still do not like the idea of unions. They belong to an association which acts just like a union. The American Federation of Teachers, the National Education Association, they are pretty much similar right now in terms of they are the leading advocates for children. They are the leading advocates for education. Their interests are closest to the interests of children and parents. It is to their credit that they were singled out for criticism by the Republican candidate for President because he felt the power that they are beginning to exert and the influence. It will all balance out. Shanker made it possible. Albert Shanker made it possible for the teachers union to be recognized on a national level as a force. Most of us feel it is a force for good. It is a force for education and a force for children. The United Federation of Teachers in New York City, founded by Albert Shanker, brought a court case against the Board of Education and the city recently to force them to reduce class sizes and deal with overcrowding in schools. Some of the facts that they have discovered, some of the cases that they brought have been very enlightening as to how bad the situation is. But it is a union operating on behalf of the children for education.

The United Federation of Teachers has nurtured power professionals, people out of the low-income areas who go into the classrooms as assistants without a college education and later on, after a long period of going to college part-time, become teachers. That is a program that has been nurtured by the United Federation of Teachers. There are numerous things that they are doing and have been doing that puts education in the city of New York in a better position. But they, like the rest of us, are now under great pressure from a Governor and a mayor that have indicated that they are not particularly concerned about doing all that has to be done to educate the children of New York City.

□ 1600

At the national level, the American Federation of Teachers, certainly, that also was captained by Albert Shanker during his last years, has also been a very vital force. They have done all kinds of positive things pushing to get education reform that is meaningful.

I think teachers and teachers' unions will be the first to tell you that there is a danger in having a great deal of attention focused on education if the people who are supplying that attention have a great deal of power and they are only concerned about headlines and photo opportunities. They can make a mess. Things can get worse.

It is our hope that things will not get worse, that we will not have fads substituting for substance, as there will be a real attempt to move forward and grapple with the need to improve education in America all across-the-board: suburbs, rural areas, inner cities; but most of all, education improvement has to come to the aid of the desperate children of the inner cities of America and do it soon.

It is a desperate situation. We need opportunities to learn. Across-the-board we need a commitment, we need the resources, we need politicians, decisionmakers, powerful people who care about children because only in caring about children will you improve America and guarantee that our society will live up to its full potential. There is an unlimited world out there, and we need educated people to go forward to realize that world of unlimited possibilities.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

DIRECTION OF THE COUNTRY

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

Mr. PAUL. Mr. Speaker, many Americans are not happy with the direction in which this country is going nor with the efforts that Congress has made to solve our problems.

By superficial analysis and as measured by Government statistics, our leaders would have us believe that the state of the union is strong. Yet with casual observation, one detects smoldering discontent among the people. In looking for solutions, Congress engages in political grandstanding that produces few answers for that growing number of Americans not confident about their future. Even many of those who are who are well off worry that their own futures, and certainly their children's futures, are not secure.

Mr. Speaker, it is estimated that throughout the world, 1.5 billion people live in deep poverty. These are not just people in developing countries, but some even live here in the United States. They do not go unnoticed and contribute to the anxiety of the times. Approximately 3 million children in this country are abused each year, and this does not count abortion.

Violent crime in the United States is a serious problem, with killers getting younger every year. From 1965 to 1992 the number of murders doubled while the percentage of murders solved has fallen.

For many Americans, the standard of living has dropped over the past 25 years. Nominal wages have soared but real income has fallen for low- and middle-income families due to dollar appreciation. Even with two family members working, keeping up has been difficult. Less parental supervision has contributed to the juvenile crime problem.

Generational conflicts are real. The demands of the elderly seem endless. Knowing that they have a greater tax burden to bear and expecting no returns at retirement frustrates the under-40 taxpayer. This resentment is not likely to fade any time soon, and will likely get worse.

