

bumps along somewhere between 3 and 5 percent.

Well, in China, they have a savings rate of about 40 percent. In Singapore, they have a savings rate in the mid 30's. In South Korea, they have a savings rate in the high 30's. In Chile, where they instituted this system, they have a savings rate in the high 20's, and here we are bumping along at 3 to 5 percent.

We cannot advance a modern industrial society on a 3-percent national savings rate, because the thing that politicians leave off while they will talk about the fact that we need to do something about standard of living in America, they will not talk about what it is that affects standard of living in America, and that is that savings drives investment, which drives productivity gain, which drives standard of living.

In short, if you were to have a wood-cutting contest in the backyard, and you gave one fellow a little hand ax that cost you 3 bucks, and you gave another person a chain saw that cost \$300, the person with the \$300 chain saw, however much weaker or however slight, would be able to end up with a bigger stack of wood and consequently more in the way of income.

I know that I am eroding away at my 5 minutes here, so I will call it quits. But the point is to say that there are many benefits that might come with this proposed talk of changing Social Security so that we save it for the next generation and so that my three boys get Social Security as well.

□ 1700

PROBLEMS FACING AMERICA THAT MUST BE ADDRESSED NOW

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

Mr. NEUMANN. Mr. Speaker, I rise tonight to talk about an issue that I think is very important. It is really the issue I came here for in the first place.

Up until 1989 I had never been involved in any politics in any way, shape, or form. In 1980 my wife and I started a business in the basement of our house. The business grew. It was real estate. In 1986 we started a homebuilding company, and we understand fully if we had lost money in the second year and the third year, that the banks would have taken that business away from us. It is that kind of background that I bring here.

But instead of losing money in the second year the homebuilding company turned around. After building 9 homes our first year, providing 18 jobs in southeastern Wisconsin, we wound up building about 120 homes 4 years later, making a legitimate profit in our business and providing 250 job opportunities in southeastern Wisconsin.

I bring that background here because when I think back to those years, the late 1980's and even 1990, and I think about that business and how it grew and prospered and provided job opportunities, I sometimes forget why it was that I left that business that was going so well to come to Washington, and then I look at this picture. It reminds me of the future that we have for our children if something is not done about the growing debt facing the United States of America today.

I always look at this chart as one of the best charts that I have ever seen that shows actually what is going on in our country. This shows the growing debt facing America. From 1960 to 1980 one can see that the debt did not grow hardly at all, but from 1980 forward we are on a very, very steep climb that is going to destroy the future of this Nation for our children.

I like to point out that at this point in time we are about here on this chart, and the debt continues to grow and grow and grow. I rise tonight to remind my colleagues of that, because there are a lot of bills going on right now in this community that relate very directly to this picture that I have here with me.

In fact, the debt today is \$5.3 trillion facing the United States of America. The legacy that our generation is going to pass on to the next generation of Americans; that we, the people that are working today are going to pass on to our children and our grandchildren, that legacy is of a \$5.3 trillion debt.

Let me put that into perspective so we keep in mind what that really means. That debt translates into \$20,000 for every man, woman and child in the United States of America today. For a family of five, like mine, the United States Government has borrowed \$100,000 basically in the last 15 years.

Let me translate that into what that really means. That means that an average family of five, like mine, is paying \$600 a month into this Government to do nothing but pay the interest on the debt. An average family of five, like mine, pays \$600 a month to do nothing but pay the interest on the Federal debt.

A lot of people say, do not worry about me, I do not pay that much in taxes. The reality is when you walk into the store and you buy something as simple as a loaf of bread, the store owner makes a profit when you pay him for that loaf of bread or her for that loaf of bread, and part of that profit comes into the U.S. Government in the form of taxes.

One way or another, every family of five in the United States of America, every group of five people in the United States of America today, is paying \$600 a month toward the interest only. That does not count Social Security or Medicare or defense, or any of the other important programs our Government runs. That \$600 a month does nothing but pay the interest on the Federal debt.

