numerous structural defects; it contains inferior quality equipment.

Our concerns specifically deal with Russia, because their involvement in this perilous project was highlighted by comments made by Russian officials visiting Havana earlier this year, just a few months ago, indicating Russia's intent in providing many lines of credit for the completion of the nuclear power plant.

Russia has already extended millions of dollars in credit for the maintenance of the plant, and they will continue to do so. So it is not fair that U.S. taxpayers' dollars should go to Russia, and then Russia turns around and builds a nuclear power plant in our backyard that could have very serious security and health concerns not only for the United States citizens but for Cuban citizens and Caribbean citizens as well.

It requires also that the President gives us an annual study of those countries that are aiding Fidel Castro in the termination of this very dangerous nuclear power plant.

Other elements of this law that will be before us tomorrow or the coming week are ones that require information that has not been forthcoming from the Clinton administration, specifically the State Department, in the enforcement of title IV of Helms–Burton.

Title IV is a part of our bill that requires the State Department to deny entry into the United States of those people, those companies or individuals who are violating laws because they have illegally confiscated U.S. property from U.S. citizens; and so we wrote that law to make sure that U.S. private property rights would be protected.

Unfortunately, the administration has not been forthcoming in giving us information about who are possible violators or who they believe have not been cooperating with our laws. The Clinton administration's enforcement of this section of Helms–Burton has been, to say the least, inadequate, as only a few companies have been sanctioned, despite overwhelming evidence that dozens of companies are, in fact, in violation of this U.S. law. These reports to the U.S. Congress in a periodic fashion will make it far easier for us to make sure that this enforcement process will be actually implemented, this important part of our Helms–Burton law.

Also, we have in this bill a provision that the gentleman from New Jersey (Mr. SMITH) has proposed, and we were proud to help him with it, and that has to do with detailed reports that Congress should get from the Clinton administration about Cuban refugees who have been returned to Cuba. We want to make sure that U.S. officials on the island helping those refugees are suffering no reprisals from the tyrannical Castro dictatorship.

A few years ago, the administration reached this immigration accord; and it promised to monitor the Cuban refugees who are returned to Cuba to make sure that they are not mistreated by the Castro thugs. Unfortunately, little has really been heard about these monitoring activities; and our legislation is a way to assure that this important responsibility is performed by our officials in Cuba.

Finally, Mr. Speaker, one last measure that I was proud to associate myself with and with our colleague, the gentleman from New Jersey (Mr. ROTHMAN), and that is to push for Israeli membership into the United Nations committee process, and that is also part of the H.R. 1757, which will be included tomorrow or next week.

□ 1515

PERSONAL EXPLANATION

Mr. McNULTY. Mr. Speaker, yesterday, March 17, I was absent for rollcall votes number 53, 54, and 55. Had I been present, I would have voted in the affirmative on all three.

ISSUES FACING CONGRESS AND THE AMERICAN PEOPLE

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

Mr. NEUMANN. Mr. Speaker, I rise for a variety of issues today I would like to talk about.

First, I would like to talk about a major change that has occurred that probably will not make sense to a lot of viewers in America, but has a lot of meaning out here in Washington, D.C., because the Republican Party in the change that has taken place since 1995, was being severely tested during this past week.

We heard we were going to propose a supplemental spending bill. A supplemental spending bill means we are going to spend money that was not otherwise planned during our budgetary process, spend money on things like Bosnia that had not been budgeted for; the Iraqi problem that had not been budgeted for; things like the ice storm in the Northeast, and some of the other catastrophic happenings around, emergency spending type situations around the country.

They had decided they were going to spend money on these areas that had not been included in the budget. Since 1995, every time this kind of a proposal had been made, the Republicans have gone elsewhere in the budget process, found lesser important items, and offset the new spending by eliminating items that were of lesser import. But during this past week, for the first time since 1995, for the first time they started talking about just spending this new money, without going and eliminating spending elsewhere of lesser important items.

I am happy to be here today to say congratulations to the Republican leadership and to my colleagues that encouraged them to make the decisions to find offsets for the spending in the supplemental spending bill. We are not just going to go out and spend and spend more of our children's money. When we spend this new money, we are going to go and find other programs that are less important to eliminate. We will not spend on these lesser important programs, so we will have the money available for the expenditures that, in all fairness, whether we agree or disagree with them, have already been made; things like the Bosnian situation, Iraq, and the catastrophic happenings around the country. Those items are going to be paid for.

The money in Bosnia, whether we agree or disagree, and I disagree with our troops being there, but the fact is our troops are there, for the money to pay for those troops we are going to find offsets, find lesser important items. We are going to eliminate those lesser important items so we can afford to spend in the new areas.

This is a monumental change from where we were a week ago. A week ago the money was just going to be spent. As of today, we are hearing our leadership promise us that we are going to find offsets, find lesser important things. That is a tremendous move forward. It should not go unknown or unnoticed by the people in this great Nation we live in when those sorts of changes are made.

The other very significant issue that is being discussed out here right now is called ISTEA. What that is is reauthorization of money to build roads and infrastructure all across America. We are hearing this proposal for ISTEA is spending more money on infrastructure than what people had anticipated in the past. It is more money than some budget hawks, myself included, might originally like to see.

I think we have to look at the whole package and understand that this money, too, that is being spent over and above what was originally laid out and projected, it is being offset from areas that are of lesser significance and of lesser importance than solid roads and infrastructure for this Nation.

I think to fully understand how this came about and what is happening here, we need to understand what has happened since 1995. When we got here in 1995, the budget deficit was $200 billion, as far as the eye could see. Even after the tax increases of 1993 the projected budget deficits were significant, as far as the eye could see.

When we got here, we controlled Washington spending. We actually got the spending growth rate in Washington to be lower than the rate of inflation for the first time in eons. By controlling the growth of Washington spending, that meant that Washington did not go into the private sector and borrow that $200 billion out of the private sector.

It is pretty simple from here. When Washington did not take that $200 billion out of the private sector, that meant there was $200 billion extra floating around in the private sector. When there is more money available in the private sector, that typically means interest rates come down. That is exactly what happened.

