The Fair Pay Act, like the AEPA or the Equal Pay Act, the historic landmark statute that we passed in 1963, will root out the discrimination I am after without tampering with the market system. A woman may file a discrimination claim, but as in all discrimination cases, she must prove that the gap between herself and a male co-worker doing comparable work is discrimination and no other reason such as, first and foremost, legitimate market factors. Gender is not a legitimate market factor.

Mr. Speaker may I inquire how much time I have remaining?

The SPEAKER pro tempore (Mr. BOB SCHAFFER of Colorado). The gentlewoman from the District of Columbia (Ms. NORTON) has 3 minutes remaining.

Ms. NORTON. Mr. Speaker, I would like to use my remaining time to thank the gentleman from Kentucky (Mr. ROGERS) chairman of the Subcommittee on Commerce, Justice, State, and Judiciary of the Committee on Appropriations. I appeared before him to seek an increase for the Equal Employment Opportunity Commission. I had twice sought such an increase, and have once gotten one on the floor with the gentleman from North Carolina (Mr. WATT) as the cosponsor. And, again, as chair of the Women's Caucus, when we sent a letter the chairman had been responsive to us.

This year I tried a different approach and said to Chairman Rogers that I sought support for the President's call for a $37 million increase for the EEOC, which has a serious backlog and runs backlogs every year, but I sought it in a different way, in a way that would keep the EEOC from coming back for annual increases. I raise this now because the EEOC is vitally important to women. Pay equity, sexual discrimination, pregnancy discrimination, job discrimination comes through its doors and through its complaint process.

We had an extraordinary case, the Mitsubishi case here, involving virtually pornographic, outrageous actions by male co-workers, and the whole Women's Caucus got involved. Essentially what I said to the gentleman from Kentucky is that I would like to have the EEOC do something comparable to what I tried to leave in place when I was at the EEOC, which was a system of alternative dispute resolution, a way that processes cases rapidly, using settlement techniques, and a way that I found also increased the awards to women because after a woman has remained in the system for 2 years, she is likely to get no award at all because the evidence falls away. If she settles, she gets often some money, assuming the case is worthy.

Chairman Rogers was intrigued by the notion that EEOC might not come back every year if they got an increase this time, and put in place structural changes that would then last for some considerable number of years.

□ 2015

That is what happened when I was at EEOC. I said, forget this increase. You will not see me again.

I was at the EEOC for 4 years. I never came back on increase. I put in place something called rapid charge processing. We brought the average time of processing an individual charge from 2 years to 2½ months and raised the remedy rate from 14 percent to 43 percent using settlement techniques that are commonly used to resolve cases in the court system.

Chairman ROGERS said, show me a plan. And perhaps if we can tie the President's request for an increase to a plan, that would mean that the EEOC would have to show structural changes and not come back for annual increases. Perhaps he would look more closely at this substantial increase for the EEOC. I thank the chairman for looking closely at my proposal.

When I came to the EEOC, it was known primarily for a backlog of 125,000 cases. We got rid of most of that backlog before I left the agency in about 3 years' time.

I raise the case of EEOC not only because I am a former chair, but because I believe not only in quality, I believe in equity and efficiency. And I think those of us that are for equality had better stand for efficiency or we are not going to get equality. The best way to go about cases is to try and work them out. Then they deter employers and then there is a win-win for everyone.

Mr. Speaker, I remind this body that I have been speaking here this evening not for myself but for 50 women in this House, some of whom will embrace some of what I have to say, all of whom who stand for fairness and equality for women during Women's History Month.

FEDERAL BUDGET

The SPEAKER pro tempore (Mr. LEWIS of Kentucky). Under the Speaker's announced policy of January 7, 1997, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 60 minutes as the designee of the majority leader.

Mr. GUTKNECHT. Mr. Speaker, I have joining me tonight my distinguished colleague, the gentleman from the State of Arizona (Mr. HAYWORTH). We are going to talk for a good portion of our allotted time tonight about the Federal budget and principally about where we were just 3½ years ago, where we are today, and a little bit about where I think we should go.

First of all, if I could before I yield to my friend, I would like to talk a little bit about what was happening back not so many years ago. This is a chart that anybody, and any of the Members who watch us on C-SPAN from time to time, I am sure have seen. This is a chart that was put together by our colleague, the gentleman from Wisconsin (Mr. NEUMANN). What it shows is the budget deficit. This actually is the debt. The accumulated debt was growing out of control.

In fact, there was a study by, I believe, the Congressional Budget Office, done just a few years ago, that said that if Congress did not get serious about this problem, by the time our children reached middle-age they could be paying a total tax rate of over 80 percent just to pay the interest on the national debt.

I tell the people back home and sometimes they have trouble believing this, which does not surprise me because I have difficulty believing this as well, that the debt has become so large. But right now the debt is $5.5 trillion.

And one of our other colleagues has done some calculations to try and explain how much a trillion dollars is; and the way he describes it is this, and I believe his numbers are accurate, that if you spent a million dollars a day every single day, it would take you 2,700 years to spend a trillion dollars.

Previous Congresses have run up almost $5.5 trillion worth of debt that our kids are going to be responsible for. And worse than that, we have to pay the interest on that; that is like an entitlement, and it becomes the second or third largest single entry in the Federal budget.

I tell people, as I say, back in my district that every single dollar of personal income taxes collected west of the Mississippi River now goes to pay the interest on the national debt. That is a very scary statistic. And I also remind people, and particularly where I come from back in Minnesota we still have an awful lot of farm families; in fact, many of the people who live in the cities like Rochester and Mankato and Winona and Austin and Albert Lea, they also understand that because many of them are no more than one generation removed from the farm.

