lobbying efforts and government outreach and contact would be exempted. That actually exempts 96 percent of these groups that we do need to have input from homeless shelters, museums, art galleries, symphonies and so forth, and that amendment takes away so much of the argument against the Istook bill that people have been giving us, where we need input, and we said okay, we have an amendment that took care of that.

You know, I agree with the gentleman that the big, big money involved in this has been abused by people who say well, we are not lobbying. If they are not, why not support the bill?

Mr. GUTKNECHT. I was just going to get to that, that the amendment that you offered would exempt 96 percent of those groups. What we are really talking about is a handful of people that have abused this system. But frankly, the abuse could amount to $200 million a year. It is time for it to stop. We cannot afford a subsidy for special interests. I think most people agree that it is wrong, and we will have an opportunity in the next several weeks to end subsidies for special interests.

Mr. Speaker, I see my time has expired. I yield back the balance of my time.

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

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

BUDGET RECONCILIATION IMPORTANT FOR OUR NATION

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

Mr. KINGSTON. Mr. Speaker, happy Halloween. What I wanted to talk about tonight, and I am joined by the gentleman from Minnesota [Mr. GUTKNECHT] and some others perhaps later, this reconciliation process, this huge budget, this huge bill that we have been hearing so much about in the House and why it is so important. It is a massive bill, it is an important bill. It is right that all eyes of the Nation should be watching this particular piece of legislation. It is the bill that calls for a billion dollar budget, calls for Medicare reform, reforms that say protect and preserve Medicare. It changes the way we do our Medicaid allocation.

It has welfare reform in it, it has medical savings accounts and a tax cut for the hardworking middle class America. It is a very important bill, and it is one that we all have a horse in the race on, and so I wanted to talk about that a little bit tonight.

Let me yield the floor to Mr. GUTKNECHT. He has been a valuable part of this as a freshman Member of this House. He knows that it was the freshman class who put the majority agenda forward, starting with the Contract With America, 10 items, 9 of which have passed the House, and then went to work on the 13 appropriations bills, even after the other body voted to end the balanced budget amendment, working on the 13 appropriations bills, saying that it is clear that the American people want a balanced budget.

That is what your freshman class ran on and that is what you followed through on, was a balanced budget. So let me yield the floor to the gentleman from Minnesota [Mr. GUTKNECHT].

Mr. GUTKNECHT. Mr. Speaker, I said to the people of my district that it was a very historic day when we passed that reconciliation bill. It really is what an awful lot of us came here to do. This is what we promised we were going to do when we ran for election, and I am so delighted that we finally got the opportunity to keep that promise. My sense is that if the President hears from the American people, once they understand what really is in this bill and how the bill was put together and they begin to tell the President and the administration how they feel about it, my sense is that the President will reconsider, and he will actually sign this bill or one that looks almost like it.

If I could say to the gentleman from Georgia, I want to just talk a little bit about what we are really doing, because we have heard so much demagoguery and so much rhetoric about these draconian cuts and how this is going to hurt this group or that group. But the truth of the matter is, what we have taken is a fairly simple approach to how we are going to balance this budget. It breaks down into, in my opinion, three categories. First of all, with defense spending, we have adopted essentially a flexible freeze on defense spending.

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On domestic discretionary spending we have made targeted cuts. We have eliminated 300 programs, which I think most people would agree were not very effective anyway.

Mr. KINGSTON. Mr. Speaker, let me interject quickly. Many of these cuts are real cuts. Others are just slowing down of the increase and still others are consolidating programs.

Mr. GUTKNECHT. Mr. Speaker, if the gentleman would continue to yield, he is absolutely correct.

Then on the entitlement side, and this is where there is so much fear mongering going on out there with the senior citizens and other groups, for the most part whether we are talking about school lunches or talking about Medicare or the other entitlements, what we are really talking about is slowing the growth rate to approximately the inflation rate.

The good news is if we do that, if we make targeted cuts in domestic discretionary spending, put a flexible freeze on defense and allow the entitlements to grow, but at a slower rate than they have in the past, the good news is we get to a balanced budget, under the plan that we have, scored by the CBO, in 7 years. My own sense is it is going to be about 5½ years, because we will see economic growth at a higher rate than is currently expected and we will see interest rates at a much lower rate than is currently expected.

The net of that is we will get to a balanced budget in about 5½ years, not 7 years. But the even better news, for those of us with children, is that we will have an opportunity, if we can stick to that discipline, which I do not think is a bitter pill to swallow. It is not tough medicine we are talking about. But if we can stick to the basic budget plan, not only will we balance the budget in 5½ years, the great news is if we stay on that path we will pay off the national debt in about 25 years.

Mr. KINGSTON. Mr. Speaker, I want to go back to a conversation that the gentleman from Minnesota and I had earlier today, and that is the basic premise of this whole bill, which is balancing the budget, and why should we balance the budget?

