as the Soviet Union did. The stakes are extremely high for this country to begin to realize that it must know how its money is spent, and it must get the value for the dollars that we spend. No company can stay alive and afloat indefinitely by mispending its money, and now we are into a situation worldwide where governments will compete; and we in the United States have to be willing to compete also. Our government has to run more efficiently, more effectively, and with lower tax rates.

Many of my friends have asked why in the world in a period of deficits did the Congress offer tax cuts. Again, it is very simple. The Democrat Governor of New Mexico said it best, tax cuts create jobs. As we cut the taxes, we were looking at the fact that we only had a couple of options. If we want to change this relationship and run a deficit, we either need to cut spending or increase the size of this economy. That 11 needs to become 12 or 13 or 14. Those are really the primary objectives. Anything else is simply window dressing.

The hope is that in cutting taxes we make this relationship less, it moves us toward vitality growth and gives companies and individuals more income of their own to put back into ventures that are most promising and into ventures that can sustain research and development and growth; and so we gave the tax cuts with the anticipation that we would establish a rate of growth.

The rate of growth that we intended to get was we had hoped for a sustained 4 percent. Now, if this were the target, it would be nice to know exactly what kind of growth rate we did get. It is almost 2½ years since the tax cuts, and the first quarter out after the tax cuts was about 8.25 to 8.5 percent rate of growth. There was understanding there was pent-up demand, so we thought this number would actually settle down; and over time it has settled down into the 4 percent range.

As we face the elapsing, or the phasing out, while the tax cuts were temporary, they expire at the end of the year, as we face those expiring tax cuts, we realize that we are going to have pressure for this number to decrease back down. What we as a Congress need to do is be willing to go ahead and continue to extend the tax cuts in order to give our economy the vitality and the growth that we have seen with the tax cuts.

Now, you would ask what is happening in some of the rest of the world.

Again if we look at Europe, all of industrialized Europe is about at the 2 percent range.

□ 2045

So we have been for the last year and a half almost double the rate of growth of the industrialized countries in Europe.

Another factor would have to be the job creation. Initially, our recovery, there was concern that we were not producing enough jobs. That is a valid concern, and so you would have to look at a couple of things. Why did we not create jobs at the beginning of the recovery?

Again, as a business owner, I would tell you that the last thing I wanted to do was hire permanent employees because permanent employees might have to be laid off. As we went through periods of expansion, the first thing we as a company would do was we began to extend overtime hours and asked people to just come in and work a couple of hours a day extra and we will be okay, we will be able to meet the increased demand with that sort of expansion of labor.

When we could no longer ask our employees to work overtime, they all would like to spend time with their families, then the next step that we would do is to hire temporary people, hire people to come in on a part-time basis, people that if the economy began to slow back down, you really have not given them the full promise that they were going to be here for you.

As we then would work our way through temporary employment and still find that we could not solve the demand with overtime and temporary employment, then my wife and I would go out looking for new employees; and then the third step that we would take would be to hire full-time employees.

We were able to do that over a period of years. When we bought the company, we had four employees. We sold the company in late 2003 and we had almost 50 employees. So we had judiciously expanded ourselves through 14 years, one small increment at a time.

One of the most critical times in our business life occurred in the 1999 to 2000 range. We were in the oil and gas business. We did down hole repairs in oil wells. We did not actually own any of the oil wells. We simply repaired them. In 1999 and 2000, the price of oil and gas dropped tremendously. The price of oil in our location had fallen from about \$25 down to about \$6. Our revenues as a company at one point fell 80 percent. We were working at 20 percent the income rate that previously we had.

It was not just our company. Many companies that were competitors and friends of ours worked in the same industry, and they saw the same 70 and 80 percent declines in their revenues.

We made a decision, my wife and I, that we could not lay off employees, that we would sacrifice the company, if need be, in order to keep the people who had made a promise with us. They

had invested their lives with us. We had, in turn, invested our lives with them. So we said, we are not going to lay you off; we will give you 60 days' notice before we actually begin to lay people off or give pay cuts. We continued that line of thinking for almost 11 months.

If companies will take care of their cash, if companies will live within their means, then you have got the capability to do that. But if you have expended every single dime all the way through, then you do not have the means to withstand these deep drains when they occasionally occur.

A nation is exactly the same way. A nation must carefully guard its cash, its reserves. It must carefully, carefully spend its money and understand that it is getting value for every dollar spent, that we are building infrastructure, that we are making our Nation more competitive as a nation and as a government with other governments, because we will at some point in the near future be held to a standard of competing with nations.

