The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

[Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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

[Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

STATUS OF THE CNMI

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii [Mrs. MINK] is recognized for 5 minutes.

Mrs. MINK of Hawaii. Mr. Speaker, I have introduced a bill today that will allow the people of the CNMI to decide whether they will abide by all of the laws of the United States or whether they chose to seek independence.

Reports of abuses in the CNMI are not new. Reports surfaced as long as 13 years ago. In response, Congress directed the establishment of a joint program with the CNMI to respond to this widening range of abuses. After 3 years, these agencies investigating these abuses report the negative trends worsening. They report:

Chinese garment and construction workers sign shadow contracts with a government recruitment agency before leaving China for employment in the CNMI. These contracts restrict their civil rights and threaten to return them to China if workers make labor complaints while in the CNMI.

Wages for domestic maids average $0.64 an hour for an average work week of 72 hours. The domestic service sector averages the highest percentage of labor complaints out of all sectors.

Many businesses in the CNMI are not subject to the Fair Labor Standards Act, resulting in their failing to pay the employees, going bankrupt and eventually going into another line of business under a different name.

The CNMI does not require visas for investors. A business entry permit allows foreign businessmen to enter the CNMI with $50,000 to set up a business. There is no evidence that the CNMI verifies or authenticates the amount, nature, or source of the claimed investment.

Reports have found an appearance of a large number of underage dancers and other underage workers in the CNMI. Many of these persons are alleged to be engaged in prostitution. CNMI lacks the resources to determine the authenticity of birth certificates and other documents and therefore in many cases simply admits these persons on the basis of approved work permits. In addition, many of these nonresident alien victims fail to report their cases to authorities because of fear of retaliations or loss of employment.

The INS reports the CNMI has had limited success in improving immigration control, including adjudications, examinations, inspection, and investigations. CNMI immigration worksite enforcement is nonexistent.

The CNMI can ship duty-free goods to the United States under General Note 3(a)(iv) of the Harmonized Tariff Schedule, which provides duty-free entry to qualifying products of the CNMI and other U.S. insular possession. The duty-free and quota-free preferences coupled with the CNMI's local control of its immigration policy and its minimum wage rate, have created a loophole that enables foreign interests to establish apparel productions facilities in the CNMI with unlimited access to the U.S. market, thereby giving the CNMI garment industry advantages that are not enjoyed in the US market.

The CNMI has flooded the islands with low-cost foreign labor, resulting in a huge population increase and high unemployment among native U.S. Citizens. As a result, many indigenous people are living at the poverty level or below.

These abuses are happening in our own backyard. Because of that, we cannot look the other way and allow them to continue when they are occurring in the U.S. jurisdiction.

The covenant agreement adopted by Congress and the CNMI gave local control of immigration and the minimum wage to the Commonwealth. In establishing the covenant, the residents of the CNMI expressed concern that Federal immigration laws would permit excessive immigration to the islands from neighboring countries thus overwhelming the local culture and community. Isn't it ironic that these policies have produced the opposite result. U.S. citizens are now a minority of the population. Temporary alien workers now compromise 60 percent of the total labor force and 90 percent of the private sector labor force.

In response to calls that the CNMI be subject to U.S. immigration and wage laws, the Governor and various local leaders spoke out stating they would prefer independence than to fall under our laws. My response to the Government and other local leaders is this: OK. Lets bring this issue to the citizens who live in the CNMI. Lets ask the people: Shall the CNMI be governed under U.S. immigration and wage laws or shall the CNMI seek independence.

The days of status quo have come and gone. We now must take responsibility for the abuses occurring and take measures to remedy them. If the CNMI does not agree, they are free to choose self-determination. However, if they are to remain as a part of the United States then they must adhere to all of our laws.

GOOD NEWS FOR THE AMERICAN PEOPLE

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

Mr. NEUMANN. I rise tonight to bring some good news to the American people.

I spent some time in my district on Thursday and Friday, and I had a chance to talk with lots of folks and it occurred to me as I was talking with the people back home that the concepts of the tax cut bill actually being signed into law and the amount of taxes that people are going to pay next year having actually gone down is something that the folks back home did not understand very well yet.

So I thought I would start this evening with a little bit of discussion of some good news for the American people, for people that are working and paying taxes into this Government. Taxes are going down and it is good news. It is the first time in 16 years it has happened. It has happened at the same time that we have actually balanced the budget for the first time since 1969.

□ 2030

I thought what I would do to start this evening is just talk through those tax cuts a little bit, because there is something in the tax cut package that affects virtually every American citizen that is working and paying taxes today.

I thought I would start with the one that is going to affect the most families. In Wisconsin, the $400 per child tax cut affects 550,000 Wisconsin families. In all of our families back home in Wisconsin that have children under the age of 17, next year, for 1998, they should figure out how much taxes they would have owed to the U.S. Government, or to Washington, and subtract $400 off the bottom line for each one of those children.

Let me say that again, so it is crystal clear exactly what this $400 per child tax cut means. If there are children in the home under the age of 17, the family would go through and figure out how much taxes they would have owed to the U.S. Government, to Washington, and they will then simply subtract $400 per child off the bottom line.

For a family with three kids under the age of 17, for a family of five, like our family used to be, our kids are older now, but like our family used to be, if you have three kids under the age of 17, that family could subtract $1,200 off the amount of taxes that they would have owed to the U.S. Government.

Let me put this another way. For that family of five with three kids at home, they should in January of next year go into their place of employment and reduce their withholding taxes, reduce the amount of money that their employer is sending to Washington each month, by $100, because, you see, that $1,200 for the 3 kids divided up over the 12 months is $100 a month.

Again, this bill is signed into law; this is not political rhetoric or promises. I cannot count how many people in Wisconsin said to me, ''I will believe it when I see it.'' It is done; it is signed into law. That family of five, in January of next year, should keep $100 more a month in their own home instead of sending it out here to Washington, DC.

A lot of folks say, ''What about education? There are other things that you need to be doing in Washington

with that money that you are letting these families keep.'' Let me first say that I think that these families in Wisconsin, all 550,000 of them, can do a much better job spending their own money than they could if that money was sent out here to Washington for Washington to decide how to spend it.

But second, on the education front, I think it is very important to know what was in the tax cut provisions to help with education, because the amount of money that is to be provided for freshmen and sophomores in college is a phenomenal amount in terms of many of the people going especially to places like the technical college like MATC in Milwaukee, WI, or Gateway Tech in Kenosha, WI, between Kenosha and Racine, or Blackhawk Tech out in Jamesville, WI.

For a freshman or sophomore in college, they keep the first thousand dollars of their college cost. That is to say, the first thousand dollars they spend on college tuition, room, board, and books, the whole shooting match; the first thousand dollars is fully refundable; and the second thousand dollars is 50 percent refundable.

