threat of shutdown and the gross inefficiencies of operating on a week-to-week basis, and to at least be able to crawl along on its own revenues during a budget impasse.

I am pleased that Speaker Gingrich, President Clinton and the control board support this legislation. Congress should act now to pass it, and thus prevent further paid furloughs and a shutdown of city operations.

CHANGING THE CULTURE

The SPEAKER pro tempore (Mr. KINGSTON). Under the Speaker's announced positively of May 12, 1995, the gentleman from Arizona [Mr. HAYWORTH] is recognized for 60 minutes as the designee of the majority leader.

Mr. HAYWORTH. Mr. Speaker, I thank several of my colleagues for joining me in the House Chamber. As we discuss the pending events, we listen with great interest and, indeed, great agreement with our colleague, the delegate from the District of Columbia, and we realize also that the people have sent us here to Washington to change a culture, to change a pervasive practice which has permeated this Chamber and, indeed, our national governance for half a century.

In fairness, we should note that the Members of both parties have been involved in this, and it is this endless notion of tax-and-spend and tax-and-spend and tax yet higher and spend yet more. It is worth noting that one of our founders, Benjamin Franklin, said that there were only two certainties in this life: death and taxes. I dare say, if Mr. Franklin were with us in this Chamber as we prepare to confront this next century, he might amend his statement to say that higher taxes could lead to the death of the American Nation if we do not change what has gone on before.

The facts are these: In 1948, the average American family of four surrendered 3 percent of its income in taxes to the Federal Government. By 1994, that same average family of four surrendered almost one-quarter of its income, 24 percent, in taxes to the Federal Government.

It has been noted by Members of both parties that change is hard. Change is difficult. But as the newcomers to this Congress who join me this afternoon along with one of our distinguished Members of the sophomore class will bear out, change is necessary if we are to make a difference, if we are to prepare this last best hope of mankind to adequately confront the next century.

The people of the Sixth District of Arizona said it pretty simply in November of 1994. indeed, I think it was said across the country. The realization is this: The people of America work hard for the money they earn, and there is nothing selfish and there is nothing ignoble about Americans hanging on to more of their hard-earned money so that they may decide how best to save, spend, and invest for their families, so that they may make critical choices so vital to their children's future and so that they as seniors can hold on to more of their money again to make choices that are best for them.

As I look around the Chamber, it is a formidable lineup. One of the gentlemen seated here, who we will hear from shortly, indeed, an NFL Hall of Famer, one of the gentlemen to my left, uncharacteristically, a resident of California, indeed, I call him an honorary Arizonan, for his mother was born in the Sixth District of Arizona, near the Inspiration Mine, I know he will have words of inspiration for us; our friend from Nebraska, one of three newcomers on the House Committee on Ways and Means. It is worth noting the last Republican freshman to hold one of those spots was in 1966, a gentleman who went on to become President of these United States, one George Bush; our good friend from Indiana is here, who has worked so hard on trying to get a handle on regulations; our good friend from Kentucky from the sophomore class, who speaks so eloquently and is really a redshirt freshman, if you will, for he came by way of a special election.

Mr. Speaker, now it is my honor to turn to the one-time Princeton linebacker, who is proud of his Tigers in their accomplishments this year on the gridiron, who went on to law school at Wake Forest, and he helped to tutor those teams and improve the record of those Demon Deacons, my friend, the gentleman from Maryland [Mr. EHRLICH].

Mr. EHRLICH. As usual, I am at a loss for words when the gentleman from Arizona introduces us. It is such a great opportunity to be with my colleagues from all over the country today to talk about, as the gentleman said, change, change that is long overdue in this society, change, and I believe the gentleman's words were necessary and hard.

I would point out to the gentleman, and we have a piece of evidence with us today, I would point out to the gentleman that change is hard in our society in the 1990's because some groups in our society do not like change. They do not want change. They will say anything to ensure change does not occur.

As the gentleman sees, I have brought the actual transcript with me of a little ad that is running around the country. The AFL–CIO, a big labor group, and I should make this point, not all elements of big labor but some big labor leaders and, of course, some big labor leaders love big government and, as a result, do not love this new majority nor this freshman class, but some members of big labor are running this ad.

I would like to direct a few questions to the gentleman from Arizona and my hallmate, the gentleman from California [Mr. RADANOVICH], my very good friend and the gentleman from Indiana [Mr. MCINTOSH], ''Mr. Deregulation,'' my very, very good friend on our Subcommittee on Government Reform. What I would like to do, with the gentleman's indulgence, is take a look for the next 10 or 15 minutes; let us take a look at the verbiage used by big labor to fight not an agenda for America's working families but to fight this new majority who have the real interest of America's working families at heart, the real people who work for a living, who sent every one of us here. Every one of this group was sent here by people who work and who resent these sort of commercials.

The gentleman from Arizona, the commercial begins, ''On November 20, our Congressman,'' fill in the blank, ''voted with NEWT GINGRICH and against working families.'' What vote? The balanced budget, the balanced budget for America''s working families.

