

There is a correlation between the tax breaks corporate America has received and the kind of money they contribute. I do not want to get into a long discussion of the present campaign contribution scandal. There is enough being said on television, radio, cable television, all across the board, there is a lot of discussion about the great scandal of 1996 where more money was raised and spent on political campaigns than ever before in the history of the Nation. Very interesting. More money was raised, but we only had 49 percent, less than 49 percent of the people who came out and voted. It was a record low vote, despite the fact that large amounts of money were raised.

Mr. Speaker, I assure you, people who were contributing the money, they all came out and voted. Their friends voted. There is a correlation between wealth in America and voting. The richest people in America always vote. Always. Come down the line, the middle class, they hesitate sometimes. They do not come out large enough. When you get to the very bottom, they are the ones who do not vote at all. The people who need government most do not vote. Those who need government are willing to pay. The Center for Responsive Politics has a chart here in a report they issued on the PAC, Political Action Committee, expenditures for the Clinton-Dole campaign and the soft money.

Where did the contributions come from? It is very informative. If you want to know why one sector of our society feels that they do not have to, they pay less taxes now than they used to pay, and they do not have to obey a certain part of the Internal Revenue Code. They are so powerful, they are going to be taken care of. They have gotten the green light from somebody, but they do not have to obey the law.

Yeltsin has a problem with the Mafia in Russia. They go to collect taxes, they are just maybe gunned down. The Mafia has killed members of the legislature, they have threatened high-ranking officials. Things are totally out of hand in Russia, so they do not try to collect the taxes with too much zeal. The people who really have the money also have the muscle.

That is very crude, that is very savage. That is a failed society. We are not a failed society. If we allow this to go on, however, if they get away with disobeying the Code in this case, they will do it somewhere else. We will have a pattern that will lead other people at lower levels to say, we are not going to obey the law also.

□ 1915

We had a savings and loan swindle. They called it the savings and loan swindle, but it was the banking industrial complex of America swindle because the amounts of money that regular banks that were not savings and loans banks lost was pretty great also. The savings and loans swindle, it is estimated, will cost American taxpayers \$500 billion before it is all over.

There was a Stanford University report that I read some time ago. I do not have the documentation here. But it said that, when you get through paying back the money through the Federal Deposit Insurance Corporation and the money that was appropriated directly by Congress to make up for what had been stolen and you get through with the administrative costs of all the various bodies we set up to recover the money, the American taxpayers are going to be out \$500 billion.

They got away with that basically. The number of people who went to jail, the number of people who spent any reasonable time in prison is minuscule. The amount of money recovered is a tiny amount, a very tiny amount compared to the amount that was stolen. The biggest thief who was actually pinpointed and convicted, he became a personification for the rest, Charles Keating. Charles Keating in California was recently released on a technicality. They said, we made a mistake. Yes, you did cost the taxpayers \$2 billion. Your Lincoln Savings Bank, your bank, your operation did cost us \$2 billion. That we can document. But on some technicality, rich Mr. Keating is out. He claims he is penniless, but none of us were born yesterday. We are certain that a multimillionaire did not go to jail penniless and he did not come out penniless, but he is out. Charles Keating is out. And he was the most celebrated, the most highly publicized.

If he is out, then you know all those other folks that we did not even know about, they are out, too. Some high placed officials and their relatives, they were involved. So the savings and loan swindle was the biggest swindle in the history of mankind of its kind. And large amounts of people got away with it, became rich, stayed rich.

So you had a precedent there. Do not allow too many of these precedents to develop, Americans; you are on the road to a collapsed society. It is possible, if you keep doing this, to have no faith in law and order, certainly no faith in the regulations of our financial institutions.

Banks were closely regulated by the Government. They could not have done this without collusion from public officials, the savings and loan swindle.

In this chart, the financial sector, they have different sectors here. For the school children of America, you need to know that our laws are made by various complexes, industrial complexes. Do not believe what you read. The simple thing about the House of Representatives and the Senate and they get together. The most important thing is not discussed. The various complexes, the defense industrial, military industrial complex we all know about. President Eisenhower, when he left office, shook us and woke us up and said be aware. There is a military industrial complex which will drain large amounts of money away from the American taxpayers, and it has.

It has a record that keeps going on and on, the war is over, the excuse for

it. The evil empire is defeated but the military industrial complex is still effective. They do not make the biggest contributions anymore. It is the financial industrial complex that makes the largest contributions. Close to \$40 million for the Clinton-Dole soft money campaigns and the regular campaigns, close to \$40 million went to the Republicans. Half that amount went to the Democrats from the financial sector.

In every other category, except labor, about twice as much was spent for the party in power in Congress, majority party, than for the Democrats or for the Republican candidate because these great industrial complexes, the financial industrial complex, the agricultural industrial complex, there is the construction industrial complex, the defense industrial complex, energy industrial complex, the health industrial complex, the transportation industrial complex.

Only organized labor, which is considered not a business complex, but it is listed here because it gave large amounts of money, only organized labor contributed more money to Democrats than to Republicans. That is interesting. And then of course there are others. The pattern is pretty clear that the buying of a point of view, the people advocating cutting corporations even further, they wanted capital gains cuts, people are advocating a huge tax cut for the richest Americans, the people who are advocating that we cut only those programs that go to the poorest people, the people who turned their back on the welfare, the corporate welfare, those are the people who get the largest amount of money from the various complexes and the financial complex where the corporations and the brokers and the whole set of people who make the most money, they give the most.

In conclusion, Mr. Speaker, we will hear more about corporate welfare. The gentleman from Ohio [Mr. KASICH] and the Republicans are also interested in cutting corporate welfare. But here is a piece all we need to do is tell the Internal Revenue to enforce the law. You could realize a large amount of money, take some of the burden off other taxpayers and have the result of making every American institution as well as individual pay their taxes, April 15 is coming. We should all pay for taxes.

#### SOCIAL SECURITY AND BALANCING THE BUDGET

The SPEAKER pro tempore (Mr. MANZULLO). 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, in the interest of bipartisanship, I yield to the gentleman from Minnesota [Mr. MINGE].

#### FLOODING IN MINNESOTA

Mr. MINGE. Mr. Speaker, I would like to first thank the gentleman from

Wisconsin for yielding to me and indicate that I dearly appreciate the strong and cordial bipartisan working relationship that we are trying to establish in the House. Almost 200 of us went to Hershey, PA, the sweetest place on Earth for a bipartisan retreat to work on building civility and strong, positive working relationships in this Chamber on both sides of the aisle. This is a task I think that all of us need to continue to address.

Mr. Speaker, this evening I wish to address the House with respect to a matter of great concern and interest to me. The Minnesota River, the Red River of the North and several other streams and rivers in the upper Midwest are experiencing flooding problems on a scale that has never before occurred in the recorded history of this region of the country.

The impact that this is having on dozens of communities is overwhelming. However, through a coordinated effort of State, local, and Federal officials, what appeared to be the impossible is being achieved in many of these communities. I have lived just outside the city of Montevideo, MN, for the last 20 years.

