

loan and to pay one. It will not save money to abolish direct loans, it will cost money.

Second, the plan apparently says they are going to take profits from the bank, I think I heard the number \$4.7 billion, from the banks and the guaranty agencies. I find this remarkable for two reasons. First, for the last 10 years every time someone has proposed taking money from the banks in the student loan program by reducing the rate of interest that they are paying, the banks come tripping up to Capitol Hill and say, "We will not stay in the program anymore if you take profit away from us. It will no longer become profitable." Frankly, it has been the very same Republican defenders of the banks on this issue who are now proposing taking profits away from the interest rate that the banks earn.

The question I would raise, Mr. Speaker, is were they wrong in 1990 and 1992, or are they wrong now? Because for two decades the banks have said if you take anything away from their subsidy in this program, they will leave the program. They will not make any more loans. I find it miraculous that now all of a sudden that argument has changed. It has not changed, and some of the banks will in fact leave the program.

Where do you think the guaranty agencies are going to get part of this \$4.7 billion? Mr. Speaker, here is where. When an American student applies for a student loan, he or she usually pays 5 percent of their loan principle as a guarantee fee. That fee will go up, inevitably, under this.

Let me say this. The plan apparently proposes that we will end the deferment of payments after graduation. Here is what that means in English. It means the day after you graduate, Mr. Speaker, the day after a student graduates he or she will have to start to pay their loan back before they get a job, whether or not they get a job. If you want a surefire recipe to increase defaults that the taxpayers are liable for, that is the way to do it. This is a plan that hurts students. In the future I will be happy to outline specific ways to save even more money. This is not the way to go.

SALMON REHABILITATION IN THE COLUMBIA RIVER

The SPEAKER pro tempore (Mr. BUNN). Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, we have a critical issue in the West, the salmon rehabilitation in the Columbia River. A model has been developed, a computer model called the FLUSH Model. It has been developed and accepted for this rehabilitation plan. Because public policy is based on this model and public policy will be spent on this, using this model to rehabilitate the Columbia River, I requested the details on which

the FLUSH Model is based. I have been trying to get the details, the assumptions, and all of the information upon which it was based.

We are about to begin spending \$200 million to \$300 million of public money on salmon rehabilitation, but information on the FLUSH Model is not forthcoming. At a hearing before the Committee on Resources, I asked Rollie Schmitt, Director of the National Marine Fisheries Service, about this, if he could get this information for me. He agreed that the Committee on Resources must have this information, but despite his good faith efforts, and that is Rollie Schmitt, Director of the National Marine Fisheries Service, despite his good faith efforts, despite my repeated requests to several entities, including the Washington and Oregon Departments of Fisheries and others, the Committee on Resources still does not have any details on the FLUSH Model. I think that is unacceptable.

Instead, my request and the other requests have been met with delays and excuses, silly arguments that the model may not be usable, or it might be misunderstood. We obviously have a problem, and that problem must be solved.

This is the problem: Sound science and peer review must be part of the recovery process. Let me repeat that. Sound science and peer review must be part of the recovery process, especially a process that costs hundreds of millions of dollars of public money. Public confidence is being undermined by the appearance that this information is being hidden from review. That is unacceptable.

I still do not have a copy of this model. I believe that the Committee on Resources of the Congress needs and, in fact, must have this information for peer review before the expenditure of public dollars. I brought this up before the Committee on Resources today, and the chairman said if we do not get this in the near future we will seek a committee subpoena for this information.

I just bring this to the attention of the Congress because this is something that must be handled in the short run, and we must get this information upon which public policy and expenditure of public funds is based.

DEVELOPMENTS AND PROGRESS OF THE FIRST SESSION OF THE 104TH CONGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Pennsylvania [Mr. FOX] is recognized for 60 minutes as the designee of the majority leader.

Mr. FOX of Pennsylvania. Mr. Speaker, my colleagues tonight join me from the Committee on Government Reform and Oversight to discuss many of the developments and progress of the 104th Congress in this first session. With me

I have tonight the gentleman from Minnesota, GIL GUTKNECHT, the gentleman from New Jersey, BILL MARTINI, and the gentleman from Washington State, RANDY TATE, each of whom has been a leader in their own right, not only in the freshman class but in their own committee.

Just recently, this past weekend in the Eighth District of New Jersey, the gentleman from New Jersey, BILL MARTINI, who has been at the forefront of reform in the Committee on Government Reform and Oversight, held a hearing in his district along with five other colleagues, including the gentleman from Washington, Mr. TATE, and if he can tell us tonight, I would ask the gentleman from New Jersey what was the orientation for the hearing he held in his district, what was the purpose, and what was accomplished, so we can look to improvements and legislation and other reforms as Congress moves to further agenda items.

Mr. MARTINI. Mr. Speaker, will the gentleman yield?

Mr. FOX of Pennsylvania. I yield to the gentleman from New Jersey.

Mr. MARTINI. Mr. Speaker, I thank the gentleman for yielding to me, and I thank him for allowing me this opportunity to share with the Members the mission this hearing was designated to do.

First I have a little background about the field hearing itself. The field hearing that we in the Eighth Congressional District in New Jersey were honored to have and to bring to people in our district was a field hearing of the Committee on Government Reform and Oversight, chaired by our good chairman, the gentleman from Pennsylvania, BILL CLINGER. This committee had been designated by the Speaker of the House to conduct a series of national field hearings on the topic of the 21st century Federal Government. Obviously, it is a broad topic, but the real purpose of having the hearing was to go out into the field, to get out of the Beltway, and to listen to the people as to how they envision a 21st century Federal Government.

We had, and I am pleased to say, several of my colleagues from the House here join me on the panel, along with the chairman, the gentleman from Pennsylvania [Mr. CLINGER]. We had the distinguished gentleman from Washington, RANDY TATE, who was there, along with several other panelists. We also had the benefit of listening to testimony from a number of people, including the great Governor of our State, Governor Whitman, as well as other officials, bipartisan in nature, I might add, as well as people from the private sector, all of whom already have embarked on the road that we here in Washington have been embarking on in the last 8 months, the road to try to make the respective institutions, of which they have jurisdiction over, more efficient and still provide

the necessary service and meet the goals that they are intended to meet.