Mr. GUTKNECHT. Mr. Speaker, if the gentleman would yield once more, the interesting thing is some people have turned this into an arithmetic exercise. It is not about arithmetic. It is not about a lot of the things that we are reading about. It really is about preserving the American dream for our children.

President Kennedy said we all cherish our children's future. We all want our kids to have a little better life than we had. But if we stay on the path we are on now at the Federal level, if the Federal Government continues to mortgage our children's future, what we do is we guarantee that our kids will have a standard of living that will be less than ours.

As a matter of fact, we promised them, or we are promising them under the current circumstances, if we do not make changes, that they will face sure bankruptcy for the Federal Government and our economy.

Mr. KINGSTON. Mr. Speaker, I would ask the gentleman, is it not true that if a baby is born this year, in fact, I have one, little Walker Watson, who is my nephew, he was born in April. Now, I understand his share of the national debt, should he live 75 years, which I am hopeful that he will and beyond that, he will owe $187,000 on the national debt in his lifetime, just interest. Just interest. Not paying down the principal but just interest.

And we also know that the interest on the national debt is almost $20 billion a month. Does the gentleman happen to know offhand what the budget of Minnesota is? The annual budget.

Mr. GUTKNECHT. Mr. Speaker, the annual budget for the State of Minnesota is about $10 billion.

Mr. KINGSTON. Mr. Speaker, the same for Georgia, it is about 10, a little over $10 billion a year. So each month we spend on interest, the budget of Minnesota plus the——

Mr. GUTKNECHT. Mr. Speaker, I would tell the gentleman that is the total budget.

Mr. KINGSTON. The total budget of Minnesota, plus the total budget of Georgia, we spend their annual budgets, combined together, just on interest on the debt. All that money that could be going to health care, that could be going to Medicare, that could be going to education, or, best of all, back to the taxpayers. But it is going straight to the creditors.

Mr. GUTKNECHT. Mr. Speaker, the interesting thing, and I use this example sometimes in my district, because my district borders the Mississippi River. We are just a little west of the Mississippi River. I tell people this, and this gets their attention. I say if they forget everything else that I say they should remember this. Every dollar in personal income taxes collected west of the Mississippi River now goes to pay the interest on the national debt.

That is an amazing statistic. And when the gentleman used the other one, the one he just mentioned, $187,000 in interest for every baby born in America today, that is disgraceful, and I think we all know it is morally wrong.

Mr. KINGSTON. So, Mr. Speaker, if we are building the case, then, we need to balance the budget, the gentleman mentioned a minute ago about the interest. Alan Greenspan, before I think a Senate committee and I believe a House committee as well, said that if we balanced the budget, because the Federal Government would not have to borrow as much, then, as a big fish in the lending marketplace, it would ease up the drive to increase interest rates to the private sector and the interest rates would actually fall 1 to 2 percent.

If that is the case, then the American taxpayers, who are paying monthly car installments, mortgages each month on their home, credit card, or whatever else they are borrowing on, their interest rates will in turn go down, will they not?

Mr. GUTKNECHT. Oh, absolutely. The interesting thing is, when we look at the benefits long term of a balanced budget, and they accrue to everybody. It is not going to benefit just the rich or benefit just the old or the young. I think some of the biggest beneficiary factors, and we have heard a lot of complaints about what will happen to student loans.

The truth of the matter is, the changes we have made in student loans, if someone borrows the maximum, work out to about $7 a month. But let us talk about that college student. They are better able to find a job because the economy will be stronger according to all the leading economists we have heard from. But if they borrow money to buy a car, a $15,000 car loan, annually, the difference in interest rates because we have a balanced budget, will work out to about $180.

That is good, but what gets great is the difference on a $100,000 mortgage. If that college student goes out and gets a $100,000 mortgage, and if interest rates drop by 2 percentage points, that will save that college student $2,162 a year. On a 30-year mortgage we are talking lots and lots of money.

So, Mr. Speaker, for what we are doing with college loans and some of the other targeted cuts we are making in this budget, it seems to me that long term those benefits to those college students are going to be absolutely astronomical. The people who should be leading the debate or leading the fight for this budget ought to be young people. They should be saying, ''this is the kind of thing we need to save our future.''

Mr. KINGSTON. Mr. Speaker, I agree with the gentleman.

Mr. GUTKNECHT. Mr. Speaker, we are delighted to be joined by some of our colleagues.

Mr. KINGSTON. Mr. Speaker, I see we have the distinguished president and chairman of the ''theme team,'' the gentleman from Ohio [Mr. HOKE], and the distinguished freshman gentleman from South Carolina [Mr. GRAHAM] and then we have the guy from Arizona that shows up regardless.

Mr. HAYWORTH. Mr. Speaker, if the gentleman would yield, I really appreciate the fact that he treats me with such respect when we come to these things.