But the American dream back in farm country is, very simply, to pay off the mortgage and leave the kids the farm. But, unfortunately, what has been happening over the last 30 years is that Congress has literally been selling the farm and leaving the kids the mortgage. I think we all know that there is something fundamentally improper about that.

Mr. Speaker, at this point, I would like to yield to my colleague, the gentleman from Arizona (Mr. HAYWORTH). It is nice to have him with me today.

Mr. HAYWORTH. I thank my colleague from Minnesota for yielding. Mr. Speaker, it is good to join him coast to coast and beyond through the facilities of C-SPAN.

There are many different ways to examine this debt. Mr. Speaker, lest there are those who join us who believe this is simply a statistical argument, I would urge them to think again. Because, as my colleague from Minnesota points out, this translates to a mortgage on the future of our children.

A lot of things have changed in the 3 years since a new common-sense, conservative Congress came to town. I can

remember the almost dark humor that was employed that surrounded an item that each of us receive here in the Congress of the United States. It is our voting card. And the joke, which really was not so funny, that went along with this voting card went as follows:

The people here in Washington, inside the Beltway, said, oh, well, you now have the world's most expensive charge card because when you received your copy as a Member of Congress, it came with a debt in excess of $5 trillion.

My colleague from Minnesota broke it down for us, in fact, using figures that indeed came from the President's budgeteers, to his credit. He asked us to predict budgets into the future as this town was still held in the grip of a tax-and-spend philosophy; and it was the President's own budgeteers who told us if we did nothing but continue the cycle of debt and deficit and taxing and spending, then all our children could look forward to a future in which they would surrender in excess of 80 percent of their income to taxation.

So what we have to remember is that this debt does not deal with the whole batch of zeros attached to a large number; it is not something for the green eye shades or the new fancy calculators, but instead is something that families have to deal with.

What do I mean by that? My colleague from Minnesota, who has had a versatile time in the real world before coming to Congress, is a gentleman who worked as an auctioneer. He understands the challenge of family farmers and what goes on on the family farm in his district of Minnesota.

I represent a district in square mileage about the size of the Commonwealth of Pennsylvania, incredibly diverse from metropolitan Phoenix to suburban Scottsdale and Mesa, and then around rural areas from the small town of Franklin in southern Greenlee County, north to four corners of the Navajo Nation, west to Flagstaff and south again to Florence, there is incredible diversity. But all those diverse areas are held together by some basic economic truths, and those truths, among them centrally is this notion that as we move to reduce the deficit and, ergo, the national debt, as we move to fiscal sanity, we help families.

What do I mean? Well, my colleague from Minnesota is well aware of the appearance a couple years ago of Alan Greenspan, the chairman of the Federal Reserve, who projected what it meant to balance our Federal budget, as we now have done. He said that would mean a reduction basically of 2 full percentage points in interest rates.

Now stop and think, Mr. Speaker, and all my colleagues who deal with paying the family mortgage or paying off a loan on a family car or paying a student loan, think what a reduction in interest rates of 2 points means, especially on a 30-year mortgage. We are talking about thousands of dollars.

On a car loan over a span of 5 years, we are talking hundreds of dollars. And that money makes a difference. Because, in essence, what we pay, if you will, as we continue to generate deficits and have that large national debt is in essence a debt tax.

But my colleague from Minnesota who joined me here in the well of the House, as a Member of the new common-sense, conservative Congress in January of 1995, is well aware of what has transpired and the progress we have made. When we took office on that day back in 1995, the budgeteers in this town were saying that the annual deficit in the year 2002 would be some $320 billion. Today those self-same budgeteers say now, in the year 2002 there will be a surplus of at least, at least, $32 billion. Imagine what that means to the American people.

Again, my good friend from Minnesota has the figures, but more than that, has the stories of the American people and the folks in his district who are coming to grips with this and, by extension, how Washington is coming to grips with this challenge.

Mr. GUTKNECHT. Mr. Speaker, reclaiming my time, I appreciate the point that my colleague has made, because I think sometimes when we talk about $5.5 trillion and $1.7 trillion and all of this interest and all of these numbers and all of these statistics, I think sometimes people do sort of tune out and they say, well, you know, that is green-eye-shade accounting stuff and it does not really matter in my life. But the point I make is that the debate about balancing the budget, the debate about ultimately paying off that national debt is really a debate about what kind of a future we are going to leave to our kids. I mean, is it going to be a future of hope, growth, and opportunity, or is it going to be a future of debt and dependency?

We have made some real progress. I want to talk a little more accounting talk about what this really means, because sometimes it is hard and you have to almost break this down.

What does $5.5 trillion in debt mean? If you divide that up by the number of Americans, 270 million Americans in this country, it works out to over $20,000 for every man, woman, and child.

My wife Mary and I have 3 children. If we multiply our family of 5, that means we have a debt hanging over our heads larger than the mortgage on our home. Now, we might say, well, but we do not have to pay that. Yes, we do. The interest has to be paid.

Last year we paid an average of about 7 percent interest on that national debt. Break that down and it works out to about $7,000 per family in interest that has to be paid. And people say, well, I do not pay $7,000 in Federal income tax. The average family may not pay that much. But one way or another, that has to be paid. And much of that is hidden in the price of the products that we pay.

For example, a grocer buys a loaf of bread; whatever he pays for the bread, he has got some costs. He has got to pay salaries and he has got to pay overhead, but he also has to pay taxes. And hidden in the price of that loaf of bread when the consumer ultimately goes there and buys it for his family is the price of this interest bill that has to be paid. And that is distributed all through the economy because there is one debt that has to be paid. We have to finance that debt.