We were pleased to hear from a number of those witnesses in the government sector who have been down this road for some time. Our Governor for 2 years has been down the road of making the State of New Jersey more efficient, more effective, and still meet its goals, and some local officials who have also been down this road for some time now and are achieving the goals that we are so hopeful that we will achieve in the very near future.

Mr. FOX of Pennsylvania. Mr. Speaker, the Governor of the State of New Jersey has downsized the number of employees through efficiency and through attrition, is that correct?

Mr. MARTINI. I think the important point is that the purpose of the hearing is not just to deal with the items that we here have been dealing with for 8 months. Obviously I think most of us know and most of the American people understand by now that this Congress is poised and ready to turn the corner to what I believe will be bringing fiscal responsibility and accountability to the Federal Government. I know many of us are excited about the prospect.

We know there are going to be obstacles to meet that goal in the next several months, but that is the goal for now. The real purpose of this committee, as well, is to talk about what we do from that point on and not to lose sight of the fact that what we accomplish this fall, which I am confident and hopeful we will accomplish, is the beginning of a process that will lead this Federal Government into the 21st century in a way that will preserve fiscal accountability and responsibility for not just the immediate future, but for generations to come.

We listened to people who talked about both the immediate obstacles they were faced with and their challenge, as well as the bigger picture, what to expect in the future, such as some of the things we were dealing with here today on the very floor of this House, tools like a lockbox, tools with procurement reform, which are not simply cutting spending or reducing growth of spending, but more importantly, are tools which will assure that future Congresses will be fiscally accountable and responsible. We also liked about that.

Let me, before I allow others here who have some topics to share and thoughts to share on the hearing, let me just say that I think we will realize how important this 3-month period is, but I think we also realize how important it is that as much as we accomplish in the next 3 months in getting to a budget reconciliation bill that will once and for all put us on the path for a fiscally responsible Federal Government, the process should not and must not end there. The process is one which will require a commitment to stay focused on that obligation, to stay fiscally sound, and to find new ways to accomplish that goal. That was the

purpose of the hearings. We heard many good things.

The final point I would like to make for this moment is that overwhelmingly everyone who has been down this road shared with us on Saturday that there is certainly this aspect of fear by the people involved in the process. Fear is obviously something many people share when it comes to any type of a change, and it is something that they had to meet, and it certainly began as something that they had to manage in order to achieve their goals. After they have achieved their goals, if they manage that fear and that potential misunderstanding that exists, they were successful in achieving goals.

I just regret that as we are on the brink of once and for all bringing fiscal responsibility and accountability to the Federal Government, we are seeing more tactics only to heighten fears rather than efforts by all of us to reduce the fears of the adjustments that will have to be made, the small adjustments, in comparison to the overall goal of achieving fiscal responsibility.

Those were some of the things I am sure some of my other colleagues, particularly the gentleman from Washington [Mr. TATE], who was there and who shared with me on the panel, listening to the different witnesses, heard, and I am sure he has some things he would like to add to this dialog.

Mr. FOX of Pennsylvania. Mr. Speaker, I yield to the gentleman from Washington [Mr. TATE] to share some of his visions of what he learned at the hearing of the gentleman from New Jersey [Mr. MARTINI] with regard to government reform and oversight.

Mr. TATE. First of all, Mr. Speaker, I would like to thank the gentleman from Pennsylvania for his work in organizing this event tonight and his dedication every week to be out here letting the people know exactly what we are working on in Congress. That is why I was so excited when I had the opportunity to serve on the Committee on Government Reform and Oversight. That has really, for me, been the hotbed for reforms in the Congress, whether it be the unfunded mandates reforms or the line-item-veto.

We had several hearings in our subcommittee, for example, on welfare for lobbyists, and just recently passed and are working on today the procurement reform legislation. The biggest issue we are dealing with this year is balancing the budget and creating a 21st century government.

All wisdom does not reside in Washington, DC. I am not a rocket scientist, that I am pretty positive that is true. In fact, I know it is true. That is why I think it is so important for us to get out of the Beltway, as the gentleman from New Jersey said, and go out and talk to real people. That is what we did on Saturday. We had a chance to talk to people and elected officials that are out there in the trenches making the kind of changes we are trying to make this year. They balance their budgets

every year. State Governors do that very year. County commissioners do that every year. Local city councils do that every year. We got a change to hear some great speakers: The mayor of New Jersey, the county executive of Essex County. We talked about privatization and tried to determine what area of government can best be done in the private sector.

We also had a long discussion about block grants, and they were willing and able and looking forward to the opportunity of making more decisions. The best example I can give of that is we are trying to make decisions for cities back in our hometown. I live in a city names Puyallup. Most of the bureaucrats back here not only cannot pronounce it but do not have a clue whether it is, so why the heck are they making decisions regarding the people who live in my hometown of Puyallup?

The point is that a government that governs closest to home is a government that governs best. The people who testified at the particular meeting of the gentleman from New Jersey, the hearing, were ready and willing to get started on that. That is what really impressed me, that our idea of block grants is something that is popular out there. They are willing to do it. They are closer to home. If you live in Washington State, it is a heck of a lot easier to drive to the local city council, to drive down the freeway of Olympia, where our State capital is, than to get in an airplane and fly 3,000 miles and come back to lobby and try to talk to your elected officials.

□ 2145

It makes more sense to have a government closest to home. That is what I heard from these people. They are ready and willing to get started. I am looking forward to the hearings to come out to Washington State, across this country, we are going to have in the coming months.

I just want to thank the gentleman from New Jersey [Mr. MARTINI] for his great work in setting up speakers from all sides of the issue. It was not slanted in one direction. It was very bipartisan and worthwhile to come of us.

Mr. FOX of Pennsylvania. We are looking forward to having future hearings in Congressman MARTINI's district and State, because I think what he is doing for us here is trying to give the leadership, give the vision where should Government be, how can we make it less expensive, as was said, more accountable, closer to home.