Confidence in the future is far from robust. The balanced budget amendment, the line-item veto, term limits; they will not solve our economic and social problems. Cynicism flourishes throughout the land and especially here in the Congress. Frustration over how to solve our problems has led to rude behavior that once was rare in the House. Civility classes only address the symptoms and will not solve the philosophic conflicts nor address the economic limitations that are the source of the impasse the welfare state now encounters.

The radical political correctness movement undermines the first amendment and contributes to the anger expressed by various groups. Intimidation and ridicule of unpopular ideas are hardly a way to bring different social groups together. The same individuals that demand censures of those who do not use politically correct language condemn voluntary prayer as a violation of the first amendment. A consistent position on free speech will go a long way toward softening the growing resentment that strains our relationships with each other.

Our welfare state is now broke. We cannot meet our future obligations, now estimated to be over $17 trillion. We must one day admit this fact. There are just not enough young victims left to tax to continue the process. We can and are limping along by continuing to rob Peter to pay Paul. This can last for a while longer but eventually we will have to admit that borrowing, taxing and inflating will not suffice.

These techniques pursued over the past 60 years cannot replace working, producing, saving, investing as the real source of wealth and prosperity. Government is incapable of producing wealth. Productivity growth, according to the Wall Street Journal, is now .3 percent per year. This is similar to preindustrial revolution days. If this continues, it will take 10 generations for a person to double one's income.

Inflation has eaten away at the seemingly huge welfare payments that we no longer can afford. The average welfare check in 1970 was worth twice that of 1996.

More of the same, though, cannot address the problem of productivity and savings. Only good economic policy and sound political theory can do that.

We must realize we are not yet facing what other western developed nations are. Japan is in the doldrums, and even interest rates of less than 1 percent have not revitalized their economy. Where will they be when the United States quits buying Japanese products in our next recession? France and Germany are further ahead than we are in

confronting the failure of the welfare state. Germany admits to an unemployment rate of more than 12 percent, the highest since the Depression. French unemployment is over 10 percent.

The U.S. will not be able to meet its welfare needs while continuing to keep Europe and Japan afloat by our extravagant purchases from them. That will come to an end in one way or another. A new European currency will not address the basic flaws of the welfare state.

The central banks of Europe are selling off gold to raise cash to appear financially strong enough to enter the European currency union. This schizophrenic attitude prevails in all the world's central banks. The whole plan for a universal European fiat currency is a nonstarter, and its failure will eventually put more pressure on us to address the entire issue of our welfare system.

Corporate downsizing has compensated remarkably for the ills of malinvestment inherent in a fiat monetary system. It has eliminated many good jobs while temporarily improving corporate earnings. Not only have good jobs been lost, downsizing has created an atmosphere of distrust and fear of the economic future unlike anything we have ever experienced.

Stockholders have benefitted by inflated stock prices, but those individuals interested in dividends are now receiving an historic low return of less than 2 percent. Today's stock and bond market valuations are not a reflection of a healthy capitalist society, but reflect the excesses inherent in a welfare state financed by Government borrowing and the Federal Reserve credit creation system. Evidence is readily available that the inevitable decline of the middle class that comes from depreciating a currency to finance welfare is already here.

There is no reason to expect reversal of this trend without major policy changes. Block grants to the States hardly offer the solution to a failed welfare state.

The principle that underpins the welfare state must be challenged. Anything short of that will cause the demise of welfare to smolder for decades, with the offer of more poverty to many more Americans. Under those circumstances, the role and the size of the Government will continue to grow, despite the current favorable rhetoric. In recessions, expanding welfare is irresistible, and the next one will be no different. There is a growing consensus that something is seriously wrong with our economy and political system, and that is a start.

Too often, though, answers are given before the right questions are asked. Fixing the current system occupies the attention of those sincerely worried about the future welfare of the country. Budget, tax, education, regulatory reforms are promoted as solutions to our mess. Rarely do we hear that the system itself is flawed and the unintended consequences were not at all unexpected.