So let me translate that into English. If the listeners or if our colleagues have a freshman or sophomore in college, and the normal freshman or sophomore is paying more than $2,000 a year in room, board, and tuition, you should figure out how much you owe the Federal Government in taxes and subtract $1,500 off the bottom line, and that money is designed to help pay for the college education. So for freshmen and sophomores in college, the tax cut package provides a college tuition credit of $1,500 a year.

For juniors and seniors, it is 20 percent of the first $5,000. So for most juniors and seniors in college, they should keep a thousand dollars more of their own money to help pay that college tuition. This is a lot of money for a lot of families.

A family in Wisconsin with a freshman in college, two kids still at home, again, I am back to that family of five, there are so many of these families out there in Wisconsin and all across America, for a family of five with a freshman in college and two kids still at home, they keep $1,500 extra because of the freshman in college, the college tuition credit, and they keep $400 for each one of the two kids at home, or $2,300 more of their own money.

And make no mistake about this. This is not like Washington reaching into the pockets of taxpayers, bringing the money out here to Washington, and then Washington making a decision about who should get this money back. It is very different than that. This is the families out there who get up every morning and go to work for a living, they work very hard, but instead of sending that money out here to Washington, they simply keep that money in their own home. That is how a tax cut should be.

So if you have got a freshman or sophomore in college and a couple of kids still at home, we are talking roughly $200 a month more in the take-home paycheck than it would have been if this tax bill had not been signed.

Again, I want to emphasize, the tax bill is signed into law. The ink is dry. This is not political rhetoric or political promises. This bill has been signed into law, and it is good news for families all across America.

The tax cut package did not end there; the tax cut package went on. The tax cut package also reduced the capital gains tax from 28 percent down to 20 percent, and then it goes to 18 in the year 2000. So capital gains have been cut. If you are in the lower-income bracket but you bought stocks or bonds or whatever and they have appreciated in value, in the lower-income bracket, the tax on capital gains has dropped from 15 percent down to 10 percent.

So for the folks who have made investments in order to prepare to take care of themselves in their own retirement and to take care of themselves as they prepare to retire, the capital gains, the amount of money that they will send to the Federal Government, has been decreased from 28 percent down to 20 percent.

It did not stop there either. I have some folks say, ''Well, you haven't talked to me yet, Mark. There are others of us out here.'' I had a young couple, for example, where both spouses were working but one spouse had returned to college on at least a halftime basis. She did not go into exact details, but with both of them working, of course, they had a significant tax burden to the Federal Government. She said, ''Well, Mark, my parents are no longer paying my bills. I am going back to college. This does not help me.''

Well, in fact, in this case, where we have got a husband and wife working, there are provisions in the tax bill that would directly impact them, because the money that was going to pay for her college tuition would be reimbursed to them or subtracted off the bottom line of the taxes they were due.

But there is another area that this young couple is very eligible for under this provision. It is called the Roth IRA. The Roth IRA is different from the old-fashioned IRA. The old-fashioned IRA, you put $2,000 in per person and write it off your taxes this year. Under the Roth IRA, you put $2,000 in but you do not get to write it off on your taxes this year.

That may not sound like a good deal this year. But the difference is, when you take this money out in retirement, all of the interest, all of the accumulated value of this IRA, all of the money that is accumulated because of the interest or earnings on it, you get that money tax free.

And for that young people that was there at this meeting on Friday that I was at back home in my district, that young couple can put money into the Roth IRA, let it accumulate, and then take out up to $10,000 to help that couple buy their first home.

So you see, that young couple with one in college and the other one working, both working but one in college on a part-time basis, they benefit from the college tuition tax credit as well as from the Roth IRA that allows them an opportunity to save up and buy their first home.

The Roth IRA, of course, can be used by many people in their thirties and forties and fifties who are saving up to take care of themselves in retirement as well. It is another major change in the tax code.

One other one that I want to bring to attention that is very important: For anyone out there who owns their own home, in the past they had this one-time exclusion at age 55, so that people had to wait until age 55 to sell their home and then they could sell it one time. Well, that is just plain gone; it is not there anymore. If you have lived in your home for 2 years, and you sell your home, and it has been your personal residence now for 2 years, there is no tax due to the Federal Government. Under this new tax code, if you sell your home and it has been your principal residence for 2 years or longer, there is no tax due to the Federal Government.

I get through telling a lot of folks about these tax cuts and how they impact so many people. I should talk on seniors, too. Seventy-four percent of the seniors in Wisconsin own their own home. Many of the seniors took the one-time exclusion at age 55 and then bought another house and are ready to sell it again. And of course the new house has appreciated in value 8 to 10 years later. So this tax cut as far as the home sale is certainly very significant to seniors.

For seniors, also in this package, Medicare has been restored. So they do not have to worry about Medicare going bankrupt, as it was back 2 years ago, 3 years ago. It has been restored for at least a decade for our senior citizens.

I get done telling our folks back home about these tax cuts, and especially the families, like one at college and two still at home, that see they get to keep $2,300 more of their own money, and they go, ''It is a lot of money. It is a lot of money, Mark. Does that mean that we are going to destroy the Nation? Does that mean we are going to pass this huge burden of debt on to our children, we are going to start deficit spending again? Does that mean we are going to wreck America to do this?'' The answer to that question is ''No.''

I would like to now devote some of our time here this evening to a discussion about why the answer to that question is ''No'' and what has changed out here in Washington to get us to a point where that answer is ''No.''

Before I go in that direction, however, I see my good friend, the gentleman from California (Mr. Hunter), has joined us.

Mr. Speaker, I yield to the gentleman from California (Mr. Hunter).

Mr. HUNTER. Mr. Speaker, I appreciate the gentleman from Wisconsin (Mr. Neumann) yielding to me.

I intended to do a 5-minute special order a little later on on the U.S. Marine Corps and the commandant, Chuck Krulak, one of our great commandants. But I am very interested in the expertise of the gentleman from Wisconsin (Mr. Neumann) in this area.

I think that particularly the homeowners' or home sellers' exclusion from taxation that the gentleman from Wisconsin (Mr. Neumann) talked about is a real release and a relief for literally hundreds of thousands of homeowners in this country, because over the years they have traded up as inflation increased, especially in areas like California and, I am sure, the home State of the gentleman from Wisconsin (Mr. Neumann) too; and they are now at the point where, if they sell that home, they have a very low basis and they are going to pay massive taxes.

And now this $500 exclusion, up to $500 exclusion, has come in the nick of time. They can use that money for their kids' education and, incidentally, for buying houses for their children. And most children today need some help from their parents to buy a house.

Mr. NEUMANN. Mr. Speaker, reclaiming my time, in Wisconsin that top-end number is not totally relevant in most cases because most of our homes are under that price.

And as a home builder, I worked with a lot of folks that were transferring from Wisconsin, and I am sure some of our people came to California, too. I have to sell our State and say how good the business climate is there under our Governor Tommy Thompson.

But we have a lot of people transferring in from a higher-priced home area, such as California, to a lower-priced area, such as Wisconsin. And, of course, those folks are the ones that sold their homes in California for lots more money and came to Wisconsin and bought a less expensive home, and in the past, they would have owed a substantial amount of money to the Federal Government in capital gains tax. That is gone. They would no longer owe that money.

