service as a claims processor at an insurance company and as a secretary to an attorney. Carolyn and her husband of over three decades, Richard, are the parents of Scott, Robb and Cindy. Carolyn is an active member of a woman's investment group and enjoys cooking classes (and cooking). She also attends special classes in computers and database technology to insure that she will acquit herself well of her position as ''Computer Czar'' for the Court. Carolyn recalls one incident, some years ago, when a fellow employee was filing and was startled by someone coming up behind her. She thought it was a co-worker who liked to bother her and reacted by shouting ''What are ya' doin', pervert!'' Carolyn remembers her colleague's shock in turning around to find not the other individual, but instead Judge Flanagan, who cordially (and jokingly) invited the startled employee to get her discharge notice from the Court Administrator's office.

ALBIN T. CHESNIK—CLERK'S OFFICE, COMMON PLEAS COURT

Albin T. Chesnik works now, as he has since 1973, for the only full time employer he has ever had, the Common Pleas Court's Clerk's Office. Nominated by Clerk Gerald E. Fuerst, Albin is Chief Clerk for the 8th District Court of Appeals and is responsible for maintaining that Court's dockets and files and supervising data entry of filings in the appellate court. Beyond that, he insures that there is coordination between filings in the 8th District with the necessary filings in the trail courts and the Supreme Court of Ohio and coordinates the return of files to the trial courts for proceedings consistent with the decisions issued at the appellate level. After graduation from St. Peter Chanel High School in Bedford, Albin attended Cuyahoga Community College and Kent State University. In his spare time, Albin enjoys model railroading and railroad photography and is proud of his collection of thousands of slides he has taken in his travels around the country.

WILLIAM DANKO—COURT OF COMMON PLEAS, GENERAL DIVISION

Since 1972, William Danko has been employed by the General Division of the Court of Common Pleas, most recently as the Court Administrator, where he takes charge of non-judicial employees and their compliance with court policies and procedures, is liaison for the Court with other courts and governmental agencies, prepares the court's annual budget, performs human resources functions and a myriad of other responsibilities. Prior to his current position, Presiding and Administrative Judge Richard J. McMonagle's nominee served in a variety of positions from scheduler to project coordinator, among others. After receiving his bachelor's degree from John Carroll University, William received graduate degrees in social work and law, from Case Western Reserve University and Cleveland State University. Prior to his tenure at the Common Pleas Court, he was employed at Catholic Family & Children's Services and at Parmadale Children's Village. William is proud to have been married to his wife Mary Lou since 1966, and they are the parents of two adult children, Michael and Kristen. William is active in professional organizations of court administrators and a number of diocesan organizations and is a member of the Leadership Cleveland Class of 1992.

LINDA FROLICK—CUYAHOGA COUNTY PROBATE COURT

Linda Frolick, Deputy Clerk in the Psychiatric Department, has been with the Probate Court for the past thirty years. Her nominator, Presiding Judge John J. Donnelly, writes that she is ''a conscientious and willing member'' of the staff.

MARY JANE GAMBOSI—SHAKER HEIGHTS MUNICIPAL COURT

Since 1975, Mary Jane Gambosi, nominated by Shaker Heights Municipal Court Judge K.J. Montgomery, has worked for either the Shaker Heights City Law Department or the Shaker Heights Municipal Court. In her position as Administrative Manager of the Court, she plans, organizes and directs the Court's activities, keeps the judge's calendar, coordinates the judge, acting judges and magistrates, deals with the public, handles human resources, prepares the budget and has, from time-to-time, been involved in almost every non-judicial activity of the Court. Mary Jane is active in various local and state organizations for court clerks and administrators and also has helped her bosses in the administrative work of their professional organizations. A graduate of Maple Heights High School, Mary Jane has been married for over 40 years to Frank, and they have three adult children: Frank, Mary Catherine and Theresa Ann. Previously honored by the City of Shaker Heights for her years of public service, Mary Jane, in her spare time enjoys swimming, golf, travel, music, dancing, computer classes, and, most of all, her nine grandchildren. She takes pride in solving problems, although she was a little taken aback when an elderly lady asked for permission to come into the secure area where Mary Jane's office was located, after which that lady lifted her skirt above her head to get to funds she had ''stored'' in her lingerie prior to using those funds to pay a traffic ticket.