Why is that significant? Right now there are a lot of things happening out here in Washington, DC. Two years ago a group of people came here, 73 freshman Republicans came here with the idea that we were going to solve this disastrous problem and what it means for the future of our country. We have committed ourselves to shrinking the size and scope of Washington, and shrinking the involvement of this Government in the lives of real American, of everyday people, the people that get up every morning and go to work.

Our goal was to get this Government smaller, so those people could in fact look forward to the opportunities that exist if this debt was not there, keeping that extra \$600 a month in their own pockets. That is what our goal was 2 years ago.

Now today it is 2 years later, and a lot of the freshmen that came here 2 years ago and a lot of the others in this Congress have kind of forgotten, it seems, sometimes what we came here for. In fact, the heart and soul of one of the things we came here for, making Washington smaller, the funding of Washington committee staff, is a bill that is being considered as we speak this evening right here and now.

The Washington committee staff proposal this year was to increase spending for Washington committee staff by 14½ percent. To me, that is contrary to everything that we came here for and everything we came here to be about. The concept of increasing Washington committee staff spending by 14½ percent is against everything that I believe in and everything we came here for. That is making Washington bigger and more intrusive into our lives, as opposed to what I believe Republicans stand for, and that is making Washington smaller.

When I look at this debt picture, it reminds me of how important it is that we win these battles to keep Washington shrinking, as opposed to turning around and letting it start growing again.

There is another looming battle. This battle is even tougher. It is the supplemental appropriation bill. For those in America that do not know exactly what that means, Mr. Speaker, that means it is a spending bill of American tax dollars. Washington people are going to spend your money.

I have to say that this supplemental, we are spending it on some legitimate things. There are flood victims all across America, and those flood victims need help. When I talk to the folks back home in Wisconsin, the vast majority of those people are willing to help others less fortunate than themselves, like the folks in North Dakota that we have been seeing on TV, where a city of 50,000 is literally under water.

The city of Janesville, WI, where I come from, is about the same size as that city, so it is very easy for us to imagine what this means, and this is a legitimate need. This is a legitimate program for the government to step into and help these people.

But this is the dilemma. The dilemma is here. As we realize that we have a responsibility to help these people in North Dakota or Ohio, or where the flood victims are around America, we also realize our responsibility to the future of this country, our responsibility to our children to prevent this chart from continuing its growth of debt.

This is a very tough dilemma. We have a legitimate reason to spend money, to help people who are truly in need in this Nation. On the other hand, we have this responsibility to the future of America to stop the growth in debt that is so clear in this picture, a responsibility to our children to make sure that this does not continue, so they have the opportunity to live the American dream that we have had.

What do we do about that? In Washington what is going on is they are proposing that we simply go and spend more money, that we spend \$4.8 billion, add \$4.8 billion to this debt legacy we are going to pass on to our children.

There is another alternative. We do not have to just go and spend the money. What we could do is go and spend the money to help those flood victims and find other parts of the budget that are less important, other areas we are spending money on and not spend that money.

Let me give an example of how this might work. Currently, today, the U.S. Government hires people to push elevator buttons for Members of Congress, so as they leave their office and come over to this floor to vote, they do not have to push the buttons in the elevators themselves. I find this a ridiculous expenditure of the taxpayers' money.

So rather than just going and spending this money on flood victims without finding other areas less important in the Federal budget, why do we not go and spend the money to help the flood victims who legitimately need it, and go to other parts of the budget and find ways to reduce spending to offset that legitimate expenditure to help flood victims?

The flood victims, I maybe understand this a little better than some other issues. My son happens to be going to school in New Ulm, MN. I know one night he called me up and said that that day he had been out filling sand bags to help protect that city in Minnesota from the floods that were coming.

This is a legitimate reason, and people in Wisconsin are willing to help other people around the country. I am willing to help people around the country. What we need to do, though, is go and find areas where we do not have to be spending the taxpayers' money, eliminate those expenditures, and redirect the money over here to the flood victims.

Make no mistake, that is not the current proposal. The current proposal is to simply go and spend more money, just let the debt keep growing, add it

to the legacy that this generation is passing on to the next generation, and I say that is wrong and that is inexcusable. I say we have a responsibility to future generations of Americans, that if we are going to spend the money, we have to find other parts of the budget that we can reduce spending in.