Is this not what America is about? It is not just about the money, it is about the idea of people having the freedom to take that job promotion to provide a better life for themselves and their family. It is about the opportunity to live the American dream in our Nation again and the tax policies freeing up people to do what they see as opportunities to provide this better life for themselves and their family. That is what this is about.

Mr. HUNTER. If the gentleman from Wisconsin (Mr. Neumann) would continue to yield, I think he is absolutely right. I thank him for yielding.

Mr. NEUMANN. I turn our attention now to the question that I get asked quite regularly after I get done talking about the tax cuts, and they are very concerned that we are not destroying this Nation to do it.

I start tonight by talking about how we got into the situation we are in today where we have a $5.3 trillion debt staring us in the face. This chart I brought with me shows the growth of the debt and how from 1960 to 1980 it did not really grow very much, but from 1980 forward, it has grown a lot. The chart ends in 1995. And we can see how fast the debt climbed in particular from the late seventies and the early eighties on through the year 1995. It has led us to a point where we are $5.3 trillion in debt.

By the way, a lot of people look at this and say, well, if I am a Democrat, I go, 1980, that is Ronald Reagan; it must be Reagan's fault. If I am a Republican, I go, the Democrats controlled Congress during all those years and they spent out of control, so it is the Democrats' fault.

The facts of the matter are that it is an American problem. It is time we put our partisanship aside and figure out how to solve the problem for the good of the future of this great Nation that we live in. It is a very real problem, and I think it is clear from looking at this picture that this problem cannot be allowed to continue.

This picture is the reason I left the private sector, a very good job in a very good business, providing job opportunities for people as a homebuilder. I left the profession and ran for office because I knew this would bring us down as a Nation if we did not do something about it.

I brought a board along that shows the number, because a lot of folks have never seen how big this number is. We are currently $5.3 trillion in debt as a Nation. This next line shows, if we divide that debt up amongst all the people so everybody pays just their share of the debt, $5.3 trillion divided by the people in the country is $20,000 for every man, woman, and child in America.

Let me say that another way. This Government, the people that have been here in Washington since 1980, saw fit to spend $20,000 more than they collected in taxes for virtually every single American man, woman, and child in the whole country.

For a family of five, like mine, this Nation has borrowed on our behalf $100,000. We are in debt $20,000 for every man, woman, and child in America and $100,000 for a family of five like mine. And the real problem with that is, this is a real debt; interest is being paid on it.

A family of five, like mine, this year will pay $580 a month, every month, to do nothing but pay the interest on that Federal debt. As a matter of fact, one dollar out of every six that the Federal Government spends, i.e., one dollar out of every six that they collect out of your pocket in taxes, one dollar out of every six does nothing but pay the interest on this Federal debt.

It is not just income taxes where they are paying that $580 a month. If you do something as simple as walk into the store and buy a loaf of bread, the store owner makes a small profit on that loaf of bread; and, of course, when the store owner makes a small profit, part of that profit is taxed, and it gets sent out here to Washington to pay interest on that Federal debt. This is a very, very serious problem that must be addressed in this Nation.

How did we get here? Well, each and every year since 1969, this Government has overdrawn its checkbook. It is not a lot different from your checkbook or any other family in America when they will do their bills and figure out their checkbooks each month. The Government takes in a certain amount of money and writes out checks. When they write out checks for more money than they have in their checkbook, what they do is borrow the money. And, of course, that adds to the debt each and every year.

Since 1969, we have not had one single year where the Federal Government did not spend more money than it had in its checkbook. That is a pretty staggering statement. Since 1969, we have not had one single year where Washington did not spend more money than it had in its checkbook.

If that were our home or any home of any of the families across America, the banks would certainly have foreclosed and stopped the checking account before now.

□ 2045

But in Washington, they have just kept borrowing and borrowing and borrowing, and that is what has led us to the $5.3 trillion debt.

I think it is very significant to talk about what happened during the 1980s and the 1990s that led us to this position, and before 1995 what happened to get us into this mess. Well, time and time again, Washington laid into place a plan to balance the Federal budget, and how many times did the American people hear that phrase, balance the Federal budget.

The Gramm–Rudman-Hollings bill of 1995, and I have the 1997 one up here, this blue line shows what they promised the American people. They promised they would get to a balanced budget by 1993. The red line shows what they actually did. When they promised the people they were going to have a balanced budget and did this, the American people became critical of Washington, and it is very understandable, that criticism that was leveled against Washington, because they promised one thing and did something different entirely, and that is why.

That is what led up to the change in Congress in 1994. That is what brought the American people to change control of the House of Representatives and change control of the Senate. I mean in

all fairness, what they did is turn the House of Representatives from Democrat control into Republican control, and they changed the Senate into Republican control, and in all fairness, they left a Democrat President in this mix. So what the American people saw fit to do was say, we have rejected this idea, we have rejected this group of people that have promised us repeatedly to get to a balanced budget but did something different every time.

So we got to 1993 and we were looking at this picture where, in fact, they had not met their promise and the budget was not balanced. So Washington made a decision about what to do. It is very different than 1997. In 1993, when they looked at this picture and saw that they wanted to balance the budget, they raised taxes. They concluded that they could not control Washington spending, so the only alternative, if they were serious about getting to a balanced budget, was to raise taxes.

So they raised the Social Security taxes on senior citizens. They raised the gasoline tax by 4.3 cents a gallon, but they did not spend the money for extra roads or infrastructure or to provide a better mechanism to get product from one place of production to the marketplace; they raised it by 4.3 cents a gallon and did not spend the money on building roads. On top of that, they tacked on another 2.5 percent that would have expired, and that money is not actually getting spent to build roads either.

Social Security taxes went up, marginal tax rates went up. I think we are getting a pretty clear picture here. We have broken promises because Washington could not curtail its spending, and we have raised taxes as the logical solution, they concluded back in 1993, as the right way to get to a balanced budget.

The American people in 1994 said, wrong, that is not what we want. We do not want these broken promises and we do not want tax increases; we want Washington to control its spending appetite. And they elected a new group to Congress. In 1995 we laid out a plan and we promised the American people again that we were going to balance the budget, and the American people were skeptical, to say the least. But our plan is this blue line. This is the deficit stream that we promised to the American people.

We are now in the third year of this 7-year plan to balance the Federal budget, and I think the American people should be asking, how are they doing? They are 3 years in. Do they warrant our consideration to allow them to stay, or should we throw them out and get a new group in there too?

We are in the third year to balance the Federal budget. We are not only on track to balancing the Federal budget, but we are so far ahead of schedule from what we promised that we will probably have our first balanced budget in fiscal year 1998, 4 years ahead of what was promised.

