

rate of \$188 per day for 8 days, per diem alone approached \$60,000. With an average airfare (Delta roundtrip Washington-Vienna-Washington) of \$900, airfare for the delegation came to \$35,000, bringing the total close to \$100,000. This figure does not include the visitors' salaries. Nor does it cover the full cost of the U.S. delegation, which also included most of the already-in-place UNVIE staff. Counting UNVIE, our delegation came to about 50.

4. Ironically, the U.S. delegation spent much of the week fighting a proposal that would have increased our annual contribution to the technical assistance fund by \$125,000, roughly the same amount it took to bring our visitors to Vienna. (Predictably, most of the work to defend the U.S. position ended up being done by a few experts from Washington and UNVIE.)

GO FORTH AND REDUCE

5. In the context of today's budget climate and administration efforts to reinvent a more cost-effective Government, this year's delegation represented a profligate cost. But, as indicated above, it was also an embarrassment. Several of our G-77 and other counterparts wondered aloud how our professed budgetary austerity squared with extravagant USG travel habits. By way of comparison, most other delegations, even from larger countries, included only one or two visitors from capitals. (The only delegation even comparable to ours was the Japanese, which totalled 20, including Vienna-based personnel; Japan was shielded from comment, however, by an impeccable UN payment record.)

6. To be sure, some U.S. delegation members came to do work not directly related to the general conference, taking advantage of the presence of counterparts here—for example, for an NPT depositaries meeting and consultations on nuclear materials. It is also true that a traveling cabinet officer needs some accompanying support. But these points do not serve to justify more than three dozen visitors from Washington, particularly since the general conference is, in certain respects, one of the least substantive events in the IAEA calendar. We want to be clear on this point: UNVIE encourages substantive visits, but for substance, Washington officials would glean far more from a well-scheduled 1-2 day visit during the normal IAEA work cycle.

ACTION REQUEST

UNCLAS E F T O SECTION 02 OF 02
USVIENNA 003288
DEPT FOR PM—AMBASSADOR
SIEVERING;
FROM USMISSION UNVIE
NOFORN SENSITIVE
E.O. 12958: N/A
TAGS: IAEA, AORC, AFIN, US
SUBJECT: NON-PROLIFERATION OF DEL-
EGATES AS WELL AS WEAPONS

7. Ambassador requests that the Department draw up standards or guidelines which IO and relevant missions can use to limit significantly the size of U.S. delegations to international conferences. For its part, UNVIE—having beefed up its IAEA section to reflect U.S. national security priorities—is now positioned not only to cover the daily work of the Agency but also to handle, with very limited augmentation from Washington, the board of governors meetings and general conferences. Buttressed by instructions, we are prepared to use the country clearance process to help manage cost-effective USG participation in Vienna conferences. Ritch

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NNNN.

Amb. JOHN B. RITCH,
Chief of Mission.

THE QUESTION OF THE BALANCED BUDGET

The SPEAKER pro tempore (Mr. METCALF). Under the Speaker's announced policy of May 12, 1995, the gentleman from Hawaii [Mr. ABERCROMBIE] is recognized for 60 minutes as the designee of the minority leader.

Mr. ABERCROMBIE. Mr. Speaker, as you know, I have been coming to the floor in past days to discuss this whole question of the balanced budget. The previous speaker mentioned it again. It comes up on this floor with a regulatory that I think lets it amount almost to the point of prayerful incantation, Mr. Speaker. We hear over and over again phrases, like "This is for my children and my grandchildren." "We must have a balanced budget in order to give them an opportunity." "We have to have a balanced budget in 7 years."

Mr. Speaker, I will say yet again, and say for the record, that there is no proposal from the Republican majority to balance the budget in 7 years. There is no such thing as a balanced budget. On the contrary, what is happening is a proposal that is now before the President and the negotiators that is now before the President and the negotiators from the White House from the Republican majority which mortgages the Social Security trust fund to the tune of some \$636 billion, at least as of last January, and the conference report of the Republican majority in the House of Representatives, that does not include the interest.

The facts are, then, that we will be paying somewhere in excess of \$1 trillion. I take that back, Mr. Speaker. I do not know if we will be paying it. We will certainly owe it. But I have not seen any plan whatsoever or language in the budget proposal which indicates how we are going to pay the \$1 trillion back.

For those who maybe have tuned in to our proceedings here and have been kind enough to contact me and ask for a little more detail and for those who may not know, of our colleagues, about this proposition that I am putting forward that there is no balanced budget, may not have heard it, let me reiterate where I get this proposition, Mr. Speaker.

Let me indicate to you that I have in my hand a copy of the concurrent resolution of the budget for fiscal year 1996. This was printed on June 26, 1995, and this comes from your Committee on the Budget. This is, in fact, the official conference report.

On page 3 of the conference report, Mr. Speaker, it lists the deficits, and I am quoting now from the document, "For purposes of enforcement of this resolution, the amounts of the deficits are as follows:" The fiscal years 1996 through 2002 then follow: In the first year, the deficit is \$245,600,000,000. Deficits accrue each succeeding year until you reach the year 2002, the 7th year of this proposed balanced budget, in which the deficit amount is listed as \$108,400,000,000.