The second reason I rise to speak tonight is with that growing debt picture looming, several other Members of Congress just ahead of me this evening talked about the Social Security issue. The second reason I am rising tonight is to speak to the Social Security issue, and exactly what is going on. The new report coming out today repeats how important it is that we solve the Social Security problems today, not in the future.

Social Security today is collecting about \$418 billion out of the paychecks of Americans. Anybody who has a job today pays into the Social Security system. When they are all done collecting that money out of the paychecks, they are collecting \$418 billion. They are writing checks out to our senior citizens of about \$353 billion. That sounds pretty good. If you think of this as your own checkbook, if you are taking \$418 into your checkbook and you are only spending \$353, that is a pretty good setup. In fact, there are 65 bucks left in your checkbook when you are done. That is good news for senior citizens, that is good news for America.

The idea is this, that extra money that is left in the checkbook, the difference between the \$418 they are collecting and the \$353 they are paying out, that extra money is supposed to be set aside into a kitty, because not far down the road the baby boom generation gets to retirement, and they will not be taking enough money in to make the payments back to our seniors.

The idea is this: At that point in time the money is supposed to be sitting there in a savings account, so when there is not enough money coming in to make good on the payments, when there is not enough coming in to make the payments out to our seniors, they then go to that savings account that is supposed to be built with this surplus that exists today, the \$65 billion.

I have good news for the seniors. If this were being run the way it is set up, the Social Security system is solvent and works all the way to 2029. That is the good news. The bad news is in Washington, DC, when they see this \$65 billion, they do the Washington thing. I think anybody watching tonight, all of my colleagues, know what the Washington thing is to do. They see that \$65 billion sitting there in the Social Security trust fund, and instead of putting that \$65 billion into the trust fund, they put it into the general fund. They then spend all the money out of the general fund, leading us to the deficit.

There is another way to think of this. They take the 65 bucks, put it in their big checkbook, they then overdraw the

checkbook, that is called the deficit, so they take this \$65 billion, put it in the general fund, overdraw the general fund, and there is no money left to put actual dollars into this savings account that is supposed to be there to preserve and protect Social Security. As a result, at the end of the year they simply write an IOU, technically called a non-negotiable Treasury bond, and they put that down here in the trust fund.

What does this really mean? This really means if you go and look at the Social Security trust fund today, that there is nothing in it except IOU's; that entire savings account that is supposed to be there to protect our senior citizens, there is absolutely nothing in this except a pile of IOU's.

I am happy to report this evening, and I am going to ask our colleagues to join it, and ask the people around the country to call on our colleagues and ask them to support this bill, the bill very simply is the Social Security Preservation Act. It is not an Einstein kind of bill. It is very simple and very straightforward.

It simply says that that \$65 billion that is being collected to preserve and protect Social Security is to be put directly into the Social Security trust fund, instead of being directed into the big Government checkbook to be spent on other Government programs.

The bill is H.R. 857, and I strongly encourage our colleagues to join the 60 of us that have already cosponsored that bill; call, ask them to join us as a cosponsor of that bill, so as American people we can solve the Social Security problem and make it solvent.

Again, what that bill does is very simple. It is very simple and straightforward. It simply takes the money that is being collected over and above what is being sent out to our seniors in benefits and puts it directly into the Social Security trust fund. If that would happen, if that would happen, there would currently be \$550 billion in the Social Security trust fund. That number would build all the way to \$1.2 trillion by the year 2002.

Social Security would then be safe and secure for our senior citizens, but it goes beyond the senior citizens. People that are in their forties and fifties need to understand that if this bill is not passed, we are going to reach a crisis point sometime between the year 2005 and the year 2012. That crisis point occurs when there is not enough money coming in to make good on the payments, and there is no money over here in the trust fund to get the money to make good on the payments to seniors.

So from 2005 to 2012, what are we going to do as a Nation? We have a couple of choices. One choice is to go to senior citizens and say, we cannot make good on the promises that have been made to you regarding Social Security. I think that is a lousy choice. It should be ruled out.

