

enough to visit with some of the soldiers of the 21st TAACOM Army Reserve unit which was being deployed as part of Operation Determined Effort to help our troops in Bosnia.

During the course of my visit, Ruthie and I presented some of the soldiers with cards and letters of encouragement from school children at both Rushville Elementary School and Muncie Northside Middle School.

Two weeks ago, I visited Rushville Elementary School thanks to Scott Bowers of my district staff and his sister Stephanie Bowers, who teaches at the elementary school.

I was able to meet those school children who wrote the letter and have not forgotten our men and women serving in Bosnia. Their words speak volumes as to what America is all about.

The first letter that I want to share with you is from Heather Paugh, a fifth grader at Rushville Elementary, who said:

DEAR SERVICEMEN: Good luck on your mission to Bosnia. I hope that every one of you come back. I'm behind you all of the way.

Next is a letter from Jeremy Allison. Jeremy writes,

DEAR TROOPS: I wish you did not have to go to Bosnia. I hope you get all of the medicine safely to the moms and dads and the kids that are sick and need it.

My name is Jeremy Allison. My uncle is in the Air Force. I'm 10 years old and in the 4th grade. I go to Rushville Elementary School.

I hope you get back safe. If you do you will be a hero.

Remember God is with you.

Your friend, Jeremy.

The last letter I want to share with you conveys the uncertainty one of the children has toward the whole mission. He writes:

I am very surprised that you would risk your life to save another. I don't think it's fair that you have to go. I wish that Bosnia would have peace and nobody would have to do what you're doing.

I have been studying in school about all of the people who have lost their families. I am very sorry that happens almost everyday. I hope you do not have to shoot anybody. I'm a 10 year old boy in Rushville.

Graig Weily.

We are all proud to know that America has dedicated service men and women ready to give up their lives to protect freedom. And most importantly, children back home that believe in them.

Grownups may disagree over the policy and the deployment of troops to Bosnia, but I think most grownups, including myself, agree with Jeremy Allison: "I hope you get back safe and if you do you will be a hero. Remember God is with you."

To the brave men and women serving in Bosnia—you may be out of sight, but you are not out of mind, you are in our prayers daily.

And that is my report from Indiana this week.

JOBS IN AMERICA AND THE TRADE DEFICIT

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

woman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I rise tonight on the topic of jobs in America and the trade deficit, an issue which, after 10 years of very hard work, has finally made it into the headlines during this Presidential primary season, and it could not have come too soon.

Last week, in our local newspaper, the Toledo Blade, one of the headlines read, "Trade Deficit Highest in 7 Years." In fact, last year, 1995, the amount of imports coming into this country versus exports going out ballooned to over \$111 billion, the worst performance of this economy since 1987, and, in fact, last year's goods deficit, that means the part of the trade deficit that deals with hard merchandise, grew to \$175 billion, an increase of over 5 percent from the prior year. That means we are digging ourselves deeper in the hole.

Trade deficits like these have turned our country from being the largest creditor in the world, that means that people borrowed from us, rather we have become the largest debtor nation in the world, importing much more than we export and having to monetize, pay for those imports with our hard-earned dollars. Is it any surprise that the kind of lingering trade deficit has served to act as a downward push on wages in this country, contributing as well to the loss of millions of jobs across our country as we see not just low-skilled jobs but high-skilled jobs moving abroad and a general decline in our own living standards?

And if you think about that for a second, with interest rates even at the level that they are today, is it not harder for you to afford a car than it was for your parents? That is because goods cost more here now.

I just want to show you a chart, I will put it up here, which in the red, which is the part I want to reference here, shows what has been happening for the last 20 years in our country. We have not had a year where we have had more exports going out of our country than imports coming in here. In fact it has been getting worse and worse. Last year, 1995, will be worse than the year of 1994. In fact, if you look at our entire balance of payments, the measure of all of the inflows and outflows of capital, goods and services to and from our country, our position has been deteriorating, as this chart indicates, since the 1970's, largely as a result of a lack of domestic savings and investment here at home, but more important, the rising penetration of foreign imports into this country and the literal displacement of jobs in our country.