I have members of my family in a community downstream called Granite Falls, MN. Never before have these communities received national attention. But now in April 1997, they have been the initial stories on network news, evening after evening. And why? It is because of the harrowing battle that is being waged. The U.S. Army Corps of Engineers has come in and helped build dikes on streets and highways. Hundreds of volunteers have come from as many as 150 miles away with trucks and strong backs to load and place sandbags to fight the river.

The river is like a raging bull. It is coursing down a narrow channel in one of these communities, and you look at that raging stream and you wonder, is that going to jump the banks. How can we control it. Thanks only to the strength of these levees that have been constructed by the Corps and the force of gravity is this river as a threat contained.

Local residents of these communities have been working, toiling for as much as 20 hours a day constructing these dikes and levees and protecting property. In some cases residents have been forced to evacuate their homes with as little as 5 minutes notice. Yet they are succeeding.

I am also pleased to report that the Federal Emergency Management Agency, working with the Governor of our State and the President, has already released the report that these communities and these areas have been designated as Presidential disaster areas and that FEMA will be quickly moving into the region along with other agencies to provide the type of assistance that is necessary to enable them to both clean up and recover.

This is not a handout. These are programs that we have established over

many decades. They are programs which the Federal Emergency Management Agency has earned a reputation, a well-deserved reputation in the last 5 years, of very capably administering. I think that we can all be proud as Americans of what this agency is doing and what it is contributing to the well-being of small communities who have been afflicted by these natural disasters.

Mr. Speaker, I would like again to express the appreciation that all of us in Congress have for the volunteerism, for the hard work and the sacrifice and the community spirit that is alive and well in America and what this is doing to renew the faith of people in our ability to respond to the challenges that face us in pulling together and pulling ahead.

#### SOCIAL SECURITY AND BALANCING THE BUDGET

Mr. NEUMANN. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. GUTKNECHT]. May I say it was a pleasure to visit Winona at Winona State and have the privilege of joining you at a town hall meeting.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman. It was our privilege to host the gentleman in Winona.

If I could just say that we want to do a special order tonight and talk about Social Security and balancing the budget. And my colleague from Minnesota and our fellow Committee on the Budget member [Mr. MINGE] recently just alluded to the unbelievable problems being faced, especially in western Minnesota and the Dakotas. I would just like to say that on behalf of all Members of Congress, particularly this one from Minnesota, I want to make certain that we here at the Federal level are doing all that we possibly can for those people.

It is really hard for some of us to imagine what it must have been like to wake up and find that much water on your streets and in your neighborhoods and then have 40- to 50-degree-below wind chill factors blowing ice and water and then on top of that many of the homes being without electrical power. So we really cannot imagine how tough it has been on some of the people in those communities. The only thing I guess we can say to them is that we are going to do everything we can here at the Federal level to make certain that we get things right.

I might also mention though that when we talk about floods, what we want to talk about tonight is this flood of red ink which threatens not only to drown us but, worse than that, to drown our children. And I am going to yield back to the gentleman so we can have a discussion about really the size, dimensions, and ultimately what the implications are of this debt and of the deficit spending that has been going on in this body and in this Congress for most of the last 40 years.

Mr. NEUMANN. Mr. Speaker, I also want to talk about the budget process and that debt that is drowning us as a nation.

Before I get into that this evening I would like to recognize a very special group of people that are out here in Washington this week. We talk so much about education and we hear so many cases where education is not working the way it should be working. But I would like to just recognize a good friend of mine, John Eyster, a teacher from Janesville Parker High School who is out here with a group of students illustrating just how education does work and setting an example for young people all across America, showing us how education can and does work in Janesville, WI. He brought these students out here. I had the chance to spend about an hour with them today. And I have got to say, they are some of the best educated students that I have ever talked to.

John consistently brings his class out here every year and it is just a privilege to meet and talk with these folks and to see how far along they are in the educational process and, in all fairness, how well versed they are on the issues facing this great Nation of ours.

□ 1930

With that, I will start into why I came to Washington and what I think the budget process needs to get back to. I start by referring to this chart I brought with me because it is about the best chart I have ever seen in terms of talking about that debt that we are all drowning in as a nation.

What it shows is the growth of the Federal debt facing this Nation and it shows, starting in 1960 all the way to the year 2000, where we are at in this growth in debt. It is important to note that from 1960 to 1980 we have a relatively flat line. There has been very little growth in debt. But in 1980, from there forward, this thing has grown and grown and grown.

And you know, what really bothers me about this is when I hear all of the Democrats in America say that was the year Ronald Reagan took office and all the Republicans say, well, that was the year the Democrats in Congress could not control spending. But the bottom line is if we are really going to solve this problem we will have to accept and recognize it as an American problem and that we as the American people have to solve it, not as Democrats and Republicans but as Americans.

I want to point out that as we look from here forward we are no longer in a position where we can fight about Democrats and Republicans. We are all the way up here on this chart right now. And when we think about what that is doing to our Nation, we need to understand that it is not just about this chart, it is about the fact that the government goes into the private sector and borrows that money out.

Because that is what is happening with this, this is what the deficit spending leads to. When the government goes into the private sector and borrows the money out to pay for its

deficit spending, that makes for a tighter money supply. Government borrowing out of the private sector tightens the money supply and raises interest rates. And when you raise interest rates it hits home quickly, because it means many Americans cannot afford to buy houses or cars.

And that is really a problem in this Nation. That is why in the past years, here, as the deficit has come down until this year, for the first time in 4 years, as the deficit has been coming down, the interest rates have held steady and we have literally been in a position where the economy has boomed. And it has boomed because of the fact if interest rates are steady, the government is not confiscating as much of the private people's money out of the private sector, there is more money available and lower interest rates, which keeps the home building business going strong, the auto industry going strong, and a lot of people able to borrow money to buy things.

And of course when people buy houses and cars, that means other people go to work to build the houses and cars and that really, folks, is what this budget battle is all about, about getting the government to stop borrowing the money out of the private sector so it stays out there and the interest rates stay down and people can afford to buy houses and cars.

I have a son, currently a sophomore in college, and my good friend from Minnesota, I believe he is going to school in his district, as a matter of fact, and I think about the young people like Andy and all the others like him across this country as he graduates from college, takes his first job, starts his own family, starts thinking about buying a house and a car, and I think about how important the interest rate is to him in terms of being able to afford that house and car.

There is another issue that most people do not relate to the young people in this country and that is Social Security. Most people think the Social Security discussion is about just the senior citizens. It is not. It is about the people in their 40's and 50's hoping to get Social Security, and it is about the young people who are paying \$15 out of every \$100 they earn into the Social Security System with literally no hope of getting any of that money back.

So I want to talk about Social Security as it relates to the overall budget process. And I have noticed, and the gentleman from Minnesota, [Mr. GUTKNECHT], I think maybe he has too this week, that as we look at the budget proposals currently in Washington, none of them deal with the fact that Washington is currently spending the Social Security Trust Fund's money.