A second choice, and now I am going to bring another generation in here, it is not only the folks that are seniors

and the people in their forties and fifties, I am now going to talk about the young people and what this means to them, because the second choice when we reach that crisis point, 2005 to 2012, the second choice is to go to our young families and say, we have to take more money out of your paycheck because we were not able to set the money aside when we were supposed to back in the 1990's. So the next choice affects our young people and affects them directly.

My oldest son is a sophomore in college. My daughter is a senior in high school. My youngest is in eighth grade. When I think about our kids and the time when they are going to be married and starting their own families, and all the other kids just like them across America, when I think of these kids, it is about the same time that this Social Security crisis hits.

I, for one, do not think it is responsible for us as a Nation to go blindly forward spending the Social Security money, knowing that in the near future our young families are going to be saddled with even more of a burden as we try to deal with this Social Security crisis that was supposed to be dealt with in the 1990's.

I think it is inexcusable that we do not pass the Social Security Preservation Act. Again, the Social Security Preservation Act is very important across all generations. Would it not be nice if there were really \$1.2 trillion in the Social Security trust fund, and we had enough money there that we could go out and see our seniors and say, look, your Social Security really is safe? Here is the passbook savings account, here is the savings account to make sure you are going to get your Social Security check? Then we could begin the discussion of going to our young people and say, would you rather do something other than pay into the Social Security system?

□ 1715

Because, you see, if the savings account was there and we could genuinely go to our seniors and tell them their account was safe, we could then go to the younger people and ask them if they would like to do something different.

Very interesting thing happened the last couple weeks in my own family. My 8th grade son went out and mowed lawns this past summer. He earned 900 bucks mowing lawns this past summer, and it came tax time, April 15. I said: Matt, you have to fill out a tax return, you earned 900 bucks.

It turns out he did not really owe any Federal taxes for anything except Social Security. And when his tax return came back to him, his Social Security tax, being that he was self-employed, for earning \$900 was over 120 bucks. So my 8th grade son was asked to pay \$120 into the Social Security system, and he has no hopes whatsoever of seeing that money back.

The Social Security Preservation Act needs to be passed. It is a fairness situ-

ation. It needs to be passed in the very near future. We need to start setting this money aside so that our seniors are safe, so that the people in their forties and fifties are safe and so that the young people can start thinking about doing something different.

If we let this go, if we let this go in the 1990's and our generation looks the other way and continues doing the Washington thing and spending this money instead of putting it away, let the burden be on our shoulders when we have to go out to our families and ask to collect even more taxes than right after the turn of the century.

The issue gets even more interesting when you look at how the Social Security issue really impacts and affects the budget as a whole. You see, in Washington when they report the budget they report this blue area. In fact this year we are reporting a budget deficit of about \$107 billion. What they do not tell you is that is how much the checkbook is overdrawn. Well, the checkbook is overdrawn by \$107 billion but they wrote an IOU to the Social Security trust fund. So in addition to the deficit that Washington reports to the American people, they do not tell you that in addition to that they have taken the Social Security trust fund money.

The real deficit this year is not \$107 billion. It is \$107 billion plus the money taken out of the Social Security trust fund or in reality about 172 billion.

I come from the private sector. I am a home builder by trade. I have to tell you, if we tried this in the home-building business, not only would the banks reject our argument; I would be locked up in jail if I took the money that was supposed to be set aside for pension funds for my employees, spent it on other programs and put IOUs in their pension funds. It would be illegal in the private sector. It should be illegal here in Washington, DC. That is what H.R. 857 is all about. It makes this illegal.

Mr. Speaker, when people in Washington talk about balancing the budget, virtually all of America has now heard that the people in Washington are going to balance the budget by the year 2002. Virtually everybody in America has heard that that is going to be done. I think it is real important that we understand what Washington is talking about so we fully comprehend what Washington means when they say they are going to balance the budget because what Washington means by a balanced budget and what people in Wisconsin mean are two things different entirely.