This picture down here, on track, ahead of schedule, fulfilling the promises made to the American people, is very different than this picture up here. I would add that in the face of this picture, in the face of Washington finally curtailing the growth of Washington spending so that we can actually stay on track and get to a balanced budget sooner, not later, sooner than promised, we have also laid this tax cut package that I was explaining earlier in the hour on the table. So we are not only reducing taxes, we are reaching a balanced budget ahead of schedule.

So the answer to the constituents' question when they ask me, are we wrecking America by cutting taxes, the answer is definitively no. If Washington just curtails the growth of spending, we reach a point where we can both balance the budget and reduce taxes at the same time, and when we say reduce taxes, it is very simple. That means let the people keep more of their own money instead of giving it out here to Washington. That means we understand that the people can do a better job spending their money than the people out here in Washington.

I have another way to show this same thing and it is a similar statement here, but it is another way to look at it, to understand how it is that we have been able to both balance the budget and cut taxes at the same time. This red line shows how fast spending was growing before 1995, before the American people put a new group in control of the House of Representatives. In 1995, this red line started going up a little slower. The spending growth of Washington started going up at a slower rate. It is still going up, and to all our constituents that are concerned that Medicare, Medicaid or some of those important programs are going away, well no, spending is as a matter of fact still going up faster than some of us would like to see.

At the same time, the blue line kept going up as fast or faster. So when spending started going up at a slower rate and revenue started going up at a faster rate, it is easy to see that we are going to start running a surplus in the near term. Again, the good news is we will have the first tax cut in 16 years, we have the first balanced budget since 1969, and Medicare has been restored for our senior citizens.

There is another important chart to take a look at here, because it really emphasizes how different things are. I had a lot of my constituents say, well, you know, Mark, you guys are actually lucky. The economy is doing so good that you all are going to look good no matter what you do out there.

While there are a couple of things to think about in response to that. First, the economy has done good between 1969 and today and it has never led to a balanced budget. Every time the economy has performed well in the past, Washington saw the extra revenues coming in and acted very quickly to spend the extra revenues on every program they could think of.

This Congress has acted very differently. In the face of a very strong economy, we curtailed the growth in spending. This chart shows how fast spending was going up before we got here, 5.2 percent annual growth rate. This shows how fast it is going up under the new House of Representatives, under Republican control, and it is important to note that at the same time the economy has been very strong, the growth of Washington spending has been curtailed.

This chart is important for another reason. A lot of folks say, well, Mark, when you are curtailing or cutting Washington spending and they call it cuts, it is important to note that Washington spending is still going up. Again, I emphasize, too fast for some of our likings, myself included. But Washington spending is still going up, but it is going up at a much slower rate than it was before.

When Washington spending growth is curtailed, that means Washington spends less money. If Washington spends less money, that means they borrow less money, they overdraw their checkbook by less. When they borrow less money out of the private sector, that leaves more money available in the private sector, and from here it gets pretty easy. More money available in the private sector means the interest rates will stay down.

With the interest rates down, of course people buy more houses and cars and they have a better chance of living the American dream. And when they buy more houses and cars, I get excited when I talk about this part, when they buy more houses and cars, of course that means that there will be job opportunities for our kids, because somebody has to build those houses and cars, and that means that my kids can have the hope and dream of living the American dream right here in our Nation. They will not have to go to a Pacific Rim country, China, or someplace else to live the American dream.

When we see this sort of thing happening, Washington borrows less money, more money available in the private sector means lower interest rates, people again have the chance of living the American dream. When they buy those houses and cars, that is job opportunities, and that is what is going to keep our kids right here home in America where they belong.

This chart, I cannot emphasize the significance and importance of understanding that we have two things going on out here at the same time that has allowed us to get to our first balanced budget since 1969 and lower taxes at the same time. The strong economy, coupled with curtailing the growth of Washington spending, has led us to this point, and it is a very nice spot to be at.

The next question I typically hear at my town hall meetings is, who gets

credit for all of this stuff? The first answer to that question is very straightforward. I learned in Washington that there is absolutely no end to what we can accomplish if we are willing to give the credit for doing it to someone else.

So my first answer to our constituents is I do not care who gets the credit. This is so good for America, it does not matter who gets the credit. It is the right thing for our country. A balanced budget, lower taxes, Medicare restored, those are the right things, so it does not matter who gets credit.

I also brought documentation here as to what was going on when we came here in 1995 and what would have happened if we had come and played golf, tennis, basketball and did not do our jobs. On this chart we can see where the deficit was heading when we got here in 1995. This red line shows what the deficit would be as we move toward the year 2002. Had we done nothing, this is what would have happened. The yellow line shows what would have happened after our first 12 months.

In the first 12 months we made progress, and again, I think it is important to remember those first 12 months. That was the 100 days, that was the Contract With America where we did all kinds of things in the first day, and those 100 days were many, many hours out here, lots of disagreement from side to side as to what should be done. But what it did do is it brought this projected deficit line down to this yellow line.

Well, we boldly laid the green line into place and we boldly promised the American people that even though we were looking at this picture, we were going to make this happen. I am happy to report that when we got done with it, we are now 3 years into the plan, and we not only achieved our target, the green line, but we are far ahead of schedule from what was promised.

Again, when we understand all of these pieces of pie put together, curtailing the growth of Washington spending, more money available in the private sector which keeps the interest rates down, people buy more houses and cars, that is more job opportunities so they leave the welfare rolls, when we see all of these pieces fitting together, it is pretty clear how we can be here talking about the first balanced budget since 1969, in addition to the first tax cut, and Medicare being restored.

I have one more thing that I think is important to talk about, because I have talked about the past and the present. I talked about how it was before 1995 with broken promises and tax increases, and how it is now in the third year of a 7-year plan to balance the budget where we are on track and ahead of schedule, and we are also providing the first tax cut in 16 years and Medicare restored. I think the logical question is, what next? Where do we go from here and what kind of problems do we still have facing America?

Well, first, even after we get to a balanced budget, we still have a $5.3 trillion debt staring us in the face. I can see in the gallery above me here this evening some young people. If we do not do anything about that $5.3 trillion debt, it would be like the parents that are sitting up there simply passing this debt on to their children. So the first thing we need to think about after we get to a balanced budget is get on a payment plan so we repay that $5.3 trillion debt.

We have drafted legislation in our office that is called the National Debt Repayment Act, that effectively puts us on a home mortgage repayment plan. It is not a lot different than the people who used to build homes with us and when they got the home done, went to the bank, borrowed the money and put it on a 30-year repayment plan. That is effectively what we have done.

It goes like this: After the budget is balanced, we cap the growth of Washington spending at a rate at least 1 percent below the rate of revenue growth. I have a picture here that shows what happens. If the red line, the spending line is going up at a slower rate than the blue line; again, if the revenue line, the blue line, is going up faster than the red line, the spending line, that creates a surplus, it creates a little gap between those two lines, it creates a surplus.

Here is what our bill does. It says, recognizing that simply by controlling Washington spending growth, we can create this surplus, we are going to take two-thirds of the surplus and make a house payment. We are going to make that payment on the $5.3 trillion debt. So we are going to start making mortgage payments on this debt that has been run up over the last 15 to 20 years.