Typically, when interest rates come down, the business cycle grows dramatically. That is exactly what we have seen happen. That means there are lots more job opportunities, people buy more houses, they can afford to buy cars, and so when they buy houses and cars, of course, people have to build those houses and cars. That is job opportunities.

Typically what happens in the business cycle is when we get near the end of the business cycle, the interest rates come down. As the government borrowed less money, the interest rates came down. When the interest rates came down, people bought the houses and cars and there were job opportunities.

Typically, when those job opportunities develop there is a huge demand on our labor force, and the labor availability gets very tight. That means dramatic increases above and beyond the rate of inflation and wages. When that happens, that is called inflation. Typically this inflation heats up. When inflation heats up, the interest rates go back up and that ends the business cycle.

This business cycle is very different. It is different because of what has been done out here in Washington over the last couple of years. When we got to this point where there were more and more job opportunities available, because of the fact Washington is not taking that money out of the private sector, there is more money available, lower interest rates, businesses expanding, creating job opportunities, right at the point where there were more job opportunities available, welfare reform was passed.

What welfare reform did is it required that able-bodied recipients get a job. Right at the time when the business cycle was booming and demanding more and more man-hours to produce the products, because business was booming, right at that time welfare was reformed, requiring able-bodied recipients to go back into the work force.

I brought with me just some statistics from the great State we live in. Governor Tommy Thompson of Wisconsin has been out ahead of the Nation on this particular issue. He started way back in 1986, realizing that when people were on welfare for generations, that they were trapped by the government into understanding that the only way they could get an increase in their take-home pay, their welfare check, the only way they could get an increase in that was if government gave it to them.

He realized and recognized that that was not good for the people that were on welfare, so way back in 1986, since 1986 the overall welfare caseload in Wisconsin has dropped by 80 percent. There has been an 80 percent reduction in welfare in the State of Wisconsin.

This month there are only 1,100 Wisconsin families remaining on AFDC. The State public assistance caseload, AFDC plus those receiving assistance under W–2, currently stands at 14,391, down from over 100,000. That is an 85 percent decrease from where we were. So we have taken over 100,000 families and dropped it to under 15,000 in just a few short years, under Governor Tommy Thompson's leadership.

The W–2 program, it is called Wisconsin Works, it requires that every able-bodied welfare recipient goes to work. They can work at one of three different levels.

Of course, the first level here is a private sector job, with the opportunity to receive a promotion, earn more money, and have a better life for their family. That is certainly the top priority.

But the Governor and the State of Wisconsin recognized that everybody would not be able to get private sector jobs. Even as our business cycle was booming, it would take a transition period of time. So our Governor also provided the opportunity for some public-private sector jobs, so those that could not get a private sector job could get into this public-private relationship, where they could, at least on a temporary basis, work in a job where there is both public and private together. So we had a lot of folks leave with that particular option.

The last resort, as a last resort, if you cannot get a public-private job or a private sector job, then there is a public sector job available, so everyone was guaranteed the opportunity to work under the Wisconsin Works program. Under W–2, families not only earn a paycheck but they receive high quality child care, they receive health care and transportation assistance and other assistance needed, again with the idea that as people leave the welfare rolls and take their first job and start earning a paycheck, we understand these other needs are out there. We understand health care and child care and so on are out there. We are helping them transition out of public sector and public support and into a position where, in the private sector, they can take care of themselves.

We are very optimistic, and we have seen case after case in Wisconsin where these people that have taken their first job, maybe at a $5 an hour and still needing some public assistance, have been promoted and are now in their second, third, or fourth job, and earning significantly more money than they would have earned under welfare, and now have the opportunity to live a better life for themselves and their families. They feel, frankly, much better about themselves.

Under Governor Tommy Thompson, he has helped more than 83,000 families leave welfare, and approximately 172,000 children in the State of Wisconsin are no longer under the welfare trap.

I bring up this welfare discussion as it relates to ISTEA because we need to understand this whole picture as to what is happening as it relates to infrastructure. As these 83,000 Wisconsin families left the welfare rolls under Governor Tommy Thompson's direction, as they left the welfare rolls they went into jobs. As they produced things in these jobs, the goods and services that they produced, those goods and services have to get to the marketplace. The only way they can get to the marketplace is with appropriate infrastructure.

Let us talk about what is really happening here. We are taking a look at money that used to be spent on welfare, and we are saying we are going to redirect that social welfare spending into things like infrastructure, so as the people leave the welfare rolls, get a job, start producing a good or a service, that the infrastructure will be available to deliver that good or service to the marketplace so this whole cycle can continue. Once the goods and services are sold in the marketplace, that creates more job opportunities, and more people can then leave the welfare rolls.

In fact, that is exactly what ISTEA is about. The ISTEA bill that is being proposed right now is going to be offset out of an area called mandatory spending. Mandatory spending includes things like the welfare rolls. So as we see this dramatic reduction in the number of people on welfare, some of the money that the government was going to spend on welfare checks is now being redirected into this ISTEA bill to do things like provide the infrastructure necessary to get those goods and services to market, and that is a very, very significant happening under the ISTEA bill.

The other thing that is happening, as we reauthorize this, and this is also very significant, but it should also be a heads-up to our senior citizens, we are also about to wipe out someplace between $15 billion and $20 billion of the Federal debt. This may be the first time that ever we can find this actually happening here in Washington, D.C.

Highway transportation has a trust fund much like the Social Security trust fund. As part of this agreement in ISTEA, in the future, every time that is collected as taxes on gasoline, so when you fill up your car with gas at the local gas station every nickel that is collected for purposes of road building will now be spent on road building.

But as part of this overall agreement, they are wiping out some of this old debt that used to be there on the books that related to the Highway Trust Fund. So it is basically like starting with a clean slate. From this day forward, every dollar coming in that is being collected for taxes for road building goes to road building.

Some people would have rather seen, and I might add that under the bill we introduced here ourselves last year called the National Debt Repayment Act, that entire Highway Trust Fund would have been repaid and used for road and infrastructure construction. But under this arrangement, what is going to happen is that debt is going to be effectively wiped off the books.

Assuming all the things that we have been told out here about the bill so far come true, that the new spending is offset, that the new spending is offset from social welfare savings because recipients are going to work, and other savings in the mandatory spending area, assuming those are the things that happen in this bill, and assuming that the $15 billion to $20 billion is wiped off the debt, this looks like a great provision for the future of this country. It looks like we will have solid, strong infrastructure for years to come in this country, and it looks like they have done a pretty good job of getting us to a point where that will be true in the future.