Mr. KINGSTON. Mr. Speaker, I do not remember anyone yielding.

Mr. HOKE. Mr. Speaker, I wonder if the gentleman from Minnesota might yield for a moment.

Mr. GUTKNECHT. Actually, the gentleman from Georgia [Mr. KINGSTON] controls the time.

Mr. KINGSTON. Mr. Speaker, I will yield.

Mr. HOKE. Mr. Speaker, I wanted to ask the gentleman. Actually, I thought I heard the gentleman say that there were going to be cuts in spending on education. Is that what the gentleman said?

Mr. GUTKNECHT. No, what I said is we are going to change the way student loans are administered, and the absolute maximum that it will cost the average college student is $7 a month.

Mr. HOKE. That is the amount more. I think it is really important. We keep hearing this language over and over and over again about cuts. The amount of money that we are spending on the student loan programs and education goes from $24 billion in fiscal year 1995 to $36 billion in fiscal year 2002, which everywhere in the world, except within the Federal City, is clearly an increase of $12 billion. $12 billion out of $24 billion is a 50 percent increase. We are increasing spending on college loans 50 percent over the next 7 years.

Mr. KINGSTON. And, Mr. Speaker, we are spending more on Pell grants that we ever have and keeping historically black colleges at a level amount. Those are not being cut.

We have also level funded the TRIO program, which includes the important Talent Search Education Program and Upward Bound.

So the gentleman is absolutely correct. There will be more students participating in student loan programs than ever before in history. And yet I hope they are smart enough to maybe tell some of our Democratic colleagues that that does not constitute a cut.

Mr. HOKE. What is disturbing, Mr. Speaker, with all the student loans, one would hope there is more arithmetic being taught than what is apparently being taught around here.

The only thing I wanted to point out about the idea of cuts is there has been a cut in the Federal budget. There absolutely has been a cut, and that is in the area of international aid. Of foreign aid.

We voted on this conference report today. We have cut $1.5 billion from 1995 to fiscal year 1996.

Mr. KINGSTON. And we voted on the legislative branch. The U.S. Congress has taken a cut. We have reduced our staff one-third.

Mr. HOKE. That is absolutely right.

Mr. KINGSTON. Now, Mr. Speaker, the gentleman from North Carolina [Mr. GRAHAM] better get more aggressive, because if you want floor time, we do not yield readily.

Mr. GRAHAM. Mr. Speaker, I tell my colleagues that I come from a very quiet polite district, and if my friends want me to talk, I will be glad to.

Mr. KINGSTON. Mr. HAYWORTH, it is your turn.

Mr. HAYWORTH. Well, I simply wanted to say in defense of the gentleman from South Carolina, knowing his district well, and the golden corner from Pickens and Oconee County, on down through Aiken and down to North Augusta, I know that he, beneath that calm, cool exterior, has a rather tenacious trait and is one who stands up for the working people of his district.

Indeed, I think that is the point we want to make tonight, that we are foursquare behind the working people.

Mr. GRAHAM. Mr. Speaker, I thank the gentleman.

Mr. KINGSTON. Does the gentleman see why we do not yield to him?

Mr. GRAHAM. If the gentleman would yield, I will go over the $10.08 billion in savings we achieved in the student loan program, because I am on the Committee on Economic and Educational Opportunities.

It goes back to the student lunch program. That was the biggest lie in this Congress. We put more money in the lunch program, the federally funded lunch program, than the President did, but we got accused of cutting.

The student loan savings entail the following: We save $1.2 billion of the $10 billion from doing away with direct lending. Direct lending is the best opportunity to recreate the great society

that I have seen since we have been in Congress. Direct lending has the Federal Government borrowing the money, allowing the Department of Education to lend it out and become bankers.

The opportunity for the Department of Education to grow under direct lending is unbelievably large. We are in debt. We are having to borrow money we do not have and lend it to replace private capital. We save $1.2 billion by reducing the bureaucracy of the Department of Education by getting rid of direct lending.

Mr. HOKE. If the gentleman would yield for one point on that. It might be helpful to point out to the Speaker, because I see the Speaker was not here when this law was made, when that direct lending program was entered into.

I suppose, being on the committee, the gentleman could probably could tell us that. If he cannot, I can help out.

Mr. GRAHAM. Mr. Speaker, direct lending is a Bill Clinton program that is trying to replace private sector capital. There are literally hundreds of banks in America that provide money that the Federal Government guarantees to provide access to student loans.

Bill Clinton wants to get rid of the guaranteed loan program and replace it with direct lending, where the Federal Government becomes the bank. They have to borrow the money to replace the capital in the private sector. And the bankers will be people who run the Department of Education.

I do not know about my colleagues, but if I was to start a bank, I would not go to the Department of Education to hire people to run the bank.