RICHARD T. GRAHAM—COURT OF COMMON PLEAS, JUVENILE COURT DIVISION

Nominated by Juvenile Court Administrative Judge Peter Sikora, Richard Graham has been an employee at the Juvenile Court since 1973 (with one short hiatus), advancing through a series of positions to his current title of Chief Magistrate and Judicial Counsel. Prior to this position, Richard served in other positions, including Director of Legal Services and Referee. He supervises the Court's magistrates, helps develop and update procedures, provides advice to the judges and magistrates and helps implement new law as they are promulgated from Columbus. Raised in St. Clairsville, Ohio, Richard received his undergraduate degree at Ashland University and his law degree from Cleveland State University. He and his wife, Diane, to whom he has been married since 1973, are the parents of Brent and Adam. Now retired from a long-time commitment as a soccer referee for youth soccer leagues, Richard enjoys golf, cooking and computers.

YVONNE C. WOOD—UNITED STATES BANKRUPTCY COURT

Since 1969, Yvonne C. Wood has served at the United States Bankruptcy Court for the Northern District of Ohio. Nominated by Bankruptcy Judge Randolph Baxter, Yvonne is now the Deputy Clerk in Charge, managing an office staff of 23 in training those staff members, preparing a budget, performing administrative tasks and interacting with the public. Yvonne rose to her current position from service as an Intake Clerk, Docket Clerk and Case Administrator. Raised in McMinnville, Tennessee, Yvonne is the mother of Ericha and enjoys cooking and gardening. She cites the reward of activities in which one can see the ''fruits'' of one's labor.

FRANCES ZAGAR—EIGHTH DISTRICT COURT OF APPEALS

Nominated by Chief Judge Ann Dyke, Frances Zagar has, since 1977, been a Judicial Secretary at the 8th Appellate District, Court of Appeals of Ohio. Currently serving for Judge Terrence O'Donnell, her duties include edit and preparing journal entries for circulation to other judges, tracking case status, data entry and any other tasks required of her. For over 40 years, she was married to William, who passed away in October 1997, and she still finds his loss devastating. William was in advertising and art, and Frances treasures his oils and watercolors. She is fond of bridge, her cats and music. Prior to assisting Judge O'Donnell, Frances is proud to have worked for now-retired Judges Thomas Parrino and Blanche Krupansky. She maintains close contact with her ''wonderful, fun'' family and still can count on them, including her identical twin, Catherine. She is pleased that the statute of limitations has passed and that she can now confess that her sister took a course in high school for her and that she and her sister are still so close that, on a vacation, they brought the same books to read and that they have even separately ordered the same dress from a catalogue.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GREEN) is recognized for 5 minutes.

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

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

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

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

[Mrs. CLAYTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

THE ECONOMIC RECOVERY AND GROWTH ACT OF 2001

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Indiana (Mr. PENCE) is recognized for 60 minutes as the designee of the majority leader.

Mr. PENCE. Mr. Speaker, I thank the Speaker for this opportunity to address the House on a topic that is important to all Americans.

Mr. Speaker, while the Federal Government prepares to inhale a nearly $6 trillion tax revenue surplus over the next 10 years, I join many of my colleagues here on the floor today to speak on behalf of American families who face a much less promising future.

Our goal today is to call attention to the growing surplus here in Washington and the moral imperative to return this excess revenue to the people who earned it. My colleagues and I have claimed this time today to argue in favor of the economic recovery package of 2001, a package not unlike the one proposed by President Ronald Reagan in 1981. While not nearly as ambitious as its namesake, we are lucky

that we do not confront nearly the same grave economic crisis. Today our challenge is preserving the economic prosperity first leveraged by that 1981 Reagan tax cut made some 20 years ago.

Despite the not inconsiderable economic successes of the past few years, Mr. Speaker, Hoosier families in my district are confronting layoffs at a record number of major employers. Our hometown Cummins Engine in Columbus, Indiana, and DaimlerChrysler in New Castle, Indiana, have both announced layoffs that have garnered national attention. I am sure their employees and families are watching and waiting for some sign of what is ahead.