Again, if I had my druthers, I might do things a little different. I might just, for example, take the 4.3 cents a gallon tax increase from 1993 and just wipe it out, or I might give it back to the States. But under this agreement, at least the vast majority of the money being collected from any State is now going back to them.

I understand under the House proposal that the great State of Wisconsin, for the first time, perhaps, will no longer be a donor State and will get a dollar back for every dollar they send to Washington in road-building money. I think that is pretty important.

So we had a couple things here that are very good news and very much in line with what I believe we ought to be doing for the future of this country. In supplemental spending, that new spending bill is going to be offset from spending reductions from elsewhere in the budget. The ISTEA bill that is going to spend more money than was originally planned again is going to be offset with savings from other areas. We have seen a dramatic reduction in the welfare rolls, and some of that savings from welfare can be redirected into highway and transportation money.

I think the other thing that should be recognized as the savings continue to mount from the reduction in the welfare rolls is that we should start looking for tax reductions as well.

I mentioned before that I had a series of issues that I wanted to talk about. I want to get to Social Security, and I want to tell why there is a heads-up that should be paid attention to in the ISTEA bill as it relates to Social Security.

But before I get to that issue, there is one other issue that I think is very important. I have heard it in our town hall meetings. I heard it as recently as Monday of this week when I was in Kenosha, Wisconsin. Somebody told me about their 6-year-old child that had just come home and started talking about a series of things that I am not sure when I was 6 I even knew what they were. There are issues that relate to the president.

Right now there are a series of people that have made accusations against the President of the United States. Somebody is lying. Either the people making the accusations are lying, or the President of the United States is lying, but somebody is clearly lying.

I would like to just take today, this moment, to encourage our parents to take time out of their busy schedule and sit down with their kids and talk to them about what is being discussed out here in Washington. Tell them that lying is not acceptable, and it is not something that is good and right, no matter who does it. If it is the President that is doing it, then the President is wrong and he should be reprimanded for it. He should resign. If it is the other people that are doing it, then they are wrong.

☐ 1530

Our kids need to hear from our parents directly that lying is not an acceptable practice in the United States of America. I would strongly encourage my colleagues——

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Foley). The Chair urges the gentleman to address the Chair and not reflect a personality against the President.

Mr. NEUMANN. Mr. Speaker, I am trying to think of the exact words to express the feelings of so many of the people in our district that are so real, from these kids under the age of 6, because these feelings are very real.

I have been in two high schools. I have been in two colleges. Mr. Speaker, I have to tell you, this is one of the toughest issues that this Nation has faced in a long time. These kids are hearing these issues. These kids are hearing about what is going on in Washington. These kids are understanding that somebody has lied in this situation, and the kids understand that there has been an extramarital affair here, or at least that is what is being discussed in this city. It is very, very difficult for our kids to understand how our Nation's leadership can do these things, and somehow it is translating back to them that it is acceptable.

What I am doing here is encouraging my colleagues as parents to sit down carefully with their kids and explain to them that lying is wrong, explain to them that an extramarital affair is wrong, and anybody who knows anybody who has been involved in an extramarital affair or watched a marriage that has been affected by an extramarital affair, they know it is wrong. They know there is a great deal of pain. For this now to somehow be conveyed to our teenagers, and believe me, they are watching, and to the extent that we in Washington as the Nation's leaders remain silent on this issue, we are making a huge statement to our teenagers.

I am encouraging my colleagues to take the time and the effort to sit down with their kids and the kids in their district and explain to them that this is not acceptable in our eyes, what is going on. No matter who it is that is telling the falsehoods here or the lies here, it is not acceptable practice in our Nation. I think it is time that we as the Nation's leaders with the vested responsibility to represent our constituents do start speaking out on this so that our kids have at least heard someone stand up and say, this is not acceptable. They need to hear that because they right now are struggling.

I found that the people in our age group, my colleagues here and our constituents in my age group, this is not an issue for them. This is an issue for the kids. It is an issue to help the kids. It is an issue that the kids are trying to decide the difference between right and wrong. That is why I am encouraging my colleagues to take the time to talk to their kids about the issues that are out here.

I will move on so that the Chair does not have to reprimand me again for speaking of someone by name or referring to that particular individual. But the facts are this is very important for the leaders of this Nation to address the kids and to let them know what they think and what they believe.

I will move on to the Social Security issue. Social Security for our senior citizens, Social Security for our folks in the work force, it is a very, very important issue.

I would like to talk about what is going on in the Social Security system today, and I would like to talk a little bit about how it relates to the ISTEA bill. My colleagues might be interested in watching this very closely because the debt that is about to be written off in the ISTEA bill, as it relates to highways, is exactly the same as the debt that is held in the Social Security Trust Fund. My point is here we need to come to understand that many people in this community do not view the Social Security trust fund as real money.

The Social Security issue, I would like to begin by explaining exactly what is happening with Social Security. To understand this whole Social Security discussion, it is important to understand that this year the United States Government, out of the paychecks of my colleagues, our constituents' paychecks, they are going to collect $480 billion in Social Security this year. They are going to pay back out to our senior citizens in benefits $382 billion. That leaves a surplus being collected this year of $98 billion. This should not be confused with the budget surplus. This is Social Security alone.

To put this in perspective, I always talk to my constituents this way, if you think about having a checkbook, forget the billions for a minute because that is hard to understand, but if you think of a checkbook with $480 in it, you write out a $382 check, you have got $98 left in your checkbook. That is exactly what is going on in Social Security right now this year.

The idea, in collecting more money than what they are paying back out to our seniors in benefits, the idea is that extra money should be set aside so that in the future, as the baby boom generation gets toward retirement, and this number, the dollars being paid out to seniors, is bigger than the amount of money coming in, the idea is that much like in your own home, if you wrote out more checks than you had in your checkbook, you would go to your savings account and get the money out to cover it. So the idea with this $98 billion is it is supposed to be set aside so that when there is not enough money coming in and too much money going out to our seniors, that this money that has been set aside then becomes the savings account that we can go to get the money and make good on the Social Security checks for our seniors.