Mr. HOKE. Mr. Speaker, the gentleman obviously knows his history. He is absolutely right: 1993 budget resolution.

Mr. GRAHAM. Mr. Speaker, if the gentleman will continue yielding, we have not even warmed up yet, $5 billion of the $10 billion came from the banking institutions.

I will readily admit that the guaranteed loan program in this country needs to be reworked. It was a deal negotiated by our brethren on the other side who built the Great Society.

Listen to this. Under the guaranteed loan program, the Federal Government was reimbursing 100 percent of any default prior to this Congress. Excuse me, two Congresses ago. Now it was at 98. We have come into 95. We have doubled the amount of risk that the private sector has in the student loan program.

Do the other gentleman think they would spend much time on a defaulted loan if they knew somebody was to pay them 100 percent of the default? We have doubled the amount of risk that banks have, we have doubled the amount of money we charge for them to participate in the student loan program. We have $5 billion by renegotiating a deal for the American taxpayer with the banking institution. Sixty percent of the savings came away from reducing government and renegotiating a bad deal with the banking world that our brethren on the other side negotiated.

Mr. KINGSTON. Mr. Speaker, the bottom line is we save taxpayer money and we get more student scholarships out there. What could be better?

Mr. GRAHAM. Absolutely. And let us get where the students become involved.

The gentleman from Minnesota [Mr. GUTKNECHT] hit it right on the head there. What we have done from the student aspect is that, from the time a student graduates until 6 months after he graduates, there is a grace period where we forgive the interest. What we have done is we have allowed the interest to run during that 6-month period and saved $3.5 billion for the American taxpayer.

If an individual borrowed the most money there is to borrow for the longest period of time, his payment would be affected, at the most, $9. The average student will have to increase payments by an average of $4 per month, but it saves $3.5 billion to the American taxpayer.

Mr. HAYWORTH. Mr. Speaker, if the gentleman would repeat that, because I think it is the central part of our debate. I think it is very important. If the gentleman would repeat the terms that we have changed here.

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Mr. GRAHAM. The only thing we done to a student participating in the student loan program is the 6-month grace period where we have forgiven the interest in the past, the interest will continue to run. You do not have to pay the interest if you cannot afford it, but it will run in that 6-month period. And when we look at all the loans out there, it adds up to $3.5 billion savings for the American taxpayer and no one student will be affected over $9 a month.

If we have gotten to where students cannot afford to help $4, $5, $9 a month to help balance the budget and lower the interest rate 2 percent, we are hopelessly lost in this country. Two-thirds of the high school students go into the workforce. What about their families?

I got a student loan and my sister got Pell Grants when my parents died. We paid the loans back. I am thankful for the Pell grants, but what we have done is put more money in the Pell grants, but we focused to the target population. We have reduced the income level so that we are really helping people that need it the most. We have stopped being everything to everybody. That is what has happened in the last 40 years. We are giving away government money faster than we could print it.

The last $500 million savings comes in this fashion. Every parent in America can go and borrow money under the PLUS Program. What that does is if your child, because of your income, is ineligible for student loans, you can go to the Federal Government and borrow money for a college education yourself. We have increased the interest rates from 3.1 to 3.9 percent above the Treasury rate, which is still better than anything you can get on the open market. That saves $500 million. That will affect the average payment of a family $3.

That is the $10.08 billion. Sixty percent of it came from the banking institutions and reducing the Department of Education. No one student will pay over $9 a month more. The average student will pay $4 a month more to save $3.5 billion to help balance the budget.

Mr. HAYWORTH. I have to salute the gentleman from South Carolina, because even on this All Hallows Eve, he again demonstrates that facts will overcome fear. And how sad it is that our liberal friends, so bereft of ideas, so divorced from a reasonable discussion on different philosophies of policy, only turn time and again to fear mongering and scare tactics.

I think the fact that our friend from South Carolina has brought forth these items of information in a reasonable, rational way, really befits the entire revolution that is going on here. Because it is revolution, as we know, built not on anything more than what is reasonable and rational and long overdue for the hard-working men and women of this country who are paying the bills. Government does not supply this; taxpayers supply this.

Mr. KINGSTON. The gentleman touched on a point about working versus not working, and I have often heard someone say the difference between a Republican and Democrat is that a Democrat gets money from Washington and Republicans send money to Washington.

We have earlier in the day been talking about welfare reform, big welfare reform legislation tied up into the reconciliation bill. You gentlemen have been involved in that. There are four basic components: No money for illegal aliens; State block grants for flexibility; discouraging teenage pregnancy; and work requirements.

Let us just talk about that for a few minutes. There are some other things in her that we want to talk about. Mr. GUTKNECHT?

Mr. GUTKNECHT. I would just say the byword of the welfare reform, and perhaps the byword or the expression of this whole Congress, is how do we convert this welfare State that has been created over the last number of years into an opportunity society?