The Social Security System is taking money out of every paycheck in America today. As a matter of fact, if you look at all the money being collected by the Social Security Trust Fund today, they are collecting \$418 billion. This is pretty straightforward. They

are writing checks back out to our senior citizens in the amount of \$353 billion. Well, it is much like a checkbook. If you take \$418 in and spend \$353 out, you are in pretty good shape, and that is good news for the Social Security System today.

But that \$65 billion is supposed to be set aside in a savings account. The idea is this. Everybody sees the baby boom generation headed toward retirement. So the idea was to collect extra money now, put it into a savings account, and when these two numbers turn around, they are no longer collecting enough to make good on the Social Security checks, at that point in time they would go into the savings account, get the money out, and fulfill our commitment and make good on the Social Security checks.

The problem we have is that is not what Washington is doing with the money. When Washington saw this \$65 billion sitting there, Washington did the Washington thing and they spent it. As a matter of fact, that \$65 billion today is going directly into the big government checkbook. It is called the General Fund. But you can think about it like the big government checkbook. When they are done writing out checks in this government, of course, the checkbook is overdrawn and that is what we call the deficit. So they are taking the \$65 billion, they are putting it in the big government checkbook, and when they are all done writing checks out of the big government checkbook there is no money left. So they put an IOU in the trust fund. They do not count that IOU toward the deficit.

This is a huge problem as we move forward. We have proposed legislation in our office, and I am happy to say we have bipartisan support for this legislation at this point in time. The legislation is very straightforward. It simply says that the \$65 billion it has collected from the Social Security Trust Fund should simply be put down in the Social Security Trust Fund.

It is straightforward, the legislation, and I am happy to say we have bipartisan support for it and we now have 60 cosponsors on the Social Security Preservation Act.

This week we are out here talking about budgeting. It is real important to understand how this Social Security System issue affects the overall budgeting process. This picture really kind of says it all. When the Federal Government, when Washington, talks about the deficit, they talk about this blue area. They talk about how much they have overdrawn their checkbook and they forget to tell you in addition to the amount they overdraw their checkbook they have also taken that \$65 billion out of the Social Security trust fund.

So the deficit, when they talk about it being \$107 billion, the reality is the deficit is in fact \$107 plus 65, or \$172 billion overall.

I think it is real important to look at how that affects the overall budget

process and what we are talking about when we say we are going to balance the budget by the year 2002. When we talk about balancing the budget by the year 2002, virtually every budget plan out here, President Clinton, the Republican plans in some cases, they all talk about getting rid of this blue area. But what they actually mean when they say they are going to balance the budget in the year 2002, what they mean is they are going to go into the Social Security trust fund, pull out \$104 billion, put it in their checkbook and say their checkbook is balanced.

So when the people in Washington talk about balancing the budget, they are not telling you that when they say they are going to balance the budget they are still going to be going into that Social Security trust fund taking the money out, putting it in their checkbook and saying my checkbook is now balanced. That is ridiculous, and if it was done in the private sector they would be arrested for it. It is that simple; that cut and dried.

The answer is the Social Security Preservation Act needs to be passed. And to my colleagues who might be watching this evening, the important thing is when we pass a budget plan this year, we must address the fact that balance means balance without using the Social Security trust fund's money. When we say we are going to balance the budget to the American people, we should go about balancing the budget, not balancing the budget by stealing the money out of the Social Security trust fund.

What does this mean to the people of this Nation? Well, if we do not fix this problem, by the year 2005, 2006, maybe 2012, if we are very, very lucky, when there is not enough money coming into the Social Security trust fund, we will have to either tell our senior citizens they cannot have the benefits they have been promised, and the likelihood of that happening in Washington, DC, is near zero, or we will have to go to young people, like my Andy in college in your district, or my Tricia, a high school senior, or my younger son, who will then be in the work force, and all the other kids like them, we will have to go to them when they are just beginning to form their families, and say to them we could not do this right in 1997 when we were in Congress. We just could not get the job done. We could not put the Social Security trust fund's money aside, so now we have a shortfall in Social Security and we only have one choice, young people, we are coming into your paychecks to take more money out to make good on our promises to our seniors.

That is a sad situation and not right for the future of our country. We need to pass the Social Security Preservation Act as soon as possible.

We have expanded what has been talked about in the budget process, and I think this is real important, because even if we do get to a balance, and even if we do not spend the Social Security

trust fund's money by the year 2002, we still have a \$6.5 trillion debt hanging over our heads, a debt that is costing our children and young people, a family of five in America, \$600 a month to do nothing but pay the interest on the Federal debt.

In the budget plan that we have put together we go a step further. I want to expand the vision of this Congress and expand the vision for America over what we can actually do. I want to show very simply how we can pay off the Federal debt, restore the Social Security trust fund money and, most important of all, pass this Nation on to our children debt free instead of under the burden of a debt that costs our families \$600 a month to do nothing but pay the interest on the Federal debt.

Our plan is really pretty straightforward and simple. After we get to balance in the year 2002, we take a look at how much revenues are going out to the Federal Government. Now, revenues to the Federal Government go up for two reasons: They go up because of inflation and because of real growth in the economy. Now, currently we have an inflation rate of roughly 3 percent and real growth of roughly 2 percent. That means we would expect revenues to go up by 5 percent total next year.

Our plan is very simple. It says that if revenues are going to go up by 5 percent, we only let spending go up by 4 percent. So spending is allowed to go up at a rate 1 percent slower than the rate of revenue growth to the Federal Government.

I might add, and much to the chagrin of some of the folks listening this evening, that is still faster than the rate of inflation. So spending at the Federal Government level going up faster than the rate of inflation, but 1 percent slower than the rate of revenue growth puts us in a position where we could literally pay off the Federal debt by the year 2023.

This is important for a whole bunch of reasons. No. 1, it frees our young people to raise their families without this tax burden. No. 2, and equally important, is it restores the money that is supposed to be in the Social Security trust fund. So instead of the Social Security trust fund being out of the money in the year 2005, 2006 maybe 2012, it extends the Social Security trust fund to the year 2029 so our senior citizens can count on their money. And our people in their forties and fifties can count on getting their money out of the Social Security System also because the trust fund has been restored.

This is a plan that we need to embrace in this Congress. I understand the Speaker has started talking about this. NEWT GINGRICH has started presenting some of these ideas in some of his speeches, and it is an idea we need to embrace, to expand our horizons beyond just balancing the budget, beyond 2002, and into the years 2010, 2020 so we can give this Nation to our children debt free.

I see my good friend, the gentleman from Michigan, has joined us, Mr. HOEKSTRA.

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague for yielding. I am encouraged by the work my colleague has done and that he has completed on working toward, not a balanced budget but actually working toward a surplus budget as soon as possible, and actually developing a plan to pay off the national debt so that our children can look to a much brighter future.