Our rate of growth at this point is good, but if we look into the future and see the threats to our economic size, to see the pushes to increase our government spending, then we will understand that there are some dynamics that we must be very aware of because they affect the outcomes of this Nation. Literally the military sacrifices, the sacrifices of our young men and women who are soldiers and who are fighting for freedom, who have fought for freedom in the past, their sacrifices will be somewhat less useful if government does not adequately spend its resources. We must understand that we have got to progress on all fronts and that we simply do not have a path into the future based on what we have done in the past.

If we are to consider another one of the dynamics that is loose in the world today, one of the competitive measures that we have to be concerned with is governments who begin to review their entire government spending, who begin to make changes and make their government more effective. Again, those are competitive pressures from one nation to another. Because a nation that adapts itself to a more lean government, producing the same results with fewer dollars, is going to be a nation that has economic vitality; and a nation that does not carefully marshal its own spending, its own government spending, will be a nation that is moving toward stagnation and toward a noncompetitive situation into the future.

As we consider that particular ramification, one must look at the example of New Zealand. The government in New Zealand several years ago decided to really carefully look at their own situation. As they reviewed industrial economies throughout the world, they said, our economic vitality is not so great. We would like to improve our lot. And they set about having deep

discussions internally about what functions should be in government and what functions should not be in government.

That is a discussion that this Nation needs to engage in heartily. I do not know exactly where the balance is. Government always has a function. There is always the need for regulation. There is always the need for oversight. But sometimes I think that our government is delving into things that are not inherently governmental, and other nations are beginning to sort through those pieces, and we will face the competition.

So New Zealand began to look and in their own circumstance, at the time I forget, the numbers are maybe not exactly correct, but they are close enough. They had between 50 and 60,000 people in the Department of Labor. I often ask my audiences, and I did just this last week when I spoke about this in New Mexico, if you think of a government agency that began to trim away fat, began to push nongovernmental projects outside the government back into the private sector where they belonged, how deeply do you think they would cut? How deep do you think that New Zealand went?

Mr. Speaker, that is a question that we must ask ourselves. I will tell you that the answer is New Zealand cut from between 50 and 60,000 employees in the Department of Labor to one. That, by the way, was the individual doing the study. I suspect if he were not getting his own paycheck he might have even eliminated that. When governments begin to get so efficient that they move from 50,000 down to one, I will tell you that the United States in the long term has to answer that same question. Because if we do not recognize that we are under competitive pressure from other nations, if we do not recognize that and begin to lower our government spending, keeping us in a position of vitality, then we are going to be moved by other nations into stagnation, and our children and grandchildren will find that they just do not have the opportunities that we in my generation have had.

If New Zealand can offer those kinds of benefits, we have to ask ourselves what are we doing in the United States. I will tell you that, in my district, there are many national forests. New Mexico is not often identified as a State with water and forests, but we actually do have many national forests. As I go into the Forest Service and I look and I talk to people who are retired and I talk to current people, I think that we have got great people in the field, but we have adopted and adapted programs and philosophies in our Forest Service that make us not so lean as this.

In fact, if we are to look at one particular office that operates in my district to see the relationship that is going on in the United States, and I have been told by a retired forest ranger, he says that I used to work this

whole forest. I cut timber, I provided the restoration, I had projects that would clean up streams, clean up the forest, I had some economic enterprises that were going on in and around that I supervised, and I handled all the grazing. He said, it was myself and one person half time in addition to me.

Now, that was maybe 30 years ago. To find out the benefit that we are reaping today from our efforts to control or not control the size of government, you would ask today what are we doing and how many people is it taking. I would tell you that that gentleman says in the area that he and one half-time person formerly operated that now then there are 142.

So when New Zealand went from 50 to 60,000 down to one, in the U.S. we went from one up to 142, and that has occurred over and over and over again throughout many agencies. So that you can see that maybe we are not 142 times a larger government overall, but we are moving and trending in the wrong way.

If we have gone from one to 142, you would think, well, we are running our forests much better, that our forests now are just the examples of forestry that we would like to have. But I will tell you that the exact opposite is true. That when this gentleman was in charge, we were not burning hundreds of thousands and millions of acres of forest land, but we are today. It is not because we are not spending enough money. It is because we have adopted a philosophy that says that we can no longer cut a tree.