So, too, I know that the small businesses dependent on these companies are fearful. Uncertainty stalks the heartland and these Americans are looking to this Congress to at least return the overpayment collected by the Federal Government, at a minimum.

This House of Representatives, Mr. Speaker, is the heart of the American government, and as such it should resonate with the hearts of the American people.

Mr. Speaker, the people's hearts are anxious with increasingly disappointing news about our economy. All this while income tax rates, as a percentage of the economy, are at the highest level ever recorded. The time has come to cut taxes for working families, small businesses, and family farms.

Federal Reserve Chairman Alan Greenspan's decision to support a tax cut is not a change of heart, as some have characterized it. He has long argued that surplus revenues should not be used for spending programs. He, like me, recognizes that money not used to pay down the debt will be spent in Washington. This is one of the many compelling reasons for supporting tax relief. It is not, however, the reason that moves the American people. All the media attention devoted to the recent downward pressure on interest rates and the wonkery of supply side theories has done little to answer a very important question. Why is the government keeping so much of the Nation's wealth while watching the economy falter?

The plan proposed by President Bush is an excellent start, Mr. Speaker. This plan will indeed reduce personal income tax rates. A new 10 percent tax bracket would be created that would apply to a substantial portion of the income that is currently taxed at 15 percent. The 28 percent and 31 percent tax brackets would be reduced to 25, and the 36 percent bracket and 39.6 would be lowered to 33. This is good public policy for several reasons.

Number one, the current tax rate on work, savings, and investment penalizes productive behavior and impedes economic growth. Because of steep personal income tax rates, highly productive entrepreneurs and investors can take home only about 60 cents of every dollar they earn, not including State and local taxes and other Federal taxes. This reduces the incentive to be productive. Lower tax rates will reduce this tax wedge and encourage additional work, savings and investment, risk taking and entrepreneurship.

This is also good public policy because, Mr. Speaker, the budget surplus is growing. According to the latest Congressional Budget Office projections, the aggregate budget surplus for the 10-year period of 2001 to 2010 will be at least $4.6 trillion. The CBO is expected to revise this projection upward. The Clinton White House reportedly projected tax surplus revenues between 2002 and 2011 of $5 trillion. President Bush's proposed tax relief package is expected to save taxpayers $1.3 trillion to $1.6 trillion over the next 10 years, not including revenue, feedback from the additional economic growth that will follow.

Mr. Speaker, this is also good public policy because reducing the tax burden will help control Federal spending. Without the specter of deficits, lawmakers lose the will to say no to special interests and pork barrel projects. In the 3 years since the surplus materialized in 1998, inflation adjusted Federal spending has grown twice as fast as it did during the three prior years when the government was running a deficit.

Also, Mr. Speaker, lower tax rates are an important step toward fundamental tax reform. When tax rates are high, deductions, credits and exemptions provide large savings to some taxpayers, but roughly 70 percent of all taxpayers receive no benefits since they claim the standard deduction. A simple and fair Tax Code would treat everyone equally, without creating winners and losers, by taxing all income once and at one low rate.

Reducing marginal tax rates, Mr. Speaker, will move the Nation toward a low tax rate system and reduce the value of special interest tax breaks which are more valuable when rates are high. The economic distortions they cause, the political pressure they add, all command tax relief. Also, Mr. Speaker, tax increases did not cause the surplus; and tax cuts will not cause a deficit.

Opponents of tax cuts often claim that the 1993 tax increase is responsible for today's budget surpluses. This is contradicted by the Clinton administration's budget documents. In early 1995, nearly 18 months after the enactment of the 1993 tax increase, the Office of Management and Budget projected budget surpluses of more than $200 billion for the next 10 years. Clearly, events after that date, including the 1997 capital gains tax cut and a temporary reduction in the growth of Federal spending, caused the economy to expand and the budget deficit to vanish.

Finally, Mr. Speaker, this is good public policy because tax rate reductions and entitlement reforms are not mutually exclusive actions. Critics argue that a big tax cut would make it harder to reform Medicare or modernize Social Security by allowing younger workers to shift some of their payroll taxes into personal retirement accounts.