The collapse of the Soviet-styled socialism would have hardly surprised the late great Austrian economist Mises, since he predicted its failure.

The line-item veto, heralded by many as a tool needed to rein in spending, will prove the opposite, while, unfortunately, delivering more power to the executive branch of Government.

Technical gimmicks outside a philosophic approach to Government will not solve problems, even if well-intended.

Deceptively recalculating the CPI to cut spending and raise taxes will only fuel the conflict already present between the generations. It is true that the standard of living must go down as we confront our bankruptcy. Straightforward tax increases and benefit cuts will never be acceptable for political reasons. Even this back-door attempt to raise taxes and lower benefits through an arbitrary recalculation of the CPI will probably not fly once the entitlement recipients realize what is happening. Real benefits however will go down through dollar depreciation. The checks will continue but inflation, that evil declared dead by our money managers, will eat up purchasing power faster than even the COLA's can keep pace. If the CPI is not recalculated soon, it will not happen later since the people will rebel against the Government's rhetoric claiming inflation is essentially nonexistent.

It is a losing battle. The cost of Government is growing 3 times faster than the CPI and now takes more than 40 percent of our income, and of course it is not even counted in the CPI. No wonder the people are more upset than the Government thinks they should be considering a subdued CPI, high employment and a soaring stock market. No sales tax, flat tax, value-added tax, lower capital gains tax, or even dynamic scoring will bring about the miracle that will allow the immoral redistribution of wealth inherent in a welfare system to persist without a serious attack on our standard of living and our personal freedoms.

A tremendous amount of energy has been put into the balanced budget amendment movement. The whole balanced budget amendment debate has served perversely to distract from the important and key issue of the level of Government expenditures. A balanced budget achieved at $1.7 trillion offers no benefit whatsoever and a great deal of harm compared to a trillion dollar budget out of balance.

This whole debate over the balanced budget amendment has co-opted the important issue of the proper size of Government. The deficits have exploded ever since welfare benefits became equivalent to an entitlement and a right. Removing any restraint on the Federal Reserve to monetize the debt, by severing the last link of the dollar to gold, was not a coincidence and conveniently accommodated congressional deficit spending. It was necessary to delay the inherently failed financing that must always accompany a welfare state.

Dwelling on changing the Constitution to make Congress act responsibly begs the question: If Congress ignores the Constitution in so many other ways, why would one expect Congress to become obedient to this one new amendment? The escape clauses will permit the deficits to continue if the amendment passes. With or without the amendment, we are still forced eventually to ask the serious question as to what the Government is permitted to do if we return to the rule of law. That is the Constitution. Without respect for the doctrine of enumerated powers, for which there is currently little concern in the Congress, another constitutional restraint placed on Congress will do little more than pacify a few vocal groups. If we use Social Security funds to balance the budget, the support for this project will quickly fade.

The deficit problem is a lot more than an accounting problem. Balancing the books, or pretending to do so, will not solve the problems inherent in a welfare state manipulated by a majority vote to the benefit of the special interests. Tax changes, budget compromises, borrowing and inflating all help in buying time for a withering welfare state.

□ 1615

A wealthy country like the United States can survive for a long period of time with adjustments of this sort. Freedom creates great prosperity and trust. Our credit is still good, the dollar is trusted and there is still plenty of wealth to redistribute. Many Americans are still willing to sacrifice even more of their freedoms for the promise of Government benevolence, but even wealthy countries go bankrupt if they continue to hinder their productive capacity.

Our Tax Code encourages exporting of capital, our regulatory system sends businesses overseas, and our corporate welfare state subsidizes overseas investments over domestic ones. At the same time, we welcome millions of illegal immigrants with free health care, education and housing. None of this makes sense. It only drives us more quickly to the day of reckoning. My guess is that that day is not far off and that we have in real terms consumed a lot of our capital and sacrificed many of our freedoms.