I would like to also clarify something that is generally not discussed appropriately from Washington. These two numbers turn around in the year 2012, and perhaps sooner. There is a lot of discussion about Social Security is fine until the year 2029. Well, that is true if this $98 billion is actually sitting in a savings account and waiting to be used.

When I am out with my constituents, I always ask them, anybody want to take a shot in the dark what Congress is doing and the President is doing with that $98 billion? Most of them get it right right away. When I ask the question, with this extra 98 billion that is coming in, what is going on with it in Washington, they always get it right. That $98 billion is going directly into the big government checkbook, and if you think of this circle as the big government checkbook, the government then spends all the money out of the big government checkbook. When they are done spending money at the end of the year up until this year, they have always had a deficit; that is, they have spent more money than what they had in their checkbook. As a result, since that $98 billion is in the checkbook and they have spent it, there is no money to put down here in the Social Security Trust Fund. So in the past what they have always done is simply written an IOU to the Social Security Trust Fund. This IOU is called a nonnegotiable Treasury bond. It is a nonmarketable, nonnegotiable Treasury bond. It has been referred to as an IOU by virtually every organization that takes a close look at it. What it really is is a promise that when this money is needed, the United States Government will pay itself the money.

If that sounded confusing, it is, because you ought to be asking the question, and we here in Washington and Congress ought to be asking the question, when these IOUs are needed, where will the United States Government get the money to make good on the IOUs? Again I go back to this other picture. Today we have got more money coming in than what we are paying out to our seniors in benefits. When these two numbers turn around, by the year 2012 and perhaps sooner, when these two numbers turn around, how do we make those IOUs into liquid cash so that we can keep Social Security solvent?

In this city you should understand what is happening going on out here in Washington, they all pound themselves in the chest and say, look, those IOUs are backed by the full faith and credit of the United States Government. Generally they pound their fists on the table when they say that. But the question has to be asked, when those IOUs come due, where is the United States Government going to get the money to make good on the IOUs so Social Security can remain solvent?

The answer to that question is only one of three possibilities. They can either raise taxes on working Americans, think about that for a second. That means that the folks that are on Social Security are going to accept that their children and their grandchildren should start paying more taxes. I do not think that is a very good idea. The second possibility is they reduce the benefits to seniors so the IOUs do not come due as soon. I do not think that is a very good idea. The third possibility is they go out and borrow the money. That means effectively that we are going to pass more debt, more of a debt legacy, on to our children and grandchildren.

So if you do not raise taxes, you do not put off on the IOUs come due, and you do not want to put more of a debt burden on our children, what do you do? That is what I am glad to show the solution here. We have introduced this legislation from our office. It is called the Social Security Preservation Act. It does not really take Einstein to understand the Social Security Preservation Act because virtually every company in America with a pension fund is already doing exactly what I am proposing in the Social Security Preservation Act. It simply says that the $98 billion that is being collected over and above what is being spent on Social Security be put directly into the Social Security Trust Fund.

Again, let me be very specific. I have got several of my colleagues that have been in discussions with me over the last few days. Let me be very specific how we would put this money down here in the Trust Fund. Instead of buying nonnegotiable, nonmarketable IOUs that cannot be sold, and when the money comes due you have to raise taxes, instead of doing that, we would buy a Treasury bond, the same type of Treasury bond that any senior citizen in America can go down the street and buy and put on deposit in their portfolio of investments. So we would simply buy a negotiable Treasury bond.

Okay. So we get to the year 2012. We have passed the Social Security Preservation Act, and we have actually put negotiable Treasury bonds in here. So we get to the year 2012 or whenever this shortfall occurs. There are negotiable Treasury bonds, Treasury bonds like you buy and sell at your local bank, if that is what is in the Social Security Trust Fund at that point where we need the money where we need to make good on this in order to keep Social Security solvent. We simply go sell one of those Treasury bonds, much as any senior citizen in America would sell a Treasury bond if they ran short in their retirement or wanted money for a vacation or whatever else it is that they might want to do in their retirement.

So this bill, the Social Security Preservation Act, it would effectively require that the surplus dollars being collected today for Social Security simply be put into the Social Security Trust Fund. That bill number again is H.R. 857.

We have had several of my colleagues discussing, because of the number of phone calls they have been getting into their office, discussing signing on as a cosponsor. I would strongly encourage that my colleagues in response to the large number of phone calls that are coming in from across America take a serious look at this bill, and I would make myself available for discussions on it.

Having said that, I would like to talk about some of the rest of the problems. No, Mr. Speaker, I know I cannot talk to the public, so I was not going to do that. So I kept the conversation directed at our colleagues, who I would hope join us in cosponsoring the legislation H.R. 857. It is fair to say that many of our colleagues have signed on to this because they have received a large number of calls from all across our country.

Having said that, I would like to talk about some of the other problems facing America. I brought a chart that I have been showing to people for a long time. It talks about how fast the debt is growing and helps folks understand why a person like myself would leave the private sector and come out here to serve in Washington.

Before 1995, I had never been elected to any elected office. As a matter of fact, I ran a pretty successful building company that we had started in the basement of my home. I am happily married. We have got three wonderful kids. We were literally living the American dream at that point.

This picture helps explain why I left the private sector to go into public service. From 1960 to 1980, to this point in this chart, the debt facing America was not very big. This chart shows how it started growing from 1980 forward.

A lot of people say 1980, blame Ronald Reagan. If you are a Republican, you do not like that very well. All the Democrats say, blame Ronald Reagan. If you are a Republican, you say no, no, no, it was not Ronald Reagan. In fact, Reagan was the one who reduced taxes, which generated higher revenues. The problem is Washington just plain spent too much money. So all the Republicans blame the Democrats. The Democrats all blame the Republicans.

I would like to point out that today we are up here on this chart. It is an American problem. We need to solve this problem as Americans, put aside partisan politics, and get down to the business of solving this problem. In fact, that is what has been going on for the last few years.

This debt today stands at, and for those who have never seen this number, it is a pretty staggering number, the debt today stands at $5.5 trillion. That is how much money the United States Government has borrowed on behalf of the American people. That is 5, comma, 500, and then 9 more zeros after that. It is a pretty staggering number to really look at.