I would like to just refer my colleagues to an article that was in USA Today on Monday, April 7. It talked about what we in the Committee on the Budget have discussed as a vision, where a one-income family is where we want to get to, where a one-income family can derive enough income to support a family and support government, and where a two-income family becomes an option.

It is kind of interesting. In USA Today yesterday they cited that the number of two-parent working families in 1995 has increased to 64 percent of the population. They then took a look at what we get with 64 percent of our families having two incomes. The second wage earner basically ends up working, as our majority leader would say, we have one person working for the government and one person working to support the family.

Mr. NEUMANN. If the gentleman would yield, I would point out that if we were to enact this and we were to actually carry this plan out, if the people in Washington were to do what is right for the future of America, we would be looking at \$600 a month that would not have to be collected from a family of five. That goes a long way toward that second wage earner's income.

Mr. HOEKSTRA. That is right and provides them with either the opportunity to take the income to improve the quality of life for their family or to take that time away from working and invest it in the family.

I would yield to my colleague from Minnesota.

Mr. GUTKNECHT. You gentlemen are right on the money. I want to point out a couple of things, and I want to congratulate both of you. I do not know of any members of the Committee on the Budget who have worked harder to try to preserve the American dream and guaranteeing that we pass on to our kids a legacy of hope and opportunity rather than a legacy of debt and dependency.

I want to point out something that I think is important, that Mr. NEUMANN suggested earlier. There was a famous architect from Chicago, and he once said "Make no small plans." I think the beauty and the simplicity of what we are talking about tonight is that if we have the discipline as a Congress to embrace a plan which actually will allow Federal spending to increase at greater than what we project the inflation rate to be but less than what we

think the total growth in revenues will be, if we have the courage to do that, say, all right, we will let government grow, slightly, but not as fast, not nearly as fast as it has grown over the last 40 years, we can literally create a system that will guarantee that our seniors are protected, that will guarantee stronger economic growth for people our age, but more important than that, we can give our kids a debt free future.

□ 1945

I cannot think of anything more compelling, a bigger vision, something that is worth fighting for than what I call a generational fairness plan, that protects the seniors, that protects working people today, and protects our children's future. I think those are the kinds of things that, if we can work together and if we have the discipline here in Congress, it can clearly happen.

Mr. Speaker, if I could just make one additional point. Sometimes when we start talking about the budget, we throw around terms and there are all kinds of CBO and OMB and a lot of things that I think most Americans really have a hard time staying with. I think we sometimes have to get back to the big picture. Ultimately in the end I think we have to say to ourselves and to the American people that balancing the budget and stopping this deficit spending really are moral issues, because I think we all know down in our bones that it is morally wrong to continue to borrow against our kids and our grandkids. And so I think we have got to stop that.

We are making progress but, as you suggested, we are still using that Social Security trust fund to sort of mask the size of the deficit. I think in this process we have got to expose that, we have got to deal with that. Clearly the time to deal with it is now, before it turns around, before we have a situation where Social Security is actually paying out more than it is taking in.

Mr. HOEKSTRA. Mr. Speaker, I think the gentleman is absolutely right, it is a moral issue. Saddling our kids with \$100 billion, \$200 billion of additional debt each and every year is the wrong thing to do. The other thing, I came out of the business world, as I know my colleague from Wisconsin did, and I am not sure, you were in the legislature and before that maybe had a real job.

Mr. NEUMANN. Auctioneer.

Mr. HOEKSTRA. Auctioneer. The other thing we look at in business is the value you get for your dollar, and the problems we were trying to solve for our customers in the business world. We have to take a look as we go through this process and take a look at some of the things that taxpayers are sending money to Washington for and asking, is that really the best place to solve these problems.

Every day when we cross the street, we come over a street that is called Independence Avenue. Me and my staff,

we have talked about it, we kind of think that maybe we could rename the street into Dependence Avenue because that street is littered with bureaucracies that we have moved responsibilities from families, from local and State government, from churches and nonprofit institutions and said we really do not think that you are the most effective place to handle these issues and we are going to have bureaucrats in Washington address these problems.

I think my colleague will remember the discussion that we had last year during welfare reform where we said, just send the money to Wisconsin and let the people in Wisconsin decide how best to help those on welfare in Wisconsin and how to escape the welfare trap because there are probably people in Washington here who, I think, were not talking about that my colleague had a bunch of waivers from Wisconsin that he could not get approved?

Mr. NEUMANN. Mr. Speaker, we were simply requesting that the people in Wisconsin who had already passed a welfare reform bill, passed the State assembly and the Senate by a wide majority including both Democrats and Republicans, but after we debated this bill for 18 months in Wisconsin, reflected welfare the way the people of Wisconsin wanted to do it with both Democrats and Republicans agreeing, we had to come down here to Washington and ask for permission from a bunch of bureaucrats out here, 900 miles from Wisconsin, ask for their permission to implement what the people of Wisconsin already wanted. What in the world is there that would make us think that the people sitting out here in an office know better than the people in Wisconsin what is right for them? It just does not make sense.

Mr. HOEKSTRA. Mr. Speaker, we are going to have to go through that process. I think that is an exciting debate and discussion to have. I know that one of the things that we are spending a tremendous amount of time on is an oversight subcommittee that I chair and we absolutely agree with the President. The President in March 1996 said, "We cannot ask the American people to spend more on education until we do a better job with the money we've got now." What was he referring to? He was referring to the bureaucracy of education that we currently have, which is 760 programs in 39 different agencies spending \$120 billion per year.

Mr. NEUMANN. I would just like to point out that during the past week in my district back in Wisconsin, they have started running a new commercial from our friends at the AFL-CIO, attacking me, and demanding that we implement program No. 761. I would just like to warn the chairman of the Education Subcommittee that they are going to be getting some requests from some folks that think we should have another Washington program and another Washington bureaucracy to tell our people back in Wisconsin how they should educate their own children.

Mr. HOEKSTRA. When this President gets done, if he gets this approved, he will be building our schools, he will be teaching our teachers, certifying our teachers, putting in the technology, feeding them lunch, feeding them breakfast.

Mr. NEUMANN. And doing it with our money.

Mr. HOEKSTRA. Teaching them about sex education, giving them national tests, doing after-school programs, maybe even midnight basketball and a couple of other things. Other than that, it is your local school.

Now, the President has moved away from this. He has now proposed a whole new set of programs spending \$55 billion more. What we are doing in our committees, we are urging this Congress to say before we spend another dollar, because we think when we spend a dollar in education today, only 65 cents gets to the classroom, gets to your children in Wisconsin, gets to my kids in Michigan. Thirty-five cents gets eaten up by the bureaucracy.

Mr. Speaker, before we spend more on education and ask the American taxpayers to send more to Washington, we ought to be taking a look at what we are doing with that dollar. Instead of saying, let us spend \$1.10, we ought to be saying instead of 65 cents getting to the classroom, let us see if we cannot get it up to 85, 90, 95 cents of every dollar, because for bureaucrats to take 10, 15, 35 cents of every dollar before it gets to our kids, that might be another moral issue.