Mr. HAYWORTH. Reclaiming my time, how on Earth can that statement even be made? For why would a balanced budget work against America's families? Are we not putting money back in the pockets of working families by balancing the budget on a 30-year mortgage? Are we not realizing real cash that stays in the wallets and pockets of working families? By lowering interest rates with a balanced budget, are we not really helping to fulfill the American dream?

I am just curious that the gentleman from Maryland understands the rationale for this statement and if it is grounded within any type of intellectual fact.

Mr. EHRLICH. Of course not. If the gentleman will yield further, let us look at what follows the introduction. I know the gentleman from Indiana and the gentleman from California are chomping at the bit here, but it is essential that the American people understand big labor loves big government. They do not want a balanced budget. They do not want the agenda that every member of this freshman class ran on in support of the American family, in support of people who work for a living, who resent the increasing instrusion of big government into their lives every day.

Second line, ''He voted to cut Medicare.'' Third line, ''Education and college loans.'' Fourth line, my favorite, ''Class warfare.'' Class warfare from big labor. ''All to give huge tax breaks to big corporations,'' and our favorite, ''the rich.''

I yield to the gentleman from Indiana.

Mr. MCINTOSH. I thank the gentleman from Maryland. I appreciate your diligence ferreting out the truth on these ads. It is about time we had a standard of truch in advertising that would apply to some of the claims that are made.

Is it not true, though, that the average worker will benefit from our balanced budget because of lower interest rates, where, if they have to borrow $15,000 to buy a new car, they will be able to save $900 over the loan? Now that is $900 that is more of his take-home money that he can pay. And is it not true, in my district, for example,

the median income is $25,000; a lot of people work in factories. We have got several GM plants. We have got factories all over the District. That $25,000 though, $9,000 goes to pay for taxes for city, State, and Federal taxes. And is it not true that a key part of our budget plan says, ''For a family of four we are going to take $1,000 of that $9,000 in taxes and let you keep it? You do not have to deduct it out of your paycheck every week and send it to Washington to pay for the bureaucrats; it is yours to take home, to buy food for your kids, to save for college, to make payments on that car we talked about.''

So is it not true that every aspect of this budget is actually going to be good for the working men and women that the AFL–CIO say they represent?

Mr. EHRLICH. I know the gentleman from California, and he has been accused of supporting from California, and he has been accused of supporting the rich as well, and I know that for a fact. But if I can answer the gentleman's question. of course, it is for the working people. But it is very dangerous medicine for big labor, for some elements of big labor, and they do not want the American people to know the facts.

Mr. RADANOVICH. My first comment on this is that, you know, if this was the advertising program of a private corporation, they would be in court right now pending lawsuits against them for truth-in-advertising. I know you did not vote to cut Medicare, because I voted the same as you, and I did not vote to cut Medicare. There is not a person in this Chamber here who voted to cut Medicare. We voted to increase spending on Medicare by 50 percent over a 7-year period from the current $4,800 per beneficiary to at least $6,700 per beneficiary over 7 years.

□ 1530

Now, I do not know what kind of an idiot these people think the American people are, but that is not a cut. The American people are smarter than that.

I would also like to comment on the fact that this Congress has not been working for working families, because we spend more than we take in. I would like to challenge any one of you to try to make sense about how we can be for working families while we cannot even balance our own budget, while we are deliberately spending more money than we are taking in. That is not good for families.

Mr. HAYWORTH. If the gentleman would yield, that is exactly the point, for this Congress should do no less than working families do every week or every month around the kitchen table, trying to come to grips with their own family budget, to make adjustments, to fight in part the battle of taxation that is too high, so that they know how best to allocate their resources governed by this simple fact: They do not spend more than they take in or they are faced with one of the worse 4-letter words ever to come up, D-E-B-T, debt.

To quantify it, I do not believe this ad tells the truth. If you are going to say the rich, indeed with the family tax credit that my colleague from Indiana points out, it is a very expensive definition of rich, if we are to trust the ad of big labor, for it affects over 80 percent of American families across the economic strata. And that is the impact of the ad.

While we are in the neighborhood, and I know my friend from Indiana has a point, but just one other thing to say to respond to my colleague from California's musings about this particular advertisement and others like it: I have challenged my former colleagues in broadcasting, and indeed I did this at one of the local stations in Phoenix going to what in effect was a meeting of their editorial board, I said, friends, the reality checks, the truth watches that you do during the election season, why not continue now? Why not check the veracity of these ads?

Again, Mr. Speaker, I would call on broadcasters who are licensed in the public interest, local news divisions, network news divisions, do your own reality checks, do your own truth watches on these repugnant, patently false advertisements, for this is an ongoing campaign.

Mr. MCINTOSH. The question I get from people when I go home is my are they being dishonest? Why is this ad not telling the truth? Why does not the President tell the truth about what is going on? I have been trying to puzzle through that, because I do not understand why they would so patently lie to the American people time and time again.