I cannot tell you how many Members have come up to me on this floor since NAFTA's passage, which we fought so hard against. They said, "Marcy, we lost 3,000 jobs in northern Alabama. We have lost 2,000 jobs in east Tennessee. We have lost 14,000 jobs in Florida," and the automotive parts companies of

my State of Ohio, 1,000 jobs gone already just as a result of that one trade agreement and as well as the lack of access we have into other closed markets in the world.

Much attention has been put on the impact of a long-term budget deficit in our country, and that is important. However, very little has been said about this structural trade deficit, the other pillar of the twin deficits on which our economic house and our futures stand. And I am very happy this has become a Presidential issue. It is being talked about in the Republican Party. It is being talked about in the Democratic Party.

I guess it just goes to show that when you run for President, probably the most important power you have is to focus attention on something important.

The trends are not encouraging. Since 1990, even though we cut our budget deficit by 23 percent and further cuts are expected in the coming years, our trade deficit has grown by 54 percent. At this rate, the trade deficit will overtake the budget deficit within the next 2 years, and, in fact, it already has.

The same logic that is used to support cutting the budget deficit could be equally applied to the argument for cutting this trade deficit. Any borrower or buyer of a foreign good knows that debt has a price. The U.S. trade deficit technically represents a liability on our national balance sheet, a loan from a foreign seller or creditor that must be financed.

As noted economist Wynne Godley has stated, the main causes for concern are the financial constraints that occur when countries become heavily indebted and the loss of national income that results from rising interest payments.

In the past, even though you may go and buy a car and it may come from another country, you purchase it with your credit card, when you make those interest payments, those go to the foreign manufacturer. This is what I talk about when I say monetizing that debt.

In the past, increased flows of foreign investments into our country as well as their purchases of our securities, our Treasury bills, were necessary to pay for our trade deficit. Now the willingness and capability of these foreign creditors, especially Japan, to continue these investments and purchases is on the wane. As foreign direct investment and purchases of our securities decrease, the United States will still need to attract foreign capital to pay for this deficit.

If the trade deficit remains at the same level, by the year 2010 we will be paying the equivalent of 2.5 percent of the entire amount of goods and services produced in this country and interest payments and capital outflows to foreign countries.

Now, the 2.5 might not sound like a lot, but it represents the amount by which this economy is growing. It is

not enough to catapult us into the high standard of living we would hope for our people.

Only with the goal of cutting our exploding trade deficit and making sure it remains a part of the Presidential race this year will we be able to cure the other part of the twin deficit that is causing the downward pressure on wages and living standards in this country.

INCREASING THE PUBLIC DEBT

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

Mr. SMITH of Michigan. Mr. Speaker, I would like to talk about the fact that tomorrow this Chamber is going to increase the borrowing authority to the U.S. Department of Treasury, or we presume the votes will be there to increase the debt.

The public debt of this country is now \$4.9 trillion. I brought a chart with me to explain the roughly \$1.6 trillion budget that this Federal Government spends every year. If we look at the growth of the U.S. budget, back in the 1970's, the U.S. budget used up a much smaller portion of our total gross domestic product.

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In fact, in 1948 it represented 12 percent of GDP. Now it is up to 21 percent of GDP. This Government, this overbloated bureaucracy, is growing bigger and bigger, and how are we going to stop the overspending? How are we going to stop more and more borrowing, that means that we are taking the money that our kids and grandkids have not even earned yet to pay for what we consider today's problems?

Everybody in the generation under 40 years old had better sit up and take note about what Government is doing to their future. This pie chart represents how Government spends its money. The bottom blue part represents half of the Federal budget, and it is spent for welfare and so-called entitlement spending.

The little white part represents interest. Interest is now becoming the largest single item in the Federal budget. This year, this represents net interest. Gross interest, if we include the interest that is paid on the money that we borrow from Social Security and the other trust funds, was over \$300 billion this part year, larger than any single expense item in the budget.

The red section represents 12 appropriation bills. Those 12 appropriation bills are controlled by Congress. Article I of the Constitution says Congress is responsible for the purse strings. This is about all we have left, is that little red piece of pie that represents 18 percent of the budget that represents the 12 appropriation bills. Why I say Congress has control of that appropriation spending is because if the Presi-

dent vetoes that particular bill, then there is no money there.