I would like to call on the gentleman from Minnesota [Mr. GUTKNECHT], if I can, for a minute. I think one of his cries has been for us to have more common sense in Government, to do the things that those in the private sector have done so well and adopt some of those ideas.

I guess the lock-box that we just passed today, the Deficit Reduction Lock-box Act which the gentleman from New Jersey [Mr. MARTINI] and the

gentleman from Washington [Mr. TATE] have been working with the gentleman from Minnesota [Mr. GUTKNECHT], and of course the gentleman from Idaho [Mr. CRAPO] had a lot to do with its passage.

Could you tell us what motivated you to be involved with the Deficit Reduction Lock-box Act?

Mr. GUTKNECHT. I thank the gentleman for yielding. I was sitting here listening. The comments have been excellent, but it is interesting, even our speaker tonight is a fellow freshman colleague. As freshmen, I think it is exciting.

I remember just a few years ago one of the Members of the House came before the House and put a paper bag over his head and in effect said, "I am embarrassed to be a Member of this body." But I must tell you I am proud to be a Member of this Congress, the 104th Congress, and even more proud to be a part of this freshman class.

I apologize I was not able to make it to the hearing in New Jersey. I hear that it was an excellent hearing, that the testimony was excellent.

The other thing that I think that has come back in some of the comments we were talking about earlier, that there is so much common sense out there among the American people, and sometimes they wonder why they cannot see more common sense coming from Washington.

One of the things I did was, I heard about this article that was in Reader's Digest a few months ago, "The Death of Common Sense." I bought a whole lot of reprints. If anybody, any of my colleagues are watching and would like a copy, if they will get a hold of my office at the U.S. House of Representatives, Washington, D.C. 20515, we will send them a copy because in my own district I have had 33 town meetings.

We had the Regulatory Reform Subcommittee of the full Committee on Government Reform and Oversight come out to Minnesota, and Representative MCINTOSH and a number of other Members of that subcommittee had hearings about regulatory reform. Frankly, I think that is something that is crying out. The American people are saying we just want some common sense.

There are so many great examples. If the gentleman from Pennsylvania [Mr. FOX] could let me just have a minute and give a couple of examples that are in this short article from Reader's Digest. One of them that our Speaker tonight, the gentleman from Oregon [Mr. BUNN], would appreciate says:

Until recently, Dutch Noteboom, 73, owned a small meat packing plant in Springfield, Oregon. The U.S. Department of Agriculture had one full-time inspector on the premises and one supervisor who visited regularly. This level of attention is somewhat surprising, since Noteboom had only 4 employees. But the rules required it. Every day the inspector sat there, "often talking on the phone," says Noteboom. But they always found time to cite him for a violation: one was for "loose paint located 20 feet from any animal."

"I was swimming in paperwork," said Noteboom. "You should have seen all the USDA manuals. The regulations drove me out of business."

Those kinds of examples are repeated again and again, and what the American people I think are demanding from this Government, from this Congress, is common sense. If we are going to create a vision of what kind of government, what kind of a country we are going to live in in the 21st century, I think we have to start with the basic premise that we ought to have some common sense. The same common sense that the American people have ought to be permeating things here in Washington.

I think the idea of field hearings like yours, and I would like to hear a little more from the gentleman from New Jersey [Mr. MARTINI] about the field hearing in New Jersey. But I just want to say that I am happy to participate in these special orders.

I appreciate what the gentleman from Pennsylvania [Mr. FOX] has done, because I think the American people need to know that we are making a difference, we are making a contribution, and even more importantly, we are listening to the American people.

Mr. MARTINI. If I may, if the gentleman would yield on that point of common sense, I think that was probably first and foremost the message that we heard on Saturday. Of all of the messages, I think if you boiled it down into one overwhelming message, it was the need to bring some common sense into the Federal Government process.

I think listening to the individual stories that we had the benefit of listening to and then listening to the testimony, we realize that the impression that I received, and the impression that I have had since being a new Member of this great body, has been that really the Federal Government has grown in large part over many years without a plan, without a design, and without a system. It is more or less a haphazard growth of programs.

If there is a need for something, someone will propose a bill, they will implement that bill. No one looks back, and will determine whether or not there was another program that maybe could have just been modified but instead we have had another new program to try to implement that particular need.

I think one of the reasons we are where we are today is because there was not as much thought being given to the growth of the Federal Government over many years. I think what we are doing now as a body is looking back and saying, what works, what does not work; what works, we should keep, improve, strengthen, fund. What is not working, for whatever reasons, stop it once and for all, and bring some common sense into this process of reviewing the existence of the present government so we can plan for the future and come up with a plan and try

to adhere to that as difficult as that may be. When you serve here, you begin to realize how difficult it so often is to stay focused on a particular goal. But I think it is very important and that is one of the main thrusts of these hearings, is to stress the importance of having a game plan, shall we say, for the future. And then as we develop that game plan, make sure it is consistent with the overall goals that we set forth.

So the gentleman is right, if I may say, right on point, with what we heard on Saturday. That was bringing common sense into the process.

We talked in terms of not only regulatory reform which certainly was a topic brought up, about the need to bring some reasonableness into the regulatory process once again. No one certainly in my district and in the State of New Jersey is advocating abandoning the principles of meeting the goals of things like a good environment and things like achieving the necessary goals of the programs, however we set them out to be. But the regulatory process is something that many people are aware has gotten to the point where it is almost working against meeting the goals.

So I think once again I like to draw the analogy of what we are trying to do is bring the pendulum back into a balanced position in the regulatory process area. But I know the representative here from Washington probably will share with me, we heard about privatization, the block grants, pros and cons because there were people who spoke out on each of these. Then obviously the need to stay on track in order to achieve fiscal responsibility. I see my colleague here I think wants to add something to my thoughts.

Mr. TATE. A couple of quick points as we finish up on this particular part of our special order, is the fact that as I was leaving, an older gentleman came up to me. He said, "I just wanted to thank you for the breath of fresh air that the freshmen have brought to Congress." I hear that everywhere I go. Not just meetings in New Jersey but whether I am standing in line, flying back and forth back to my home in Washington State, whether I am at the Safeway store buying groceries late at night, I run into people saying, "We appreciate you staying the course."