This chart I think explains one of the reasons that is going on. It show how in our budget process we have been continuing to negotiate over how much we are going to spend each year. The top line shows the freshmen started out with $11.2 trillion. The gentleman from Wisconsin, Mr. MARK NEUMANN, who joined us here in the Chamber, developed a budget that would be balanced in 5 years and only spend $11.2 trillion over that 7-year period. But we did not pass that in the House. Instead we passed a $11.78 trillion 7-year balanced budget, and then negotiated with the Senate, where some of the President's allies inched it up to $11.9 trillion. Then when we passed the act again this fall it went up a little bit further and further to this point, where we are at $12.004 trillion. What the President wants to do is add another $400 billion to that and take it up even further.

The bottom part of the chart shows what they have done with the taxes. In the Contract With America we started out with $358 billion of tax cuts for the American family. Then in compromising with the Senate, we came to $245 billion in tax cuts. Now the President wants to shrink that down to about $70 billion of tax cuts. You can see the parallel. As they cut back on tax relief and get more money for the Government, they can spend more over and over again.

So the question is, do we want to spend more for the bureaucrats' budget here in Washington, or do we want more for the family budget, for people who are living in America trying to make ends meet?

What we have said in the freshmen class in particular and in the Republican Congress is enough is enough. We think $12 trillion is plenty of money to spend on the Government programs, and we need to start focusing on giving families some tax relief so that they can have an easier time of balancing their budgets and have more money available.

Let me make one other point. That would be reason why I think they are being dishonest. They want to spend more money and are afraid if they tell the truth people will focus on what the effect is for the family budget.

The second reason is, and I wanted to ask the question whether in his research on this issue of welfare for lobbyists, whether this advertisement was paid for by any groups who received taxpayer money?

Mr. EHRLICH. You mean grant reform? The dirty little secret this class has exposed? We have been joined by three of our wonderful colleagues in the freshman class. You mean $39 billion in taxpayer money?

Mr. MCINTOSH. Is it possible these groups want to make sure that some of this spending ends up going into their coffers? So they are going to lobby and send ads to make sure that they continue to live on the trough of all this Government spending?

Mr. EHRLICH. As the gentleman knows, we have exposed, I think, ''we'' being the class in the new majority, have exposed a lot of very relevant information that the people of America need to know about, some nonprofits, some for-profits, some groups in this country, who continually take the taxpayers' money, not to spend it to help people, but to lobby Congress for more money.

The gentleman has been a leader in this respect, and I congratulate him.

Before our new colleagues begin, I would like to respond for one minute to the gentleman from California. I know the gentleman from Arizona has something to say about this, too.

The gentleman from California asked are people this stupid? Are people this naive, to believe this sort of ad? I have good news for the gentleman. The answer is no. Calls coming into my office from union members eight to one say ''EHRLICH, stay the course. Balance the budget. Protect me. Do what we sent you to Washington to do.'' And there is a great distinction that big labor would not have us talk about, the gentleman from Arizona and California, and that is this: If the labor membership followed labor leadership, the seven of us would not be on this floor today. We would not be on this floor, because the membership understands where their

bread is buttered, and that is with a balanced budget, and that is with a less intrusive Federal Government.

Mr. MCINTOSH. If the gentleman would yield for one quick second, before we switch from that point, let me reinforce your message. When I go home, I go through factory tours a lot, virtually every other weekend or so, and I walk up and down the line and ask people working for a living, ''any message for Washington? Anything you wanted me to take back with me when I go back there?'' Time and time again I hear from them, ''Yeah, cut our taxes. We are having a difficult time making ends meet. If you guys take less of my paycheck, I can work for a living and have a better life.''

That is the message from the rank and file. It is not getting up to their leadership. But, fortunately, the rank and file guys and women who are working for a living know the difference, and I think they are going to continue to support our effort to balance that budget.

Mr. RADANOVICH. So too in my district. When we faced the recent Government shutdown, I represent fortunately an area that has three national parks, Yosemite, Kings and Sequoia National Parks. Putting Federal employees out of work and giving them time off, they get paid. They worry a little bit, but they get retroactive pay. But in my district the people that suffered were those who depend on the tourist economies in these small communities, the one I was born and raised in, Mariposa, other communities, Oakhurst and Sonora, those areas, those businesses suffered. I had people that suffered a 50-percent loss in revenues during that period of time.

Still, the amount of response that I got during that time was at nine to one, ''stay the course.'' And what they called to say was that they are not buying this, because, thank God for Rush Limbaugh and C–SPAN, these people, the everyday American can spot somebody who is not telling the truth. They are much more educated than before. This may have worked over the last 40 years, but it is not working today.

So I have got faith in people. When I walk down and talk to transportation, parcel post deliverers, and their on-line employees, basically their message to me was, ''George, don't bother coming home if you lose this budget battle.'' They say ''Hang in there.'' They know exactly what is going on.