I think that is what we really trying to do. The real issue is how do we get away from government responsibility for everything, where everybody is blaming the government and everybody is going to the government for more funding and more programs and so forth, and how do we get more personal responsibility?

At the end of the day I think we all know that we cannot have a system that relies on the government for all of

the answers. The government has done such a poor job. When we look at the welfare system, and the welfare State if you will, the war on poverty has spent something like $5.3 trillion over the last 30 years. And the real tragedy of our welfare system and the tragedy of the failure of the welfare State is not that its cost $5.3 trillion. The real tragedy is that it has denied so many human beings of the dignity of work and responsibility.

What we are really trying to do is convert the welfare State into an opportunity society and rebuild those basic values and those basic principles of faith, family, work, and personal responsibility. That is what we have got to have. That is what we want. That is what the American people want.

Mr. KINGSTON. Mr. HAYWORTH has been a champion of the working man and that this is the working man's Congress. Does that fit into this?

Mr. HAYWORTH. As the gentleman from Georgia knows, because he hears it from his constituents, I will point out what I hear time and again from the people of the Sixth District of Arizona. From people who are working hard to set up their own businesses; people who are working hard in the private sector to create more jobs; people who are working hard to put food on the table and build a future for their families. They are absolutely enthused that with this new Congress, we see the end of business as usual in Washington.

Oh, the protestations from the other side are sometimes cacophonous, that is, loud. But, that central truth remains very prevalent. When we consider the fact that in 1948, the average American family of four sent 3 percent of its income in the form of taxes to Uncle Sam. Then to have that accelerate for an average family of four in 1994 to almost one-quarter of that family's income, almost 25 percent, 24 percent, is absolutely unconscionable.

What I am hearing from the people of the Sixth District is this simple fact: They work hard for the money they earn. They are patriotic Americans. They believe in this country. They are not upset about doing their fair share, but that is exactly the point. What is their fair share?

I think as the gentleman knows, again, a lot of disinformation bandied about by our friends on the other side, and indeed some in the fourth estate who seem to be almost in complicity with them, repeating what can only be described as falsehoods. The gentleman at the other end of Pennsylvania Avenue characterizes our welfare reform package as, quote, ''Cutting off benefits to teenage mothers.''

Well, there is one 4-letter word that the President forgets, and it is not a bad word. It is an important word. C-A-S-H, cash benefits, for mothers under the age of 18. We have not moved to eliminate the Women, Infants and Children's program. We have not moved to eliminate those things that truly provide a safety net. But what we have sought to do is to end what appears to be an endless subsidization of illegitimacy in this country.

Not to demonize any young lady, not to demonize any particular group, but simply to say, as my friend from Minnesota points out, over $5 trillion on the war on poverty. That eclipses our national debt. Clearly it has not worked and there is another route to take is that is what we are doing.

Mr. KINGSTON. The gentleman from South Carolina actually has been on the Committee on Economic and Educational Opportunities. The gentleman has been involved in this debate. Is it moving in the right direction? Are we helping the working man?

Mr. GRAHAM. I think the most complaints I get about welfare come from the recipients themselves. We have created a system somehow over the last 40 years that if recipients want to live together as man and wife under the same roof, they get punished because the income levels may go up a dollar too much and the dad or the mom have to live separate and apart to maintain their benefit package.

If recipients want to work part-time, they are trying to get off of welfare and create a resume, a job portfolio, they go to work part-time and they make a dollar too much, they lose their Medicaid. The number one reason people stay on welfare is the Medicaid, the health insurance.

We have created a system where recipients have to pick and choose between working. In Aiken, South Carolina, two weeks ago I went to a housing project to listen to people about the reforms that we are engaging in. There was a young woman on the front row who was going to college part-time. She had a young child. She was receiving AFDC. She was living in the public housing unit. She was very proud of the job she was doing working part-time. She told me she made $20 over the guidelines and they were going to take her house away and her Medicaid, so she quit her job.

Never should she ever have to do that again. Our bill allows recipients to work part-time, get in the job market, and receive some benefits so they do not have to pick and choose.

What we did in the Committee on Economic and Educational Opportunities with the WIC, Women Infants and Children's program, many States like South Carolina, we have one of the highest infant mortality rates in the country. We have a lot of low-weight babies born. We have a large population of nutritionally disadvantaged children. But categorical grants limit the way we you can use the money.

We have school breakfast programs required by the Federal Government, but we do not have enough participation in many counties to justify the school breakfast. It would be nice to take that pot of money that was going to school breakfast where there was no need and move it over to help children where there is a need.

That is exactly what we have done in this Congress. We have given the people at the local level more discretion to move money from one account to the other to help the target population. They have to report back to us that the target population is being served. It is good common sense. Categorical granting is wasteful. It is bureaucratic approach.