So what we are really talking about, for the average family, the interest on the national debt equals about the average family's house payment. And as the gentleman has indicated, if we began to use some fiscal restraint, if we began to do the things that I think the American people really want us to do, the good news is not only do you preserve a better future for our kids, but we are starting to see the benefits right now.

Real interest rates in the United States since we came to Congress have dropped by 25 percent. And we believe that they can drop more. Now that is perhaps the best tax cut we could ever give the American family because it affects their car payments, it affects their house payments, it affects how much that grocer has to pay, it affects everything.

So we came here and there was some serious problems. And I will never forget a farmer in my district, and I think sometimes farmers make wonderful philosophers, and we were talking about this debt and we were talking about taxation and the old suggestion or the old policy in terms of balancing the budget was, I know, we will just raise taxes. But if raising taxes had been the solution, we would have had a balanced budget long ago. My colleague is a little younger than I am, but when I was a kid growing up, my parents could raise 3 boys on 1 paycheck and part of the reason they could do that was because the average family in America sent about 4 percent of their gross income to the Federal Government. Today that number is almost 25 percent. And when we add total taxes, when we add State, Federal, and local taxes all together, the average family spends more for taxes than they do for food, clothing, and shelter combined.

There was a conversation going on here on the floor of the House earlier about why so many women have joined the work force. The truth of the matter is, a lot of moms have had to leave their families and go to work just to pay the taxes. And this old farmer in my district, and he said it so well, he said, ''You know, Gil, you know the problem is not that we don't send enough money into Washington. The problem is that Washington spends it faster than we can send it in.''

□ 2030

I thought, what a brilliant way to say it. The problem is that Washington continues, no matter how much money the American people were sending in to

Washington, they always spent more. I do have some numbers. I used to have a chart, I have a chart somewhere. It is on my web site so if people want to look it up. But this is a great statistic. In the 20 years previous to our coming here, Congress spent on average a $1.21 for every dollar it took in. It really did not matter what the tax rates were. Taxes went up a little bit, then they went down a little during the Reagan revolution. But Congress tended to spend an average of $1.21 for every dollar it took in. That is the bad news.

The good news is since we came to Congress, that number has dropped to $1.01. This year we will actually for the first time, in fact the Congressional Budget Office tells us we will actually take in more than we spend for the first time since I was in high school. That was in 1969. We believe that if we continue that kind of fiscal discipline we will talk a little more about what that has meant and what we have done since we came here; frankly, what we got beat up for in the last election.

Do you remember the discussion? I am sure they ran many of the same ads against the gentleman from Arizona that they did against me, saying they were going to throw grandma out in the street, that the school lunch program would stop, that Medicare is going to be destroyed and all these things are just going to come to a screeching halt. And guess what? It was not true. We did make some serious changes, though. We did reform the welfare system. We need to talk a little bit about welfare too, I think, tonight, the good news about welfare reform, and of course it has saved money. It has saved a little money to the Federal Government, it has saved a lot of money for the States.

The reason is welfare rolls around the United States have dropped dramatically. That is partly because of our reform and it is partly because of a stronger economy, and frankly I think the two work hand in hand. But because of what we did, because of the welfare reform and because of that stronger economy, the really good news is this, not just that we are saving money but 2.2 million American families who were on the welfare rolls have now moved onto payrolls.

I want to share a story tonight if I could. I was at a school in my district, we were talking to some of the teachers. We talked about title 1, we talked about title 3, we talked about some of the other school problems. Finally, one of the teachers said, ''Of all the things you guys have done, the single most important I think is this welfare reform.'' I said, ''Really? Why do you say that?'' She said, ''Let me tell you a story about a little boy in my classroom.'' She said, ''Let's call him Johnny.'' All of a sudden Johnny started to behave better. He had a better attitude. He was a better student. He was a better kid in every respect. Finally the teacher said, ''Johnny, is there something different at your house?'' The little boy said, ''Yeah, my dad got a job.'' It is easy for some of us who have had at least one job since we were 15, as a matter of fact during a lot of my lifetime I have had two jobs. It is easy for us to sometimes forget that a job is more than the way you earn your living. A job helps to define your very life.

We have given a certain number of American families just a little nudge and moved them off the welfare rolls and onto payrolls. As I told people, the real goal of welfare reform was not so much to save money but it was to save people. It was about saving families. It was about saving children from one more generation of dependency and despair. That is just one area we have reformed. We have reformed Medicare and other things.

I yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank the gentleman from Minnesota. I do not believe too much can be said about what welfare reform means. I think part of it, the gentleman talked about some of the static, if you will, and the disagreement in terms of public policy and, to be diplomatic, the efforts by some within the liberal community to paint a false contrast of caring. But, Mr. Speaker, the true measure of compassion and caring is not the number of people added to the welfare rolls. Quite the contrary, it is the number of people who are able to leave to become gainfully employed, to take pride in themselves, pride in their endeavors and as my colleague from Minnesota points out, there is no greater social program than a job, a job where people can work to earn a decent wage, to have pride in themselves, to have a portion of the productivity and the fruits of their labor, and it does wonders. That is what is vitally important.

So your teacher in the district had it absolutely right. That is what I hear in many parts of the Sixth District, that work makes all the difference in the world. What we have seen is a change in attitude. We have changed the paradigm, in that buzzspeak of the late 1990s, to take a different outlook.