If we are talking about reducing deficits, that is one thing. President Clinton's budget did that. We reduced the deficit. We reduced the absolute number of the deficit, and the rate of the deficit has been going down and will have gone down for 3 years, something which I believe the record shows, Mr. Speaker, has not been done since Mr. Truman's administration in the late 1940's.

So I repeat, the budget document itself, so we know the premise that I am operating from, indicates that we will have deficits, deficits starting in the \$245 billion range this year and continuing on through to the year 2002, when supposedly we have a balanced budget.

Let me indicate what the public debt is. The public debt, and these are not my figures, Mr. Speaker, this is what is printed in the record of the conference report of the Republican majority here, the public debt is as follows: The appropriate levels of public debt are for the fiscal year 1996, \$5,210,700,000,000, \$5.2 trillion; in the year 2002, 7 years from now, when we supposedly have balanced the budget, the number has gone to \$6,688,600,000,000, almost \$6.7 trillion from \$5.2 trillion. I do not think it takes any great mathematician to realize that the public debt will have risen during the time we are supposedly balancing the budget by more than \$1 trillion.

Going on, again, quoting from the budget document itself, not figures I made up, section 103, Social Security, "social security revenues." Now I think anybody that is observing our proceedings today or listening in to our proceedings, they know what they mean by a balanced budget. It is how much of the revenues you have, how much money comes in and what your outlay is, how much money comes in and what your outlay is, how much money goes out, and at the end of the year or at the end of a period of years, if you say you are going to balance the budget, that is what we mean by it, how much came in, how much went out.

Well, I have just read to you that there is a deficit. Obviously, we are spending more money than we are taking in. Where are we going to get the money? "Social security revenues, for purposes of this section, the Congressional Budget Act, the amount of revenues of the Federal Old Age and Survivors' Insurance trust fund and disability insurance trust fund are as follows: Social security revenues," Mr. Speaker, "fiscal year 1996, \$374,700,000,000," almost \$375 billion, and again other amounts accruing each year from 1997 on through the 7-year period to the year 2002.

How much do we get in revenues in 2002? \$498,600,000,000. Now, where that money comes from, Mr. Speaker, is from your paycheck and mine and from paychecks all across the country, under the so-called FICA position on your paychecks, FICA. That is your

Social Security payment. And I will explicate about that a little bit more in my talk. It is \$375 billion in 1996, \$499 billion approximately in the year 2002.

What are the Social Security outlays? Okay, that is the income. What are the outlays? In 1996, \$299,400,000,000, approximately \$300 billion. In the year 2002, what is it? It is \$383,800,000,000, approximately \$384 billion.

Keep those figures in mind.

In other words, we have a surplus. If you look at the fiscal year 1996, this next year coming up, we are taking in \$375 billion in Social Security revenues. We are laying out \$300 billion. We have approximately \$74 billion to \$75 billion in surplus, what is called surplus.

We all know that there are going to be more people in the next century utilizing the Social Security trust fund for their benefits than there are now because the age of people getting the Social Security funds is increasing; that is to say, their life expectancy is increasing. There are going to be more people drawing on the Social Security fund with less people paying into it, and yet here we are drawing on the Social Security fund, borrowing from it. I think that is the polite word for it. Other people have used other words, like "embezzlement." I have quoted others in the other body who have used that word, embezzlement. I say we are mortgaging our future, our Social Security future, by taking from it. But that nonetheless, Mr. Speaker, is the surplus supposedly for this year.

Under the outlays for the year 1996, as I said, it was about \$300 billion. In the year 2002, the seventh year when we are supposedly balancing the budget, the Social Security trust fund will take in approximately \$499 billion. Almost a half a trillion dollars will come in. And what is the outlay? \$384 billion.

□ 1630

Now, let us say that we understand that there is liable to be an increase or decrease in these estimations, because that is what they are, estimations, but take a look at that number, What did I say was going to be the deficit in the year 2002? According to this budget document, it is going to be approximately \$108 billion. If we allow for a factor or \$2 or \$3 billion on either side, let us use that, say \$105 billion to \$110 billion. The \$108 is right in the middle. That is the figure being used. What is the Social Security surplus? Wonder of wonder, it comes to about \$111 billion, just about exactly what the deficit is, according to your own budget document. And what does that mean? It means that when the Republican majority says that they have a budget in surplus in the year 2002, what they really mean is they have magically worked the numbers so that the Social Security trust fund surplus becomes just slightly more than the amount of the deficit, so that you can claim there is actually a surplus in the budget.