Mr. NEUMANN. I would like to point out it is not only education where we are looking at this problem. Our President has looked at this growing debt, and he has looked at us near the top of this debt chart. Here is what he has concluded in his budget plan because I took it apart myself personally and I found out what is in his budget plan. In Medicaid alone we are proposing \$4 billion in new spending in 1 year alone. It is a total of roughly \$15 billion over 5 years. In Medicare spending, we are proposing \$5 billion in 2002 alone, a total of roughly \$15 billion more.

Mr. Speaker, these are not like: We have got this in the Medicare Program and how are we going to pay the bills of the current Medicare Program. These are: Hey, I have got a new idea, and we do not have enough Washington programs already, so the President says we need some more new Washington spending programs.

That is where the Social Security trust fund money is going. They are taking that money out of the trust fund and spending it on these new Washington programs. It is not just education.

Let me go on one more.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will just yield for a second, I have to take leave. I appreciate the gentleman for sharing his time and the gentleman from Minnesota for sharing his time. I am sure we will be back at this, and I am confident we will present a budget that we can be proud of.

Mr. GUTKNECHT. I think just once more for our colleagues who may be watching on C-SPAN in their offices, what was the total number of dollars being spent currently on education programs and how many various Federal programs are we currently operating?

Mr. HOEKSTRA. We are operating at least 760 programs through 39 different agencies. They are not all in the Department of Education. They are in 39 different, distinct agencies, and they spend \$120 billion per year.

Mr. NEUMANN. Mr. Speaker, how much of that gets to the students?

Mr. HOEKSTRA. We estimate that for the dollar that goes for K through 12, about 65 cents gets to the children, gets to the classroom. Thirty-five cents gets eaten up in the bureaucracy and the paperwork. Those are not impressive numbers. We can do significantly better than that.

Mr. NEUMANN. So what my colleague is really telling me is, out of the \$122 billion we are currently spending on education, only \$79 billion is actually getting out there to help the students; and the other \$45 billion roughly is going to bureaucracy?

Mr. HOEKSTRA. We know that in the K through 12, which is a portion of that \$120 billion, that is what we are seeing. In some of those other programs, it may be better, it may be worse, but it is not a pretty picture.

Mr. Speaker, I thank the gentlemen for allowing me to participate.

Mr. NEUMANN. To get back a little more on the debt discussion, I held 20 town hall meetings in addition to the one over in Winona with my colleague. At one of the meetings a gentleman, George Wundsam of Salem, WI, handed me this thing, and I think it really hits the nail on the head as we are talking here this evening. Here is what it says. He handed me this quotation:

I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared. To preserve our independence, we must not let our rulers load us with perpetual debt. If we run into such debts, we must be taxed in our meat and drink, in our necessities and in our comforts, in our labor and in our amusements. If we can prevent our government from wasting the labor of the people, under the pretense of caring for them, they will be happy.

Would you like to take a shot at who said that?

Mr. GUTKNECHT. I think I know who said that, and I think he served in the Continental Congress, and I think he helped draft our Declaration of Independence. That was the ethic in those particular days. I believe his name was Thomas Jefferson.

Mr. NEUMANN. Thomas Jefferson said that. That is not today. Can you imagine if Thomas Jefferson, one of our Founding Fathers, was standing here with us today and we were showing him this debt chart, \$5.3 trillion facing the American people, \$20,000 for every man, woman, and child in the United States of America, \$100,000 that our Federal Government has borrowed on behalf of a family of five like mine?

Each month \$600 to do nothing but pay the interest on the Federal debt. Can we imagine what our Founding Fathers would say? This is what they thought. They recognized that the debt was a huge burden.

Mr. GUTKNECHT. It is interesting that some of our colleagues, who like to quote our Founding Fathers when it fits their purposes, tend to forget that when Jefferson said that, he did not just mean it for those people in those times. He meant it for all people and for all times. I think he understood the corrosive effect that the debt would have. I think your chart is instructive. The unfortunate thing is, particularly when we add in what is going to happen with the demographic change, and I have told people this story. I was born in 1951. When I graduated from college, the speaker at our commencement address was the Director of the U.S. Census. Most people do not remember their college commencement addresses and I do not remember all of it, either, but I do remember some of the points that were made that day. He said that there were more kids born in 1951 than any other single year. I represent the peak of the baby boomers. What is going to happen when we start to retire makes that chart look like a day at the park, because as the baby boomers start to retire, all of a sudden Medicare expenses go up dramatically, Social Security goes from a significant surplus to huge deficits, and what it is saying, this should be a siren song for all of us, that we have got to do something now. If we take modest action now, if we take responsible action now, we can save the budget, we can save our children, we can save Social Security, we can save Medicare, and yet unfortunately there are people in this town who would prefer to put their head in the sand and pretend that it is not real, that those numbers are not real and that somehow there is a tooth fairy out there that is going to save us. The only thing that will save us is responsible action. Jefferson was correct. This is a moral issue, and the public debt is the greatest of evils to be feared.

What we are trying to do is awaken some of our colleagues here and awaken the American people to say, this has got to stop. All it takes is some moral courage to say this is wrong. And we are going to have to say no.

I was so delighted that the gentleman from Michigan [Mr. HOEKSTRA] was with us and talked a little about the Education Department, but as the gentleman from Wisconsin has indicated, it is not just education, it is all programs.

In some of my town meetings, I use this little story. If I could, I would like to share it. What I ask people to do sometimes is to close their eyes and pretend for a minute that they go home from work or they go home from school and they open their mailbox and there is a letter there from a law office from far away and they open up the letter and all of a sudden they realize

that they have been named an heir to an enormous fortune, from somebody they did not even know was related to them and they have left them this enormous fortune. And so I ask them to think about that and what it would be like and then think about the fact that this is a windfall, and you would like to do something to help children or you would like to do something to help your fellow human beings and you would like to give a significant portion of this windfall to help your fellow human beings or to help children. Think about that, envision that. Think about this happening to you. And then think about where you would give that money. And after you have thought a minute, I ask the people, now, how many of you honestly, liberals, conservatives, Republicans, Democrats, independents, whatever, how many of you, the first thing that you thought of was, I know, I'll give the money to the Federal Government? The answer to that in every town meeting is laughter. No one would give the money to the Federal Government. Why? Because I think we all instinctively know what the gentleman from Michigan [Mr. HOEKSTRA] told us a few minutes ago, that the Federal Government is a poor bargain and that the Government is one of the most inefficient ways to spend money or to help people.

In fact when we had this great welfare debate over the last year and a half, and it is still going on, as you indicated Wisconsin has been far ahead of the pack in terms of reforming welfare. What I have said, I said then, I say now, the real debate was not about saving money. In the end it was really about saving people, saving families, saving children from one more generation of dependency and despair.

What we are really saying is, let us break that cycle, let us slow the rate of growth in Government and let us preserve Social Security and let us pay down and pay off ultimately that national debt so that we can leave our kids a debt-free future. That is what Thomas Jefferson believed in, I think that is what most Americans believe in, and hopefully we can get more of the Members of Congress to believe in that as well.