In my district, in the town of Holbrook, a lady named Pee Wee Maestas told the same story, how she privately would invite the young unwed mothers of her town to come to work at her small restaurant, to have a chance to work before there was this official welfare reform, and inevitably she told me nine times out of 10 the call would come from one of the young ladies about 3 weeks into her work program. The call would come, ''Gee, Pee Wee, I really appreciate what you're doing for me, but, you see, the government pays me more to stay at home and do nothing than to come down and get a job.''

What we have done is to change that thinking, turn that paradigm around, say there is value in work, there is pride in performance, and as we measure the true barometer of compassion, it is found in gainful employment, where it was said by one of our dear friends from Texas in the other body, ensuring that yes, there is a safety net but that that safety net does not become a hammock.

Mr. GUTKNECHT. I think that is the wonderful thing. It is not just about welfare reform. It is also about Medicare reform. In fact, most Americans are not aware, again I am on the Committee on the Budget, the gentleman from Arizona is on the Committee on Ways and Means. Sometimes we risk sounding like accountants, but I think sometimes numbers do illustrate very powerful points. Something most Americans do not know and we need to remind them as often as we can, that 53 percent of the Federal budget is what we call entitlements; in other words, things that have to be paid, Medicare, Medicaid, Social Security, welfare. Those are the 4 largest entitlements, 53 percent. That had pretty much been put on autopilot. That happened in Congress back in about 1975.

The important thing this Congress did when we came here is we said, ''We've got to get control of entitlements. Because if we don't control entitlements, they're going to eat us alive.'' Entitlements were growing at something like 10 percent per year at a time inflation was only going up 3 percent. This is where we had some very pivotal fights here on this floor and ultimately I think that were played out in many districts around the United States in the last congressional elections where there were ads run that said, you know, if so and so has their way, kids are not going to get school lunch and if so and so has their way kids are going to get thrown out in the streets and Medicare is going to, quote, wither on the vine, which was, I was going to say deceptive, but it was downright dishonest.

The truth of the matter is what we did is we slowed the rate of growth of those entitlements, we have dramatically slowed the rate of growth. We have encouraged work, we have encouraged personal responsibility. Even more important than that, we have encouraged families to stay together. The good news is it is working. It is working in part because of the kind of faith that Ronald Reagan had in the system and in the American people. He believed that if you give them just a modest amount of incentive to do the right things; in other words, lower the capital gains tax rates by 30 percent, which we did, you will encourage people to invest and save for their future. When they do that, it means there is more capital to expand businesses. It makes it more opportunity for all Americans. If you give people a little incentive to get out and work, people will work. People want to work. The real tragedy of American compassion was we had been so compassionate that we have destroyed people's initiative, their sense of personal responsibility, and their desire to build a better life on their own.

I want to come back to a couple of more charts and if we can, I want to talk a little bit about why the American people I think sometimes distrust what is happening here in Washington. Sometimes I say to myself, why should they not distrust it because there have been so many broken promises. Let us give one example.

Remember in 1987 we had the Gramm–Rudman bill. The Gramm–Rudman fix is this blue line right here. Basically they said we will use budget mechanisms to slow the rate of growth in Federal spending and by 1993 we will balance the budget. That is the blue line. Here is what really happened. The reason of course is Congress did not have the courage to face some of those interest groups, to slow the rate of growth of entitlement spending, to eliminate Federal programs as we have, and we will talk a little bit about that as well. And so as a result, we had the Gramm–Rudman fix but all we got was a broken promise.

But down here, what has really happened since 1994 we see, the elections of 1994. This is what our plan was, to balance the budget. It was not a perfectly straight line. We had a 7-year plan to balance the budget. Here is where we are. In fact, we have a balanced budget today.

How has that happened? A couple of things have happened. Most Americans know that at least on the revenue side because we have had a stronger economy, because interest rates have gone down, there is more consumer confidence, there is more confidence on Main Street, there is more confidence on Wall Street, the economy is stronger.

Everybody knows that we have taken in more revenue than we expected in our original 7-year balanced budget plan. What most Americans do not know is we have actually spent $50 billion less than we said we were going to spend in the summer of 1995, when we passed that 7-year balanced budget plan. Frankly, I cannot blame the American people for not knowing that because the truth of the matter is most Members of Congress do not know that, that we have slowed the rate of growth that much in entitlements plus we have eliminated over 300 programs.

I tease people sometimes. I say, ''How is your coffee today?'' They say, ''well, it tasted like it always does.'' I said, ''Well, that's interesting. We eliminated the Coffee Tasters Commission.'' We eliminated a lot of commissions. We eliminated a lot of needless government. We have folded a number of programs together. There is so much more to be done. The truth of the matter is the more you get inside the budget, the more you realize there is still an enormous amount of duplication, of waste, of fat in this budget, but we have made enormous progress. We have dramatically slowed, in fact we have cut the rate of growth in spending almost in half. You combine that with a stronger economy and it is relatively easy to balance the budget.

Mr. HAYWORTH. I think what the gentleman says bears repetition, because there is a tendency in our fast food, perishable throwaway society to forget some events that make up if not current events, then rather recent history. While there were many—it was interesting, the paradox at work in 1996 in the 104th Congress. There were those who attempted to paint what ultimately turned out to be an inaccurate picture for political reasons. There were others who were champions of the conservative cause who said, ''You haven't gone far enough, New Majority,'' and we understood and sympathized with that point of view. Yet even with the challenges confronted within our constitutional republic and our unique system of government, still what we were able to do was to reverse for the first time in the postwar era the notion of constant growth of government, not only the elimination of more than 300 wasteful and duplicative programs and boards of absurdity, if you will, such as the Coffee Tasters Commission, but also in the process holding on and refusing to spend some $54 billion.