What we have done in our block grant is look at a target population of nutritionally disadvantaged children, collapsed the money into one block grant, require reporting back from the State level, but allowing money to be used where it can best be used in South Carolina, because Georgia may be a different situation; Arizona may be different; it may be different in Ohio. Every State has different needs. We are allowing States to be more flexible, and to me that is the best thing to improve the quality.

Mr. KINGSTON. Let us hear from the gentleman from Ohio. I also wanted to recognize the gentleman from Michigan [Mr. CHRYSLER] next. He has an interesting tale. We want to talk about another thing in this reconciliation, which is the abolishment of the Department of Commerce.

I wanted to let Mr. HOKE talk about Ohio and welfare quickly.

Mr. HOKE. When I have talked to folks in Ohio about what we are doing with the welfare reform bill, I talk about my own children. And I have a daughter who is 17. She is going to go to college next year. It is a though I were to say, the way that the current welfare program is that Uncle Sam works, it would be as if I were to say, Sweetheart, you know that I will always there for you. I am always going to support you and you can go out and I will take care of finding a place for you to stay. You can have a place to stay and I will make sure that you have medical treatment. If you want to have children, you can have children and I will be there for you and I will support that. But I have a couple of conditions. The first condition is that you cannot get married, and the second condition is that you cannot get a job. As long as you do not get a job and do not get married, I will be there for you. I will continue to support you. As many kids as you want to have, that is fine, and I will continue to do that for you.

And if I were to say to my sons, I have two sons, one 13 and one 15, but when they get a little older I were to say to them, Listen, boys, now that you are young men, I am going to take care of you and you can go out and have as many kids as you want. Father as many kids as you want, but I have a couple of conditions for you too. Number one is you cannot get married and I do not want you to take care of these kids. You are not going to be financially responsible. Second of all, I do not want you to get a job. As long as

you do not get a job and you are not financially responsible for the kids that you father, I will take care of you.

What do you think you get out of that if that were the way that you were going to treat your children? I can guarantee we would get a lot of illegitimate babies. That is what we have gotten in this country right now. There are a lot of people that seem to think that this is only a problem that exists in the minority community, and they are absolutely wrong.

Mr. KINGSTON. The illegitimacy among whites is going up faster than the blacks' illegitimacy rate.

Mr. HOKE. That is exactly right. Right now overall in the country one out of four Caucasian babies is born out of wedlock and two out of three babies in the minority community are born out of wedlock. Fully one-third of all the babies in this country are born illegitimate.

In my opinion, that is, A, exactly what we have bargained for with respect to the Federal programs that we have created; and B, and I will not say that the Federal programs have done this solely. I think it would be silly and simplistic to suggest that Federal programs are the sole reason for that, but it is a piece of the puzzle. It is part of why this has happened. But the other thing is I honestly believe that going into the 21st century the largest problem that we have to face as a Nation and community and society is the problem that comes along with these incredible numbers of illegitimate births.

Mr. KINGSTON. Generally, the children who are born to mothers who are children, not age-appropriate to be mothers, these kids go on to be dependent, to be school dropouts and drug users. That is statistically a fact and something we have to deal with.

I want to recognize the gentleman from Michigan [Mr. CHRYSLER]. I wanted to say this about him, and stop me if I am incorrect on this. Mr. CHRYSLER did not go to college and started immediately after high school working for an automobile customizing company. Within a number of years of hard work, he ended up buying the company from his employer, selling it, and reselling it, and going on and owning other businesses and has certainly lived the American dream.

Along the way, had no help from the Department of Commerce, which is there to help businessmen like Mr. CHRYSLER somewhere out there, hypothetically, to become entrepreneurs. He did it somehow without their help. Now his number one goal is to abolish the Department of Commerce. He has succeeded in that. We passed that in the reconciliation bill in the House.

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We have got some problems in the Senate, but Mr. CHRYSLER, we are delighted to have you here and delighted to have people like you in Congress.

Mr. Speaker, I yield to the gentleman from Michigan [Mr. CHRYSLER].

Mr. CHRYSLER. Certainly, it is a story that you only can hear in America. Certainly that is why I am here in Congress, because I want to make sure that my kids and certainly your kids and MARTY's kids all have that same opportunity, because when it is their turn, they at least deserve the opportunity.

MARTY, when he was talking about his daughter, we really have changed this system and it has been a tremendous bill that the House passed. Because we have given the opportunity now to people to get on that bottom rung of that economic ladder, start climbing up out of that dependency on welfare and getting there and not have to lose their child or day care, not losing their health care and not losing their educational opportunities while they are doing that. So it is a dramatic change, and I think it is something that 88 percent of the American people are saying, please change this welfare system from a system that has trapped people on dependency to where we are going today.