If this plan is followed, two-thirds of the money, two-thirds of this surplus will literally repay the entire Federal debt by the year 2026.

It does something else that is very important as well. When we are repaying the debt, we are putting the money back into the Social Security Trust Fund that has been taken out over the last 15 years. It is important to understand that Social Security today is taking more money out of paychecks of people than what it is giving back out to our senior citizens in benefits. That extra money that is coming in is supposed to be set aside in a savings account so that when the baby boom generation gets to retirement, there is enough money there that they can go to the savings account, get the money and make good on the Social Security promises. It should come as no surprise so anyone that has followed Washington that the money that has come in for Social Security, that is supposed to be in the savings account, is not there. It has been spent on all kinds of Washington programs, and the Social Security Trust Fund is now all part of the $5.3 trillion debt.

The National Debt Repayment Act repays the entire Federal debt. So when we are repaying the Federal debt, we are putting the money back into the Social Security Trust Fund. So the National Debt Repayment Act restores the Social Security Trust Fund for our senior citizens.

The other third of the surplus, two-thirds is going to make these payments on the national debt, the other one-third is being used to reduce taxes each year for our working families in America. So the good news is we look to the future with the National Debt Repayment Act, our seniors can rest assured that their Social Security will be safe because the National Debt Repayment Act puts the money back in that has been taken out of the Social Security Trust Fund.

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Our children can be assured that the entire Federal debt would be repaid. Think of this legacy. We could pass this Nation on to our children absolutely debt-free. For people in the work force today, they can count on additional tax cuts.

Lord only knows I have heard enough different ideas of which taxes to cut next. My personal preference is that we eliminate the marriage tax penalty, and maybe have some across-the-board tax cuts beyond that. But the good news is, think of the wonderful fight we are about to have: which taxes should we reduce, and how far down should we take those taxes, and how different that fight is from 1993 when the debate was, which taxes shall we raise and how high we should raise them. This is a good debate to have.

To all the folks upset about any portion of the tax cut plan because it should have been a different way, I would simply remind us how different this fight is from 1993, where how high we should raise taxes and which one was the debate, as opposed to 1997, where we are having this debate about which taxes to cut.

So the National Debt Repayment Act provides surpluses as we go forward. Use two-thirds of those surpluses to make a mortgage type payment on the Federal debt. The other one-third goes to tax cuts. If enacted, it guarantees our children a debt-free Nation, a legacy of a debt-free country. Our senior citizens' Social Security would be restored, and the people in the work force today can look forward to additional tax cuts as we move forward. Not a bad plan for 3 years into this new Congress.

We have gone away from the broken promises of the past and the raising taxes to the first balanced budget since 1969 and the first tax cut in 16 years, and we are now moving forward to the next step, which is repaying the Federal debt. We can look forward to passing this Nation on to our children debt-free.

I yield to the gentleman from Indiana [Mr. SOUDER].

Mr. SOUDER. Mr. Speaker, I want to congratulate my friend, the gentleman from Wisconsin, for his leadership on

the budget and tax issues. Because underneath what he is saying, and I have heard him, as I have watched back in my office, allude to this several times, that a lot of this is basically a matter of trust. That is, who do we trust most with our incomes? Do we trust the people in Washington, or do we trust the families, the parents, the individuals around the country to make the decisions for their kids' future education, for their kids' health, for their family decisions on whether they are going to take a vacation with their family or whether they are going to get a certain kind of winter coat or whether they are going to bank it. Rather than have the people in Washington make these decisions, we need the people back home in Indiana and in Wisconsin and in other States to do that. That is in fact what we are doing.

If we do not get control of this deficit that has been mounting up, particularly as it relates to things like the Social Security trust fund, which, if we repay that in the debt repayment plan, well, if we do not do that, not only will we not have short-term balanced budgets, we will not have the income in our families to make those decisions, but we will absolutely bankrupt this country as the baby-boomers, your and my generation, hit the retirement system, which we have paid into all of our lives, but all of a sudden there will not be any money there.

So sometimes what we have to do is plan for the future, in addition to the present. The gentleman is going one step beyond where the current bill goes and saying, hey, look, we have to think out where we are headed, or our kids will be saddled with a double whammy; that is, no reserve, Federal reserve, to pay for our retirement, and having to pay huge taxes and interest rates, because the debt has accumulated.

Mr. NEUMANN. Reclaiming my time, Mr. Speaker, is it not exciting to be standing here having this conversation? We came in together in 1995. Does the gentleman remember what it was like when we first sat in a hotel not far from here as we were going through our original process, and we were committed to getting to a balanced budget? The best hope was 2002.

We talked about, could not our class be the one that would bring it up; instead of 2002, why do we not do it by 2000, or maybe even sooner? And it was just beyond imagination in this city that we could possibly get a balanced budget before the year 2002. And to do tax cuts and the balanced budget at the same time, it was almost like unheard of.

And the idea of actually curtailing and controlling the growth of Washington spending, bringing that growth rate down by 40 percent in 2 years, it is phenomenal what has happened out here in 2½ or 3 short years. It is just exciting to be able to stand here and talk about good things. When I was elected to office I never thought I would go home and say something good has happened in Washington, because so many bad things had happened out here as we watched the broken promises, the tax increases and more government regulation, and it just seemed like it was going to be more and more and more Washington and less and less control of our lives and our families back home in Wisconsin. That is what brought me into this in the first place.

It is really exciting to be out here and have the opportunity to talk about these families, the family with two kids at home and one off at college that keeps $2,300 of their own money, instead of sending it out here. That is just exciting to be able to talk about.

Mr. SOUDER. If the gentleman will continue to yield, Mr. Speaker, I have some points I hope to talk about later tonight, where I am concerned as we get near the end of the appropriations process that the Federal Government is taking too much control.

What the gentleman has pointed out and what we have to keep in perspective is the difference between where we were in 1993 and 1994 and what we are debating about today.

I have a grave concern about the guesstimating in the census, and trying to gain power through that and through bringing in illegal immigrants into our voting system without background checks. I have grave concerns about national testing. I have grave concerns about the desire to allow family planning money to be used for abortions throughout this world. Those are grave concerns.

But we made an earth-shaking change in the election of 1994, when the gentleman and I came in. That is, what we were so upset about in 1993 and 1994 is it seemed that in every category of American life the Federal Government was in an aggressive, expansive mode; that we had this tremendous pressure on the health care system, the greatest health care system in the world. We had the Labor Department going after small businesses and mid-sized businesses and large businesses, saying they were going to turn OSHA into an enforcement agency, when what we were hearing at the grass roots is that they were not concerned about the health and safety of individuals, but rather, in harassment of job-producing industries.

We saw in every category gun owners being restricted and being gone after by the Federal Government. We saw a collapse in a lot of the moral leadership of our country and, in particular, the type of laws that were protecting unborn children and others. We saw a major tax increase, the largest tax increase in the United States history. We saw proposal after proposal that would have expanded the Federal Government's role in every single appropriations bill in every single category of this country.