Mr. HAYWORTH. Reclaiming the time, I thank my friend from California for making that point. I thank my friend from Maryland for making a very key distinction between those who are bosses of big labor and those who labor for a living. The miners in the Sixth District of Arizona, who want to hand on to more of their paychecks, who understand the overburdensome taxation their families face, and who came out in record numbers in 1994 to say that we want a change.

So I salute the gentleman from Maryland for again exposing this. I challenge the mass media to follow suit with their own reality checks, their own truth watches.

I know perhaps if there is a footnote the gentleman would like to add, I just looked to the well and I know that your exploits on the gridiron among the members of this class are exceeded only by our good friend who returned to his native Oklahoma to run for this body, but before that distinguished himself in the National Football League, and indeed entered that Hall of Fame, the best hands in the freshman class and one of the brightest minds, I would yield now to our good friend from Oklahoma, Mr. LARGENT.

Mr. LARGENT. I wanted to thank my loquacious colleague from Arizona for yielding to me. Really I begin my time here by making a confession, and that is I have one of the poorest senses of direction in existence. In fact, I have gotten to the point where I do not even trust my own sense of direction. I have on my key chain a compass that I carry around with me in Washington, DC, and I found it has come in handy as we wander through the Halls of Congress.

The reason I bring that up is that I found I have learned not to trust my own sense of direction. In fact, I get particularly turned around when I go shopping in the mall with my wife, and we go shopping for 2 or 3 hours, and go in and out of the stores. By the time we are done shopping, I cannot find the car. So what I have learned to do is as I come out of the mall and I am trying to determine which way the car is, if I think it is to the right, I always go to the left, and 99 percent of the time I am right.

What I have also learned in my short time in Congress is that if everybody in Washington, DC is saying to go left, if I go right, I am probably doing the right thing. And that really brings me to the point of why I have come here this evening, and many of my colleagues are joining me here this evening, and that is to talk about the tax relief that is offered in the Balanced Budget Act of 1995.

Because I want to tell you, and I also confess that even some of our Repbublican colleagues have fallen into this trap, that Washington, DC is saying ''Go left, out into left field, on the $245 billion tax cut, because the American people are saying don't give tax cuts; balance the budget.''

But I want to make a very, very important point to the American people tonight, one that they need to understand, that there is nobody in Washington, DC that is saying ''Don't do the tax cuts in order that we can balance the budget sooner.'' People need to know that. People do not want the tax cuts because they want to spend the money here in Washington, DC. It is not that they want to take $245 billion away from the taxpayers in order that we can eliminate the deficit sooner than 2002.

It is they want to take the $245 billion of taxpayer money away from them so they can spend it on programs X, Y, and Z. That is why they do not want to give you back your taxpayer money, and I think, frankly, that the Republicans have done a very poor job of defending the tax cuts and explaining why they are so important.

The first reason, there are two reasons in my mind, the point I would like to make before I yield to other gentlemen to talk about the specifications of the tax package. The most important reason that we need to have $245 billion in our tax relief for the American taxpayer is just that. The Federal Government does not have a single dollar, except the dollars that they collect from American taxpayers. We do not have any money, except for the money that we take from the American taxpayers. So the first and most important reason that we need tax relief in this country today is in order that the taxpayers can keep more of their hard-earned money.

You see, there are some of us in Congress that believe that taxpayers and families can spend their money more wisely, more efficiently, more effectively for their families than we can in Washington, DC. And I know that my colleagues that are gathered here this afternoon believe that.

But, second, and this is equally important to understand, the reason that the tax cuts are necessary is that it is a critical, an important, an unbelievable mechanism to decrease the size of Government. You see, if we take that $245 billion, as I said earlier, we are not going to apply it to the deficit. We are not going to cut spending. We are going to spend more.

□ 1545

And so the tax relief package that is contained within the Balanced Budget Act of 1995 does just that, it not only gives the taxpayers back their own money, but, at the same time, the Balanced Budget Act of 1995 reduces the size and cost of the Federal Government, at the same time still getting us to a path to a balanced budget in the year 2002.

Now, I would like to yield back to my colleague from Arizona and ask if he would yield to our other colleagues here that are prepared to talk about the tax relief specifics.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Oklahoma for restoring our sense of direction with his very illustrious examples, and I look to the other side of the aisle, where in this special order we are joined by our colleagues, but I think symbolically of the fact that we want to reach out to the other side of the aisle; that we hope to work together to confront this next century, and I would simply yield to my good friend from Nebraska, the gentleman who sits on the Committee on Ways and Means, where tax policy is formulated, our good friend Mr. CHRISTENSEN.

Mr. EHRLICH. Would the gentleman from Nebraska bear with me for 20 seconds?

Mr. CHRISTENSEN. I would gladly yield.

Mr. EHRLICH. I am happy of two things: First; I have the time to speak today; and, second, I never had to catch this guy.