When Washington says they are going to balance the budget, what they mean is they are going to get rid of this blue area; that is, they are going to get rid of that \$107 billion debt. So let me make this as clear as I possibly can. When Washington, DC, says they are going to balance the budget by the year 2002, what Washington, DC, actually means is they are going to go into the Social Security trust fund, take

out \$104 billion of surplus that year, put that money in their checkbook and call their checkbook balanced. You see, in the year 2002, when Washington says the budget is balanced, they have still got the \$104 billion that they are using out of the Social Security trust fund. That is inexcusable.

It does not have to be this way. The worst part of this whole picture is that absolutely it does not have to be that way. We have out of our office with the support of many groups here in Washington as well as many of my colleagues here in Washington proposed a budget that would stop this from happening. Our budget is very straightforward. It assumes CBO revenues. It assumes a revenue stream that is being estimated out here in Washington. It allows the American people to keep more of their own money putting \$500 per year back into the pockets of our working families, per child. It allows for capital gains tax reduction, which is really a job creation bill.

It reforms the estate tax so that when people pass away they are not taxed on something they have already been taxed on. And at the same time, it sets aside the Social Security trust fund money. Now if that sounds too good to be true in a budget plan this year, the important thing to understand, as you, the American people, and my colleagues out there in all the districts they represent, the economy is stronger than anyone expected it would be. As a result of the economy being stronger, there is more revenue coming into the Federal Government than anyone anticipated.

Our budget, in a nutshell, accepts the President's Medicare proposals or at least the numbers that he has proposed and Medicaid and other mandatory but it throws out all of the new Washington spending ideas in the President's plan. It throws out all the new Washington spending ideas, in all fairness, in the Republican plans as well.

Mr. Speaker, our budget plan is very straightforward. We can balance the budget, set aside the Social Security money and we can do it if we simply say no to new Washington spending. When Washington saw these additional revenues coming in because the economy was doing so well, Washington again did the Washington thing. They looked for ways to spend that revenue and they proposed new spending programs. So instead of looking at this chart and saying, we need to set that Social Security money aside, instead of doing that, they came up with new ways to spend the money. Under our budget plan, we simply say no to new Washington spending programs, and in fact we can then get to balance without using the Social Security trust fund money.

One more thing that our budget does is very different than any other plan in Washington. After we get to a balanced budget, we cap spending growth at the Federal Government level at a rate 1 percent below the rate of revenue

growth. Revenue grows because of inflation and real growth in the economy. We cap spending increases at 1 percent below the rate of revenue growth. What this does is create a small surplus. If you are at balance, revenues go up by 5 percent, spending goes up by 4 percent; that creates a small surplus. That surplus is used to start paying down the Federal debt because, you see, even if we get to a balanced budget, we still have a \$6.5 trillion debt hanging over our heads.

In our budget plan, we would literally pay off the debt so we could pass this Nation on to our children debt free by the year 2023, and then think what that means. That means instead of going to our families and collecting \$600 a month to do nothing but pay the interest on the Federal debt, we would not need that money anymore. We could instead go to our families and say, keep that extra money. Go ahead. Put it away for your kids for college. Go ahead, put it aside if you want your kids to go to private school, go ahead send them there. Here is the \$600 a month that you were paying in interest on the Federal debt.

This can all happen. It is not far-fetched. In fact, under that pay-off-the-debt plan, spending at Federal Government level would still go up faster than the rate of inflation. A lot of my colleagues do not like that, but the reality is even with spending going up faster than the rate of inflation at the Federal Government level, we would pay off the debt so we could have massive tax cuts. It is not only the tax cuts. That puts more money available out there in the private sector. More money in the private sector means looser money supply. Looser money supply means lower interest rates. Lower interest rates means our families can afford to buy houses and cars. And of course when they buy houses and cars, that means other people have to go to work building the houses and cars.

In Janesville, WI, there is a General Motors plant where we assemble Suburbans and Tahoes and Yukons. That is extra jobs for those people because of the interest rates down and people can afford to buy those cars that are being made. So it is a complete picture here of how we can restore this great Nation of ours. It can be done. It should be done. I just sincerely hope that the folks in Washington have the nerve that it takes to follow through on our commitment from 1994 to the American people.

I yield to the gentleman from Florida [Mr. SCARBOROUGH].