It is entirely illusionary, it is entirely a matter of doing ballet with the

books, it is an accounting trick, it is just moving numbers around on paper, and it bears no relationship to reality. Why? Because the reality is at that point, even if you succeeded, Mr. Speaker, in doing exactly what you propose in the budget, of being able to have deficits every year and offset them with the Social Security trust fund by borrowing against that trust fund, in the year 2002, unless I am sadly mistaken and have misread the budget document, there is no provision in here whatsoever as to how the money is to be paid back. No plan. No proposal. No acknowledgment. As a matter of fact, the Congressional Budget Office even indicates to me that it is implicit that it will be paid back, but there is no explicit recommendation in the entire budget conference report as to how you will pay back the \$630 or \$40 or \$50, or whatever the number comes out to be, \$630-plus billion, plus interest, that has to be paid back into that Social Security fund in order for it to be utilized.

If one and I obviously, Mr. Speaker, do not think you would believe for a moment that I am making any of this up, that I do not have the documents, but if one was to consider that that was merely my reading of the budget figures and that perhaps I was misunderstanding what the information was, let us refer then to the Congressional Budget Office itself.

Now, I understand that there has been a great deal of discussion in the press and I have witnessed it myself with the Speaker of the House in great umbrage indicating that the Congressional Budget Office is the resource that we must refer to if we are going to make any pronouncements on the budget. So, Mr. Speaker, I take that, I am a humble serving Member of this body. I am in the minority. If the majority, the Speaker of the House of representatives, Mr. GINGRICH, says that we have to use the figures of the Congressional Budget Office and only those figures when we comment on the budget, I will accommodate him.

So I have before me the economic and budget outlook for the fiscal years 1996 to 2000 as of January 1995. The source, Congressional Budget Office. That is what I have in my hand, given to me from the Congressional Budget Office, the budget outlook through 2005 as a matter of fact. What does it show? It shows that in 1996, as of January 1995, we have a deficit starting in 1996 with the figure \$207 billion. It goes on to the year 2002, where the figure is \$322 billion. Then it shows the Social Security surplus starting at \$73 billion and ending up in the year 2002 at \$111 billion. Those are the figures from the Congressional Budget Office.

Attached to those figures is a letter written to the Honorable BYRON L. DORGAN, U.S. Senate, dated October 20, 1995, from the Congressional Budget Office, signed by June E. O'Neill, who, as you know, Mr. Speaker, is the Director of the Congressional Budget Office. Copies of this letter are sent to the

Honorable PETE V. DOMENICI, the chairman of the Committee of the Budget in the Senate, and the Honorable J. JAMES EXON, the ranking minority member on the Committee on the Budget, an identical letter sent to the Honorable KENT CONRAD.

I wish to quote in part from it. "As specified," I am now quoting from the Congressional Budget Office letter to Senator DORGAN, "As specified in section 205(a), the Congressional Budget Office projections"; in other words, the budget document, Mr. Speaker, that I just quoted from, "was not arrived at randomly."

Randomly. I am not accusing the conference committee or its author in the Committee on the Budget here in the House of just coming up with intuitive projections, although the Speaker of the House indicated at one point, Mr. GINGRICH did, that he arrived at the 7-year period by intuition. I think that I would prefer to lay intuition aside for the moment and get right to the figures as provided by the Congressional Budget Office.

Once again, "As specified in section 205(a)," we are talking about the act which forms the foundation for the budget resolution, "the Congressional Budget Office provided projections." There is then a parentheses, "using the economic and technical assumptions underlying the budget resolution and assuming the level of discretionary spending specified in that resolution."

In other words, the Congressional Budget Office, Mr. Speaker, in this letter, Ms. O'Neill, Director O'Neill, is indicating that the projections in the announcement she is about to make in this letter are based on the economic and technical figures that are in the budget resolution, and they assume the level of spending specified in the resolution that I have just quoted to you.

Going on, the projections of the deficit or surplus of the total budget, that is, the deficit or surplus resulting from all budgetary transactions of the Federal Government, including Social Security and Postal Service spending and receipts, are designated as off-budget transactions.

Now it comes out, this is how we perform the sleight of hand. This is the David Copperfield of budget tricks that takes place. You simply declare all the money that the people of this country have put into the Social Security trust fund as being off budget.

Do I not wish that I could take what I owe on my credit card and declare it off budget? I would not have to take that into account when I balance my budget at the end of the month or at the end of the year. I can just ignore all the money that is on that credit card, because I am declaring it off budget.

What happens as a result of that off budget transaction? Again, quoting from the letter from Director O'Neill: "As stated in the letter to chairman Domenici, the congressional Budget Office projected there will be a total

budget surplus of \$10 billion in the year 2002." mark that, Mr. Speaker. A budget surplus in the year 2002.

We have triumphed. We have achieved a 7-year budget balance. In fact, we will even have a surplus of \$10 billion. Oh, happy day. Why has it not been done before? Why did the Democrats fight us all this time on it, when here it was, right before us, so easily accomplished, and we have the Speaker and everyone who supports the Speaker now ready to give us this wonderful present in 2002 of a \$10 billion surplus.

But, wait. That is not all. There is another sentence. And what does it say? "Excluding an estimated off budget surplus of \$115 billion in the year 2002 from the calculation, the CBO, the Congressional Budget Office, would project an on-budget deficit of \$105 billion in 2002. If you wish further details on this projection, we would be pleased to provide them." A staff member and number is then left.