Before the gentleman from Nebraska, our colleague, Mr. CHRISTENSEN, begins, I would make one point that I think is very relevant. We would love to do every day what symbolically we are doing here today; reaching out. However, the one precondition all of us, and I think I speak for everyone in this majority feels that that precondition is every debate, every reasonable debate must be on facts.

When demagoguery and class warfare and generational warfare run the airwaves and run this floor, it is very difficult to reach out.

I yield back and thank the gentleman.

Mr. HAYWORTH. Mr. Speaker, reclaiming my time, I think Robert J. Samuelson said it best in The Washington Post in a commentary of a few weeks ago when he said, when one side continuously distorts the facts and refuses to debate the policy, then the purpose is not to debate, it is to destroy.

Mr. Speaker, here to help destroy and shatter some of the myths that have been propagated, again it is our good friend, the gentleman from Nebraska.

Mr. CHRISTENSEN. Mr. Speaker, I thank the gentleman for yielding, and I think our friend from Tulsa has put his finger on the problem, and that is this Government, Washington DC, has had an appetite for spending. All they want to do is spend, spend, spend. The more money going into the coffers, the more they can spend.

This is not about whether it is $245 billion or used to be $360 billion in tax relief. What we are talking about now is the administration wanting to compromise and to increase the consumption of the Federal Government.

One of the areas in the Ways and Means that we worked so hard on, and I campaigned on for over 2 years, was capital gains tax relief, the centerpiece, I believe, of getting this economy moving, keeping it a robust economy, and returning people's money back to where it belongs, in their own pockets and not in the Federal Government's. Not in the bureaucracy.

In Nebraska alone, over 200,000 Nebraskans will see relief from a capital gains tax cut. As a matter of fact, the overall tax package in Nebraska will see 580,000 Nebraskans benefit from a capital gains, a child care tax credit, or some provision in our tax package. That is putting money back in their pocket, taking it out of wasteful programs that have overspent and have gone into $5 trillion in debt over the last 40 years.

What we are doing is talking about putting the trust in the people, whether it is in Arizona or Oklahoma or Nebraska or South Carolina, and the thought and the belief that they can spend their own money better than Federal bureaucrats can in Washington, DC. I am a strong supporter and a believer in the fact that I know how to spend my buck better than some bureaucrat down at Treasury.

That is why I believe that the tax package has been compromised too much already, and I think that to move off that $245 billion tax figure would be a big mistake and would be a win for the bureaucracy, a win for as-usual politics. I think that this freshman class stands up and will make our voices loud.

Mr. LARGENT. Would the gentleman yield?

Mr. CHRISTENSEN. Yes, I would.

Mr. LARGENT. I talked to the gentleman earlier, and he mentioned, as a member of the Committee on Ways and Means, that he had a figure for what the total tax cut package was in relationship to the entire budget over the next 7 years. Does the gentleman recall that figure?

Mr. CHRISTENSEN. Less than 2 percent. We are talking about less than 2 percent of returning the people's money back to them. Over the next 7 years, all the budgets added up, 2 percent is what the tax package is. Is it asking too much of this Federal bureaucracy, of this Federal Government, to return 2 percent of the money back to the people? I think not.

I yield to my friend from South Carolina.

Mr. GRAHAM. I thank the gentleman.

Anybody who is trying to bring this to a conclusion and is listening, they need to understand this. If we want to take money from the family budget and spend it in Washington, DC, to get a deal, count me out. If we want to adjust senior citizens' payments to get more money to spend in Washington, count me out. If we want to take $135 billion of so-called new money and spend it on Washington, DC, count me out.

I think we are going to find a lot more people saying exactly what I have said.

What does $12 trillion mean? If anyone is doubting that there is room for a tax cut and a need for a tax cut, let me tell my colleagues what the Federal Government takes from us—$12 trillion is spent in Washington. If we spent $1 million a day it would take us 2,700 years to spend $1 trillion.

We have a $5 trillion debt. To retire $1 trillion of the national debt would be equivalent to $3,814 from every man, woman, and child in America. My colleagues and I all know that every American does not pay taxes. The ones that are paying, are paying a ton of it.

I firmly believe that the Washington, DC, budget has got plenty of room to be reduced. The family budget is on a shoestring, and if we are going to let people spend money on a family, let the family people do it and get us out of the business.

I want to make one last point. If we divide the population of the United States into the budget of the United States over a 7-year period, the Federal Government will spend $162,764 on a family of 4. To me, that is enough.

I yield back my time.

Mr. HAYWORTH. Mr. Speaker, I thank my good friend from South Carolina for the points he makes and reclaiming my time, I just think it is important to understand one historical perspective to really stand in relief.

It is worth noting that in 1992 candidate Clinton talked about tax relief for the middle class; and then, upon taking the oath of office, President Clinton gave us the largest tax increase in American history. And there has followed, from that broken promise, a string of broken promises, not only with taxation but with balancing this budget.