It is interesting to note, by the way, that last May we heard a huge hue and cry about the school lunch program. The Republicans were going to eliminate the school lunch program. We are going to take the food out of the children's mouth. But, in fact, guess what happened in August? We started another school year, did we not? Not one story about a school lunch program or a child going without a lunch.

So I guess, digressing a little bit, and going back to the Commerce Department, I did business in 52 countries around the world, never called the Commerce Department. They never called me. That was fine. And I am proud to say that these freshmen that we have here tonight, J.D. and LINDSEY and certainly MARTY and yourself, JACK, all helped us to put a bill through this House that gave us welfare reform, gave us Medicare reform, gave us tax cuts, gave us a balanced budget in 7 years and gave us medical savings accounts in this country and dismantled a complete cabinet level position for the first time in the history of this country.

The legislation went through 11 committees in this House. I testified in front of those committees. It was unprecedented to be able to bring legislation through there. But it was a very simple and easy story. If the Department of Commerce was in fact the voice of business, as you alluded to, JACK, then they would be right now supporting the balanced budget, the capital gains tax cut, the tort reform, the regulatory reform, because that is what American businesses need. They need to have the government get off of their backs and let them produce their products, quality products at a good price for the American public. In fact, just the opposite, they are diametrically opposed to all of those things.

The Commerce Department was made up of 100 different programs; 71 of them duplicated someplace else within the Federal Government. And we took it one program at a time. We looked at them and we said, we are going to eliminate the programs that we do not need; we are going to consolidate the duplicative programs. We are going to privatize programs that can be better done by the private sector. And we are going to streamline the operations that we needed to keep.

Mr. KINGSTON. What was the bottom line savings on this dismantling of the cabinet?

Mr. CHRYSLER. About $6 to $47 billion, but more importantly, the Commerce Department is set up to give away about $1 billion a year, corporate welfare it is called, Robert Reich calls it corporate welfare. So if we do not have a Commerce Department for 50 years, we just do not give away $50 billion. That is the real savings to the American public. They get a better bang, certainly, for their buck.

We need to have a little less government, lower taxes, we need to let people keep more of what they earn and save. And we need to let people make their own decisions about how they spend their money.

Mr. KINGSTON. I think the gentleman from Ohio, Mr. HOKE, and I are curious because our freshman class had some reforms. How did your freshman class, how did you decide to dismantle the Department of Commerce, how do 72 Members come together on an idea like this? Because it is certainly revolutionary.

Mr. HAYWORTH. First of all, we have to tip our caps rhetorically, at least, to you gentlemen who preceded us. There were too few of you to have a majority. As our friend from Michigan supplied, we all wore pins for a good deal of time during the transition that called us the majority makers. As the late Walter Brennan used to say on the western show, this is no brag, just fact. I will spare the vocal intonations.

Mr. KINGSTON. I thought that was Jack Webb who said, just the facts.

Mr. HAYWORTH. This is no brag, just facts.

This is a major story in American history. The fact is that a class of 73 coming in to change and help symbolize and really do more than symbolize a historic shift in the balance of power simply rested upon the power of ideas. And it is a tribute to the gentleman from Michigan, who, as you very gratefully and very articulately detailed, worked his way up. Let us also pause here, despite his last name, his benefactor is not the Chrysler Corp. Am I right about that?

Mr. CHRYSLER. The gentleman is right.

Mr. HAYWORTH. So those sitting at home saying, oh, sure, he had Lee Iacocca helping him every step of the way, are sorely mistaken. His business was a home grown business. But he took that same type of drive and discipline and working with other Members of the freshman class through a

group known as the New Federalists did the heavy lifting. And when people said it could not be done and when it got bogged down in institutional inertia, the fact is that Members of this new majority, including several of you folks who have been here for awhile, stepped forward to say this is too important to leave to the institutional business as usual.

And the important thing to note is that, several Presidents have come to that podium here in this Chamber during joint sessions of Congress, during the respective State of the Union Message, talking about reducing the Cabinet-level agencies. And yet, because there was an unwilling majority on this hill that always believed in the growth of big government, those best laid plans were put aside. They were put on the table. And now, ironically, it is the legislative branch serving as the catalyst to reform and downsize the executive branch and actually all of Government. So my friend from Michigan is to be commended.

Mr. CHRYSLER. It is important, because the freshman class set our actually looking at four different departments: Departments of HUD, Energy, Education, and Commerce. Three of those, I am proud to say, passed and went into the budget resolution act by the Commerce on the Budget: Education, Energy, and Commerce. Unfortunately, we could only get the Senate to pass the Commerce. And now we are having a problem with the Senate getting that one in reconciliation because of a thing known over in the Senate as the Byrd rule. I think there is a little difference between running for reelection every 2 years rather than 6 years.

Mr. KINGSTON. That bird is an ostrich, I have come to the conclusion.

Mr. GRAHAM. I remember when we first got together as a class, I did a survey, I think it was in Baltimore. Would you be in favor of abolishing the following departments, and the four that you named are about 85-percent agreement on those issues.