□ 2000

Mr. NEUMANN. You know, if the gentleman would yield back, we have been talking about these things and why we need to do these things. We have talked about the fact that Social Security is bringing in more money than what that is paying out to our seniors in benefits and that that extra money coming in, that \$65 billion this year is supposed to be set aside in a savings account, but that actually instead of putting it aside in a savings account so it is there when the baby boom generation gets to retirements, so it is there to make good on Social Security commitments, that we are spending it in Washington in other Washington programs, and we have

looked at this chart where we understand that Washington reports a deficit that is simply their overdrawn checkbook, and in fact in addition to overdrawing their checkbook they are taking that money out of Social Security trust fund.

They do not even count that toward the deficit when they report the deficit to the American people, and we have talked about the fact that in the year 2002, when Washington says they are going to balance the budget, what they mean is they are going to go into the Social Security trust fund, take out \$104 billion, put it in their checkbook and call their checkbook balanced. We talked about the fact that in Washington a balanced checkbook means taking \$104 billion out of the Social Security trust fund. That money should not be taken folks. That money should not be spent in other Government programs.

But where is Congress at? And, Congressman, we have gone through now 100 days of the 105th Congress, and I thought we maybe should just address a little bit what is going out and maybe, maybe if nothing else just to help us get back on track. During the first 100 days some very unique things have happened for the Republican led Congress and things that I do not think it is why I came to Washington in the first place, and I am anxious to see those things turned around.

We have seen the deficit go up for the first time in 4 years. We are seeing a higher deficit. And that is real, folks, that not only affects the people here in Washington, it affects the whole country because when the deficit goes up that means Washington is going into the private sector, borrowing more money, creating a tighter money supply and with the tighter money supply we see exactly what happened last week Tuesday, which is higher interest rates. Higher interest rates mean people cannot afford to buy houses and cars. When they do not buy houses and cars, that means there are not as many job opportunities, and that is a problem in this Nation. That is why we need to stay on track to a balanced budget.

So the first thing I point out that this Congress has seen in the first 100 days, for in the first time in 4 years is a deficit that has gone back up again. I might add that I voted against the bill last October, \$22 billion that led to this deficit increase this year.

Second thing we saw when we first got out here, the Republican Party should stand for letting the American people keep more of their own money. We have had one tax vote in this Congress that was for a tax increase. Seventy-three of us voted against that bill. It is time we not have 73 but all 227 Republicans get back on track with the idea that we do not stand for raising taxes on the American people, we stand for letting the American people keep more of their own money. It is not like Washington gets this money and it is

theirs. It is not Washington's money, it is the people's money. So when we have tax votes in the future, our second vote is a vote on taxes, it was a tax increase. You may remember the airline ticket tax increase. We need to stop doing that and get back on track.

The third vote I would like to talk about during the 100 days: We took \$340 million out of the pockets of the American citizens and we sent it overseas to foreign aid for purposes of family planning. So we took \$340 million out of the pockets of American citizens, sent it overseas for purposes of family planning, including abortions. That is not why I came to Washington. So that is another vote that went the wrong direction. Of course we voted against it; many of us did.

But the bottom line is as a party we need to get back on track. No more tax increase votes. As a matter of fact, we want to vote to let the American people keep more of their own money. No new spending bills that are going to allow the deficit to go up. That is not what this party is about. This party is about controlling spending.

The last vote I talk about during the 105th Congress, first 100 days, was the last vote we took before the Easter recess. It was a vote to raise Washington committee staff spending by 14½ percent. So our first real spending vote of the 105th Congress was for a 14½-percent spending increase. I am happy to say that bill did go down to defeat and it was reworked, and we got closer to a freeze; maybe not what I would like to see exactly but did get closer to a freeze. But I think that bill represents for the first time the Republicans once again standing for what Republicans stand for, and that is less Washington, less bureaucracy, and I think maybe this flow in the wrong direction has been stopped and once again we will become the party that stands for letting the American people keep more of their own money and doing that by reducing the size and scope of Washington. We do not need more Washington committee staff, we need the American people keeping more of their own money, deciding how to spend their own money.

Now if Washington is going to take more money from the American people, if Washington is going to go into your paycheck and collect more taxes, of course they need more people to figure out how to spend that money. My suggestion is instead we just let the American people keep more of their own money. Then we will not need the additional Washington staff.

Does that mean we have problems in Social Security? No way. Social Security, if we just do the right thing, leave our Washington hands off of the Social Security money, Social Security is safe and solvent. If we keep spending the trust fund, we are in serious trouble, but if we keep our hands off that money in Washington, Social Security is fine.

How about Medicare? Well, the reality is we had a Medicare battle about

70 cents for every \$100 of spending. We do not need to fight about Medicare, and I hear about all these cuts in Medicare spending. I have in front of me perhaps the most conservative budget being proposed in Washington. Medicare spending has gone from \$211 billion in 1997 all the way up to \$285 billion in the year 2002. So Medicare spending can still go up under this budget plan.

We can balance the budget, we can let the American people keep more of their own money, and we can still have Medicare and Social Security and the programs that are most important.

You know, I always enjoy these discussions in Washington because in Washington people start wringing their hands and saying, "Oh, we can't do this and we can't do this; we have got to have more of the American people's money." We sometimes forget that we are already collecting \$6,500 on behalf of every man, woman, and child in the United States of America.

Just think about this. The Federal Government today spends \$6,500 on behalf of every man, woman, and child in the United States, and, Congressman, you know at our townhall meetings we talked about how much spending was being cut, that draconian cut in Washington, and do you remember the reaction we got from our folks at the townhall meetings when I read those draconian spending cuts that are going on in Washington? You remember when I read the numbers of actual spending, that spending was being cut from \$1,568 billion all the way down to \$1,629 next year and it was further being draconianly cut to \$1,657 billion the next year, and do you remember what the people did—

Mr. GUTKNECHT. They could not believe it.

Mr. NEUMANN. They could not believe it. Spending is not going down under these budget plans, spending is going up each and every year. From the year 1996 to the year 2002 spending is not going down, spending has gone up from \$1,568 billion to \$1,810 billion. I sometimes think that the American people forget that this Government, Washington, DC is collecting \$6,500 out of their pocket. You know some of them go, "Well, I don't have to worry, I don't pay that much out of my paycheck." But every time a person walks into a store and buys something as simple as a loaf of bread the store owner makes a small profit on that loaf of bread, and when the store owner makes a profit on that loaf of bread part of that profit gets sent down here to Washington because of course they are paying taxes on their profit.

Mr. GUTKNECHT. If the gentleman would yield, another point you made and I think it may have slipped by some of our colleagues, how much interest on the debt each family is required to pay every year. Now they may not pay it directly, they may not pay it in direct taxes, but they pay it one way or the other. They pay it in

the price they pay for a loaf of bread, when they want to buy a car, when they want to buy something else for the family, when they want to take a vacation. Those taxes are there and they have to be paid.