And with that in mind, I would yield to our good friend from Wisconsin, who has done yeoman's work, gotten in there, rolled up his sleeves, taken out a sharpened pencil and taken a true look at what is at stake for the American family and the American Nation with the budget. I yield time now to the gentleman from Wisconsin.

Mr. NEUMANN. Mr. Speaker, I thank the gentleman for this time, and I go back to what the gentleman from South Carolina [Mr. GRAHAM] said. He is exactly right here. The question is how much money we are spending. And I would like someone, just someone out there to call my office and say, we think the Federal Government should spend more money. That never happens. Nobody calls my office and says we are not spending enough money; spend more money. That never happens.

Here is what has gone on with the budgets we have now and why we cannot reach agreement here. We have CBO-scored numbers, an apples-to-apples comparison of what is being spent and where the deficits are going.

Mr. HAYWORTH. If the gentleman would yield for a second, would the gentleman please tell us what the acronym stands for and why it is so important?

Mr. NEUMANN. It is the Congressional Budget Office. And what is very significant in this is that we now are using the same numbers to compare our plans to balance the budget.

What I have on this chart with me is what the deficits are in each of the years from now through the year 2002, showing that in the Republican plan, the plan that has been laid on the President's desk and has now been vetoed, we go through the deficits. They go through a decline until we reach a $3 billion surplus in the year 2002.

Let me make this perfectly clear. With CBO scoring, we do reach a balanced budget in the year 2002, as each and every person standing in this room today promised their constituents, and

as we, as a Congress, have promised the American people we would do. It has been done.

The President's budget, last week, and I have to tell my colleagues, I was a little different than some of my colleagues even in this room. I said, let us wait and see. Let us take a good hard look at the President's budget and let us see what this budget says and see if we cannot reach a conclusion looking at the President's budget.

We have it now. We have a fair comparison between the President's budget and what was presented to him. They are scored with the Congressional Budget Office. The same set of numbers are evaluated in both plans.

Mr. CHRISTENSEN. Mr. Speaker, if my friend from Wisconsin would yield for a quick question. Does that top number, with the plus 3, even include the tax cuts?

Mr. NEUMANN. Yes, it does. It does include the tax cuts.

Mr. CHRISTENSEN. So we balance the budget in the year 2002, including the $245 billion in tax cuts. The President's number is a lower amount in tax cuts and does not balance the budget; is that correct?

Mr. NEUMANN. That is exactly right. And here we can really clearly define what the problems are as we work toward balancing the budget. As we can see, in year 7 of the President's plan, we have a $115 billion deficit.

I want to make this perfectly clear to everyone in this room. As far as I am concerned, this is not about the President or Democrats and Republicans fighting with each other. This is about the future of our country. This is about our children's future that we are talking about here. We have to get this number, right here, where it says $115 billion of deficit, that has to be zero or we have not balanced the budget.

It has to be a black number. It has to be a number that is a positive number or zero, or we, in fact, have not done what we promised for the American people, and that is balance the budget.

Mr. RADANOVICH. Would the gentleman yield?

Mr. NEUMANN. Be happy to yield.

Mr. RADANOVICH. Mr. NEUMANN, would you care to reiterate the results of the last shutdown, and what was the agreement made by the administration, and how they would submit their next budget?

Mr. NEUMANN. Sure. In the shutdown in November, we reached a conclusion that extended the Government operations for a period of time. We all promised, Republicans and Democrats, that we would bring a plan to the table that was balanced under a 7-year plan with CBO scoring.

This plan is not balanced on a 7-year plan with CBO scoring, and it does not keep the promise that was made as recently as November, that we would have a plan from both sides of the aisle that was balanced in 7 years using CBO scoring.

Mr. LARGENT. Would the gentleman yield? That was not a promise. That was a contractual agreement; is that not correct?

Mr. NEUMANN. That is exactly right. It was a written contractual agreement between the Republican leadership, between all of us when we voted on it, and the President of the United States. That is exactly right.

So that the bottom line is these numbers are cut and dried, folks. This is not a Republican-Democrat debate at this point. This is a mathematical statement of facts that I am bringing to my colleagues. We do not have a balanced budget under the President's plan. It is $115 billion short in the last year.

Mr. RADANOVICH. Would the gentleman yield?

Mr. NEUMANN. Sure.

Mr. RADANOVICH. I want to point out, then, because the gentleman's example here perfectly illustrates the frustration that we are experiencing in Washington when we make a pledge to the American people, many of us who are here for the first time, that we are going to go back and balance the budget, and then we run into a game of charades basically, in order to drum up phony numbers so that we can live up to our obligations made with regard to balancing the budget in 7 years.

So, unfortunately, I think through this process, if there is any good that can come out of it, would be commitments made and kept, but also honest numbers. Because that is really what is driving, I think, the American people nuts and driving this whole controversy right now.

Mr. NEUMANN. Mr. Speaker, I think there is another important thing that shows up here. If we were to put into law the Republican plan, exactly as it was presented to the President, that does get to a balance in 7 years, we would still add $635 billion to the national debt over the next 7 years. So under the Republican plan, we would be adding $635 billion to the debt and we have not solved all the problems yet.