I used to be a math teacher. And someone looked at my chart earlier and said there is way too many numbers on that chart. You will have to forgive me for being a math teacher in the past, but what we used to do in our math classes is divide that debt by the number of people in the United States of America. That is, if each man woman and child in the United States were to pay off just their fair share of the Federal debt, each one would have to pay $20,400. The United States Government has spent $20,400 for every man, woman, and child in America more than they have collected. This is the legacy that we are about to pass on to the next generation if we do not solve the problem. For a family of five like mine, for our family, they borrowed $102,000.

A lot of people say, well, so what? But the real problem with this picture is down here. That is the amount of tax dollars that Washington has to collect to do absolutely nothing but pay the interest on this debt.

For a family of five like mine in Wisconsin or anywhere in America, the United States Government today is collecting $580 a month every month to do absolutely nothing but pay interest on the Federal debt. That number again, $580 a month.

A lot of people say, well, I do not pay that much in taxes. It must be them rich people paying all the taxes. It really does not work that way. You see, when a family does something as simple as go into a store and buy a pair of shoes, the store owner makes a profit on that pair of shoes, and part of that profit comes out here to Washington, D.C., in the form of taxes.

One dollar out of every six that the United States Government spends today, $1 out of every 6 does absolutely nothing but pay interest on the Federal debt.

I think it is significant to look at how it is that we got into this mess. I think it is important to look at how different things are today versus where they were just a couple short years ago.

What I have got on the top of this chart is one of the Gramm-Rudman-Hollings bills. This blue line shows the promise under the Gramm-Rudman-Hollings bill of 1987. The red line shows what actually happened to the deficit after this promise had been made to get us to a balanced budget by 1993.

I only have one of the pictures shown here, but the reality is we could have Gramm-Rudman-Hollings of 1985 here. We could have the budget deal of 1990 or 1993. Any one of those would show effectively the same thing as what this picture shows.

☐ 1545

A promise made to the American people to balance the budget and a deficit that ballooned out of control.

Now, this happened time and time and time again until we got to 1993. In 1993, the people up in Washington made the decision that this problem had to be solved. We were on the brink of bankruptcy in this Nation if this problem was not solved. The solution of 1993 was to reach into the pockets of the American people and collect more taxes.

It is not hard for most Americans to remember 1993. It was the biggest tax increase in American history. The gasoline tax went up by 4.3 cents a gallon, and they did not even use that gasoline tax for building roads. They taxed Social Security benefits to our senior citizens, and they did not even use it for the Social Security Trust Fund. They just plain raised taxes. And they thought if they raised taxes enough, that somehow they could close this gap from here to here.

What happened next is not particularly surprising. The American people looked at this ’93 solution and said, we have had it with the broken promises. There were at least four direct, significant broken promises: Gramm–Rudman-Hollings of ’85, ’87, the ’90 deal and the ’93. And the people looked at this and said, we have had it with them; and they elected a new group to represent them in Washington, D.C.

In 1995, when I was first elected, along with 72 other Members in the House of Representatives, changing control of the parties for the first time in 40 years, we laid out a blue line to get to a balanced budget, too. We laid out a plan to get to a balanced budget.

People should be asking, is there anything different? Is there anything different between this group that got here in ’95 and the group that was here before or are they out there doing the same thing as those broken promises in the past?

It is a good question. This blue line shows our promise to the American people. The red line shows what has actually happened. We are not only on track to balancing the budget for the first time since 1969, we are significantly ahead of the promises that were made to the American people.

Let me say this next part very slowly, because it is the first time since 1969 that this could honestly be said to the American people.

For the last 12 months running, the United States Government spent less money than it collected in taxes. For the first time since 1969, the United States Government spent less money than it collected in taxes. It is a statistical fact that, at this point in time, the United States budget is technically balanced, under a Washington definition.

Now, I qualify it in that way because this is all good news, and we absolutely should not take anything away from what has been accomplished. When I show this out in my district and I start talking to my constituents, immediately what happens is they say, well, the economy is so good how could politicians in Washington possibly have messed it up? Well, the fact is the economy has been good, but there is more to the story than that.

Between 1969 and 1998, the economy has been good before; but, in the past, every time the economy was good and more money was sent to Washington, Washington simply spent the extra money. So I think it is important to note in this picture that not only has it been a strong economy that has brought us to this balanced budget, but it is also a very different response from Washington.

This red column shows how fast spending was going up in the 7 years before we got here. It went up an average of 5.2 percent a year. This blue column shows how fast spending was going up in our first 3 years in office. The difference between how fast it was growing before and how fast it is growing now is, in fact, what has put us into a position where we can both balance the budget and lower taxes.

Make no mistake about it, if this blue column were the same size as the red column, we would not have a balanced budget and we would not have been able to reduce taxes for the working families all across America. So I think when we talk about this balanced budget, we talk about how much things have changed, we talk about completing the promise to actually balance the budget after four or five very significant broken promises of the past, that it is also important to note that the reason this has been brought about is because, in fact, Washington spending has been brought under control.

There is a little known statistic out there that I would like to bring to the attention of the American people and my colleagues. Last year, for the first time in a very long time, the United States Government spending grew at a slower rate than the rate of inflation. Now, this is very significant because what that means is, in real dollars, Washington’s spending actually shrunk last year. That is a monumental change from where we were going before, and that is how we are going to get this thing under control to a point where taxation can be reduced.

As we think forward to the future in this country, it would be nice if we could continue to control the growth of Washington spending, allowing us to continue tax reductions for the American people, allowing us to make a payment on the Federal debt and allowing us to put the money back into the Social Security Trust Fund that has been taken out over the last 15 years.

When we think about where we are at, then, I strongly encourage folks to think about these remaining problems financially facing our country.

First, I believe genuinely that taxes are still too high. Today, the average American pays 37 cents out of every dollar they earn in taxes in one form or another. Between State, Federal, local, property, sales tax, literally 37 cents out of every dollar that is earned in America is paid in taxes in one form or another.

Let me give my colleagues a vision for the future of America as it relates to taxes. I have a vision that a generation from now that tax rate has been reduced from 37 cents out of a dollar down to not more than 25 cents out of the dollar. It would be a nice thought if we could look at tax rates, Federal, State, local and property, and literally reduce them from 37 cents out of the dollar down to not more than 25.