Yes, there is that little matter of the \$105 billion deficit. But, of course, we do not want to count that, because we were able to put that off budget somewhere. That does not really exist.

Now, Mr. Speaker, I have been in various legislative bodies for a long time. I have negotiated budgets. I have been a subcommittee chairman in which I received a figure, a spending figure, that I had to conduct my legislative affairs within, in higher education, in Health and Human Services, in education itself, in lower education. I know what it is like to have to live within certain boundaries that have been set.

I have also served on the Committee on Ways and Means, a committee which decides what kind of spending can take place, what kind of appropriation is going to be allowed. I think I understand the process. I have served on a city council where we had to make those decisions. I have had responsibility in those areas.

That does not make me an expert, by any stretch of the imagination, but I think as a citizen in a free country, someone who has had the honor and privilege of serving in public office because people exercise their voting franchise and put their faith and trust in my judgment, that I took it seriously, that I tried to do my job as well as I could and understand it. I think I am a reasonably intelligent person who understands the English language and the implications of it.

I am here to tell you, Mr. Speaker, when I read those comments and when I see those numbers, there is no way that I could have gotten away with saying that we were balancing the budget, had I been proposing this in the Honolulu City Council or in the Hawaii State Legislature, nor could I propose it to my wife and family and get away with it, because they would understand immediately that there was no way for me to account for the debt that I had incurred and how I was going to pay it.

Now, Mr. Speaker, let us move to another Congressional Budget Office defi-

cit projection, if that observation of mine is not sufficient, because I want to point out yet once again that this is what the Speaker has told us to do. Speaker GINGRICH has said as a matter of fact, I regret to say, Mr. Speaker, that Mr. GINGRICH has put it in quite threatening terms as recently as the last day or so. And this is his general proposition for the country at large, and I grant you, Mr. Speaker, that I am saying words to the effect. Mr. GINGRICH has said words to the effect, if you do not abide by the balanced budget proposition as put forward by the Congressional Budget Office, the stock market is going to crash, and the interest rates are going to go through the roof, or we will shut down the Government, and it will be all your fault.

Now, Speaker GINGRICH indicated he was going to bench himself previously. If this is being on the bench, I am not quite sure what being on the field would be. But, nonetheless, this is what he has done. He is the Speaker of the House, he won a majority of votes, and I think I would like to remind him that it is one thing to stand in the back and throw rocks when you are in the minority. I have been in the minority before. I have been in the minority even when I was in the majority. I understand what that is all about. It is easy to criticize when you are not in a position of authority. But now he is the Speaker of the House, and the things he says and the actions that he takes are taken very seriously by the people of this country. I assure you, Mr. Speaker, I take them seriously.

So I stand here before you today, taking Mr. GINGRICH's admonitions to heart, and so I refer to another document here in the economic and budget outlook of the Congressional Budget Office indicating the Congressional Budget Office deficit projections by fiscal year. This is the updated version. This is updated as late as I know one exists.

Now, I understand the Congressional Budget Office is going to provide a further update next week, so the figures that I am going to cite to you, I do not cite them as if Moses has come down from the mountain and given them to me. The best source I have is what the Speaker says I should use, which is the Congressional Budget Office with the latest figures.

Here they are. Congressional Budget Office deficit projections, August 1995, and what do I find on this page? By the way, this is in billions of dollars. I find a section of the Congressional Budget Office projections which say what? "Off budget surplus." And what do I find under it? Social Security and the Postal Service. The Postal Service surplus is a minor amount. It is not a minor amount to the average family, I am sure, because we are talking about up to a billion dollars. But compared to the off budget surplus of Social Security, it is a minor amount.

□ 1645

The off-budget surplus. Is that not a beautiful phrase, the off-budget surplus? I can imagine how virtually anybody in this country would be delighted to have an off-budget surplus available to them when it comes time to pay their bills.

For 1996, it is \$63 billion, and goes on up to the year 2002 in which the projection is \$96 billion. Is that not nice to have that surplus available to us?

So we go on then from the Congressional Budget Office, and we get what is the base line budget projections, and there we see a word which has been used on the floor of this House over, and over, and over again, but not since we started talking about the balanced budget. We used to hear about how we had to reduce the deficit. That was a litany that was recited with the fervor of a rosary being recited. We had to have the deficit be reduced.

We do not hear that anymore, Mr. Speaker. Now we are balancing the budget. We have a new prayer, but this is an unanswered prayer, because this Congressional Budget Office base line budget projection for the fiscal year 1996 read in two ways, and it is really convenient.

I am so pleased Speaker GINGRICH asked us to use the Congressional Budget Office because they have this beautiful comparison here. On one line, the on-budget deficit. Unfortunately, our deficit cannot get off budget. There is no way to hide the deficit. We have to stay on the money, no pun intended, Mr. Speaker, on the money when it comes to the deficit, and the Congressional Budget Office understands that.

So the on-budget deficit is \$253 billion in 1996, as of August 1995, according to the Congressional Budget Office; and goes on, by the year 2002, to be a total of \$436 billion. And do not forget we are accumulating 253, 286, 301, 338, 373, 397 and 436. We add all those numbers up to get what the deficit is.