Why? Because we are bringing common sense back to government as we recently said, especially in our committee as we worked on regulatory reforms, and we heard it on Saturday as well, is that there is a need for government regulation. No one is doubting it. But it has gone too far.

When you talk to small businesspeople, I think it was the NFIB, the National Federation of Independent Business, came out with a study. They asked what was the biggest threat to you as small businesspeople in this questionnaire.

Taxes was up there, they were all concerned about taxes. They were all concerned about high cost of health care. Their biggest concern was overregulation, regulations they could not understand, let alone explain.

What we are trying to do is make sure new regulations are based on science, not on fad, on fact, not on fiction. We are trying to come up with a common-sense approach. That is what the people are asking.

In our State I hear stories all the time about regulations that made the difference of whether a business stayed in business or did not. That new regulation was the thing that put them out of business. That is what we are trying to change.

The key point about these hearings that we have had, I think, is the point that these are the first step. That creating a 21st century government is not going to happen overnight and that this year we bit the bullet, we passed a resolution that will balance the budget, the first time since 1969. That is itself is huge achievement.

But these hearings, we are going to have hearings over the next year or so. It is the beginning of the process. We are going to learn in those great experiments called the States on how they have learned to do these things and we are going to continue to learn from them. We are going to make mistakes along the way, granted. You make mistakes when you are trying to make real changes. But I would rather make mistakes, learn and continue to grow instead of continue the status quo which means we will not have a balanced budget, which means we will not have a 21st century government.

Mr. MARTINI. If the gentleman will yield on that point about mistakes. I think certainly in an effort of this magnitude and size and a review of an institution of this nature which has been growing for many, many years, obviously the adjustments that need to be made will not be perfect in every instance. I think that we heard, and we had people who were advocating the status quo on Saturday, an elected official and some others, a minority point of view, but it certainly was a point of view. Each time we talked of a new mechanism or a new idea to accomplish the goal of making governments more effective and more efficient and less costly, such as the idea of at least considering privatization where appropriate, the idea of block grants where appropriate and where we think they can work, each time one of these ideas was espoused, unfortunately, there were still some in my opinion who still have not realized or have not come to grips with the reality.

As they would oppose each one of those ideas or say things like, and you heard them, "Well, that's a good idea, but it's not going to work in this particular area," or "There's going to be problems with this," et cetera, it only made me think that if we succumb to that mentality, it is really succumbing

to the status quo, because if we do not have the courage to take some risk, minimal, I think, overall compared to the goals that we could attain of bringing fiscal accountability to the great Government, if we do not take some risk, a reasoned risk, of course, we will never get there.

I think that is one of the reasons past Congresses have never been able to get out of this rut of growth without planning, without design, and into a pattern of some real thoughtful government with common sense as my good colleague here from Minnesota said, and accomplish the overriding goal and not look at any one particular thing and let this distract you from the real goals at hand and the real accomplishments we can achieve.

Mr. FOX of Pennsylvania. If the gentleman will yield, I think just today the gentleman from Minnesota [Mr. GUTKNECHT] was involved with other members of the Committee on Government Reform and Oversight of which the gentleman from New Jersey [Mr. MARTINI] and the gentleman from Washington [Mr. TATE] are members, with the Government procurement reform. Perhaps you could enlighten our colleagues about what that legislation will do as it relates to government getting products and services less expensively acquired than they have in the past. Could the gentleman from Minnesota respond to that?

Mr. GUTKNECHT. I thank the gentleman from Pennsylvania [Mr. FOX]. We have sort of lived under this illusion and I just want to comment because one of our favorite expressions in this freshman class is that "The status quo doesn't live here anymore."

I think we came to Washington to make a difference and I think the American people said last November that the status quo was not acceptable and they wanted some real changes. One of the bills we worked on today and worked through the committee that we all serve on is procurement reform. Earlier this spring I was visiting with Congressman DUNCAN HUNTER from California about the Department of Defense. I think we all believe in a strong national defense.

I think once we are sworn in, we put on these pins, we do take a special responsibility for those young men and women who serve in our armed forces. I think we want to make certain that they have the best technology, the best training, the best equipment that we possibly can give them, particularly if we have to make a vote to send them into situations where they can get shot at and killed. So we want a strong defense.

But let me just give one example that he gave me or a couple of examples. In the Department of Defense, we buy everything from paper clips to F-16 fighter aircraft. To do that, we have people who buy those things. We have people who are called buyers. I am told according to last count, we had something like 106,000 buyers. That is the

bad news, but the news gets worse. Those 106,000 buyers have something like 200,000 managers. We buy about one F-16 fighter aircraft a week. To do that we have 1,646 buyers. I met with some electronics guys earlier in the session and they showed me this little circuit board. This circuit board goes in an M-1 Abrams tank. It helps control the fuel supply in an M-1 Abrams tank. They told me this cost them about \$2 to make. Yet they sell it to the Department of Defense for about \$15. Part of the reason they do is because they have to deal with a mountain of regulations to get through it. So what we passed today and worked its way through the Committee on Government Reform and Oversight was a procurement reform to eliminate some of the paperwork, to make it a little bit easier. Long-term hopefully there will be more money available to buy the equipment, to buy the technology, to do the things we need to get done in government to protect our shores and carry out our foreign policy but at a much lower cost. As a matter of fact, the estimates are the bill we passed today may save as much as \$2 million off the cost of an F-16. That is a lot of money. And it applies to buying these kinds of things and paper clips and everything else. That is what I think the American people want. That is what they have asked for. That is what they have demanded. And I think that is what this Congress is delivering.

Mr. TATE. If the gentleman would yield, one of the points that was made at our hearing was the public definitely did not want more of the same but they definitely did not want less of the same. I think the point being made is if we are going to spend less or change things, we need to do things better. Not just do the same thing and just be cheaper. I think that is what we did today in our procurement reforms and I think those are the kind of changes that the American people are looking for.

□ 1300

That was the point I wanted to make.