I was in a meeting someplace and one of the constituents stood up and said, 25 cents is the goal? She said, we tithe the church and God only gets 10 percent. Why is it 25 for the government?

I had to chuckle at that response from one of my constituents, that even 25 is a high number. But we need to remember we are up at 37 cents out of every dollar being paid in taxes today.

So vision for the future, as we talk about taxes being too high, let us get the tax rate down by at least a third from where it is and let us look at all levels when we talk about this tax rate.

Second significant financial problem facing America today: Social Security. This system will be bankrupt before the year 2012 if something is not done.

We discussed earlier in this hour the Social Security Preservation Act. It is bill number H.R. 857. To solve the Social Security problem, let us start putting real money or real dollars into the Social Security Trust Fund as soon as possible. We can do it this year.

The third problem is, even after we get this under control, even after we get to a balanced budget, we start putting Social Security money away and we start lowering taxes, we still have this $5.5 trillion national debt staring us in the face. So I want to talk about a second piece of legislation that we have introduced. It is called the National Debt Repayment Act. It is bill number H.R. 2191. The purpose of this legislation is to literally pay off the entire Federal debt over a 30-year period of time, much as we would pay off a home mortgage.

I come from the home building business. After I left the math teaching profession, we started building houses. We started a business in the basement of our house. Eventually, it got pretty successful; and we were selling about 120 homes a year. This is really the American dream, commitment to faith and family and building a business from the ground up in our own home.

Anyway, when we sold those 120 homes a year, virtually every one of our clients signed into a mortgage. So when we had closing on that house, they would go to a bank and sign a mortgage with a banker; and they would pay off their home loan over a 30-year period of time.

The National Debt Repayment Act pays off our national debt much the same as a homeowner anywhere in America would pay off their home mortgage. Here is what it does. It looks at the surpluses. It takes two-thirds of the surpluses and dedicates them toward debt repayment. It takes the remaining one-third and dedicates it toward lower taxes. So what it does for the future of America is it gives us this vision where we can both pay off the Federal debt so our children's legacy is not a $5.5 trillion debt but our children's legacy is a debt-free America.

In paying off the debt, there is one other side benefit that should be brought up. This money that has been taken out of Social Security over the last 15 years, that is all part of the Federal debt. So when we look at this Federal debt of $5.5 trillion, about $700 billion out of the $5.5 trillion is money that has been taken out of the Social Security Trust Fund. So as we are repaying the Federal debt, under the National Debt Repayment Act, we are also putting the money back into the Social Security Trust Fund that has been taken out basically over the last 15 years. The third component of this, of course, the remaining third gets used to reduce taxes.

So when we think about this plan, this vision for the future of America, we do three things: First, we pay off the Federal debt so our kids inherit a debt-free Nation; second, we put the money back into the Social Security Trust Fund that has been taken out over the last 15 years; and, third, we start down that path of reducing the overall tax burden on Americans from 37 cents out of the dollar down to 25 cents out of the dollar.

This bill, if passed, really gives us a vision that we can look for and work for in this country with lower taxes, stable Social Security for our senior citizens, and a Nation that our kids do not have to look forward to paying $580 a month to do absolutely nothing but pay interest on the Federal debt.

I want to just finish with one other item that we seem to still not have a full understanding about across America, Mr. Speaker. And I talk to my colleagues about this and I talk to my constituents about this on a very regular basis, and that is the tax-cut package that was passed during the last cycle.

The amazing thing to me is, when I am out in public in our district and all over the great State of Wisconsin, how many people it is I talk to that are still not aware of the fact that taxes have, in fact, come down. I will go through a few of these.

Families with children under the age of 17, next year when they figure out their taxes and get down to the bottom line and they figure out how much they would have sent to Washington or had withheld from their paycheck for Washington, they will literally subtract $400 for each child under the age of 17 off the bottom line of their taxes.

For parents of college kids, and, believe me, I have seen the college bills. I know a family in Janesville with one in college and two at home, and it is tough to pay the college bills when kids head off to school. The college tuition credit is $1,500. And, again, a parent with a freshman or sophomore in college, they figure out how much they would have sent to Washington, D.C., and they literally subtract $1,500 off the bottom line.

This is not an idea where Washington grabs money in taxes out of taxpayers from all across America and then Washington decides who to give it back to. This is a situation where if a parent, a middle-income parent, has got a student in college, a freshman or sophomore, they literally keep $1,500 to help pay that college tuition bill.

If they have a junior, senior, grad student or adults currently involved or enrolled in either a tech school or college, it is 20 percent of the first $5,000 of room, board, tuition, books, et cetera.

I have talked to a lot of adults that are going back to college. They are bettering their education so they qualify for a better job for themselves and their family. Those folks get to claim 20 percent of the cost of that college tuition as a tax credit next year.

Some people say, well, I earn too much money; and I do not qualify for those things. And I say, first off, great. This is America. We are happy people are earning money. It is a great country when people are in a position to earn enough money to provide a very fine life for themselves and their family.

And, by the way, I want people to get that job promotion. I hope they earn more money in the future. Because this is a great Nation, and we like to see people succeed in this country. That is not bad, evil or rotten; that is good and right in America.

For those folks that are in that position, most of them are heavily invested into stocks, bonds and mutual funds. Now, I have asked around rooms, again, I have been in rooms full of people, 200 people in a room, and I will ask how many people own a stock, a bond or a mutual fund or are involved in a pension plan, and virtually every hand in the room goes up. In the past, when people made a profit on a stock a bond or a mutual fund, 28 cents out of every dollar got sent to Washington as part of that profit.

And, by the way, if I forgot to say it, I sincerely hope that when people invest, they do make a profit. Again, that is what this is all about in this country. We like to see people be successful in America. This is a great country where these sorts of things can happen.

But, in the past, 28 cents out of every dollar was sent to Washington. That capital gains tax rate has been reduced from 28 down to 20.

If someone is in a lower income bracket and still has what it takes to make these investments to take care of themselves and their own retirement and take care of their own future, if they are in a lower tax bracket and they make a profit, the tax rate has been dropped from 15 cents on the dollar down to 10.