Now, after the 1994 election, the whole debate has been turned. We are still arguing over different points, important points. But the big questions, was the deficit going to continue to spiral upward or was it going to head down, were we going to give more money to individuals or take more money from individuals, and we now are moving towards a balanced budget this year; an amazing, amazingly low deficit this past weekend, and maybe $23 billion for the fiscal year. We are looking at——

Mr. NEUMANN. Just a second on that point, Mr. Speaker. It will not be long and CBO will be in our court, and they will actually admit that the budget is going to be balanced next year, in fiscal year 1998, for the first time in 30 years. They are slowly coming around to the numbers that the gentleman and I have been working on and putting out regularly over the last 3 months that do demonstrate we are going to hit this balanced budget 4 years ahead of schedule.

Mr. SOUDER. An extraordinary achievement for our children and our families, because our interest rates are staying low, our unemployment rate is staying low. We are not only able to absorb all of the immigrants who are coming into this country, but we have in parts of my district at least 2 percent under what was considered full employment. We are at 2 percent in some of the counties of my district on an unemployment rate.

The consequences of this control of the deficit are huge in terms of interest rates and keeping the employment rates up and the unemployment rate down. But the tax cuts are important, because it will give the maximum flexibility to the individuals. Those of us who are concerned about the growth of the power of government, the best thing we can do is give $500 per child to each family for each child, because what that will do is let parents make the decisions they need to make for their children.

By giving the capital gains changes, people can invest in their homes, and senior citizens can sell off their homes for their retirement income. By having education IRAs, by having family farms be able to be preserved in the families and small businesses be able to be preserved in the families, those are huge steps toward social stability in this country, and toward the moral fabric and restrengthening in this country.

We are going to argue about these other issues, important issues, but we have to keep in mind that in the big picture we have made tremendous strides in changing the entire national debate to how do we give more power to families and individuals, how do we give more power to States, how do we reduce the size of the spending and the deficit in Washington.

Mr. NEUMANN. I know the gentleman made the point on the tax cuts. A lot of times back home people do not understand how possibly could we cut a family's taxes by $2,300, that family of 5 that I keep talking about, a freshman in college and two kids still at home;

how could Washington possibly cut their taxes by $2,300 in a year and not bankrupt the system.

What we forget in general is that Washington is collecting, through all the parts of society, Washington collects $6,500 in taxes for every man, woman, and child in the United States of America. On average, if we take the total amount Washington collects and divide it by the people in the country, Washington is collecting on average $6,500 per person for every man, woman and child in the whole country. So when we put the $2,300 tax cut in that perspective, it becomes pretty clear how we have managed to do this and at the same time balance the budget.

Mr. SOUDER. If the gentleman will continue to yield, my understanding of the gentleman's math, there is a family with two children, they would be paying roughly $24,000 a year in taxes, roughly $26,000 a year, and that is an extraordinary figure. It is not that the government is actually starving. They have been starving out families. What we want to do is get more of those dollars back to those families, empower the families to make those decisions, and less out of Washington.

If I can add one other thing, those tax cuts deserve a ton of credit for the deficit reduction, because what it did by giving more dollars, and the stock market knowing that more dollars were going to be in individual hands, knowing that family businesses and capital gains and inheritance tax changes were coming, it kept the confidence of the consumers up, rather than having the confidence go down. Usually we have these cycles. It was to a large degree the combination of controlling our spending, but even more importantly, the tax cuts that have revived and kept this tremendous economic growth engine going.

So a lot of the reason that we have this deficit decline that we have is not just because of us controlling spending, but in fact, it is because tax cuts gave the markets the confidence, gave the investors the confidence and the individuals the confidence to continue to employ people, to continue to build up inventories, to buy products. That has kept the economy going in a remarkable way.

Mr. NEUMANN. I just want to reemphasize, and the gentleman from Arizona has joined us, and I know the gentleman from California [Mr. HUNTER] would like time, but I want to reemphasize that working model of curtailing the growth of Washington spending that is so important in understanding what has happened out here.

Washington spending, before we got here, a 5.2 percent growth rate. After we got here, 3.2, a 40 percent slower growth in Washington spending. When Washington spending is less, that means Washington borrows less money out of the private sector.

This was a theory in 1995: if Washington borrowed less money there would be more money available that would keep the interest rates down, and with the interest rates down people would buy more houses and cars. Of course, that meant people had to build them. That is what has led to the full employment, is those job opportunities that come as people make decisions, the interest rates are down, they have the opportunity to achieve the American dream.

It is this curtailing of Washington spending, coupled with the strong economy, and they feed on each other, that has allowed this to happen. It was a theory in 1995. It is now a proven commodity. It works and it is being shown in the economy that we are in today.

I want to turn our attention to education. I see the gentleman from Arizona has joined me, and I am happy to yield to the gentleman from Arizona [Mr. SHADEGG].

Mr. SHADEGG. Mr. Speaker, I thank the gentleman for yielding.

I compliment both my friend, the gentleman from Wisconsin [Mr. NEUMANN] and the gentleman from Indiana [Mr. SOUDER] for bringing out and emphasizing for all of our listeners the importance of curtailing spending. That is indeed critically important, I think, for the future of this Nation, not just for the economic reasons, not just because the government spending is out of control, but also because I think we are discovering that government does not have all the answers.

When we give government too much in the way of resources, it just grows and grows and grows, and not all of what it does is good. As a matter of fact, as government gets bigger freedom gets smaller.

I did want to segue into the education issue. As I listen to you do the math computation, I think, indeed, if certain proposals before this Congress prevail, we could be the last Members of this Congress that can do basic mathematic calculations.

Last week this issue came up. We are in the midst of a fight over an issue called national testing. My colleague came to the floor last week and pointed out that in the midst of that debate, there is a great deal of misunderstanding. Many of my colleagues and friends back home in Arizona say to me, why is it Republicans are against national testing? Why is it you do not want to do the President's national testing idea?

I point out to them that there are grave dangers in the President's proposal, because if we do national testing as the President proposes with the Department of Education setting the tests, we are in serious jeopardy of dumbing down America and America's math skills.

For example, I want to point out an article that appeared in last week's Wall Street Journal by Lynne Cheney, in which she illustrates this point.

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She cites a gentleman by the name of Steven Leinwand who sits on the committee overseeing President Clinton's proposed national mathematics exam. In this column she writes that Mr. Leinwand believes that it is downright dangerous, downright dangerous, to teach students mathematical skills like 6 times 7 is 42.

Mr. NEUMANN. Mr. Speaker, reclaiming my time, I am a former math teacher, and I think it is downright dangerous to listen to that kind of advice from those kinds of experts.

Mr. SHADEGG. Well, it would be downright dangerous not to teach them 6 times 7 is 42. But Mr. Leinwand goes on, according to this article by Lynn Cheney, and says we should not teach students basic computational skills, addition, subtraction, multiplication, and division, because it will anoint the few who master those skills and cast out the many who do not.