□ 1130

Given the magnitude of the projected budget surpluses, there is no conflict between these goals. Moreover, entitlement reform would be desirable, even without a budget surplus, because it would significantly reduce the long-run unfunded liability of both programs. Large projected surpluses simply make it easier for legislators to implement the necessary policies.

Opponents once argued that tax cuts were unwarranted because the Federal Government was running a budget deficit. Now they argue that tax cuts are unwarranted because there is a surplus. Their real agenda is to block any tax reduction and a reduction in tax rates and increase the dollars they have available here in Washington, D.C.

Mr. Speaker, the American people are wise to this game. Hundreds of layoffs in my Indiana district will attest, this economy is listing badly under the weight of 8 years of increased taxes and regulation.

This Congress must again become the Congress of economic recovery. President Bush's tax plan plus the additional incentives for work and investment contained in the Economic Recovery and Growth Act of 2001 is the cure for what ails our economy. This Congress must turn this economy around. This bill will achieve economic recovery for the families, small businesses, and family farms that make this Nation great.

The supporters of the Economic Recovery and Growth Act believe that the Congress should do all we can to give America's families a tax cut they will feel right away. We want American workers to see the difference in their weekly paycheck. As the President has said, this should include a cut effective at the beginning of this year. So, too, the cut should be designed to stimulate economic growth.

Our Economic Recovery and Growth Act will, number one, continue to save Social Security and Medicare surpluses and thereby reduce the deficit; number two, keep all existing components of President Bush's outstanding tax reduction proposal; and, number three, the Economic Recovery and Growth Act would accelerate and expand the across-the-board cut in income tax rates, accelerate and expand the repeal of the marriage penalty and death taxes; the capital gains tax reduction and small business tax relief all would be accelerated and expanded under the Economic Recovery and Growth Act. The bill will also repeal the 1993 Social Security tax increase and provide IRA expansion and pension reform.

While some have tried to argue that even the Bush plan is extreme and a

risky scheme, a close analysis of the historical record, Mr. Speaker, will prove otherwise. Both Senator BOB GRAHAM of Florida and Alan Greenspan agree that the Bush tax cut is average by historical standards.

Consider, for example, this chart, prepared by the nonpartisan National Taxpayers Union. The Bush tax cut and the tax cut proposal we support in the Economic Recovery and Growth Act of 2001 are considerably smaller than either the Kennedy tax cut of the 1960s or significantly smaller than the Reagan tax cut of 1981 as a percentage of gross national product. So too, Mr. Speaker, the Bush tax cut and the Economic Recovery and Growth Act proposal represent a smaller portion of Federal revenues in constant 2000 dollars than either of the earlier tax reduction proposals.

In fact, even Democrat Speaker Tip O'Neill, not exactly legendary for his support of big tax cuts, Democrat Speaker Tip O'Neill's alternative tax initiative in 1981 was larger than the plan that many of us conservatives in the Congress propose today. The Economic Recovery and Growth Act proposal is a well-reasoned and sensible alternative to plans that call for keeping more money in Washington, D.C.

As the preceding comparisons demonstrate, Mr. Speaker, the Bush and our own Bush-plus tax cut are anything but dangerous or irresponsible. They are, instead, measured actions, taken to alleviate two serious challenges facing the American people today.

First, by reducing rates and thus increasing the incentive for work and investment, both plans can help reinvigorate an economy that is finally beginning to collapse under the weight of 8 years of ever-increasing tax and regulatory burdens. Secondly, the proposals will finally offer relief to American families who are currently taxed at a rate not seen since the world was at war.

Hard-working Americans deserve to keep more of their wages, Mr. Speaker, so that they may provide for their families, not for bigger government bureaucracies.

CHALLENGE TO AMERICA: A CURRENT ASSESSMENT OF OUR REPUBLIC

The SPEAKER pro tempore (Mr. REHBERG). Under the Speaker's announced policy of January 3, 2001, the gentleman from Texas (Mr. PAUL) is recognized for 60 minutes.

Mr. PAUL. Mr. Speaker, I have asked for this time to spend a little bit of time talking about the assessment of our American Republic.