The concept of complete self-reliance and personal responsibility absent of Government programs is foreign to most Americans. Individual bankruptcy is preceded by a call from a banker refusing the next loan to pay for the last one. Suddenly, conditions change and that individual accustomed to a high standard of living paid for with borrowed money has a sharp setback to his standard of living. A nation

never gets that call from a banker, since it serves as its own banker. The crisis comes when confidence is lost in the money. Confidence may erode gradually, but dramatic changes will also occur.

We saw signs of things to come with the breakdown of the Bretton Woods agreement when gold was still $35 an ounce. Again, confidence was shaken in the dollar in 1979 when gold shot up to $800 an ounce. The Mexican devaluation demonstrated how chronic currency debasement leads to sudden and painful adjustments, always hurting the innocent poor while the politicians and the bankers escape unscathed.

For good reasons, the Mexican people did not celebrate the so-called early payback to the United States of the loans made 2 years ago. The peasants suffer while the bankers and their political allies brag of great deeds never performed. Much of the time, gold for the U.S. economy was bought at the expense of the U.S. dollar.

Our $17 trillion obligations to the welfare recipients of the future and the dollars sent overseas for the past decade or so have allowed us to become the largest foreign debtor in the history of the world. Our foreign debt is now more than $1 trillion. Foreign central banks, at the urging of our own Treasury Department, are willing to accept our Treasury debt at a rate of over $100 billion per year. It may help the dollar on the short run, but eventually those dollars will return in spite of central bank collusion to keep the system afloat.

Foreign central banks are willing, for now, to soak up our inflated dollars, allowing us to export our inflation and live beyond our means. They do it since they need us to buy their products, because their own economies are internally weak. They cannot, however, become wealthy by selling us goods in return for our paper.

Our temporarily strong dollar makes foreign purchases extremely attractive and produces our negative trade and current account balance. With the dollar holding its own, foreigners are willing to hold them as they gladly ring up paper profits with their sales to the United States. The fact that the dollar serves as the reserve currency of the world contributes to the confidence that otherwise would not be there if we were on an international gold standard.

Our interest payments to foreigners is a major contributing item in our current account deficit. The amount is rising steadily as it compounds, just as our interest on our own $5.2 trillion national debt. The wonderful illusion of trust bestowed on the U.S. dollar allows us a standard of living far beyond anything we currently earn. It is such a good deal, we can be certain that our central bank money managers will do nothing to change it; economic law will. When is the only question. Our political party leaders are not even talking about it, but we in the Congress surely should.

The 20th century has not been good for honoring standards. The Constitution has certainly suffered as a standard for our law. Respect for the doctrine of enumerated powers has been undermined by grotesque interstate commerce laws and general welfare clause interpretation that mocks the Founders' attempt to strictly limit Government power.

Probably the most important standard lost in the 20th century has been that for life. Our laws permit men to become wealthy through killing the unborn any time prior to birth and yet we imprison and threaten youngsters who throw away their minute-old newborns with death sentences. The only debate is whether we should pay the abortionist or call the police if someone performs a partial birth abortion. If we are not able to set a standard for life any better than this, we cannot be optimistic about our future.

Those who expressed concerns about this 20 years ago received ridicule when they suggested it would lead to euthanasia. Medical care is now an economic function of the state, and the current standards for life have deteriorated. I fear the trend for economic justification for killing the elderly and the infirm will continue.

Without a strict adherence to a standard for life, we cannot expect much respect for liberty and property. Privacy seems to be a thing of the past, and confiscation of property without due process of law is a common, everyday occurrence.

Since 1971, we have had no standard for our money, and in spite of the dollar's serving as the world reserve currency, it does so at great peril to all Americans. A monetary unit without definition, endlessly created by a secret central bank, will play havoc someday with the world financial system. Time will tell.

The age of relative ethics and central planning of our entire educational system has produced a generation of youngsters unable to read or spell. More Goals 2000 will do nothing to help our children. Centralized control over education always enhances the power of the state and undermines liberty.