That is something that cannot be overemphasized, because what that signaled to Main Street, to Wall Street, to our friends internationally and most importantly to the American people, although sometimes it gets lost in the context, was a willingness to say that government has grown too large, it has continued to grow out of control, we are going to rein in the growth of spending for spending sake. We are going to have controlled growth in a variety of areas where growth is not a bad thing and we are going to cut it out in those areas where we can, to eliminate the waste and fraud that had been so much a part.

Please do not misunderstand me, Mr. Speaker. There is still a long way to go. But that pivotal step in the 104th Congress amidst all the wailing and gnashing of teeth, amidst the, shall we say, inaccurate political ads that littered the landscape, made a key difference. There is no escaping that fact. Indeed, as we look back to the changes that brought us to where we are today, I believe it can be argued that the strong hand of fiscal sanity from this, the legislative branch, helped the American worker succeed and helped show Main Street, Wall Street and everyone on every street the seriousness of our endeavor and that words were backed up with actions.

Mr. GUTKNECHT. I just want to remind my colleagues or people who are listening that the information we have has all been scored by the Congressional Budget Office and is available to them. We are happy to share it with any of our colleagues. I just want to come back to that very important number, that for the 20 years previous to our coming here to Washington, for every dollar that Washington took in, it spent an average of $1.21. Now last year it was $1.01. This year we will actually have for the first time a surplus. Frankly, I believe the surplus is going to be much larger than the Congressional Budget Office says it is.

□ 2045

And it has happened, hatched through a combination of efforts. It has happened because we have had the courage to eliminate programs, we have had the courage to fold programs together, we have had the courage to tackle those entitlements, to reform welfare, to reform Medicare, to reform Medicaid and begin to put back on a commonsense course what I think the American people have wanted the Congress to do for so many years.

In some respects it is, you know, those of us in Washington and those of us with election certificates sometimes want to take more credit than perhaps we really deserve. The credit really does go to the American people. They have been way out in front of the Congress for so many years. They understand.

You know the average family, this is another thing that I find when I talk to regular folks, how they balance their budgets. The average family, and you may know this, J.D., the average family in America today clips over a hundred million coupons from the Sunday newspaper. They sit around their coffee tables, their kitchen tables, and they clip over a hundred million coupons out of their Sunday papers, worth an average of 53 cents. They watch their pennies, and they make certain that they get good value for every dollar that they spend, and as a result that is how they balance their budgets every week, and frankly that is what they expect from us. They expect us to watch our pennies to make sure we balance the budget.

I want to show another chart here, and this just underscores what we have been talking about. This is sort of where we were, this is what we have done, and this is where we are going. And I think we need to spend a little bit of time tonight to talk about, you know, it is great that we finally turned the corner and we are moving towards what I think will be a future, assuming the American people do not decide to turn back and change course and go back to tax and spend and some of the failed policies of the past. Unless the voters decide to do that this November, I think there is a very good chance that we will see surpluses well into the future.

Now that is good news, but we have to think a little bit about what are we going to do with that. Are we going to start to pay down some of that debt? And I have become a supporter and an advocate of a plan—well, I will show another chart in a minute. Maybe we ought to talk about this chart because this is a scary chart, and this is what this demonstrates, what we agreed to with the White House; and I think you know this, Congressman HAYWORTH, that last year on August 5, the President and the Congress came to a very

historic agreement, and we put in place spending caps within what are called the discretionary accounts on how much we can spend in each of the next 5 years. And the blue line represents what those spending caps are. The red line, unfortunately, represents what the President has proposed in the budget that he submitted to Congress just about a month ago. And this is of great concern because over the next 5 years the President wants to spend about a hundred—almost $150 billion more than we agreed to spend just last year.

Now worse than that he wants to raise taxes and fees by about $130 billion, and that is where the battle is going to be fought over the next several months as we argue about the budget. Now if we have the courage to stick to our agreement, and in fact I have said that I think Congress ought to live up to its end of the bargain, even if the President does not want to, and we are going to have a fight here on the floor of the House very soon about a supplemental appropriation bill and whether or not that should be offset with spending cuts elsewhere in the budget. I happen to believe that it should. It is about keeping faith and it is not just about keeping faith here now with the agreement, it is about keeping faith with the American people and ultimately with interest rates and the money markets because they are watching, are we serious.

And I yield to my friend from Arizona.

Mr. HAYWORTH. I thank my colleague from Minnesota, and again I think he points out the key issue that confronts us, because there will always be those who find themselves susceptible to the roar of the grease paint, the smell of the crowd, and the adulation of those for whom they can try to find more spending or they can paint an incredibly rosy scenario but fail to offer the price tag along with it.

And indeed, Mr. Speaker, I would argue the reason there is such cynicism among citizens of this Nation and so much ''We will believe it when we see it'' is because of two factors: No. 1, in so many ways the repeated contradictions in policy pronouncements and other actions that emanate from the other end of Pennsylvania Avenue, policy with a wink, a nudge, a smile, and, sadly, policy that does not equate with agreements nor an acknowledgment of reality in very many cases. And so given that, coupled with the fact that previous Congresses, as my colleague from Minnesota points out, spend an average of $1.21 for every dollar in taxation, that explosive combination has led to the cynicism there.

And again, right here on this chart my colleague shows us, again based on the numbers from this administration, that, sadly, they are willing in almost hauntingly familiar tones, in a very real policy sense, to break a commitment.