And what do we see as the off-budget surplus? We have an on-budget deficit in three figures, we have an off-budget surplus in the year 1996 of \$63 billion, in the year 2002, \$96 billion, and we have a series of numbers going on for every fiscal year up to the year 2002.

So what we have there, Mr. Speaker, it seems pretty clear, is that we have an ever increasing deficit. An ever increasing deficit under our budget, under the Speaker's proposal. An ever increasing deficit and we have Social Security funds in a trust fund, supposedly off-budget, that we are going to use to try to reduce that deficit. But that does not take into account, then, how we pay for the money that we have borrowed from Social Security to make up for what we are spending in a deficit fashion in the budget we have proposed before us.

Mr. Speaker, one does not have to be a Nobel prize winner to figure that one out. It means that we are going to keep on spending. In fact, I see members of the majority party come to the floor

everyday and brag how they are spending more money on Medicare, more money on Medicaid, more money here and more money there. Charts come down on the floor, facts and figures are thrown forth, but I notice they never bring anything out of the budget document. I am the one quoting from the budget document. I am the one quoting from the Congressional Budget Office as to the actual figures.

Mr. Speaker, I do not have some pie chart or something that has been drawn up in the basement down here on the floor. I am quoting the facts and figures as they are, and I am here night after night bringing this out with no refutation from anybody. I do not seek a contest on this. I am just saying that these are the facts and figures for the American public to figure out.

Now, let us take a look at what this means. I have cited a lot of numbers, and I am sure my colleagues that are tuned in, and others across the country who might be observing our proceedings, they are not sitting there with pen and pencil trying to copy down everything I am saying. I hope that they believe that I am quoting accurately from the figures. Certainly the staff here at the House takes these documents afterwards to check for what they are going to put into the CONGRESSIONAL RECORD, so I can assure everyone that these documents will be quoted in the CONGRESSIONAL RECORD and the sources will be there.

So what do these numbers mean? If we take my fundamental proposition that there is not a balanced budget proposal on the table; that, in fact, we are increasing the deficit; that, in fact, we are borrowing money from the Social Security trust fund with no plan to pay it back, what does it mean?

Well, there is a very interesting table that the Congressional Budget Office has provided, and it is as follows: What is the on-budget deficit? If the Speaker will recall, that is what I just recited. And the off-budget surplus, what does that mean in terms of being a percentage of the gross domestic product? That is, I think, a reasonable way for the average American, and certainly myself, I am an average American, I do not think, as I say, I have any special mathematical ability or any special insight into economics, but I think I understand a straightforward presentation, and these Congressional Budget Office tables are straightforward.

The on-budget deficit. How much we are in the red. Off-budget surplus. How much extra money we have. What is it as a percentage of our gross domestic product? That is to say the sum and substance, the sum total of all that we have produced. What are we worth? Well, it is very interesting that the budget, which supposedly is going to be balanced in 2002, starts out in 1996 as a percentage of the gross domestic product. It starts off at 3.5 percent. 3.5 percent of the gross domestic product is the on-budget deficit.

If we were really balancing this budget, Mr. Speaker, why is it that in the

year 2002 the percentage of the gross domestic product, which is in deficit, is 4.4? I will repeat. How can we say that we have balanced the budget if, as a percentage of our gross domestic product, we move from 3.5 percent in 1996 to 4.4 percent of the gross domestic product in the year 2002? It cannot be done. It cannot be done.

There is no way we can twist the English language sufficiently to enable us to come on this floor and say that the deficit is less in 2002 than it is in 1996 if we have moved from 3.5 percent of the gross domestic product to 4.4 percent of the gross domestic product as representing the deficit of this Nation. That is the fact. At the same time, Mr. Speaker, the off-budget surplus stays approximately at 0.9 percent. The highest it goes is 1.0 percent in the year 2000 and again in the year 2002. In only 2 of the 7 years does the off-budget surplus reach the level of 1 percent of the gross domestic product.

Now, these are the facts and these are not facts that I have twisted and turned in order to make my case. The case came to me from reading the facts. I had no preconceptions on this. I do not sit on the Committee on the Budget. I had to do my homework on this. I had to read through these documents. I had to wade through all the piles of numbers and propositions, and decreased revenues stemming from downward revisions on income projections, and full percentage points lower than previous forecasts, and Federal debts held by public standing, and lower rates which translate into significant interest savings. I had to wade through that. It is my duty to wade through that.

When I looked at it, and when I read it, I kept thinking, can this be true? Can someone be coming down here and saying we are going to balance the Federal budget by 2002? We are going to balance the Federal budget in 7 years? We are going to save our children? We are going to save our grandchildren?

The Congressional Budget Office figures do not fudge anything. The Speaker of the House, Mr. GINGRICH says, let us use honest numbers. Everything that I have read today, everything that I am speaking about on this floor comes from the Congressional Budget Office or from the conference document on the budget as presented to this Congress. Every single number. Nothing has been made up by me. I am not trying to put it in any particular order to try to make my case. The case, as I said, was made for me by reading the numbers and understanding what they meant finally.