One of the most important standards lost in this century has been that for liberty. The acceptance that liberty is composed of two separate elements, economic and personal, has done untold harm to our system. The fact that commercial speech receives no first amendment protection is baffling. Some of the best defenders of the first amendment are the greatest enemies of economic liberty and voluntary contracts. It is now strange to propose that voluntary economic transactions deserve the same protection under the law as personal, social, and religious associations. The divorce between economic and personal liberty must be reconciled if we ever expect to make a strong stand for a free society.

The welfare ethic has replaced the work ethic. This applies to corporate America, middle-class America, and the poor. Respect for work, savings, and investments and no government hindrance is required to have once again strong economic growth and a rising standard of living for all Americans.

Centralizing power and consistently expanding the role of the Government require an army of bureaucrats and a taxing authority upon which a police state thrives. There are over 100 laws on the books permitting private property seizure without due process of law. We have made it easy to seize any property by absurdly claiming the property itself committed the crime. The RICO mentality relating to law enforcement permits even the casual bystander to suffer severely from the police state mentality.

The drug war hysteria and the war on gun ownership started by Roosevelt in 1934 have expanded Federal police power to the point that more than 10 percent of all of our police are Federal. The Constitution names but three Federal crimes, so where is the justification? Talk about swarms of officers to harass our people and eat out their substance. We have hovering over us daily the Federal police from the EPA, OSHA, FBI, CIA, DEA, EEOC, ADA, F&WL, INS, BATF, and worst of all, the IRS. Even criticizing the IRS makes me cringe that it might precipitate an audit. It seems that all administrations, to some degree, used the power of the agencies to reward or punish financial backers or political enemies.

So much that had its origin in the 1930's, it was then that the FBI's role changed from friendly investigator helping local authorities to that of national police force.

We live in an age where the fear of an IRS registered letter bearing news of an audit surpasses the fear of a street mugging. The police are supposed to be our friend and the Federal Government the guarantor of our liberties. Ask the blacks in the inner city of Los Angeles if they trust the police and revere the FBI and the CIA. We should not have to cringe when a Federal agent appears at the door of our business. We should not even see them there.

A Congress sworn to uphold the Constitution ought to be protecting our right to our property, not confiscating it. Congress ought to protect our right to own a weapon of self-defense, not systematically and viciously attacking that right. Congress ought to guarantee all voluntary association, not regulate and dictate every economic transaction. We should not allow Congress to give credence to inane politically correct rules generated by egalitarian misfits. Setting quotas ought to insult each of us.

We need no more centralized police efforts. We need no more wiretaps that have become epidemic in this last decade. We have had enough Wacos and Ruby Ridges.

The foreign policy resulting from the philosophy that promotes welfarism is

one of militarism and foreign interventionism. The Constitution does not permit the use of force to mold the internal affairs of other nations and involve ourselves in all worldwide conflicts. Creating a weapons industry and subsidizing international sales are not only forms of welfare, they distort the entire notion of providing for the national defense. It should surprise no one that our foreign policy is up for sale at election time. Our 20th century intervention in foreign policy supported by blind bipartisanship and based on the principle of using force in dealing with other nations threatens our security and challenges U.S. sovereignty.

The march toward internationalism endorses both unilateral and multilateral use of foreign aid. Now we find bipartisan agreement on the three legs upon which the New World Order stand: the World Bank, the IMF, and the newly created World Trade Organization. Many believe we are rushing toward the dream of the 20th century internationalists who earnestly seek a single-world government.

The demise of the Soviet Union system has permitted astounding advances for the promoters of internationalism. But the smooth sailing they all had hoped for is not yet evident. The expansion of NATO into Eastern Europe is being met with strong Russian objections. This will prove to be less significant due to Russia's military and economic decline than what it does to the current rapidly expanding Islamic fundamentalist movement. Islamic nations are gaining access to Soviet conventional and nuclear weapons, a fact frequently ignored by the media and our political leaders.