There are reasons why within our constitutional republic we have many different tensions. We have the challenges of the executive branch and the legislative branch and the judicial branch of government, and we have different outlooks and philosophies. But when we put aside our differences and make a commitment, the American people deserve that the commitment be upheld, not swept away in roguish embellishment of oratory and a little something for everybody and pet projects based on emergency focus groups to focus attention into a type of Nirvana.

No. What this needs to be based on is the truth, and basic choices, and basic agreements and bedrock principles that this Nation should not spend more than it takes in, that we should all live within our means, that by holding down spending and reaching agreements we could allow the American people to hold onto more of their money and send less of it here to Washington because after all, Mr. Speaker, that is the central truth here. All the money we have talked about, all of the figures we have offered tonight, large, small, and in-between, one central fact is inescapable; the money does not belong to the government, it is not hoarded into the Treasury. The money belongs to the American people who voluntarily, although with some reluctance, confer it and offer it to the government in the form of taxation.

We ought to make sure that American families continue to hang onto more of their hard-earned money to save, spend, and invest as they see fit. Why should a family have to change its plans and priorities and make sacrifices so that Washington bureaucrats can make decisions? We believe the opposite should be true, that Washington ought to alter its behavior and make sacrifices so the American families can realize their own dreams and their potentials, and that is the importance of the agreement we reached, setting aside some partisan and philosophical differences, and that is the very real danger we confront at this juncture in our constitutional republic, eerily familiar in so many different areas, when some in this city and nationally want to abandon commitments they made.

Mr. GUTKNECHT. If the gentleman will yield back, and I think it is a telling point because particularly you get out on the farms where I come from and you go to an auction and literally 100,000 pieces of equipment are bought or sold, and sometimes all that is really exchanged on the day of the sale is a handshake; a handshake, and people out there believe that handshake means something. And frankly, out there, and without being overly disparaging of lawyers, they tend to resent that, the whole notion that something has to be written down on paper and that you need a contract, although we have contracts and we have attorneys and I do not want to sound—but there is still an awful lot of old farmers who believe that a man's word is his bond and that when you make an agreement, and I want to remind my colleagues, you know, we did not make this chart up. I mean, this is according to the Congressional Budget Office. They are nonpartisan, this is not a Republican chart. This just shows what they believe we agreed to last year on August 5, and then they have overlaid what the President is requesting in his budget, and the two numbers are quite divergent. And this is really about trust, and it is about faith and it is about breaking faith with an agreement that we had.

The problem, of course, is a lot of people around this town are saying well, yeah, but that was then this is now, and the economy is booming and unemployment is down and more revenues coming into the Federal Government, and we have got to spend more money on all these programs.

But is that not what got us into the mess in the first place? I mean, is that not really—the heart of the problem is it is so easy to spend other people's money, and it is even easier to spend people's money who have not even been born yet. And that is where we got into the problem in borrowing against future generations of Americans without their consent. And that is why Jefferson warned over 200 years ago that public debt was one of the greatest evils to be feared, and this represents turning away from the direction that we have been on for the last 3 years and saying well, yeah, now things are good, let us go back and begin to resume spending normally.

And we are going to have some really heated debates and fights here on the floor of the House and in the Committee on the Budget and the Committee on Ways and Means, but I think it is so critical that we keep that faith, that we say not only to Americans living today but generations of Americans yet unborn that we were serious, we meant what we said, we said what we meant; our agreement was we would limit and cap spending, and we are going to do the best to keep that cap.

Mr. HAYWORTH. And it sets up another challenge because as we transition from the policies and the politics of debt, if you will, to the policies and politics of surplus, that can be fraught with challenges as well. We have seen one of the temptations here to say, well, there is a surplus so let the good times roll, let us spend as if there is a never-ending spending spree.

And it reminds me, if I can personalize this to a certain degree at my own expense and self-deprecation, Mr. Speaker, and viewers from coast to coast will note that some would say I have somewhat of a robust physique. One of the challenges I face is when I go on a diet and I lose 5 to 10 pounds, I celebrate by cracking open a pack of cream puffs. That kind of defeats the purpose. And I do not mean to trivialize this debate but try to bring it home because it is so easy to rush back into old familiar habits that may not be good for us and in the process negate the very real progress that has

been made, and, doubly defeating, rush right back into the failed policies of taxing and spending and debt and deficit and create conditions that, far from a continued and sustained growth pattern economically, lead us back into cycles of boom and bust.

Indeed, much talk has been proffered around this city of dangerous schemes. I can think of no more dangerous scheme than to rush headlong back into the failed policies of the past, try to claim everything for everybody and promise everything except stronger shoelaces through increased Federal spending, and then continue to ask for more and more and more of the American people's hard-earned paycheck.

My colleague from Minnesota, and indeed the delegate from the District of Columbia, in the preceding hour, I believe, offer a compelling case. The gentlelady from the District was talking about the choices of women in the workplace and the challenges of economic equality, and certainly I agree with a portion of what she had to say. But as my colleague from Minnesota pointed out earlier, one of the problems we face today in two-parent households is the fact that both spouses ofttimes have to work, not by choice but by necessity, one spouse working to essentially pay the tax bills of the family so that the other spouse can bring home the paycheck.

And while we have those conditions right now, we need to look at a way again to move forward to cut taxes further. We made a modest start last year. I think we will take another step this year, but, again, to continue to allow families to hold onto more of their money so they can save spend and invest it.