But under the President's plan we would be adding over $1 trillion, an extra $365 billion to the Federal debt. And, folks, that is our children we are talking about. They will have to pay that money back.

Mr. GRAHAM. Would the gentleman yield? This has been a fascinating conversation. The gentleman from Oklahoma [Mr. LARGENT] mentioned something a while ago; that the game in Washington is not to take the $245 billion in tax cuts and to balance the budget with the money, the game is to spend it.

From what the gentleman has been able to tell me, and what the gentleman from Nebraska, JOHN CHRISTENSEN, has said, I think we have some pretty good evidence that is true.

□ 1600

Is it not fair to say that the President's tax cut plan is at $78 billion, I believe?

Mr. NEUMANN. That is correct.

Mr. GRAHAM. He cut taxes at $78 billion, and he is $115 billion out of balance. That is pretty good evidence that the money that he took away from our tax cut went to spend more money on the Federal Government.

Mr. CHRISTENSEN. Failed welfare programs and failed social programs.

Mr. GRAHAM. I think that is a very telling point.

Mr. CHRISTENSEN. Going through some of the areas, I just want to ask if the gentleman's understanding is the same as mine. Have we increased or decreased spending in education, job training, and student loans?

Mr. NEUMANN. We have clearly increased spending.

Mr. CHRISTENSEN. How about Medicare?

Mr. NEUMANN. Medicare spending is going from $4,800 in the system to $7,100 per person in the system over the next 7 years.

Mr. CHRISTENSEN. Veterans?

Mr. NEUMANN. Veterans' benefits are increased $400 million, and the HUD VA appropriations bill is the only one of them that is increased.

Mr. CHRISTENSEN. How about welfare spending?

Mr. NEUMANN. Welfare spending is going up significantly, from about $90 billion to $140 billion this year to the year 2002.

Mr. CHRISTENSEN. I know in Nebraska a lot of people have asked me why are we spending so much.

Mr. NEUMANN. That is the question I keep coming back to. When I show these numbers to my folks back home and I say. ''Even under the Republican plan we are adding $635 billion to the debt over the next 7 years,'' does the gentleman know what they say to me? ''Why are you doing that? Why are you doing that? Get this job done faster.''

That is why earlier this year we did present a plan that balanced the budget in 5 years and then did something we do not usually talk about here. It paid off the debt in a 30-year period of time, and we did not use any Social Security trust fund money to do that.

Mr. GRAHAM. Did the gentleman view the media report a couple of days ago that had Mrs. Clinton testifying before Congress about Medicare saying that if we control the growth of Medicare, if we reduce it from 11 percent to 6 to 7 percent, we can balance the budget and protect Medicare and keep it from going broke? Did the gentleman see that report?

Mr. NEUMANN. I sure have.

Mr. GRAHAM. Is it not true that our spending on Medicare is at 7.2 percent?

Mr. CHRISTENSEN. That is correct.

Mr. GRAHAM. We are spending more on Medicare than her testimony. Is the gentleman aware of a speech that the President made to an AARP group in 1993—excuse me, 1995, where he indicated, might have been 1993; I do not want to get my facts wrong—where he indicated that Medicare and Medicaid are driving the country broke. It is growing at 3 times the level of the private sector. If we could reduce it to

twice the level of inflation, we could take care of every senior citizen and balance that budget, and that is not too much to ask. Is the gentleman aware that he made that statement?

Mr. NEUMANN. Yes, and I have heard so many times in our town hall meetings, people in Wisconsin are saying, ''Why are you increasing it at twice the rate of inflation?''

Mr. GRAHAM. Is it not a fact that we are increasing it twice the rate of inflation?

Mr. NEUMANN. Yes, it is.

Mr. GRAHAM. What he said to do; what Mrs. Clinton said to do. We are doing what they asked or told somebody to do 2 years ago, and we are getting killed for it by them.

Mr. CHRISTENSEN. Mr. Speaker, I would ask the gentleman from Wisconsin [Mr. NEUMANN], was this the President's first try at balancing the budget? Which budget number is this as far as the $115 billion figure?

Mr. NEUMANN. This is budget No. 3. But in all fairness, I will point out that this is, in fact, the closest we have been to a legitimate budget proposal. This is the closest that he has been in three tries to balance the budget.

Mr. CHRISTENSEN. The first budget wound up in the Senate with a 99-to-nothing vote.

Mr. GRAHAM. It was 96.

Mr. NEUMANN. Mr. Speaker, I have to wrap up my part of this. Can I conclude very briefly here? This Nation of ours, this great country our ours, is in trouble. We are $5 trillion in debt. We are sinking fast. We have got deficits every year through the year 2002.

Every time this Nation has been in trouble in the past, do my colleagues know what has happened? The American people have joined together and solved the problems. Not Democrats, not Republicans; Americans.