A huge void occurred with the demise of the Soviet system and is being rapidly filled by NATO moving east, and Islamic fundamentalism moving north.

Although our pro-Israel policy is designed to thwart any Arab challenge in the Middle East, Islamic fundamentalism is a far different animal than secular Arab nations friendly to the West.

□ 1630

Our policy has actually worked perversely, fueling the rise of Islamic fundamentalism, undermining moderate secularism, and in the long term, may possibly even jeopardize Israel's security. The rise of Islamic fundamentalism in Turkey, Algeria, and Saudi Arabia as well as many other nations in the Middle East cannot be ignored.

A recent major revelation should alert us to grave danger in the region. Iran, acting as an economic ally to Iraq, defied United States and U.N. sanctions by selling Iraq's oil. This signals the possibility of a reconciliation between the two countries, and in the next Persian Gulf conflict it will make United States intervention much more costly.

Some would argue that as the chance of major military conflict grows over Mideast oil, it justifies even more U.S. involvement. It should be clear to those who study the issue, though, that the United States' policies have incited the anti-Western sentiment of the radicals.

The sooner we establish a policy of neutrality, advocated by the founders of this country as well as the political parties and Presidents prior to the 20th century, the better. It would be a lot wiser policy than the one we are following today.

The Islamic people have long memories, and it is not only the U.S. they resent. Virtually thousands of years of European interference is clearly on their minds. The sooner we mind our own business, the better. The last Persian Gulf conflict now turns out to be much more costly than first believed, considering evidence of thousands suffering from the Persian Gulf war syndrome. It will look cheap, though, compared to the costs of the next conflict.

Our interventionist foreign policy, like our domestic welfare policy, rests on a flawed philosophy of government. It will contribute significantly to our financial bankruptcy and, tragically, at the same time, expose us to war we do not need nor can we afford.

If there is no fundamental philosophic change in the role of government, we will continue on a course not favorable for liberty and detrimental to our prosperity. Domestic and foreign deficits will continue to increase. Trade wars will ensue as GATT and WTO expand their role as the special agents in trade warfare. Inflation will accelerate, and the standard of living of all Americans will decline. The moderate friction we all feel now will spread and political frustration will not go away.

Dividing a shrinking economic pie will not occur with grace and tolerance. The vultures will become more aggressive, and the efficient lobbyists will become a hot commodity as the carcass of free-market capitalism gives way to the uncontrolled demands of welfarism and militarism. The conventional ethics problems that engage the Congress will worsen while we ignore the real ethics problem of welfare redistribution through force.

A lot of good intentions have brought us to our bankruptcy, but more good intentions cannot hide deceitful and immoral principles of government. The aggressive nature of welfarism must be exposed for what it is, if we expect to answer the question of what to do when the welfare state crumbles. Claiming theft is benevolent if done through the tax code has brought us to today's impending crisis. A clearer moral understanding of the nature of welfare must surface.

Bad ideas cannot become worthwhile by good intentions. The pragmatism of interventionism cannot replace the rule of law that the Constitution gives us. Respect, once again, must be given to the limitation of government power that permeates this document.

Good intentions do a great deal of harm because they soften the opposition and make the proposals appear humanitarian. With man's imperfection, mistakes inevitably happen, making bureaucratic and political decisions dangerous to the many instead of the few. Planners cannot know the personal desires of the people. Governments cannot protect citizens from themselves without enslaving the whole Nation.

Planning requires government force, backed by government guns, and by its very nature is inefficient, wasteful, breeds fraud, and precipitates anger. Lobbying and campaign reform will not solve the conflict-of-interest problem. It will only drive the evildoers underground. The real problem with political corruption is that government has so much power and influence in every aspect of our economic lives, and it does pay to influence government officials.