At one point in New Mexico 20 years ago, there were 22 lumber mills; and today there are two. Many of the forests in New Mexico have not had a timber sale in decades. If you have not had a timber sale, that means you have not cut timber. So you would think, well, those trees are out there growing and we are not cutting, so they are probably now becoming crowded and, in fact, that assumption is entirely accurate and valid. The historic function of New Mexico forests had fire cleaning out the forest every 8 years. If we look at the tree rings, you will see about every 8 years a very hot fire would come through and with our arid climate and the fires, we would find that New Mexico generally hosted between 30 and 50 trees per acre.

If New Mexico's 142:1 relationship were to be looked at and you think if we are doing a better job or a worse job, you would want to know how our forests are growing, so historically our arid climate would relate to 30 to 50 trees per acre. And again I ask my constituents when I am in New Mexico, what do you think is the population of trees per acre now? We have got 142 people in this one circumstance to 1½. Are we doing a better job?

Now, then, the average number of trees per acre, 1,500, whereas nature by itself kept that number around 30 to 50. We can look at pictures from 100 years ago and realize that nature had a size

or had a population density of trees that its area and its climate would support. But we have now, because we have stopped putting out all forest fires and we have stopped cutting trees, 1,500 trees per acre average and some areas are up to 2,500.

If you had people in the same circumstance crowding in like that, you would expect a couple of things. You would expect nutrition to be decreasing. If we had in the same place 30 people per acre used to live and now 1,500 to 2,500, you would expect that disease would be somewhat more prevalent and you would expect catastrophes to be always on the edge. The same is true with our forests. We have now the threat of disease. We have the threat of malnutrition. The trees are starved for light, so they stay small diameter and they grow toward the same height as the big mature trees; and as they get very tall and very small, they do not have enough nutrients to grow larger and they, in fact, are susceptible to insects, to disease.

But the worst susceptibility that they have is to fire. Previously, a fire that would burn along in the grass underneath and char the trees and leave the tree rings, it showed us that every 8 years a hot fire would come, those trees now have enough kindling, they have enough small diameter trees that any fire becomes explosive. The fire spreads up those small diameters. It burns in the top of the trees now, not in the bottom. So that we have the cap fires that run across the top of the forest killing the green part while leaving the tree standing and we have burned millions of acres.

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We are succeeding in this example to make our forests less healthy with 142 workers where formerly we had one. Those kinds of inefficiencies must be dealt with in the long term because as we grow to this proportion and we are finding the New Zealand model that pushes away from 50,000 to one, the relationships back here are influenced and affected so that if we cannot control these costs, we have no economic future. It all begins to relate at some point.

The discussion needs to be even far more complete than this. As we consider the effect of our economic size, we must take a look at the number of workers that we have available. Again, we have got about \$11 trillion in our economic size right now. We must understand that 40 million workers, baby boomers, are on the verge of or beginning to retire. As we retire, we have to ask ourselves what about the replacements; do we have enough replacements. I will tell the Members, Mr. Speaker, that everywhere I go, I hear the same comment: we need workers. We need workers who will show up tomorrow. We need workers who can pass a drug screen. We need workers who can read and write, and we need workers who are productive. If we are not

able to provide those workers or if the workers are not capable of doing the jobs and competing with other nations, our 11 becomes smaller, our relationship becomes larger, and stagnation and even economic collapse are all in the potential field of vision.

So as I go around my district, we begin then to talk where are the workers coming from. Now, we have a great discussion right now about immigration, and I have got good conservative friends who say we need to stop the borders, we need to plug off the borders. For me, I am simply looking at our economic future and saying we have got to replace these 40 million workers. We are about 5 percent unemployment right now, and 5 percent unemployment leaves employers everywhere telling me, Please, Congressman, we need workers, we need people who can show up, people who can be productive, people who can reason and think.

If we do not bring workers in, that is called immigration, I will tell the Members that we have one other choice, and we will do that if we do not bring workers in. The other choice is to send the jobs to where the workers are. Companies cannot work without employees. So we understand if we begin to export jobs to where the workers are, our 11 becomes 10, becomes nine, becomes eight; and again the economic promise of our future is limited because we have a budget right now that is providing very much inflexibility and decreasing. We have shown very little capability to decrease this number.

In my freshman year, the first month we were here, Republicans suggested a 1 percent decrease in the discretionary spending, which would not have even been nearly 1 percent of this overall figure, and the outcry from the American public was tremendous: please cut someone else's program; do not cut mine. We have shown a very deep incapability, either Democrats or Republicans, of reducing the size of the budget. If we also begin to export our jobs to where our jobs go to where the employees are rather than bringing employees into this country and providing jobs, our economic life is equally very difficult.