They meant to me that we are engaged in an illusion. I will not use the word "fraud". I may have used it in the past, because that just has a pejorative connotation, and I do not care to get into that. There has been enough of that kind of discussion taking place. I wish the Speaker himself, Mr. GINGRICH, would take that to heart and come down here and start using some

honest numbers that he admonished us with.

Now, Mr. Speaker, let us take a look at what that means. Let us try to get some understanding, then, of what that means to the children; what that means to the taxpayers who have the children and the mothers and fathers who may be on Social Security. There is a phrase that has been utilized, Mr. Speaker, utilized on this floor and utilized in discussions, utilized in media discussion, and it is called backloading. It is called look-back provisions.

Now, these are our little catch phrases that are utilized, and I do not think, necessarily, they are explained, and I fault the media. I do not fault the political figures that are trying to dance around this case. I mean I do not fault them in the sense of trying to figure out a way to fool people, because that is what the object of this is. I fault, frankly, the journalists and those whose job it is to cover what we are doing from inquiring further.

Why are there not more probing questions? We could do with a few less celebrity journalists and entertainers disguised as journalists and get some people who will ask some serious questions of the people that are presenting these phrases about balanced budgets and lowering the deficit.

What is backloading? What is a look-back provision? I will tell the American people what it is. What it means is if over the next 7 years some of these figures fall down, if they do not hold up, what it means is in the 7th year we will look back, see how much we are off the mark that we set for ourselves, and then impose draconian cuts. At that point that will eviscerate even further, if that is possible, Medicare, Medicaid, nutrition programs for children and the helpless among us. How will we care for them?

That is what look-back means. That is what backloading means. Backloading is when we start out and we have a lower number than we really need because we do not want to scare people too much. After all, there is a Presidential election coming up. Our reelection is coming next year. Let us not frighten them too much, but let us load that up at the backside, 1996, 1997, 1998, 1999 on to 2002, so that when we get to 2002, then we can whack them.

By that time, a lot of people in here have said they are leaving office. There is all kinds of folks in here that have said I am for term limits. I am only going to be here three terms. I am going to come in, destroy the budget of the United States, I will take the social and economic stability of this Nation apart brick-by-brick, and then I am going to walk away and leave the mess for somebody else to clean up.

□ 1700

That is what is going to happen. That is what the implications of this budget are. It goes beyond the partisan argument among Democrats and Republicans. It comes down to what kind of

Nation are we going to have? What kind of people are we? Do we care about one another? Do we have any feeling for one another? Is it literally a case, as in the Gilded Age, in which a financial pirate like Jim Fiske could say, "It is every man, drag out his own corpse."

Is this to be a war of each against all? Is that what this country is all about? That is one of the reasons that we have the difficulty in Bosnia, because we have a war of each against all. I come from Hawaii where we do not have that kind of ethic. Our diversity defines us rather than dividing us in Hawaii.

Mr. Speaker, we live on an island. I grant you, Mr. Speaker, not everybody lives in the kind of situation that perhaps you and I do. Island people, we know our limitations. We know that because we are on an island, because we recognize that nature in the end rules, that we have to get along with one another. We have to find ways to accommodate one another; not to set one against another.

Mr. Speaker, that will be the inevitable result of this budget if we are not fair and honest and play fair and honest as we go into the budget. If we backload the budget to have the full impact come in a given year, we are not going to be able to do it without hurting people and hurting people deeply. That is not just opinion on my part. I think it is a reasonable projection that anybody who is being honest about it would make.

Let us try to get a little more detail on that. What exactly is going to take place? Does anybody believe that in the year 2002, the Government stops; that there are no payments to anybody anymore; that we have no obligations, social or economic, to one another? What happens in 2003 and on out? It is very interesting.

Again, Mr. Speaker, I am not trying to just bring my own opinion to the floor. I will quote from what they call a myth, the balanced budget myth, from USA Today written November 6 of this year, just last month.

USA Today, Gannett Corp., they are no friends of mine. The Gannett Corp. in Hawaii, they would like to see me drop through one of those volcanic cracks on the Big Island and never come back. I am proud to say that those newspaper people in Hawaii, they have been against me all of my life. All of my political life they have opposed me. I know I am doing something right when I have the newspapers going against me in their editorial departments in my own hometown. Mr. Speaker, you know perfectly well that a person must have something useful to say.

I am not quoting an organization that has any favorable twists towards me. There is no question about that. So, what does their editorial say? Let me quote.

Each day, the debate over balancing the budget produces another dire warning. That

cuts are too deep, say the Democrats. Taxes must fall, say the Republicans. But after they compromise and begin arguing over who won a few weeks from now, one truth will remain. Both sides will be lying, because neither is talking about a truly balanced budget at all.

"The nonpartisan Congressional Budget Office," the documents that I have been quoting, as the Speaker admonished us to do underscored that point recently. It pointed out that come 2002, when the balance will be 'balanced' under the Republican plans, the Government will still be borrowing more than \$100 billion a year. This is done by writing IOU's to the Treasury, to Social Security and other trust funds that Congress declares off budget." That is what I have been saying all along in the course of my remarks.