And I wonder if you can tell us—I know you do not have your chart on that, but that is an added burden on every family, and I want to come back to the burden on the family and what it means.

Mr. NEUMANN. It means \$600 every month from an average family of 5 to do nothing but pay the interest on the Federal debt, 600 bucks a month. And you know when you think of a young family starting out in life or they maybe had a couple kids and you start thinking about them having to pay \$600 a month to do nothing but pay the interest and then you think about this city where they start describing what it is they have to have the money to spend it on.

I think the worst example I have seen out here is the Russian monkeys being sent into space and you and I have had this conversation: I find it very frustrating because we brought an amendment last year to the floor of the House to prevent this from happening, but the fact is there was a Senator who wanted it so it got put back in. We sent \$35 million of the American people's money to Russia so Russia could launch monkeys into space to do research on the monkeys. Now we killed that here in the House, but when it got over in the Senate they put the money back in.

And I think that is the point. Is it really fair to go to our families and ask them to send more money to Washington so that Washington can continue these programs, and you know it is a very important time out here. We have gone through those first 100 days; they are over and behind us. Are we going to get back on track to control Washington spending or are we going to keep going as we have been for the first 100 days?

I personally look forward to NEWT GINGRICH and the leadership of the Republican Party getting us back on track of what Republicans stand for: Less Washington, smaller Government, still the things necessary for our society, a strong defense, take care of the people who are not able to take care of themselves and by that I mean the handicapped and the disabled, but let us not keep going into our families' pocket and taking more and more money out here for all kinds of unimaginable things that we keep spending on. It is just a ludicrous thing.

We are in some very, very difficult times out here because the establishment believes that we have to keep spending more money. I heard today, for example, that in order to pass the bills what we actually have to do is spend another \$20 billion.

Now remember we spent 22 billion extra last year and that 22 billion led to the first deficit increase, and 6

months almost to the day after that vote, 6 months almost to the day after that vote to increase the deficit, we saw the interest rates take a hike, and now I am hearing that we have got to spend another \$20 billion just to get the bills to a passable form. I personally find it offensive that we would even consider such a thing.

And you know I look at this chart with the Social Security and think about the fact that it is new Washington spending that has taken that money from the Social Security Trust Fund and blown it in, that has taken that money from our children's future and spent it. It has just got to be stopped.

Mr. GUTKNECHT. If the gentleman would yield, the story of the Russian monkeys going into space, the real sad part of that story if you really boil it all down is that we had to borrow that money from our kids and every dollar we spend now in new programs or new items in the budget, we have got to borrow that money.

The first time I came out here as a candidate for Congress I wore a little pin and it said *carpe diem*: seize the day. And the one message that came through loudly and clearly at most of my townhall meetings that I had when we were home for the Easter break was that the American people, the people of my district want us to regain the initiative, they want us to seize the day. They understand that good habits are hard to get a hold of, bad habits are easy to fall into, and they want us to get back in those good habits of forcing fiscal discipline, and I was proud to be a part of the 104th Congress in spite of some of the back sliding we did toward the end. I think we made some real progress, but there is a real fear that you have and that I have that it is easy to fall back into those old habits of saying yes to all the various special interest groups who come out here to Washington and want more of our children's money.

If I could just say this too, and I want to say you know we do not want to paint too dark a picture because good things are happening. We have gone a long way in terms of reforming our entitlement system. The welfare system is a long way down the road to becoming much more what Wisconsin wants, what Minnesota wants, what the States want and encouraging personal responsibility and encouraging families to stay together.

We are making progress on Medicare. The President's budget and our numbers now are not far a part. He has proposed a hundred billion dollars' worth of savings, and we think that is good. On Medicaid the President has recommended 32 billion dollars' worth of savings.

But the real issue before us I think in this Congress, and I think as you said we can work with the welfare numbers, we can work with the Medicare numbers, we can work with the Medicaid numbers, we can work with the defense

numbers, but the real problem is the discretionary spending.

Mr. NEUMANN. And new—

Mr. GUTKNECHT. New discretionary spending.

Mr. NEUMANN. On new programs.

Mr. GUTKNECHT. On new Washington spending programs. And once you start a new program you create a new constituency and that is one thing that if we have the courage to stand up and say no to any new programs, if the President wants new programs then he is going to have to find other programs that he is going to have to eliminate, and we all know there is wasteful, duplicative programs that are not working.

Mr. NEUMANN. If the gentleman would yield, I think that is the point. If Washington finds a genuine need and it is legitimate and they actually need to spend money on something that is legitimate, they need to find other programs that are not legitimate or not working and cancel those programs that are not working so we can afford to do a program that may be needed. Let me give you an example of how this might work.

We just found out that women in their forties should have mammograms and we found out that it is a genuine need. We have welfare reform where able-bodied welfare recipients are now required to be in the work force. So we potentially have a woman in her forties who has gone into the work force, taken her first job, is earning someplace between \$6 and \$8 an hour or maybe even minimum wage, so she is at the bottom end of the pay scale. So Medicaid is going to have to cover—generally eligible for Medicaid, Medicaid would have to cover those mammograms. You cannot just say we are going to cover all the mammograms because the money has to come from somewhere.

So let me give you an example how this might work. Suppose for example we said we are not going to send Russian monkeys into space with American tax dollars and instead what we are going to do is pay for mammograms for women in their forties who have just left the welfare roll and are in their first job and could not afford to have them otherwise.

□ 2015

That is how this thing could work when we find out that there is a legitimate need for doing something.

If I can just speak on one more point here, we were talking about the tax increases before, and we both campaigned during the same year when we first came here. I remember distinctly campaigning extensively against the 1993 tax increase.

If my colleagues recall, that vote passed this institution, the House, by one vote, and it passed over in the Senate by one vote. It raised the gasoline tax by 4.3 cents a gallon, and the people in Wisconsin were very upset about it. They were especially upset about it

because they were taking another 4.3 cents a gallon in gasoline tax, but they were not using it to construct roads in Wisconsin or Minnesota or anywhere else. They were simply pouring on more Washington spending programs.

We came here campaigning against those tax increases and against that 1993 tax increase that passed here by one vote, of course passed over in the Senate by one vote, and the President then signed. But the bottom line is, I think our colleagues and I think the American people have the right and should know that many of us have not forgotten why we came here, and that even though these things seem to be adrift, we have not forgotten what we came here to do so our children will have opportunities in this great Nation of ours.

We came here to make sure that Social Security is solvent for our parents and for the senior citizens that rely on it. We came here to make sure Medicare does not go bankrupt. We came here to fix a broken system that was spending too much of our children's money. We have not forgotten what we came here to do. We came here to make sure that our families, that the American people that go to work every morning, get to keep more of their own money.

Many of us have not forgotten what we came here to do, and I think our colleagues and I think the American people should understand that there is a large number of us that, even if the rest seem adrift, we have not forgotten what the Republican Party stands for and why it was that we were elected as Republicans and sent to Washington.