The next question I usually ask in a room is how many own their own home; and, again, virtually every hand in the room goes up. I ask if they know that when they sell their house there is no longer any Federal taxes due when they sell their house. And it is amazing how few people realize that, because of the tax laws passed last year, that there is no longer any Federal taxes due on the vast majority of the sale of virtually every home in America.

The last tax cut, or another tax cut, is the Roth IRA. Again, this is an opportunity for people to save and take care of themselves in their retirement. The Roth IRA is kind of the reverse of the old-fashioned IRA.

In the old-fashioned IRA, an individual could put up to $2,000 per person in and could get a tax deduction this year. Under the Roth IRA, it is kind of the opposite of that. If they put $2,000 in this year, they do not get a tax break this year, but all of the interest, all of the earnings that accumulate on that between now and when the person retires, those earnings in retirement are absolutely tax free.

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When we think of people in their thirties and forties and fifties looking forward to retirement and trying to save up for their own retirement, this is a phenomenally beneficial change in the tax code for those people trying to save up for retirement. It is much better to get the deduction in retirement than it is in the initial year in terms of building equity over a long period of time.

So for those folks that are saving for retirement, I have a lot of empty-nesters, and they say to me, I am already in a 401(k); do I still get to get in a Roth IRA to save this money up that will not be taxed when I am in retirement, the answer to that question is yes. Even if they are in a 401(k) or some other retirement plan, they are still eligible for a Roth IRA.

I want to finish on one more tax cut because I think it also reflects some of the other changes that are going on in attitudes in the United States of America. We found that if a middle-income family in America, for whatever reason, found they could not have children of their own and they would like to adopt a child in the United States of America, adoptions were costing $10,000 per child because of the legal fees and all the red tape that is involved and that $10,000 was too much for many of our middle-income families to afford. So what we did was we changed the Tax Code so that if a middle-income family would like to adopt a child and could not afford it, there is now a $5,000 tax credit to help that middle-income family afford the adoption if that is what they so desire.

An amazing thing happens when we are out in public, and I talk through all of these tax cuts and how beneficial they are. I talked about some friends of ours, where they have got three kids in the family, one off at college and two still at home, and how this family earning between 40- and 50,000 a year next year is going to keep $2,300, $400 for each one of the two kids at home and $1,500 for that freshman college tuition, how this family that is earning between 40 and $50,000 a year is going to keep $2,300 more in their own home and that family smiles and they are all but cheering, and inevitably somebody gets up and says, ‘‘Mark, you just made the Tax Code harder. You made the Tax Code more complicated.’’

And to those folks I simply remind them back to 1993, where they made the Tax Code harder and more complicated but they did it by raising taxes on the American people. Any change you make in this complicated, complicated Tax Code that we have today is going to make it even worse in terms of complication. But if we change the Tax Code and we have our choice between 1993 and raising taxes and 1997 and lowering taxes, virtually every American will take the lower taxes versus the higher taxes and that kind of puts things back in perspective.

We have introduced legislation to sunset our Tax Code as we know it today and replace it with something that is simpler, fairer, and easier for people to understand. I am optimistic that this year we will see that legislation pass.

Mr. Speaker, I am happy to yield to my good friend the gentleman from Mississippi (Mr. WICKER).

Mr. WICKER. Mr. Speaker, the gentleman asked me a moment ago if I wanted some time on his special order and I declined. But having remained in the Chamber and listened, I do want to add a couple things.

First of all, I want to commend the gentleman from Wisconsin (Mr. NEUMANN), Mr. Speaker, for his dogged determination to get us to the point where we are in the budget today. As a member of the Committee on the Budget, and I remember being in on the discussion back in 1995 which led to the gentleman being added to the Committee on the Budget, also he is a very fine member of the Committee on Appropriations, and it is people like the gentleman from Wisconsin and others like him who have gotten us to the point where we are.

We certainly are not everywhere we need to be in terms of tax relief, in terms of shrinking the size of the Federal Government. But I did want to take this opportunity to commend the gentleman from Wisconsin and to say that I believe, Mr. Speaker, he has quite a few more years of effective service for the taxpayers of the United States of America, not just of his own State of Wisconsin.

The gentleman mentioned tax relief and the $400-per-child tax credit. A lot of Americans do not realize that they do not have to wait until the filing time of 1999. As a matter of fact, if a family wants to, they can go down and file with their personnel office at the place of their employment and begin having their withholding changed right now and enjoy the benefits of this $400-per-child tax credit even now.

The other point that I was going to make, the gentleman mentioned the Roth IRA, and accountants back home in my district and in my State tell me that this has become one of the most effective tools already for encouraging savings and formation of capital.

So I just commend the gentleman for his efforts in this regard and for the special order that he has entered into today.

Mr. NEUMANN. Mr. Speaker, reclaiming my time, I encourage my colleague to fill the viewers and our colleagues in on exactly how they would go about getting that $400 now instead of last year, $400 divided over the 12 months of 1998.

Mr. WICKER. Mr. Speaker, if the gentleman would yield further, if I could give the gentleman an example.

A middle-income family, for example the Wilsons in the First District of Mississippi, might have 3 children under the ages of 17. That entitles the Wilsons in 1998 to claim a tax credit of $400 times 3, or $1,200, or a tax credit of $100 per month. Now that is not a tax deduction. It is better than a tax deduction. It is actually an additional $100 per month added to their take-home pay.

So a wage earner in that family would simply need to go to the personnel office wherever he or she works and fill out a form saying do not wait until 1999, adjust my withholding right now, and that family can begin to see here in 1998 the benefits of our tax cut from the Balanced Budget Act of 1997.

Mr. NEUMANN. Reclaiming my time, that would also apply to things like the college tuition tax cut. I had some experience with this. I addressed a college with about 800 students and I told them all about this, and some of their parents wanted to try and adjust their withholding; and what happened when they went and tried to adjust their withholding is that the people at this tax office and place of employment said, we never heard of this.

I would like to reassure my colleague that this bill has passed, this tax credit is real, and even if his employer or his place of employment or the person that handles withholding has never heard about it, it does not matter, it is still real, it is passed and the ink is dry.