The green part is defense spending, and I have separated that out as the 13th appropriation bill, because the hawks and doves, the conservatives and liberals, almost never have disagreed more than a plus or minus 10-percent deviation. Everybody agrees that there should be a certain amount of our budget spent for national defense, so that is pretty much on automatic pilot.

The blue is on automatic pilot on the welfare programs, because those welfare and entitlement programs, we cannot reduce the spending for those programs unless the President signs the bill to do it.

What we have done is we have given away congressional authority over the years and said that the money is automatically going to be there if individuals meet this certain criteria of entitlement. There is a certain level of poverty, so therefore they are eligible for food stamps, or they are poor and have kids and are eligible for AFDC, or reach a certain age so you can have Medicare, or a certain level of poverty so you can have Medicaid. This cannot be changed. This is the part of the budget that is causing us to increase the national debt more than any other part of the budget.

What a lot of us think is that it is reasonable, Mr. Speaker, to say to the President, look, if we are going to increase this debt over the \$4.9 trillion that we now have, then we want to tie to it some reforms in the welfare programs, the entitlement programs, that are causing the greatest need for increasing that debt.

Let us be fair to our kids, let us be encouraging to the economy, let us balance the budget. The only way you can balance the budget is to change the entitlement programs. That means the President has to sign that bill.

We tried it once. We got a balanced budget through the House and the Senate. The President vetoed it. We are going to try again, Mr. Speaker.

HEALTH CARE REFORM

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

Mr. PALLONE. Mr. Speaker, the reason I am here today is because Democrats as a party in the House of Representatives, basically over 170 democratic Members of the House of Representatives, are uniting behind a proposal that would make modest but important improvements in America's health insurance. Basically it would provide access to more Americans so that they can have health insurance, and guaranteeing also that if they lose their job or change jobs, that they can carry their insurance with them.

The bill that we are all uniting behind and cosponsoring is sponsored in

the House of Representatives by the gentlewoman from New Jersey, Mrs. MARGE ROUKEMA, a Republican and a colleague of mine, and her bill is basically the same as the one that is sponsored in the Senate by Senators KASSEBAUM and TED KENNEDY. So this is a bipartisan effort.

Basically, it is a bipartisan effort to try to bring very modest health insurance reform to the American people. I should also point out that in his State of the Union Address, President Clinton said that he would sign this bill if it was passed by the Senate and the House and brought to his desk.

The problem that we face right now is that there are strong indications that the House Republican leadership, Speaker NEWT GINGRICH and the Republican leadership in the House, are not willing to bring the bill to the floor in its existing form, and, in fact, are talking about loading up the legislation with many other provisions which we think we make it more difficult for this bill to pass.

I want to introduce to talk a little bit about the bill, the gentlewoman from California [Ms. ESHOO]. Before I do that though, I just wanted to say very briefly, that, as I said, there are 170 Democrat Members of the House that have signed on as cosponsors to this bill, and there are numerous organizations, most notably the American Medical Association and a list of probably about 100 different health care specialty groups, as well as some insurers, who are not saying that they also support the bill.

In addition to that, there has been a commitment by the Republican leadership in the Senate to bring the bill to the floor the second or third week in April. So, again, the only thing that is holding up action on this legislation at this point is the House Republican leadership, which so far has been unwilling to bring it to the floor.

Mr. Speaker, I would like to introduce my colleague, the gentlewoman from California [Ms. ESHOO], who has been a strong leader on this issue.

Ms. ESHOO. I thank the gentleman from New Jersey [Mr. PALLONE].

Mr. Speaker, I would like to return the compliment with a multiplier, because the gentleman has been at the forefront in support of the changes that need to be made for the American people on health care. He has been an eloquent voice in the committee that we both serve on, the Committee on Commerce, when it has come to Medicare and the protection of the elderly in our Nation. He has spoken not only eloquently but very sensibly. Sometimes I think the most uncommon of the senses is common sense. He does not lack that.

I am delighted to join with my colleague today during this special order to talk about this bill on health insurance. I ran for Congress in 1992, and one of the issues that motivated me the most, because it was something that I concentrated on and gave 10 years of