This is a national expert who would be in charge of writing this test saying we should not teach children those skills. I was so shocked at his essay saying those things that I asked my staff to go get a copy of the essay, and it is right here. In fact, Mr. Leinwand says, ''We should be beyond teaching children basic mathematics skills. That is, in fact, a bad idea.''

Indeed, he is not alone on this effort. There is a National Association of Mathematics teachers who says specifically we should not teach children certain knowledge and skills such as whole number computation. And what is their reason? Because it will make them feel bad.

What does that have to do with national testing? Why would we not want national testing? The short and clear answer is, if we let people like Mr. Leinwand write a national test which tests kids on thinking or some other theory but does not find out if they can add or subtract or multiply or divide, we are going to create a national disaster across this country.

Mr. Speaker, I know that time is short.

Mr. NEUMANN. Mr. Speaker, reclaiming my time briefly, I think the real question here is, who is going to control what we expect our children to know when they graduate from school? Is it going to be the people in Washington, this national test developer, or is it going to be the people in our communities? And I want to reflect on an experience in my background.

I was a math teacher, and in Milton, WI, I sometimes had people tell me that my students did not know what they were supposed to know when they graduated from high school. I found that personally offensive, because in my classroom we worked very hard to make sure they had these basic skills the gentleman is talking about.

So what we did in Milton, WI, is what I think we should be doing all across America. We developed a survey, and we sent it out to the people in Milton, WI, the parents, the teachers, the community. We sent the survey out to them and said: What do you expect our

math students to know when they graduate from high school?

We got the results back and developed a curriculum and a test to make sure that our students knew what our parents and our teachers and our community wanted our kids to know. We found out that initially we were having 70 percent of our students fail the test. By 2 years later, we were performing in the 90 percent bracket, where our students were now virtually all graduating with the skills that the community expected.

Mr. Speaker, this is how it should be done. It should be done with the active involvement of the parents and the teachers and the community, not by some group in Washington deciding what is appropriate and what is not appropriate, because if we turn that authority over to them, we take the parents and the teachers and the community even further out of the education picture.

Mr. SHADEGG. Mr. Speaker, if the gentleman will continue to yield, I think the gentleman is exactly right. This is the whole question about who is going to write the test, who is going to decide what our children learn. Like the gentleman from Wisconsin, I trust the parents and the teachers and the administrators and, for that matter, the students in my own school a lot more than I trust bureaucrats in Washington.

Let me conclude on that point. This is an issue that is going to be resolved in Washington very soon. The Senate has staked out a position on the Labor-HHS bill which says, well, we will do national testing, but we will assure that it is a good test, not one that has whole math in it, not one that refuses to test children on their computational skills; we will delegate the decision on writing the test to an organization called the National Assessment Governing Board.

Lynn Cheney wrote a subsequent article pointing out that that assumes that this National Assessment Governing Board will be immune from the pressures to test whole math or to test some other radical theory. The problem is not just who in Washington writes it; the problem is that it should not be written in Washington.

The test to test our children's skills ought to be written at least in our neighborhoods, in our schools by our school districts, by our school boards, and by our State departments of education, and not by national organizations who are so remote from those parents and those children.

I thank the gentleman for yielding the time.

Mr. NEUMANN. Mr. Speaker, I am happy to yield to the gentleman from Indiana [Mr. SOUDER].

Mr. SOUDER. Mr. Speaker, as a member of the Committee on Education and the Workforce, I first want to thank Chairman GOODLING for standing firm on this national testing as we come to the final weeks of battle. But I wanted to reiterate a couple of points about the danger of these national tests.

We heard about the math. It is unbelievable that somebody could oppose teaching 6 times 7, and particularly unbelievable that it could be a national leader. What is so amazing about math is that that would be a category you would think this would not happen.

Later, when Lynn Cheney wrote about history standards and some of the other national standards, we had a college art association conference warn faculty members not to teach women artists such as Mary Cassatt because she frequently painted the women and children and thus reinforced patriarchal thought.

We had a 1992 Smithsonian exhibit called ''Etiquette of the Underclass'' that advocated a view of the United States so class ridden that those born at the bottom could never hope to move up. One of the materials accompanying the Smithsonian exhibition said, ''Upward mobility is one of our most cherished myths.''

Mr. Speaker, we know that they have this problem with history standards, which is why it was thrown out. We have problems with art. We have problems with economics being national standards, because they politicalize it. Now we have problems with math.

Mr. Speaker, I want to throw out one other thing. Bill Safire in a column this weekend said that, ''The American tradition has been to entrust such decisions to local school boards run, not always well but usually democratically, by involved parents and teachers in that community, with review by State authorities and with the Feds intervening only when States fail to protect a student's constitutional rights.''

Last Thursday morning, a lady whose son attends Casa Roble High School in Sacramento, CA, gave me a test that was given her son in a technology class on August 29, 1997, supposedly after we got by this. This was not a national test. If this was a national test, we would be in deep trouble. This was a local test. However, it is a local test that spread to five States. But because it is a local test, we can fight it at the local level.

But this is why we fear national tests. It was trying to look at the students' values and things like: I donate to charities. I envy the way movie stars are recognized wherever they go. Things that make us wonder whether they are being too intrusive.

But, Mr. Speaker, I want to read some questions that strike fear in my heart.

Question Number 2: I will regularly take my children to church services.

Question Number 11: I have a close relationship with either my mother or my father.

Question 12: I have taught a Sunday School class or otherwise been active in my church.

Question 24: I believe in a God who answers prayers.

Question 34: I believe that tithing, giving one-tenth of one's earnings to the church, is one's duty to God.

Question 41: I pray to God about my problems.

Question 43: I like to spend holidays with my family.

Question 53: It is important that grace be said before meals.

Question 59: I care what my parents think about the things that I do.

Question 72: I read the Bible or other religious writings regularly.

Question 78: I love my parents.

Question 82: I believe that God created man in his own image.

Question 91: If I ask God for forgiveness, my sins are forgiven.

Question 95: I respect my father and mother.

What business do schools have intruding in the religious life of children and asking intruding questions about how students feel about their mother and father? It may have been well-intentioned, but this is scary. What if this stuff gets in the national tests? At least at the local level we can fight it.

Mr. Speaker, how dare this President propose taking over our children's lives through a national test when we have seen the pattern here? We have seen it in economics, we have seen it in math, we have seen it in history. At least at the local level, we have a fighting chance to change it. If these people nationalize this stuff, it is going to be a scary country to live in, because it is clear where they are headed and this type of stuff scares me to death.

Mr. NEUMANN. Mr. Speaker, reclaiming my time, is this not what this battle is about?

In 1993, they raised taxes so they could maintain all sorts of new Washington programs like Goals 2000, like national testing, like all kinds of things. They raised taxes so they could continue the growth of Washington spending, making Washington and the people here bigger and more powerful and more intrusive in our lives. Is that not what it was all about?