It is time for us, the Members of this Congress and the President of the United States, not as Democrats, not as Republicans, but as Americans first, to get the job done that American people sent us here to do and to get the job done that we promised we would do on their behalf when we came here.

Mr. RADANOVICH. Mr. Speaker, I thank the gentleman from Wisconsin very much for bringing this information. I want to say briefly that our priorities in this process in defending, to a degree, the increase in the debt even under our plan, is that we are committed right now with priorities of a 7-year balanced budget; the second being CBO scoring, which we are still working on; the third being the quick elimination of the deficit and the debt.

Unfortunately, under our plan, while we are working at eliminating the deficit, we are unfortunately still adding to the debt. But after that deficit is gone, then the debt gets worked down.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from California, and I thank our good friend from Wisconsin who once again demonstrates why he has been the workhorse of the budget process and is deserving every accolade that this new Congress can provide.

I am holding here a certain financial document. It is a check. I heard my friend from Nebraska and my good friend from South Carolina lament the fact that the President of the United States was making allegations about Medicare that is part of the cacophony, the mantra of the mediscare campaign of the discredited American liberals who cannot seem to face facts. So, how ironic it would be if this President, who has worked very hard with his own special interests to raise scads of money for what will be a very difficult reelection campaign, again, Mr. Speaker, the challenge goes out to everyone, including the President of the United States, if they can show us a cut in Medicare spending that goes from $4,800 this year now to $7,100 per beneficiary in the year 2002, if there is some way to do that, then the Republican National Committee, Haley Barbour, the national chairman, is prepared to pay up with $1 million.

Mr. CHRISTENSEN. Would the gentleman yield on that point? Your seniors in Arizona will not be herded into just one program, will they? They will have an opportunity for a number of choices.

Mr. HAYWORTH. And freedom of choice is one of the fascinating things about Medicare-Plus. And just as the benefits per beneficiary increase, so do the opportunities and options for seniors under Medicare-Plus.

Speaking of opportunities and options, as I reclaim the time, let me also turn to our good friend from Kansas who has a couple of housekeeping items which we need to allow him to take care of, but also may have some observations. Let me yield time to the gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. Mr. Speaker, I appreciate my colleague from Arizona yielding to me. This $1 million check, I think, is a clear statement to the American people, to anybody anywhere in the world, that if there is a real cut in Medicare, show us. We will pay them $1 million.

The point of it is, and it is just to make a point, there are no cuts in Medicare. I appreciate my colleagues explaining that to this body, so that this body can understand, as I think most of them do, but in some cases act like they do not, what the situation really is.

I particularly appreciate the earlier dialog that I have been watching as well, saying to this body and educating this body, look, we are in a dire situation. We have got to do that and we have got to do that compassionately and we are doing it compassionately.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2644

Mr. BROWNBACK. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of the bill, H.R. 2644.

The SPEAKER pro tempore (Mr. CHAMBLISS). Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BROWNBACK. Mr. Speaker, I yield back to my good colleague, who is educating this body about the perils that we are really in and what we can do to help this and make the future for our children better.

Mr. HAYWORTH. Mr. Speaker, I think the gentleman from Kansas and I would invite him to join us here in this historic Chamber to discuss issues of historic import as we are transforming this government, not by reinventing it, but by remembering what works; remembering that document from which all of this flows, that remarkable document called the Constitution, and remembering this fundamental premise: That when people are allowed to keep more of what they earn, the fruits of their honest labor, and save, spend, and invest it according to the dictates of their conscience and their priority, there is nothing selfish about that.

I am sure what prompted my friend to come to the floor was the evaluation of our colleague from Nebraska, who has spent countless hours on the Ways and Means Committee drafting tax reform and reduction policy, who informed us earlier that less than 2 percent of this vast array of money we are talking about, less than 2 percent in the grand scheme of things is used for tax cuts.

Mr. BROWNBACK. Mr. Speaker, if the gentleman would yield, I think it is a tremendous point and that that needs to be driven home to this body even more. Right now, the Federal Government, and this is a massive amount, it is hard to understand, takes 22 percent of the U.S. economy. It is the Federal Government. This huge piece, 22 percent.

Now, the gentleman from Arizona I am sure probably knows this figure, but in 1950 does the gentleman know what percent of the U.S. Government was of the Federal economy?

Mr. HAYWORTH. I know the gentleman from Kansas will inform us all.

Mr. BROWNBACK. It was about 4 percent. Can the gentleman imagine what the liberation would be of this Nation, of the people here, if the Federal Government, instead of 22 percent, was just 4 percent? Or, what if we got from 22 percent to 15 percent? There would be a blossoming across America of growth, of productivity, of jobs, of opportunities, of people going forward themselves and saying, ''My goodness, why were we carrying such a heavy load?''

The next number of years, what has to take place in this country is we have to shrink the public sector, because the private sector is tired of carrying it and cannot carry it any further. That is what we are trying to do. It is not Draconian; it is very compassionate to help people.