Mr. GUTKNECHT. Mr. Speaker, we will continue to stand with the working families of middle America.

I would close with just one reminder, because our time has about expired here. When I was growing up, when my colleague was growing up, most of us grew up in families where only one person had to work, and that was because the tax rate was something like 4 to 5 percent of my folks' gross income. Today, the average family spends more for taxes than they do for food, clothing, and shelter combined. If tax increases had been the answer to these growing deficits, we would have had a balanced budget years ago.

The truth of the matter is, the real answer is we have to control our appetite for more spending. If we are willing to do that, if we are willing to face up to the special interest groups, if we are willing to say that if we want new programs we have to eliminate some of the old programs that are not working, if we are willing to do that, we can solve this budget problem, we can save Social Security without touching the CPI adjustment. We can do all of these things, but we have to have the courage and we have to seize the day.

Mr. NEUMANN. Mr. Speaker, I think that is a good way to wrap it up. I think it is important to wrap it up by reiterating that we can in fact balance

the budget by the year 2002, while we let the American people keep more of their own money and at the same time save the Social Security system. If we go past 2002 and we talk about how we pay off the debt, as we pay that debt off we are restoring those funds in IOU's and the Social Security trust fund now, we can do these things if we just control new Washington spending programs.

This is not even about going into programs that currently exist and somehow destroying them or attacking them, because the revenues are so much higher than what anybody anticipated, the economy is doing so well, that this is no longer about the things that were talked about 2 years ago. This is now just about controlling our desire in Washington, DC to spend and spend and spend in new Washington programs to satisfy some constituency.

We need to regain that initiative. We need to regain what we came here to do: Balance the budget so our children have hope and opportunities in this great Nation we live in; preserve Social Security and Medicare for our senior citizens; and for goodness sakes, let the American people keep more of their own money. It is their money, not Washington's money. That is how we preserve this Nation for the next generation, and that is what I hope our service to this country is all about.

#### SOUNDING THE ALARM FOR AMERICA'S PATENT SYSTEM

The SPEAKER pro tempore (Mr. MANZULLO). Under the Speaker's announced policy of January 7, 1997, the gentleman from California [Mr. ROHRBACHER] is recognized for 60 minutes.

Mr. ROHRBACHER. Mr. Speaker, next Thursday, April 17, the House of Representatives will make a crucial decision, and this decision has yet to be covered by the mainstream news media of the United States. Thus, the American people are for the most part unaware of this oncoming threat to our country and to the well-being of our citizens.

So let me sound the alarm bell, and that is what I am hoping to do tonight, sound the alarm bell. In the next few minutes I will be exposing a maneuver which, if successful, will do incredible long-term harm to the United States of America. Yet, at this moment, this legislation is being quietly maneuvered through the process and is likely to pass a vote in the House of Representatives and be made into law.

What I am referring to is dramatic and fundamental changes that are being proposed to be made to America's patent system, a system of rights and government institutions that have ensured that the United States has been, since the founding of our country, a technological leader in the world; that our fellow Americans, basically, were the inventors of the reaper, the inventors of the telegraph, the inventors of

the telephone, the inventors of the television and of the electric light and the airplane and the microprocessor, and the MRI and other marvelous health technologies that we enjoy today, that have made our life a quality life compared to what it was just a few short years ago. Those Americans were the ones who invented these fabulous technologies that changed the way of life for the people of this world and uplifted the standard of living of the American people. That was no mistake.

We had patent laws and a patent system that protected the individual and made it profitable for investors to finance the development of new technologies. Written into our Constitution is the establishment of the patent office. Now, most people do not even understand that. They have no idea that we are any different than any other country of the world when it comes to technologies and inventions. They have no idea.

They know that we are different than other countries in the world in that we have freedom of speech, that we have freedom of press, we have freedom of religion, and that we respect the rights of the individual, and that was the purpose of our Founding Fathers, to establish a government that would protect people's rights. Yes, people know that about the United States, but they do not know one of the major factors that have given them the standard of living, given our people the standard of living that they enjoy, that has meant that they have reasonable and decent lives, was the fact that there were other protections in our Constitution, protections for the rights of people who invented and created things, things that would improve our lives.

From the earliest days of our Republic we had these protections and we had a patent office, actually part of our Federal Government since the time our Constitution was written. In fact, up until 2 years ago we had, as protected by law, by the United States law, all the way from our country's founding until 2 years ago, we had something that was called the guaranteed patent term.

Now, what is that all about, a guaranteed patent term? Well, what a guaranteed patent term has been in the United States of America is something that has ensured that we have been the ones who invented all of these wonderful things. The guaranteed patent term, from the time of our Constitution until two years ago, was that when someone had invented something, when they went to apply for a patent, that inventor, once that inventor applied for the patent, no matter how long it took the patent to be issued, the inventor was guaranteed a certain patent, legal patent term. At first it was 14 years and then it was expanded over 100 years ago to be 17 years, so we have had a guaranteed patent term of 17 years.

Now, what difference does that make, people will ask. Well, they did not have

this in other countries. Inventors had their ideas stolen from them by very powerful people, and in fact, in other systems, it would be so mixed up in the bureaucracy, a person would never be granted a patent until 10 and 20 years after they applied. But in our country they knew that no matter how long it took a patent to be issued, they would have 17 years to recoup their investment.

This meant that people invested in our country, the private sector invested in new inventions and new ideas, which made all of the difference in our standard of living. We did not have to rely on the government to invest in new technology development because we had people in the private sector who would seek out inventors and creative people and give them money voluntarily to try to provide them the resources they needed to invent the telephone.

How different would our lives be today if the telephone had not been invented? How different would our lives be if these inventions that created the bountiful harvest of food in our country had not been invented? But private inventors sponsored by private investors did the job because they were guaranteed 17 years of protection.

Well, 3 years ago, and I am sorry to inform those of you who are reading this for the first time or listening to this for the first time, 3 years ago our right to a guaranteed patent term, a right Americans have enjoyed since the founding of our country, was taken from us and taken from us in a very stealthy manner, so most of the American people have no idea that this right has been taken away and what the implications of that right are.

The fact is that that right was taken away by a provision that was snuck into the GATT implementation legislation. That GATT implementation legislation of over 2 years ago now, 3 years ago actually, basically replaced the 17-year guaranteed patent term with an uncertain patent term. In fact, just a look at this issue from a distance, some people actually thought the patent term was being expanded and made longer.

Instead, what happened was, 17 years of a guaranteed patent term was exchanged for a patent term which is called 20 years from filing, and it sounds like there would be even more protection. Nope, no. In fact, what this did was take a situation where you were guaranteed, you knew how much time you would have in a patent and you were guaranteed that as a right, and instead, because the clock was ticking against the bureaucracy and this deterred people from trying to interfere with the process, now we have replaced it with 20 years from filing.

What that means is, once someone files for a patent, the clock is ticking against that person. The clock is ticking against the inventor, against the investor, and whatever time it takes is taken away from their time of protection, away from their property rights.