"The bill for this little game will not come due in the political life of President Clinton or much of today's Congress." That is just what I indicated. "But, the public will pay soon enough."

Here is what the editorial says, and I quote:

To understand, look ahead to 2005. That is just 10 years away, about the time it takes for an 11-year-old child to go from grade school through college.

Let us think about that, because we have heard over and over again from our friends here on the majority Republican side, "Think about the children. Think about the grandchildren." I hope it does not sound pejorative, Mr. Speaker, but there have been some crocodile tears shed on this floor about the kids and the grandkids.

So, I am just going to talk about 10 years from now, in the time an 11-year-old goes from grade school to college.

That year, 2005, that year, a critical balance tips. Increased costs for Social Security will begin to deplete Congress' cushion. Because the Social Security trust fund is a fiction, filled with nothing but Government promises to pay, Congress will gradually lose its fudge factor. By 2013, when the trust fund peaks, taxpayers will feel a hard bit. They will have to start doing what the trust fund was supposed to do: pay for the retirement of 75 million baby boomers. The budget will plummet into a sea of red ink with \$760 billion a year deficits by the year 2030. By then, the Government will have had to double the current 12.4 percent employer-employee payroll tax to cover Social Security obligations.

Again I emphasize, Mr. Speaker, that is not some partisan rhetoric that I made up in order to try to embarrass Speaker GINGRICH, with his admonitions to us about having to balance the budget. That comes from an editorial from someone who is certainly not a friend of mine. But the fact still remains that they have hit upon what the real difficulties, and believe me that is a word that beggars the enormity of what is about to take place, the difficulties, the hardships, the pain that is going to be inflicted on this country as we apparently want to mutually agree to fool ourselves and, by extension, fool the American people into thinking that we are balancing the budget.

Mr. Speaker, we cannot in good conscience come down to this floor and go through this ritual recitation about a balanced budget and not acknowledge the facts as I have presented them.

Mr. Speaker, it seems to me that by borrowing from the trust funds, we are not really balancing the budget. By not being honest about what the deficits are, it simply means that we are going to have to raise taxes on the next generation, or else we are going to have to make cuts that are unacceptable in a civilized society.

I suppose it would be possible to make the kind of cuts that would enable us to get into balance in 7 years if we decided that there were whole portions of our populace that were expendable, with whom we could dispense, that we have dispensable people.

Right now, Mr. GINGRICH is very fond of reciting individual instances where children who were on welfare have been killed or maimed or tortured or some horrifying element such as that coming into play, and cited it over and over again, and then associate that with programs that have failed, in his estimation.

Well, I ask you, Mr. Speaker, to consider if we are going to go by the number Speaker GINGRICH raised with us, namely an intuitive one about 7 years, are we not then taking a chance, given the figures that I have outlined, of doing exactly that? Of having a society in which people, some people, will be considered less human than others; less deserving than others? In which providing for the general welfare of all of our people will be transposed into "some will get and some will not," and those without power will be left without the capacity to defend themselves?

The strong, the powerful, the wealthy, they can always take care of themselves. We all know the old joke about Democrats borrow and Republicans collect interest. Well, it has a certain cachet to it, and probably more than one person out there who is tuning in, including our own colleagues, will say, "Yes, that, is right."

Mr. Speaker, you may think that is the way we should put our budget together. I do not. I am down on this floor trying to exercise my franchise on this floor on behalf of those who cannot speak for themselves. That is why the 435 of us are here. This is a representative government. This is not a parliament.

Mr. Speaker, Mr. GINGRICH is not the prime minister. We do not have to follow blindly in the footsteps of anybody in this country, including the President of the United States, as he learns every single day, I am sure, more than once. Probably once an hour, once a minute, he probably feels it is like somebody is telling them that they do not have to pay attention to what he is saying or what he is requesting.

Mr. Speaker, it is our obligation as men and women freely elected by a free people to come onto this floor and defend the interests of those who cannot

otherwise defend themselves. That is what this budget is about. It is not about an abstract document. The fact that I happen to be able to grab a piece of paper and budget figures on a piece of paper does not mean that that is the budget. The budget is people. This is the people's House. We represent the people. We have a certain time on Earth given to us to justify our existence. That is the way I look at it.

I do not deserve anything. I am not entitled to anything. But I will tell my colleagues what I am entitled to under the Government of the United States, is consideration. Consideration, based on the Constitution of the United States and the Declaration of Independence that formed the basis of our association with one another as a republic.

So, it is important for us to transpire and translate this document, this budget, into human terms and to consider the human dimension. If we do, I think we are going to look at it a little differently. I am perfectly content, Mr. Speaker, I have been a legislator all of my life. I understand that not everybody thinks as I do, and I understand that positions I may have held at one time I have changed over the years.