If we do have problems, how serious are they and what should we do about them? Few will agree we have no problems at all. For those who do, they can just ignore the entire situation. Most of us who find ourselves in the Congress get here talking about conditions that are unsatisfactory and need changing. No correct answers can be given if the pertinent questions are not asked.

First, are our problems due to mismanagement, waste and fraud, or do they stem from a flawed notion about what the role for government ought to be? I believe our problems are a result of a flawed notion regarding government. The waste and fraud argument only distracts from the serious consideration about what the proper role for government ought to be.

Our founders profoundly believed government's role was to protect liberty, and the Constitution explains precisely the powers the people granted to the Government. The counter-revolution to this noble experiment, unlike most counter-revolutions, did not immediately follow our establishing independence from Britain. It occurred this century, gradually and without military conflict. The evolution of the welfare state subtly and steadily undermined the principle of private property, free markets, and sound money, and has brought us to the brink of bankruptcy.

Most Americans, if asked, would agree they would prefer to live in a free society over a socialist or a planned society, yet most continue to endorse the principle of government intervention in personal and economic affairs, a principle that has become acceptable this century, while replacing the principle of a free society the Constitution was designed to protect.

Many Americans want to have it both ways, forgetting intervention requires sacrifice of liberty, breeds waste and fraud, invites debt, diminishes productivity, encourages unfulfilled commitments, and ultimately precipitates bankruptcy.

We will be forced to recommit ourselves to a different philosophy of government if we want to live in a free society. Perpetuating a bankrupt welfare state requires more and more authoritarianism with no chance of paying the bills and with a continuing erosion of our standard of living. The looming financial crisis will not quietly go away.

Soviet socialism disintegrated after years of poor economic conditions and a tyrannical government. We need not put ourselves through that. The duration of a diminishing standard of living and a growing police state could go on for a long time if we do not recommit ourselves to the fundamental principles upon which freedom depends. If the prevailing principle that now is generally accepted by the majority in the U.S. Congress is not challenged, reversal of today's trend is impossible.

The prevailing moral principle of the 20th century that stole the revolution is simply: The government has been granted the arbitrary use of force to bring about social and economic changes.

Knowing the full meaning of this reveals a monstrous notion. It is this idea that permits today's programs of taxing, spending, regulating, confiscating, militarizing, harassing, policing, instructing, controlling, borrowing, inflating, moralizing, and meddling, while integrating government into every aspect of our lives; all done, of course, in the name of doing good. If the founders of this country are watching, they are surely embarrassed. What they fought for we have frittered away.

I am optimistic, though, enough to believe that most Americans truly want to live in a free society. The numbers are rapidly growing, especially since the handwriting is on the wall and the government largesse is coming to an end. The message of liberty appeals especially to the younger generations, since they increasingly see themselves as the victims of a bankrupt welfare state that may smoulder for a long time.

What principle must we accept if the welfare principle is to be replaced? The same one the founders followed in writing the Constitution: The Government does not have the moral authority to use force to mold society or the economy, nor does any person have this authority.

Government's role is to restrain force when individuals violate the rights of others, which means no robbing or killing and breaking of one's contract. Molding behavior and regulating the economy, even if well-motivated, are not permissible in a free society. The problem with the idea that a little socialism or a little welfare is needed is that once the moral principle upon which welfare depends is conceded to any degree, there is no moral argument for limitations. Politicians trading votes and lobbyists earning a top-notch living will then determine the limits. Limitations will only come when the funds disappear, precipitating anger, frustration, and sacrifice of personal liberty.

It has been said that the art of politics is compromise, and on the important issues, bipartisanship is crucial. If one group wants $30 billion for a welfare program and the other wants $20 billion, both will settle for $25 billion. That is no compromise, that is a total victory for those who endorse force and taxation to redistribute wealth. Those arguing for less achieve nothing because they concede the authority to the State to rob Peter to pay Paul. Yes, a little less, but so what. If we come up short before the fiscal year end, a supplemental appropriation will pass to make up the difference. That is compromise?