It is not just that we are needing the workers. We do desperately need them. But the new thoughts, the new ideas, the new inventions, that this Nation was built on immigrants and this Nation will continue to be built on fresh, innovative ideas that come in to us, it is that understanding that must drive us to the final conclusion: that for our economic vitality, for our economic future, this Nation must be open to immigration.

Again, looking at the German models, the European models, immigration is not a word that is friendly there. We find that their societies are not replacing themselves any better than we are. Our birth rate is about .8 for every couple of two. We are not even getting the 50 percent replacement rate in our

growth, and the European countries are doing somewhat worse, and they are affected with the problem even worse than we are so that their aging generations do not have the hope, unless they change their immigration policies, that they will actually be able to sustain the high cost of retirees, the high cost of the aging on a decreasing economic pie.

As we then look into the future, we see the need for our economy to sustain or to grow. We need the vitality of new ideas and new workers coming into the system. We must explore the ways that we can restrain our spending. We must look at the ways to make departments more effective and efficient. We must realize the mistakes that we are currently making in our policies that move us toward stagnation, and we must differentiate those policies from the ones that would move us toward vitality.

We need to recognize that nations begin to compete with nations. We need to realize the economic model of Ireland in lowering its tax rates to both domestic and external corporations, creating a tremendous boom there. We must understand that if we cut taxes, it helps us to create growth and jobs; and if we raise taxes, it actually decreases our capability to grow the economy and create jobs.

We must look at the economic models of other nations who are beginning to see how they can run government more effectively than any other nation is operating government. Nations will compete just as States have competed, just as companies have competed. This Nation must understand that it will compete. We need to be able to move to that model of competition before we move into stagnation, before we run into the deep budget problems that come if we allow our jobs to continue to be taken away by high tax policies, by anti-growth policies. Finally, we must understand that the climate for businesses is one that is extremely critical.

I met recently in this building with foreign economic chairmen, chairmen of boards, CEOs of nations from outside this country that are operating in this country. They said that the factors that affect them are overregulation, overtaxation; but one of the most important things they said and the most destructive thing they find is the overlitigation, that in this Nation they will find their litigation costs to be tremendously higher. So we as a Nation must look to the economic numbers. We must look to the relationship between the size of government and the size of our economy. But we must also be aware of those factors that would cause people to say, Even in the stable environment of the United States, I am going to operate somewhere else because of the fear of litigation.

And not litigation to hold them responsible for things that they have done wrong. Many times the class action lawsuits are not intended to stop

anything. Class action lawsuits have been in order to create a litigation solution. That is, they did not create a solution in operation, but they simply brought an economic solution, which then generally the trial lawyers have benefited from to the tremendous disadvantage of the people for whom they are suing.

That is one reason this body did two things in the early part of this year that have helped the business climate tremendously: we reformed the class action task load. We have reformed the way that class action lawsuits are allowed to come to the courts. We have given people the capability to present their problems without allowing the abuse of the process. And the second thing that we did that is so pro-business is we began to reform bankruptcy. No longer can people hide assets inside their estates and preserve mansions while not paying their bills. These are two things that generally have great effect on the economic promise of this Nation, two changes that were made by this Republican Congress in this year, both of which have been signed by the President.

We have got more work to do. We must deal with health costs, with both health insurance and with the cost of health care in the Nation. I think that we have committees that are working on that. We must deal with the question of extending the tax cuts if we are going to make the tax cuts permanent or if we are going to allow them to phase out and to realize that we are tampering with the future of the economic vitality of this Nation if we do not recognize the value of lower tax rates.

We need to understand that we also should deal with the regulation. Every day I talk to business owners. They tell me that they are overwhelmed with the paperwork of simply meaningless documents that many times are filled out and sent in and sometimes no one ever looks at them.

These are functions that we must review. We must review the cost of our government. We must review the effectiveness of our government. There are always things that we will do by government and we should do by government, but we must understand that we are going to be competing and that those functions must be done properly and with the best resources available, without waste in the governmental process. And at the end of the day I think all of us have the same ambition: to pass along a Nation that is just as vital as the Nation that we inherited.

Mr. Speaker, I appreciate the opportunity to address this body tonight. I appreciate the indulgence in allowing me to speak on such important matters.

30-SOMETHING WORKING GROUP

The SPEAKER pro tempore (Mr. DENT). Under the Speaker's announced