Mr. GUTKNECHT. Mr. Speaker, I think we need to remind people what some of the cynics said. We originally came to Washington and said, you know, we are going to limit the growth of entitlements, we are going to cut domestic discretionary spending, we are going to put a flexible freeze on defense spending, and we are going to cut taxes, and we are going to balance the budget.

□ 2100

The cynics said you cannot do that; I mean, you cannot balance the budget. In fact, you used the term earlier, you blow a hole in the budget. That is a reckless scheme to want to balance the budget while you are kiting taxes, because some of our liberal friends believe that it is their money and that Washington can spend it best; the last thing we should ever do here in this city is cut taxes on American families.

But thanks to the leadership of the chairman of the Committee on Ways and Means and the leadership here in the House as well as the Senate, they said no, no, we are going to balance the budget and we are going to cut tax.

We even had some of our Republican friends who have criticized us because the tax cut was not large enough, but I would tell you this, for a lot of families in my district have figured out it is $400-per-child tax credit this year and $500 next year.

I was in a radio station, and one of the people who worked there, I was trying to explain this to. We had a radio town hall meeting. He said, wait a second. Let me see if I understand this. I have got three kids, and they are all under 17, so you mean I get to keep an extra $1,200? I said yes.

I know to some of our friends $1,200 is not a whole lot of money. But to a lot of typical families out there, $1,200 is a lot of money. That will help pay for a vacation. That will help pay for an addition onto the home. That will help pay for a newer car. It will do a lot of things for that family.

Our friend from Texas, Senator PHIL GRAMM, one day he really said it so well. One of his colleagues said this is about how much we are going to spend on children and their education and their health care. He said no, no. This is not a debate about how much we are going to spend on children or their education or their health care. He said, this is a debate about who gets to do the spending.

He said, I know the family, and I know the Federal government, and I know the difference. We all know who can spend that $1,200 smarter. We know that that family can.

It was not just the per-child tax credit. I want to give a lot of credit to Senator ROD GRAMS from my home State of Minnesota, because when he first came here as a freshman Member of this House, he made the per-child tax credit one of his top priorities. He doggedly has pursued that, and ultimately it has become reality. He deserves a lot of credit. So I want to at least acknowledge my colleague from the other body from my State.

The other thing we did is we said, you know, for the typical family, one of the worst fears that most American families have is when their oldest child begins to look at college catalogs. They begin to say, wow, I had no idea it was going to cost this much.

When you are paying 38 percent of your gross income in taxes and you have got a mortgage over your head and you have got to pay for all these sneakers and everything else it costs to raise kids nowadays, most families are not able to save enough money to send their kids off to college or technical schools.

We said there is a real problem there, and that is one area we ought to give families another little boost. So we provided the $1,500-per-child HOPE scholarship. It is going to make it a lot easier for a lot of families to send their kids to school and get the education they are going to need in an increasingly competitive marketplace.

So that was not the end of it either. We said we ought to encourage families to invest and save for their future. So we gave them almost a 30 percent cut in capital gains taxes. Guess what? Revenues have gone up geometrically because people are investing, people are saving, people are selling assets, people are trading, businesses are being bought and sold, assets are being bought and sold, farms are being bought and sold.

I will tell you a story of a farmer in my district who lives near Faribault, Minnesota. He would call me about every month, and he would say, Mr. GUTKNECHT, when are you guys to cut this capital gains tax because, you know, I want to sell my farm, and I have got some people who want to buy it, but I do not want to pay all that money in capital gains taxes. He said, I believe you are going to cut that capital gains tax, and I am not going to sell my farm until you do.

I think he represented literally millions of Americans who are sitting on assets that actually would have been better in the hands of someone else, but they did not want to pay that high capital gains tax. We lowered the rate, and guess what? Total receipts have gone up geometrically.

Mr. HAYWORTH. Mr. Speaker, as the gentleman from Minnesota tells us the story of real people in his district, I could not help but reflect, listening to the opportunities for tax relief offered last spring by this 105th Congress, taking a look at the opportunities that exist.

I look at the tremendous number of housing starts, and I look at the homes now throughout north Scottsdale, and the East Valley around Mesa in the Sixth Congressional District of Arizona.

I take a look at what has transpired because of capital gains tax relief for the average family selling their principal residence and moving into another house. A married couple able to have and reinvest profits in the sale of a primary residence up to half a million dollars, or a single person hanging on and having tax-free profits up to one-quarter of a million dollars. Again, for a lot of people, the figures are not that high, but they are just as dramatic an opportunity.

And other opportunities that we have opened up in terms of home buying. I take a look at the new Roth Individual Retirement Accounts. I think about and I reflect back on our early days of marriage when Mary and I were trying to buy a home. Yes, I had a conventional IRA or what the tax law provided at that time, and I was a private citizen. How I wish I had had an opportunity with a Roth IRA to have money invested for 5 years in that type of forced savings program that could be taken out, penalty free, at the end of 5 years as a down payment on a first purchase of a home, what is so vitally important.

I think about young Americans 5 years hence as we continue to sustain this economic growth in part on some very simple commonsensical philosophies of tax relief, allowing Americans to save, spend, and invest their own

money, because there is no greater myth ever articulated in this Chamber than those who would try to drive the wedge between economic stations in life, to claim that tax relief helps only the wealthy.

Because even as the gentleman from Minnesota told about one of my former colleagues in broadcasting, I thought about the young man in Payson, Arizona who owns a print shop, who I saw the other week at a luncheon, who has four children, who the per-child tax credit will help immensely with $1,600 staying in that family budget, and then elevating that to some $2,000 on next year's tax return with the $500-per-child tax credit.