Compromise has a good name, but there are and must be political absolutes regarding the role for government. Otherwise there are no limits to spending and deficits. Some argue there are only gray areas in politics, and only compromise will permit workable solutions. Surely there should be no compromise on murder, theft, and fraud. These should be either illegal or not.

The promoters of welfare endlessly use the compromise argument to soften the opposition. Compromise sounds so gentlemanly and compassionate. In reality, those arguing for slightly less have conceded the entire argument to the welfarists that government has the authority in the first place to promote forced redistribution. Right and wrong should be argued, just as right and wrong are argued on murder and theft.

The record is clear that the compromise approach has been very successful for the welfare state. The spending is endless and deficits persist, while demands continue to grow.

Simply put, government, even through congressional legislation, has no moral right to steal. It is wrong and the Constitution prohibits it. Compromise with welfare proposals will be no more successful than the Missouri Compromise was in solving the slavery question.

A society that condones government violence and forced redistribution of wealth while attacking the right of its citizens to defend themselves against violence must by its very nature accept authoritarianism as a way of life. This will lead to severe unwanted violence on a grand scale, since the use of violence has been accepted as a proper government function. Tragically, the only defense eventually will be for the people to counter it with their own force.

The purpose of politics is simple but profound: It is to achieve liberty, unless one wants authoritarianism. Why should we have liberty? A society honoring individual liberty permits the best hope for mankind to achieve progress in all that we do. Achieving excellence, virtue, happiness, spiritual well-being, economic security, and mental satisfaction can best be accomplished through voluntary means, available only in a free society.

We must agree on the ground rules that the people have established with the Government. The Constitution, although now generally dismissed, provides that contract between the people and the Government. Although imperfect without the agreement, and that is essentially what we have today, we see the anarchy of special interest government in a desperate effort to satisfy their demand as bankruptcy draws near. Street muggings to transfer wealth are morally comparable to an IRS mugging used to separate a citizen from his hard-earned cash. Splitting the difference on an appropriations bill will do nothing to solve our problems. It will only make them worse by perpetuating an immoral system.

The key to the Constitution working is our acceptance of the premise laid down by Jefferson: ''All men are endowed by their Creator with certain unalienable rights.'' Rights, being natural or God-given, are the only moral alternative to the secular humanists who finds violence a proper tool to promote the authoritarian agenda through government monopoly education.

As our national bankruptcy unravels and we lose confidence in the dollar, more and more Americans want real answers to our problems. We will not find these answers in tinkering with the present system. That will only delay the inevitable and further inflate the financial bubble.

As this becomes more evident, expect more Americans to look toward liberty and away from tyranny. A growing army of Americans is once again being introduced to the principles of liberty, and they like what they see. America can remain the bastion of liberty and peace, and it need not be a painful decision. Freedom requires no sacrifice. If any suffering comes, it must be laid at the doorstep of those who have excessively spent, regulated, and taxed.

Restoring liberty, eliminating taxes, releasing our creative energy from the chains of big government bureaucrats, and permitting people to keep their earnings guarantee a prosperity and security not yet known to man. Self-respect and natural pride would follow.

The liberty bridge to the 20th century is the bridge I hope we use, not the one offered to us and built by the status quo. I plan, with many others, to work to build the liberty bridge.

A FAIR HEARING ON GUAM

The SPEAKER pro tempore (Mr. GIBBONS). Under the Speaker's announced policy of January 7, 1997, the gentleman from Guam [Mr. UNDERWOOD] is recognized for 60 minutes.

Mr. UNDERWOOD. Mr. Speaker, I take this opportunity to tell a story about Guam and its quest for political dignity in the context of recent stories about fundraising, some trends in the Asian region regarding the strategic utilization of Guam and the aspirations