Mr. MARTINI. If the gentleman would continue to yield for a moment. To follow up on that, I think it is an important point the gentleman makes. The sentiment was that we should, obviously, not be looking at just this system intending to keep it intact, rather we are looking for a new structure. What is good in this system, maintain; and what needs to be abandoned, abandon; or what needs to be modified, modified.

So it is not simply maintaining the current system and just simply reducing funding across the board, but maintaining all of the programs and the manner in which we deliver services to the American people, but rather rethinking how we meet the goals, such as, for instance, obviously, block grants. The concept of block grants

would work, in my opinion, in many instances and may not work in some instances. The important thing was, listening to the local officials, each one of them on the point of having more authority and control were in agreement. They each wanted more authority and control over their own jurisdictions and to govern their own respective entities. However, there was some difference between those who were willing to accept the concept of block grants recognizing that block grants will do exactly that, it will put more authority, flexibility and responsibility in the hands of the local officials and give them the flexibility they want, and yet in almost a contradictory way there were one or two elected officials who still were protesting block grants. So they cannot have it both ways. As an elected official they cannot have all that flexibility and—

Mr. FOX of Pennsylvania. If the gentleman would again yield.

Mr. MARTINI. I would certainly yield.

Mr. FOX of Pennsylvania. Just recently in the Congress we took the WIC, the Women, Infant and Children program, the food nutrition programs, and in our proposal that we had in the House we said to the states, because the Governors asked for it, give us the block grants and those food programs, and while we spend 15 percent in the Federal Government to administer those programs administratively, the States can only have 5 percent, but with the other 10 percent they must feed more children more meals. So the block grants can work when we put the restrictions on the State governments so that we get more services and less bureaucracy.

One of the problems I think the three of us have faced here in Congress for the time we have been here in our first term, we have seen that what has happened is we have a cottage industry of bureaucrats. We pass a law and then bureaucrats make regulations that are expensive, that duplicate, that slow up the process. Talk about regulatory reform, I have a gentleman back home who has a business who wanted to deal with the Government, but we are not business friendly. He had 187 pages, much like Mr. GUTKNECHT was speaking earlier about the defense contract, this was a nondefense contract, 187 pages to fill out. He would need an engineer, an architect and an attorney. By the time he paid for them, he would have no profit left. He said he would rather deal with private companies.

So we have go get down to the basics where we do not have so much authority delegated to bureaucrats, and we have more authority and more funds going to the States and local governments, so we have more services to people and less overburdensome taxes and regulations. That is what this Congress has been doing. And your committee and your hearing, Congressman MARTINI is setting the tone for what can happen in the States.

Mr. MARTINI. If the gentleman would yield.

Mr. FOX of Pennsylvania. Yes.

Mr. MARTINI. I think it is very important, however, as we are having this interchange and this dialogue, that we not give the misimpression that the purpose of this committee is simply for the future, and that this Congress and the majority body in the Congress is not working right now and has been working for eight months and has accomplished so much already towards that goal.

Interestingly enough, we had a list at the hearing of the list of programs, in a single space listing, typed, of all of the either agencies, departments, programs, et cetera, that in some way already had been modified, changed and it is about six pages long or more than that. So I think it is important that we make it clear that this Congress already has accomplished so much towards this effort of getting a more effective, less costly government.

The point of these committee hearings is, once again, to make sure that there is so much more to do and that we not just end that process this fall, as, unfortunately, in the past maybe has happened.

Mr. FOX of Pennsylvania. As a point of clarification, the gentleman is speaking of the balanced budget amendment, line-item veto, a prohibition of unfunded mandates and also the regulatory moratorium?

Mr. MARTINI. If the gentleman would yield once again.

Mr. FOX of Pennsylvania. Certainly.

Mr. MARTINI. Those are all the items, but, obviously, I happen to think that right now, as we go into this fall, and I am sure this is shared by all of us, there are three very important things, any one of which is monumental in its own right: Things like making sure we pass a balanced budget reconciliation bill, which I think we are poised to do; things like including in that real welfare reform, to make it workfare and not welfare; and also things like strengthening and saving our Medicare Program.

Any one of those items in prior Congresses would have been a monumental task and would have occupied perhaps a good portion of a term of Congress, and I feel very privileged to be in a position to be a part of a Congress that this year, in the next 3 months, we are on the verge of addressing those three areas, which I know in my district the people, at least with respect to welfare reform and fiscal responsibility, have, obviously, been calling out for that for some time now.

So I feel privileged to represent those people and being in the position where I believe we will accomplish that goal after facing some obstacles. And that is the other point we heard so well. There were many obstacles that we had to meet in order to achieve our goal, and every one of the witnesses who had been down this path already had said to us that day, stay focused, persist in

your goal, and if we accomplish our goal, the people will recognize that. So these are people both from the private sector and in other Government entities that have been down this path, and I thought it was very refreshing to hear from them, and particularly our Governor who has been down this path for 2 years.

There have been naysayers in New Jersey who said the sky will fall in, et cetera. What has happened by some of her policies already is a breath of fresh air to the State of New Jersey and our economy.

Mr. TATE. Will the gentleman yield?

Mr. MARTINI. Certainly.

Mr. TATE. Is the sky still there?

Mr. MARTINI. The sky is still there, and more than that, our businesses are staying there and we have accomplished that, even with a tax reduction that was implemented by our Governor and legislature. So it can be done. It has to be done, because if we think of the alternative, the alternative is more of the same, more growth, more taxes, and what we are doing is indebting our children and getting no services for the interest we pay on the great debt that we have.

Mr. GUTKNECHT. If the gentleman would yield.

Mr. MARTINI. Certainly would.

Mr. GUTKNECHT. Isn't that really the story of America? The naysayers and the pessimists and the cynics have never prevailed. In the long run, it is the optimists, the believers, the ones who really get out, roll up their sleeves and get it done.

I know there are a lot of pessimists and naysayers here in Washington. We read about them in some of the media sometimes. But the truth of the matter is, the American people believe that it can, and will, and must be done. There are people in this town who think it is absolutely impossible for this Congress to pass a balanced budget reconciliation this fall. They think it is impossible for us to save Medicare. They think it is impossible for us to pass a welfare reform that is really built on work and personal responsibility and strengthening families.