Mr. Speaker, I have changed them because I have learned more. Hopefully, I am not so set in my ways as to believe that revealed wisdom is somehow mine at a given point in my life and there is nothing else for me to learn. In this particular context, I think there is a lot for us to learn, and there is a lot for us to give to one another in terms of the knowledge that we have acquired.

If we want to reduce the deficit, and I do think that is important, and if at some point we want to balance the budget, and I do think that that is important, by all means let us do it in a sensible way. Very few people, Mr. Speaker, are able to buy their house on the day that they move into it. The bank advances them a sum of money on the basis that they will be able to balance their budget. That is to say, they will have sufficient funds to be able to make the series of payments necessary in order for them to pay off that house.

We do that as governments all the time. What we say, if we are on the city council or in the State government or in a village situation where we have a bond issue for sewers or for roads or for schools, we say that over a period of time we will pay for that, because not just the people of today, but the people of tomorrow, the young people as they grow older, will be using these facilities.

We have a budget that takes that into account and over 5, 10, 15, 20, and 30 years, we pay the principal and interest associated with those projects and those expenditures that we feel are in the general public's interest; in the common interest of the people in our communities.

We see this as being fair and equitable. That is all I am asking for, Mr.

Speaker. So, I want to close perhaps by reiterating and summarizing as follows: If we truly want to have a budget that we can go before our families, our friends, our communities, go before those folks who depend upon us, and speak with them honestly about it; that will review the premises upon which this balanced budget is being proposed; that will deal with some honest number, recognizing that we cannot command the next Congress; that there are 2 Presidential elections over the next 7 years, then we have to try and set a basis, a foundation, for a budget that will enable us to be able to carry on the legacy, the heritage of freedom in this country, and to pass on to those who will have the responsibility after us, a responsible budget which has been arrived at in an honest fashion, and which preserves and protects not just Social Security and the other trust funds, but protects the basis upon which we are able to conduct the proper business of the people of this country.

That budget, fundamentally, in the end, Mr. Speaker, is people, and unless we translate this budget into people terms, we are doing a disservice to the very people who have given us the responsibility to be here today.

STATUS OF BUDGET NEGOTIATIONS

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

Mr. RIGGS. Mr. Speaker, let me point out that I am performing some special responsibilities tonight as what we call on this side of the aisle, the Theme Team leader. I hope to be joined by some of my colleagues in this special order lasting approximately 1 hour. This is time reserved by the Republican majority to talk about issues of the day.

However, having said that, I will also point out that we have ended legislative business for the week and I do not know if I will be joined by some of my colleagues, but it is my hope to talk a little bit about the budget situation.

Mr. Speaker, I think Americans are curious to know the status of these negotiations, since we are roughly 1 week away from the December 15 deadline for the short-term continuing resolution which has allowed us to keep, if you will, the doors of the Federal Government open and continue to pay our bills. A week from tomorrow, December 15, is when that continuing resolution expires; when the Federal Government runs out of funds.

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So we have a little bit more than a week to reach a bipartisan agreement with the President and his administration and with our Democratic colleagues in the House over the terms of

a 7-year plan to balance the Federal budget using honest numbers are generated by the nonpartisan Congressional Budget Office, a balanced budget over 7 years which does not resort to Washington budgeting. There is a little bit more than a week to reach an agreement to preserve the American dream for our children and our grandchildren rather than to leave them with the legacy of the American debt.

I would point out the obvious, which is that we Republicans, while being the new governing majority in the Congress for the first time in 40 years, lack the votes to override the President's veto. Therefore, we have to reach some sort of agreement with either the President and his administration or with enough of our Democratic colleagues to be able to override the President's veto, if the President continues to insist on balancing our plan, our balanced budget plan.

But at the beginning of my special order I wanted to talk just a little bit about the Committee on Standards of Official Conduct ruling yesterday on Speaker GINGRICH, particularly since it was the primary topic raised today during the opening of legislative business, the time that we normally reserve for what we call 1-minute speeches or 1-minute addresses to the House.

One of my Democratic colleagues after another came to the well, where I am now speaking from, to make or to reinforce accusations against the Speaker. It was clearly a smoke screen in my view to divert attention from what the Committee on Standards of Official Conduct really said in their ruling yesterday and also to divert attention away from the pressing business, the business of the American people, which is of course confronting this House, as I mentioned, and which we actually have just a little bit over a week's time to conclude. Again, the most pressing business, the most pressing issue confronting the House of Representatives is the American people's desire to have a balanced Federal budget.

So, first of all, let me just take a moment to clarify this Committee on Standards of Official Conduct rule on Speaker GINGRICH. I think my colleagues, particularly my newer colleagues who perhaps do not have the history of this institution, certainly, or perhaps are not aware of how the Committee on Standards of Official Conduct has been really turned into a tool or a vehicle for political vendettas, I want to spend a moment to talk a little bit about the history of the Committee on Standards of Official Conduct. I also want to take a moment to clarify that the Committee on Standards of Official Conduct is the only standing committee of the House of Representatives that is truly bipartisan in nature. That is to say, an equal number of Republicans and Democrats are serving on that committee.

Yesterday the five Democrats and the five Republicans, again an equal