There is a new withholding form, a new W–4 form, that is available that does address the $400-per-child portion of it. But even that form does not address the $1500 college tuition tax credit, my colleague mentioned a family from Mississippi miss. If I go back to my family from Wisconsin with two kids at home and one in college that gets to keep $2,300 next year, that is almost $200 a month they get to keep. What they would have to do is go in and literally increase the number of dependents that they are claiming on their tax form until they get to a point where literally their take-home pay returns by 200.

I would encourage folks to understand that that many of the employers and people that handle payroll around the country, at this point in time they are not even aware that this tax cut passed. It passed late last year. It is very real. If they have got a college student, their tax is going down by roughly $1,500 for a freshman or sophomore. For most juniors or seniors they are going down by $1,000. If they have kids under the age of 17 at home, they are a middle-income family, their taxes are going down by $400 for each one of those kids. This is very real, and it is a lot of money to a lot of families in the great State of Wisconsin.

We know in Wisconsin we did a study, 550,000 families in Wisconsin have kids under the age of 17 that will benefit by the $400 per child. Two hundred fifty thousand college students in Wisconsin alone benefit from the college tuition tax credit. So this is a lot of money for a lot of families.

Now one problem that we have is most of the families are not doing, as my colleague and friend from Mississippi suggested; most of them are saying, well, I wait until the end of the year. I am not sure I trust Washington and everything they are saying anyhow. So I am going to wait until the end of the year. So if I get it back, great, that is a bonus; and if I do not get it back, I did not believe them anyhow.

The problem with that and the problem of not taking advantage of it right now is that means that those families are sending a heap of their money out here to Washington. That family from Wisconsin I was talking about with a college student and two kids at home, they are sending 200 bucks a month roughly out here to Washington. That is their money, and not only could they be earning interest on it but the problem is we get that 200 bucks out here, and I am sure my colleague from Mississippi knows what happens next, when we see the money sitting out here, what happens is the people in this community want to spend it. So it is a huge, huge fight for us out here to keep them from spending that money that should actually be out there in those Wisconsin and Mississippi homes in the first place.

With that, I am going to wrap up my special order today by reminding us of the different bills that we have talked about and where we have been and where we are going to. The supplemental we now understand is going to be paid for. This is a monumental change. It is new spending in Washington is what a supplemental is. We understand they are now going to find offsets, or lesser important programs, to pay for the new spending as opposed to going out and spending the money. This is a monumental change for Washington to actually offsetting new spending by finding other spending that is less important and offsetting it, as opposed to just spending the new money.

The ISTEA proposal also is going to be offset. We are happy to say that we are seeing the results of welfare spending because the welfare rolls are shrinking as people are getting jobs in this very strong economy we have. Because the welfare roles are going down, some of the spending in social welfare programs is going down and some of that money is being redirected to infrastructure.

The idea of welfare recipients going to work, producing goods and services, and those goods and services needing to be able to get to market through a strong infrastructure system, that makes perfect sense to me. And I am glad to say we are not going to go out and spend new money for the infrastructure system, but again we are reducing one program and reprioritizing or respending that money in a different program as opposed to simply going out and spending more money.

Again, if I had my druthers, we might just reduce the spending, period. But certainly it is much better to offset the spending by finding lesser important programs than to just go and spend the money.

Social Security, we have a long ways to go. The Social Security Preservation Act, H.R. 857, would force Washington to stop spending the Social Security money right now this year and start putting real assets aside so our seniors can again be safe and secure.

H.R. 2191, the National Debt Repayment Act, is where I close today. H.R. 2191, the National Debt Repayment Act, literally restores the Social Security Trust Fund, puts all the money back into the Social Security Trust Fund that has been taken out; pays off the Federal debt so our children could inherent a debt-free nation; and reduces taxes on working families all across America.

I cannot think of a better thing that we in this Congress could possibly do than restore the Social Security Trust Fund, reduce taxes, and give our kids the legacy of a debt-free Nation.

REPORT ON RECENT TRIP TO BOSNIA

The SPEAKER pro tempore (Mr. DICKEY). Under the Speaker's announced policy of January 7, 1997, the gentleman from Mississippi (Mr. WICKER) is recognized for 60 minutes.

(Mr. WICKER asked and was given permission to revise and extend his remarks.)

Mr. WICKER. Mr. Speaker, four weeks ago today I had the opportunity to lead a bipartisan group of Members of Congress on a five-day trip to Bosnia and Herzegovina. This trip was taken at the suggestion of the Secretary of Defense and the Speaker of the House. And I was joined on this congressional delegation trip by the gentleman from Georgia (Mr. CHAMBLISS), the gentleman from South Carolina (Mr. GRAHAM), the gentleman from Minnesota (Mr. GUTKNECHT), the gentleman from Wisconsin (Mr. KIND), and the gentleman from Ohio (Mr. KUCINICH).

During our trip, this delegation of first- and second-term Members of Congress had the opportunity to meet with senior officers of the U.S. Command, as well as enlisted personnel, both in the European theater and on the ground in Bosnia and Herzegovina. We met with U.S. diplomatic staff and also the people most affected by the ravages of war, the ordinary people of the Bosnian region, the Croats, the Serbs and the Muslim Bosniaas, who are all living together in this war-torn region.

We went to Bosnia, Mr. Speaker, to begin a better understanding of the current political and military situation in the region, to understand the stresses that a continued U.S. military deployment will place on our armed forces, the impact on training and readiness of the United States Army both in theater and elsewhere in the world, the conditions necessary to allow for a withdrawal of U.S. forces and when those conditions might be obtained.

Mr. Speaker, I will say at the outset that our 6–Member delegation has had a bit of a tough time scheduling this particular special order.

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We had thought that we might be able to bring these remarks during the evening hour yesterday. Because of the lateness of legislative and House business, we were unable to do so. The other members of the delegation may join me in a few moments, but I am told they are in various hearings and important meetings, and so I may or may not be joined by the other members of the delegation.

However, I do want to let my colleagues know, Mr. Speaker, the unanimous, and I emphasize unanimous, observations and conclusions which were reached by the entire delegation. These are people from both sides of the aisle. These are Members who came to the congressional delegation trip from different perspectives. Some Members had supported the Bosnian operation from the outset. Others had been very much opposed to the concept of our troops being in country there in Bosnia. Based