They say it cannot be done, but the American people, the interesting thing in the town meetings I have had, they know it can be done. They believe it can be done. That is what has made this country work. It is that spirit that I think is not only going to help us get through this particular period in our history, but will help us chart our course in the 21st century.

What the American people want is to get back to some of those old-fashioned things, as was mentioned earlier. They want more personal responsibility and less Government responsibility. They want more personal control and they want less Government control. They want a Government that works with them rather than a Government that comes at them. I think that has been the theme of this Congress and that is what will lead us into the 21st century.

The interesting thing is, and I start my town meetings with the three most important words in this Democratic experiment, and they are the first three, "We the people." I think as long as we continue to have these meetings and this dialog with the American people, I know I get my batteries charged every time I have a town meeting because there is lots of optimism. There is a lot of can-do attitude out there, and that is the attitude out there, and that is the attitude that will give us strength. And if we stay at it, I think we cannot fail.

Mr. FOX of Pennsylvania. If the gentleman would yield, I think what the gentleman just said, Congressman GUTKNECHT, dovetails with what Congressman MARTINI and Congressman TATE have been doing, and I think it is a whole change in culture in Washington. We saw a few weeks ago one of our fellow freshman, Congressman FOLEY, work hard in the committee to remove \$50 million of waste, fraud, and abuse from a program that was really a boondoggle. Citizens Against Government Waste identified it. It was definitely not needed and he had it removed in committee. He was proud of that fact. By the next day, the \$50 million was moved to another pork barrel project.

That is what brought forth, ladies and gentlemen, the Deficit Reduction Act, which we cosponsored and helped pass today. That will have, for the first time, any savings we can find in committee or on this floor for pork barrel projects and those that do not have permanent value that help all American people, that will be put in a lockbox. Those savings will go to deficit reduction. If we have deficit reduction, that means we have less taxes to pay by interest. That will help make sure our economy is strong, that we have more jobs, and that we have more people working and that we have a stable economy.

So we think this Deficit Lockbox Act is just one more kind of reform that I am sure at Congressman MARTINI's hearing was probably discussed and will probably be emulated other places. But I would ask the gentleman from New Jersey [Mr. MARTINI], where does the gentleman think we go from here, as far as Government reform and oversight and what the gentleman and Congressman TATE did this weekend, and where we can expect to go?

Mr. MARTINI. I thank the gentleman, and I certainly am looking forward to attending at least a couple of the other field hearings that will be held throughout the country, and I am interested to hear other points of view from people elsewhere in the country, and I think that is an important part of the process that we have to undertake.

I think if New Jersey's hearing was any indication, there is a strong support out there and commitment for us to do what we are doing, and that is to bring fiscal responsibility. And that is how I like to refer to it. We can call it

balanced budget, but I think what we passed today by way of the lockbox legislation and the budget reconciliation bill, and the process that we are in now leading up to a final budget reconciliation bill vote, all is really intended to get us on to a path of fiscal responsibility and accountability. So I sense there was overwhelming support for that.

Now, there is no question, and even amongst the majority and amongst all the Members here in this House, there are differences on specific funding levels for specific programs or agencies or departments. I think that is to be expected. The overriding important goal, in my opinion, is that each of us, as Members of this great House, will also have to adjust somewhat and accept something that maybe we do not like in our own district or in our own State in order to accomplish the overwhelming, the important and more essential goal of having a national policy of sound fiscal Government. I think that is what will enable us in the end to achieve the goal.

All too often in the past what has happened is Congress people have been unwilling to accept something that maybe they would have preferred to be done a little differently; and, therefore, the bigger goal, the goal that is important to our Nation as a whole, would often be lost in that process. I am confident that this year that there is enough of a commitment, and it is being driven by the American people, who are telling us it is time to bring your fiscal House in order.

I might add, of all of the entities and institutions out there, if I had to assess it, we are probably the last one to undertake this process. We heard from a State Governor, we heard from a local county official, we heard from several mayors, and we heard from people in the private sector. Each one have started this process of looking at their institution or their body that they govern and have asked these questions and have begun the process of right sizing, is how I like to refer to it, their institutions.

Mr. TATE. Would the gentleman yield?

Mr. MARTINI. I certainly would.

Mr. TATE. The gentleman hit it right on the nose. When I am home, as I said earlier, people are always coming up and saying, stay the course, do not give up, keep fighting, stick to the promises that were made. As far as ahead as we believe we are as a freshman class, the public is even further. They want the changes today. They do not want to hear about it even 7 years ago. They want to hear about how we are going to balance the budget.

So the things to keep in mind, and I guess it was Ross Perot that coined this phrase, the freshman class is the new third party. We are making the kind of changes that people want to see, but we have to continue to fight that battle.

And the gentleman touched on another key point that I think that we

really need to drive home. If we just did welfare reform this year, it would be a monumental year. If we just balanced the budget this year, that would be incredibly monumental. If we just provided tax relief for working families, there could be nothing more important. If we saved Medicare, that is going bankrupt, I can think of nothing more important. We are going to do all of those before we leave this place.

□ 2215

Mr. FOX of Pennsylvania. The fact is that this is a bipartisan issue. Americans want to make sure they have the quality drugs they need, while the FDA makes sure we have the quality standards and the purity. The fact is that this country, with its great biotechnical and pharmaceutical companies that have made the first discoveries here, but our patients sometimes are the last to get the receipt of those drugs or medical devices. Under our bill, H.R. 1995, it will speed up that process. Because right now companies spend about \$100 million in 10 years waiting because of the bureaucratic maze of FDA.

So with this legislation and the reforms that the gentleman from New Jersey [Mr. MARTINI] and the gentleman from Washington [Mr. TATE] and the gentleman from Minnesota [Mr. GUTKNECHT] are working with me, we really will be able to speed up the process, get drugs to market faster, and not only will we get people living longer and living better because of the drugs and the medical devices, we will keep the jobs here in America too.

Mr. GUTKNECHT. Mr. Speaker, if the gentleman will yield, we will save billions of dollars for consumers.