Mr. Speaker, the beginning of the 21st century lends itself to a reassessment of our history and gives us an opportunity to redirect our country's future course, if deemed prudent. The main question before the new Congress and the administration is, are we to have gridlock, or cooperation?

Today we refer to cooperation as bipartisanship. Some argue that bipartisanship is absolutely necessary for the American democracy to survive. The media never mentions a concern for the survival of the Republic, but there are those who argue that left-wing interventionism should give no ground to right-wing interventionism, that too much is at stake.

The media are demanding the Bush administration and the Republican Congress immediately yield to those insisting on higher taxes and more Federal Government intervention for the sake of national unity because our government is neatly split between two concise philosophic views. But if one looks closely, one is more likely to find only a variation of a single system of authoritarianism, in contrast to the rarely mentioned constitutional nonauthoritarian approach to government. The big debate between the two factions in Washington boils down to nothing more than a contest over power and political cronyism, rather than any deep philosophic differences.

The feared gridlock anticipated for the 107th Congress will differ little from the other legislative battles in recent Congresses. Yes, there will be heated arguments regarding the size of budgets, local versus Federal control, private versus government solutions; but a serious debate over the precise role for government is unlikely to occur.

I do not expect any serious challenge to the 20th century consensus of both major parties that the Federal Government has a significant responsibility to deal with education, health care, retirement programs, or managing the distribution of the welfare-state benefits. Both parties are in general agreement on monetary management, environmental protection, safety and risk, both natural and man-made. Both participate in telling others around the world how they must adopt a democratic process similar to ours as we police our worldwide financial interests.

We can expect most of the media-directed propaganda to be designed to speed up and broaden the role of the Federal Government in our lives and in the economy. Unfortunately, the token opposition will not present a principled challenge to big government, only an argument that we must move more slowly and make an effort to allow greater local decision-making.

Without presenting a specific philosophic alternative to authoritarian intervention from the left, the opposition concedes that the principle of government involvement per se is proper, practical, and constitutional.

The cliche ''the third way'' has been used to define the so-called compromise between the conventional wisdom of the conservative and liberal firebrands. This nice-sounding compromise refers not only to the noisy rhetoric we hear in the United States Congress, but also in Britain, Germany, and other nations as well.

The question, though, remains, is there really anything new being offered? The demand for bipartisanship is nothing more than a continuation of the third-way movement of the last several decades. The effort always is to soften the image of the authoritarians who see a need to run the economy and regulate people's lives, while pretending not to give up any of the advantages of the free market or the supposed benefits that come from compassionate welfare or a socialist government.

□ 1145

It is nothing more than political, have-your-cake-and-eat-it-too, deception.

Many insecure and wanting citizens cling to the notion that they can be taken care of through government benevolence without sacrificing the free market and personal liberty. Those who anxiously await next month's government check prefer not to deal with the question of how goods and services are produced and under what political circumstances they are most efficiently provided. Sadly, whether personal freedom is sacrificed in the process is a serious concern for only a small number of Americans.

The third way, a bipartisan compromise that sounds less confrontational and circumvents the issue of individual liberty, free markets and production is an alluring, but dangerous, alternative. The harsh reality is that it is difficult to sell the principles of liberty to those who are dependent on government programs, and this includes both the poor beneficiaries as well as the self-serving, wealthy elites who know how to benefit from government policies. The authoritarian demagogues are always anxious to play on the needs of people made dependent by a defective political system of government intervention, while perpetuating their own power. Anything that can help the people to avoid facing the reality of the shortcomings of the welfare-warfare state is welcomed. Thus, our system is destined to perpetuate itself until the immutable laws of economics bring it to a halt at the expense of liberty and prosperity.

The third-way compromise or bipartisan cooperation can never reconcile the differences between those who produce and those who live off others. It will only make it worse. Theft is theft, and forced redistribution of wealth is just that. The third way, though, can deceive and perpetuate an unworkable system when both major factions endorse the principle.

In the last session of the Congress, the majority party, with bipartisan agreement, increased the Labor, Health and Human Services and Education appropriation by 26 percent over the previous year, nine times the rate of inflation. The Education Department alone received $44 billion, nearly double Clinton's first educational budget of 1993.