Now as we curtail the growth of Washington spending, as we slow this thing down, we are fighting to keep this sort of situation from developing, where again Washington steps in and takes the responsibility of parents and teachers and communities and Washington decides what is appropriate to be on this sort of national test and what is appropriate to ask our young people.

That is wrong. That is a responsibility of the parents and the teachers and the communities. That should not be Washington's responsibility. We see this fight in almost every time we turn a corner in this city. Whether it be education or anything else, it is every topic. They want more and more control of the lives of the people instead of letting the people have more and more control of their own lives.

We see that in the tax cut/tax increase debate as to, who is going to control the money that the people earn, Washington or the people? In education, who is going to control what our kids learn, Washington or the parents and the teachers and the school district?

Mr. SOUDER. Mr. Speaker, if the gentleman will yield, he is absolutely correct. The people of Wisconsin have an independent tradition and the people of Indiana have an independent tradition. And the Founding Fathers knew, although Indiana and Wisconsin were not in existence at the time, that we have inherited that belief that power corrupts and absolute power corrupts absolutely. We have a healthy skepticism of a concentration of power.

Our Founding Fathers knew that we needed a balance. We needed individuals with rights. We needed a Court, we needed a Congress, a President. We needed strong States. A lot of people believed that going to a Constitution as opposed to Articles of Confederation was consolidating too much power.

Back then, they did not think about departments of education and national tests. That was far from it. They were doing minimal Federal Government. Our Founding Fathers had it right. They were fearful that power concentrated, as it was in Europe, would lead to the type of tracking in the education systems, would lead to the type of monarchy dependency, that we would look to our capital city for all the solutions rather than inside our souls and inside our own families and look to government to fix the problems of the poor rather than sacrificing our own time and money to reach out to those who are hurting.

Mr. Speaker, that is indeed what is happening in America. We need to stand up. And this budget deal and the tax cuts were an important first step. Now we have to follow through on some of the details, because we have the big picture right. We need to make sure that they do not back-door us as we go through the actual appropriations bills.

Mr. NEUMANN. Mr. Speaker, I thought I would conclude my hour this evening by wrapping up what we have been talking about. The discussion has been about more Washington and more Washington control of our lives versus less Washington and less Washington control of our lives, and the integrity of this Government in general.

We started with the past. We started with before 1995. We started with the broken promises of the Gramm–Rudman-Hollings bill, how they promised to get to a balanced budget but never got around to doing it; how in 1993 the way they decided to get to a balanced budget was to raise taxes on the people, and the people in 1994 said: Enough of that stuff; We do not want any more broken promises; We do not want any more tax increases. They elected a new group of people to the House of Representatives.

They elected Republicans to control the House and Republicans to control the Senate and left the Democrat President, in all fairness, to complete this picture.

But from 1995 to 1997, things have been very, very different. We, too, laid out a plan to balance the Federal budget, and we are in the third year of that 7-year plan. We are not only on track but we are going to have the first balanced budget in fiscal year 1998, the first time in 30 years we are going to actually have a balanced Federal budget; Washington is not going to spend more money than it takes in.

Mr. Speaker, how has this happened? It has been done not through tax increases like back in 1993 but at the same time we lower taxes. It has been done by curtailing the appetite of Washington spending.

It has been a battle; there is no question about it. Washington spending is still going up, but at a much slower rate than what it was going up before. It was going up almost twice as fast as inflation before 1995. By slowing that growth of Washington spending, we are at a point where we have both a balanced budget and lower taxes; first time since 1969 for the balanced budget, first time in 16 years that we have had a tax cut, and Medicare has been restored.

At the same time, we have to look forward to the future and ask ourselves what is coming next. The next in the picture is, we are going to put us on a plan to repay the entire Federal debt. As we repay that $5.3 trillion debt, that puts us in a position as a Nation where we can give to our children the legacy of a debt-free country.

At the same time we are repaying that debt, we are putting that money back into the Social Security Trust Fund that has been taken out over the last 15 to 20 years, so Social Security is once again solvent and secure for our senior citizens. This plan entails keeping one-third of our surpluses and dedicating it to additional tax cuts as we go forward.

Mr. Speaker, it is a very, very changed discussion in Washington, from past broken promises and higher taxes, to the present of promises kept on track and ahead of schedule in balancing the budget, lower taxes and a restored Medicare, and a future that includes paying off the Federal debt with additional tax cuts, restoring the Social Security Trust Fund, and, most important of all, as we repay that Federal debt, we can give this Nation to our children absolutely debt free.

What better legacy, what better hopes and dreams could we have in this Nation than that plan for our future?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. REDMOND). The Chair would remind all Members to refrain from references to occupants of the gallery.

SLIPPERY SLOPE OF DEFENSE BUDGET CUTS

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

Mr. HUNTER. Mr. Speaker, a couple of weeks ago I submitted an article for the prestigious military magazine on military affairs, ''Proceedings.'' In that article, I outlined the slippery slope that we are presently on with respect to our deteriorating national defense and where I think we should be going, what I think we should be doing, my opinion, and what future actions should be taken.

Mr. Speaker, my staff mentioned to me tonight when they read the article, and I had mentioned service leaders who had not spoken up over the past several years, ''Do you think people will think you are referring to Chuck Krulak, the Commandant of the Marine Corps?'' And I said, ''Absolutely not.''

Mr. Speaker, I am down here on the floor tonight to make sure that folks understand that that is not the case, because Chuck Krulak is one of the finest Marine Corps Commandants and one of the finest Marine warriors of this century.

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I think of Chuck in the great tradition and legend of guys like Chesty Puller and Gimlet I. Butler, great Marines, and Chuck's own father, Brute Krulak, who is one of the great Marine warriors of all time.

I talked, Mr. Speaker, about the deteriorating infrastructure of national security and the fact that just a few years ago, when we won Desert Storm, we had 18 Army divisions. We are now down to 10. We had 24 fighter air wings. We are now down to 13. We had 546 naval ships. We are now down to 346. And as this decline continues, very few Americans understand what is going on.

I am reminded also that it was General Krulak who spoke up and put down in writing the fact that the Marines are about 93 million M–16 bullets short of what they need to fight and win two regional conflicts; that is, two regional wars and have enough money to continue to keep their training rotations going and keep the troops coming in.

If you look at those two regional wars, we have actually fought both of the wars that we think we might have to have. We fought the war in the Middle East, in Iraq, and we fought the war in Korea. We only have 10 Army divisions today, but when we fought the war in the Middle East, we used some 8 Army divisions. That only leaves 2. And yet when we fought the war in Korea, when the North Koreans, on June 25, 1950 invaded the southern part of the peninsula, we used 7 Army divisions in that war along with a large contingency of Marines. So we used 8 in the Middle East, 7 in the Korean peninsula. That is 15 Army divisions. And yet today we only have 10 Army divisions.

Similarly, we have slashed our air power, almost slashed it in half, from 24 fighter air wings to only 13.

So, Mr. Speaker, we are continuing with this low level defense budget to go