Mr. FOX of Pennsylvania. Mr. Speaker, the fact is that this class of freshmen has been anti-tax, pro people and pro business. When I say pro business I mean pro jobs. I think if we keep that orientation, we will make some positive changes.

When we speak of Medicare reform, there is some legislation that we are involved with in making sure we root out the fraud. There is \$30 billion right now in Medicare fraud.

Mr. GUTKNECHT. If the gentleman will yield, it is \$44 billion, but who is counting.

Mr. FOX of Pennsylvania. That is for Medicare and Medicaid together. But there are different publications that have different articles about what Congress is working on. It is \$30 billion in one article, anyhow, for Medicare reform, and it deals with the fraud, abuse and waste of different people who are impersonating doctors, sending these duplicate bills, having a 14-year-old read x-rays for which they are not qualified, and the list goes on and on. The legislation that we are cosponsoring is going to dispute the process of those prosecutions and make sure that the penalties are increased so that we make sure the dollars for care are going back to our seniors, that they

get the quality service and they can live longer and live better. We are going to save Medicare because we want to make sure our seniors are protected, whether it is a mother, grandmother, sister, whoever it is, and we are going to make sure that Medicare is saved.

Mr. Speaker, as freshman we have had 18 hour days and I think that is just part of being here in Washington and trying to make a difference.

Mr. MARTINI. If the gentleman would yield, you are absolutely right about the need for FDA reform. It is something that the Committee on Government Reform and Oversight is certainly involved with, and there is a hearing tomorrow, by the way.

Mr. Speaker, before we conclude our remarks for this evening, I would like to just comment for a moment on the process that has been taking place this week with respect to the politics of this whole issue of trying to get a better handle on the government in terms of passing a balanced budget. I will use as an example the student loan issue which we have been hearing from those who are opposed to our achieving a balanced budget alluding to and saying that the budget will reduce, et cetera, or drastically change the student loan program.

Now, the facts speak for themselves as to just how that program has been adjusted. There are not drastic cuts in that program, so the facts speak for themselves. The point I would like to make, though, is that we are seeing the politics on this issue unfortunately scaring another segment of the population. I do not think it is reverberating out there, but I think for every one of those issues, and it is important that the American people understand this, for every one of those issues where we talk about a specific item in this entire budget, there is another argument to be made, and I thought of it today sitting in my office as I was contemplating the debate going on on the student loan issue. You know, I said to myself, if we are spending inappropriately, because there is very few major changes in that program, now that all is said and done, there is very few changes in that program whatsoever, but whatever they are, the few that are there are minor adjustments. But somebody should also speak for the young grammar school children whose futures are ahead of them, and because of our reckless practices in the past of not being able to control reasonably the growth of this great government, we are indebting the children that are in the first, second, third grades whose futures are well ahead of them.

So when you sit here and argue for the student who is in college, which frankly is not being dramatically changed in terms of their abilities to get loans for school in any meaningful way, you have to also think about the impact on others in our communities in our society, and I like to think of the younger people who already today

are being burdened with this overwhelming debt before they even go out into the work force and make a living and start to pay taxes. So they are already beginning behind the eight ball, and that is also part of what this entire process is all about. Somebody has to speak for those in society who cannot speak for themselves, and that is what I think we are doing with this budget progress.

Mr. TATE. If the gentleman would yield, that point really hits what balancing the budget is all about. I have a daughter and her name is Madeleine, and in her lifetime she will spend \$187,150 just in taxes, just to the Federal Government, just to finance the national debt, if we do not balance the budget. That is outrageous. If you want to help out college students and make sure there are jobs out there, balance the budget. If you want to make loans more affordable, balance the budget. That will lower interest rates. That will make college more affordable. That is what we are really talking about, allowing people to keep more of their own money in their own pockets to make their own decisions, to pay for higher education, to pay for health care if they need it, to go on vacation if they desire it, and I am sure they do; to make those kinds of changes, and that is what balancing the budget means to real people. That is what we have to keep in perspective. It is not all of the bill numbers we throw out, it is working people who live in the ninth district of Washington or in New Jersey or Pennsylvania or in Minnesota that sit around the kitchen table every month or sometimes every night trying to figure out how they are going to spend their money because the Government takes more and more of their money away.

We need to weed out the fraud and abuse, such as \$6 for one aspirin, \$12 for one aspirin for somebody else. That is outrageous. That is ripping off the taxpayers. That is wrong. That is what we are trying to change. That is why I am so excited to be putting a human face on the balanced budget. It means real people are going to keep real money in their own pockets to decide how they want to spend it. That is the exciting part about it. That is why I am working on this. You mentioned those people that do not get to talk to us, those newborn kids that are stuck with this huge debt. That is what this is all about. It is about the kids.

Mr. GUTKNECHT. I think this speaks to it all. One of our colleagues in the other body recently said, you know, some of the cynics and the critics here in Washington are saying that this is a debate about how much we are going to spend on children and how much we are going to spend on education and how much we are going to spend on nutrition. It is not a debate about how much we are going to spend on children, nutrition or education. It is a debate about who is going to do the spending.

So as we downsize the Government and as we allow individuals and families to make those kinds of decisions, as we give them some of their money back to spend, we know they can spend it more efficiently, that is really what this debate is about. As we move into the 21st century, we want a country that allows more personal freedom, gives more personal responsibility, but gives families more control on how they are going to spend their money.

When the average family is giving over half of their annual income to government one way or another, it has gotten too big and they do not spend it more efficiently. They are more efficient at the local level than at the Federal level, but that is the debate we are having and we have to win it, not just to win, not as an accounting exercise; that is a good point. We have to win it for today's children because otherwise we are going to leave them a debt they will never be able to pay off.

Mr. Speaker, I want to thank the gentleman from Pennsylvania [Mr. FOX] for putting this together.

Mr. FOX of Pennsylvania. Let me just add to what the gentleman from New Jersey [Mr. MARTINI] just talked about. The fact is, there has been a big lie on campus about what is actually going to happen, and there is a student loan scare campaign by the other side of the aisle. But the facts are very much different as we know them.