Yet, our challenge, Mr. Speaker, is how do we expand this, because I will go in other town halls in communities like Maricopa, just south of Phoenix in the metropolitan area, and have people come to me and say, look, I am not married, I do not have a child, I do not have any of those targeted areas that are covered with tax relief right now. What about my circumstance?

And so one of the things we are examining is how to broaden that base and how to offer simple, sane, reasonable tax relief to even more Americans. And that is one of the challenges we confront.

But it is vital to remember that these are not the stories of micro or macroeconomic incidents in a textbook or even despite the graphic nature of these charts that have been presented tonight, Mr. Speaker. No, these are the stories of flesh-and-blood families in the American heartland who may have studied economics but who know the reality of their economic situation, who sit around the kitchen table on a weekly basis making those tough decisions that have the most impact on their futures, decisions about education for their children, decisions about how much to put away, to save, spend, and invest if that is possible, decisions about mom joining the work force, ofttimes out of necessity rather than choice.

In this land of the free, we must work to ensure economic freedom and prosperity by allowing people that freedom to make decisions based on what they feel is best for their family, not on what some Washington person feels is best for some Washington program.

Mr. GUTKNECHT. Mr. Speaker, if the gentleman would yield, I just want to go over just a few of the facts. And one of my favorite quotes is from John Adams. And he said that facts are stubborn things. And you know Winston Churchill said it slightly different. He said, you can ignore the facts, you can deny the facts, but in the end there they are.

The facts are these: Since we came here, the deficit has been slashed. And for the first time since 1969, we have a balanced budget. That, in part, has driven interest rates down by 25 percent. The stock market has more than doubled. Eight million new jobs have been created. Unemployment is lower than it has been in 27 years. Violent crime is actually down to its lowest point in 24 years. We cut taxes for the first time since Tiger Woods was 5 years old. That is an amazing thing when you think about that.

We have allowed families to keep and invest more of their money. We have made it easier for them to send their kids on to higher education. Over 2 million families have gone off the welfare rolls and onto payrolls. We have eliminated over 300 government programs.

Well, the American people expect results. We are a results society. We have produced some results. But there is so much more to be done. I think we do need to spend a few minutes talking about will we return to the old policies of tax and spend, or will we start to take some of those surplus dollars that we believe are going to be created in the next several years, and are we going to start to pay down some of that debt.

There was an architect from Chicago, and he said something very simply but very powerfully. He said, make no small plans. If you think about that, the American people have always been big dreamers and big thinkers.

The people who came here, our ancestors, as Winston Churchill said, you did not cross the oceans, ford the streams, traverse the mountains, and deal with the droughts and pestilence because you were made of sugar candy.

I think the American people have always wanted big dreams and big goals. I think we ought to set this goal and this marker out before the American people. I think we ought to pay off that $5.5 trillion worth of debt in this generation.

The fact of the matter is, if we will exercise the same kind of fiscal discipline that we have exercised for the last 3 years, if we will limit the growth in Federal spending to about 1 percent greater than the inflation rate, the good news is pay off the debt in 22 years.

I cannot think of a better thing to leave our kids than a debt-free future. It is within our grasp; that can be done. What is the great news about that? It means they do not have to pay that $7,000 per family in interest that ultimately gets paid today. It means we leave our kids a brighter future, and we do what those farmers talked about, as I mentioned earlier. You pay off the mortgage and you leave your kids the farm. In some respects, that is generational fairness. That is generational equity.

As you pay down that debt, the good news is 40 percent of the debt is owed to the Social Security trust fund. So you make Social Security solvent again. Congress has been borrowing from Social Security since 1964. I think, again, we all know that is wrong. We have been borrowing from our kids, and we have also been borrowing from our parents. I think it has been left to our generation to make things right. So we are headed in the right direction.

I am delighted that you joined me tonight. If you have got any closing remarks, we certainly would like to hear them, and we will yield to the next speaker.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Minnesota very much. I would simply remind all of us assembled of the observations of Abraham Lincoln, who reminded us that you do not strengthen the weak by weakening the strong; that you do not enrich the poor by sending impoverishment upon the well-to-do; that, indeed, our strength is not from finding divisions among us bred from envy; but, in fact, the American dream is best summed up by allowing all families the freedom to pursue faith as they see fit, to reinvest faith in this remarkable grand experiment called the United States, by letting them choose their destinies with their economic resources for their futures and the future of their children.

Let us all pledge to do that, no matter our partisan stripe or political label. Even though we champion disagreements within this Chamber, we will be better off. The American Nation will be better off because we recognized these basic truths. Again, I thank the gentleman from Minnesota and the American people, Mr. Speaker, for this time in this Chamber to discuss these topics.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman from Arizona for joining me tonight, and I just want to say that sometimes, as I said earlier, we talk about these issues, and we sound as if we are accountants, and we talk about numbers and statistics, but in the end, this is really about what kind of a country we are going to leave to our kids.

□ 2115

And it is about what kind of a country we are going to have for ourselves. Is it going to be a future of debt and dependency, or will it be a future of hope, growth and opportunity?

The good news is we have made so much progress, but we still have those challenges. There are people who want to turn back to the old policies of tax and spend, but as long as we are here, we are going to fight the good fight. We have been making a difference, we are going to continue to make a difference, not just for this generation of Americans, but for generations of Americans to come.

SCHOOL CONSTRUCTION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentlewoman from California (Ms. SANCHEZ) is recognized for 60 minutes.

Ms. SANCHEZ. Mr. Speaker, I am here today with my friend and colleague, the gentlewoman from the Virgin Islands (Ms. CHRISTIAN-GREEN) to