Our class as a whole drank the same water, from South Carolina to Maine to California to all over this country. We could have taken our campaign literature and I think made overlays. It was remarkable to me how much consensus there was among 73 people from different parts of the country who viewed the problems in Washington, DC, very similar.

Most of us have limited our own terms. Over half of us have never been in politics. When we add our class with your class, there is about 100 votes in this institution to really change the way you define compassion.

To me compassion is not how much money you can spend or how many agencies you create in Washington. At the end of the day, how many people have you helped? If that is the standard, we have done pretty poor with this model of government.

Mr. KINGSTON. I know Mr. HOKE and I, if you remember when we were sworn in 3 years ago, we had all these great hopes. I think we have pushed some things through. But we really did need to merge our fighting 48.

Mr. HOKE. The reality is that this is a winner takes all institution and that if you are going to change things, you have to have the majority on the opening day.

You get to name the Speaker. The Speaker, names the committee chairs. And to be in the minority in this institution is to be certainly about to do things and to help constituents, but it is to be largely marginalized. The fact is that you could, it would be very difficult to overstate the importance of taking over the majority in the House of Representatives.

Mr. KINGSTON. Let me modify that. I know that the gentleman is saying. The majority is the party in here who agrees with the American people. One party in here does not make the majority. One party plus the American people. And I believe that is what we had when we defeated the socialized medicine plan last year.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). The Chair will remind Members to address themselves through the Chair by the stated designation and not by the first name.

Mr. KINGSTON. I am amazed that the Speaker is still awake at this hour. I guess I did something wrong. I yield to the gentleman.

Mr. HOKE. I am nonplussed.

I think we were talking about the significance of this change. In fact the numbers that the gentleman from South Carolina [Mr. GRAHAM] is talking about, are very important because we are talking about over 110, more like 115. It is a big voting block. It is actually about 50 percent of the majority conference right now, the Republican Conference.

Mr. CHRYSLER. If I could, from the gentleman from Ohio, the number is actually 54 percent of the Republican majority are freshmen and sophomores, so we are of the majority. That really makes a difference, everybody certainly.

Mr. HOKE. I think what the gentleman from Georgia [Mr. KINGSTON] said is absolutely true. I would not want the Speaker to think that we are not aware of this. That is that the American people spoke very, very clearly with respect to the kind of representation that they want. That is what this is all about.

Mr. GRAHAM. Mr. Speaker, if the gentleman would continue to yield, I would like to talk about what reconciliation means, what the appropriation bills mean because you hear these words a lot.

What we need to do is be honest with people at home? If 80 percent of the public wants a balanced budget, there is one way to go about it. About two-thirds of the Federal budget is in entitlement spending. Welfare programs are entitlement programs. Medicare are entitlement programs, which means that the money gets burped out every year.

There is not a whole lot of debate about what goes on. It automatically gets funded. If you did away with all discretionary spending, you would not be close to balancing the budget. So when you talk about reconciliation, you are talking about controlling the entitlements that are two-thirds of the budget.

So maybe we could talk a minute about why we have gone to Medicare, why we have gone to welfare to make these programs more efficient, serve people better and save money because, if you want the Federal budget balanced, you have got to take a 1965 Medicare program, bring it up to 1995 standards. It has grown 11 percent. The private sector is at 3 and 4. You can actually serve people well without spending the amount of money we are spending up here, and you can balance the budget. If there is anybody out there who is not getting a student loan, call my office because it has got nothing to do with the $10 billion we saved.

Mr. KINGSTON. Mr. Speaker, let us quickly go over Medicare. I think that the hour is getting late and the time has about run out. Maybe starting with Mr. CHRYSLER, trustees, April 3, 1995, three of them are Clinton appointees, they say Medicare is going bankrupt in 7 years. What do you do?

Mr. CHRYSLER. In fact, it is going to start spending a billion more than it takes in, started really October 1, that just passed, this year. And so that is why we had to take immediate and decisive and effective action over that item.

Of course by 2002, it is totally bankrupt. You cannot take money from the general fund to fix it. You have to take money out of the trustees fund. That is the reason it was so terribly important. We need to act to preserve and protect and save the Medicare system, and that is exactly the action that was taken. We have done our homework on this much.

It is so important because I know, when I have talked to senior citizens and I have said, here is the system you have now, which is about a 1964 Blue Cross plan that has been codified into law, and this is what you will have under the better Medicare System. I call it the better Medicare System because, if you are not for the better Medicare System, then you must be for the worse Medicare System. But it is the better Medicare System. And when you show that to senior citizens and lay it out in front of them, 85 to 90 percent of them say, absolutely, let me at it. It is great. We only need to move about 14 percent in order to meet the CBO projections.

Mr. KINGSTON. There are some of those options that your parents and