Student loans are going to be increased. The Congress' billion dollar budget proposal does not cut a single student loan. In fact, under the GOP plan to balance the budget, we save student loans. More loans will be available from the 6.6 million loans to 7.1 million the following year. The in-school interest subsidy program will remain; loan fees are not increased. The GOP funds the biggest Pell grant ever to \$2,440, its highest level in the history of the program. There will maintain a 6-month grace period for the loans. The Perkins loans total will be \$6 billion and the student aid will not be cut. The college work study program will be maintained, the supplemental education opportunity grants will be fully funded, and the TRIO Program, which benefits minority and disadvantaged students, is fully funded at its current level of \$463 million.

So the facts are different than what you have heard. The fact is, we will not let students, seniors, those who are families, be left out in any program. We are working on making sure that they are more accountable, though, that the bureaucracy costs, the duplication costs, the overregulation costs and all of the waste, fraud and abuse is removed, and direct service to those who need them is what we are fighting for. That is important, and that is the key to what we are trying to do. I would ask the gentleman from New Jersey [Mr. MARTINI] to sum up about where we go from here again back to his hearings.

Mr. MARTINI. I thank the gentleman from Pennsylvania, and I thank him for his efforts in putting together this evening's exchange and dialog. I think it is very helpful, especially after a hearing where we learned from our constituents what was on their mind, particularly on this very issue.

I think in sum what I learned was that the process that we are undertaking right now is not simply downsizing, but it is really smart-sizing and right-sizing the Federal Government, because there is more to it than just reducing spending. There is also things, like we undertook today adoption of the lockbox legislation, like procurement reform, all of which lead to just more efficient, more effective, and less costly Government. So the undertakings that we are in the process of doing really are all geared toward that.

We have to continue to listen and learn from our constituents, and then, of course, lead. I think it is important that we stay on our mission of finding a fiscally responsible and accountable Federal Government and keep our eye on the ball as we go along.

Let me just share with you something that happened that I thought was a good analogy perhaps to the comparisons of what we are doing. There was one gentleman who spoke at our hearing who was somewhat critical of the efforts we are taking to become more fiscally responsible, and implied that this Congress was only cutting from the bottom and not really serious in its effort to find ways to save money throughout the Government at all levels of Government.

This gentleman compared it to a wedding cake. He said that if you had a wedding cake, what we are doing is simply taking pieces from the bottom of the wedding cake. He said that he would rather, or the Democrats he compared it to, if they had their way, they would take it from the top to the bottom.

I think you recall very well what I said then, and I think it is very applicable, that some would argue that for 40 years the wedding cake was purchased by the taxpayers and then eaten by the process that had been set up by the majority that ruled this Congress for 40 years, and left nothing really for the future of America.

So it was something that stays in my mind. I think it sums up the differences to where we are trying to go. We are concerned about the future of America. We want to make sure there is some wedding cake for future generations, and that we do not do the irresponsible thing and spend beyond our means and leave a great debt for Americans to come.

Mr. FOX of Pennsylvania. That is a very good sentiment. I will say this, I am sorry I did not join you on Saturday, because I had a conflict. What I would say to that gentleman is you have been in the leadership on these issues, important issues, of getting our own house in order and leading by ex-

ample. We have cut out 3 committees and 25 subcommittees. We released one-third of our committee staff, saving over \$100 million just in the cost of running Congress. As well, we have a gift ban we are now going to move towards passage, lobbying reform. We have already cut by one-third our franking privileges on mail. We are certainly becoming more accountable with the adoption of the Shays Act, making all the laws we pass also apply to the management of Congress, whether it be OSHA or Fair Labor Standards or civil rights.

The gentleman from New Jersey [Mr. MARTINI] has been at the forefront of that, and I am sorry I could not tell your friend from your district, the 8th district of New Jersey, just how much you have been doing in leading by example, in making sure that this Congress, this freshman class, in a bipartisan fashion, both sides of the aisle, works to move us to the kind of new America that we think is emerging.

Mr. TATE. I guess I would have added, to tell that gentleman, following on this marriage analogy, the honeymoon is over for the big spenders. That is what this Congress has been about. We have changed the culture of Washington. We are going to continue to do it. As the gentleman you stated, on day one, to me the reform that meant the most to me was making sure that Congress lived by the same laws as every other American.

□ 2230

When we live under these laws, we may be a little less likely to want to pass all these great ideas, so-to-speak, and bring back common sense as the gentleman from Minnesota has clearly stated.

This has been a great session so far this year. We are going to continue to keep fighting. I think the things to keep in mind over the next month or two are the fact that we are going to balance the budget, we are going to reform welfare, we are going to provide tax relief for working families, and we are going to save Medicare, and do those things. Promises made, promises kept. We kept our Contract With America. Now we are going to keep our contract with our senior citizens and keep our contract with those working families, and keep the contract with my daughter Madeleine to make sure her future is brighter, she is not saddled with this huge debt. And the hearings reinforced that. It has been a pleasure working with you two gentlemen, and I look forward to getting started tomorrow morning and working on the two issues.

Mr. FOX of Pennsylvania. The fact is we need your enthusiasm and optimism. I would say to the gentleman from Minnesota [Mr. GUTKNECHT], the gentleman from New Jersey [Mr. MARTINI], and the gentleman from Washington [Mr. TATE], we appreciate your leadership on the Committee on Government Reform and Oversight, and

look forward to your continued driving the engine for this Contract With America and the reforms to really right the course for America. I thank you very much for joining us tonight.

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Georgia [Ms. MCKINNEY] is recognized for 60 minutes as the designee of the minority leader.

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

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. MARTINI] is recognized for 60 minutes as the designee of the majority leader.

[Mr. MARTINI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Michigan [Mr. STUPAK] is recognized for 60 minutes as the designee of the minority leader.

[Mr. STUPAK addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 60 minutes as the designee of the minority leader.

[Mr. FALEOMAVAEGA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

SPECIAL ORDERS GRANTED

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

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

Ms. KAPTUR, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

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

Mr. BURTON of Indiana, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, today.

Mrs. MORELLA, for 5 minutes, today.

Mr. ALLARD, for 5 minutes, on September 14.

Mr. MCINTOSH, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. MCINTOSH, for 5 minutes, today.