Mr. SCARBOROUGH. Mr. Speaker, I thank the gentleman for talking on this important issue. In just listening to it, it sounds too good to be true. It sounds too easy to be true but actually it is not. You look at the numbers and they actually all add up. With somebody that has a grandmother that depends on Social Security, that depends on Medicare, that depends on the as-

sistance that she paid into for so long and somebody that has parents and in-laws that are coming of age where they are depending on a solvent system, this makes too much sense.

How can we continue to steal from the Social Security trust fund money that they paid into the fund simply to balance the books, so called, balance the books? Balancing the books the way Washington defines balancing the books. This is a real crisis. You hear so many people making complaints, yelling back and forth.

We had a shameful episode over the past few years regarding certain people trying to scare senior citizens for their own political gains but it comes down in the end to numbers and to demographics. There is a saying that circulates around now that says demographics is destiny. With the case of Social Security, that is the case. Back in the 1950's, we had 15 people working for every one person on Social Security. Today we have four people working for every one person on Social Security. Twenty-five years from now, there is going to be one person working for every one person on Social Security. So we need to save every cent of this surplus. If we do not, the consequences are going to be absolutely detrimental.

A lot of times you throw numbers around like this and you throw charts around like this, and it makes sense to us; but I have had a couple people come up to me lately and tell me what all this means. One person came up telling me what the huge Federal debt means to us and adding onto that debt, what that is going to mean to us.

They told me that they had figured out that, if you made a million dollars every day from the day that Jesus Christ was born until today, a million dollars every day, you would not make enough money to pay off the Federal debt. A million dollars every day for 2000 years. And then they got their calculator out again and continued calculating. And they said: And then we figured out that, if you made a million dollars every day until the year 14,000 A.D., made a million dollars every day for 14,000 years, you still would not make enough money to pay off our Federal debt.

Mr. Speaker, and still we have people coming to this floor every day telling us what a great job we are doing in balancing the Federal budget and that the budget negotiations that are going on now are so difficult and we are doing such heavy lifting. Yet they are not doing anything. They are not doing anything that is going to address how we keep Social Security solvent, how we keep Medicare solvent, how we keep Medicaid solvent, and how we prevent our children from paying a tremendous debt. During the campaign I talked about this. And my opponent acted outraged saying: How dare you try to scare children, how dare you try to tell them that we are depriving them of their future. That would not happen in America.

I said to him: I have some very bad news for you. Not only could that happen in America, that is happening in America, and unless we get disciplined it will continue to happen in America.

The one number I gave him that I think carried the day in that debate was the number 89 percent. That number comes from BOB KERREY, a Democratic Senator's independent commission on entitlements back in 1994. The conclusion, using independent numbers, using Congressional Budget Office numbers was this: that if we continue down this path of tax and spend, tax and spend, tax and spend, that our children, your children, I have seen them, my children, my 9-year-old boy, my 6-year-old boy will be paying a tax rate of 89 percent to the Federal Government by the year 2025 when they are in their thirties. Barely my age, they will be paying 9 out of \$10 in taxes.

Mr. NEUMANN. I was in an appropriations meeting today. I heard time and time again how we need to do this or that or the next thing to help the children of this Nation.

I just point out that, if we do not get to a balanced budget, if we do not do what is right to stop this growth of debt, the opportunities for the children of this Nation are going to go away.

The most important thing we can possibly do is make sure that we do get to a balanced budget so that the government is not taking all of this money out of the private sector that should be out there to keep the money supply available so interest rates stay down.

And make no mistake about it. I noticed in a newspaper on the way out here this week, the headlines, two sections, headlines were good news about the economy because the deficit was down. When the deficit is down, they do not take as much money out of the private sector. When the Government is not confiscating that money out of private sector, there is more money available out there for people to borrow. And when there is more money available, the interest rates stay down. When the interest rates stay down, people can afford to buy houses and cars. This is what we need to do for our children.

When the interest rates stay down and people buy those houses and cars, that means that there are job opportunities for young people right here in the United States of America, not the Government stepping in to take care of our children but rather our children having the opportunity to get a job and the opportunity to get a promotion and to create a better life for themselves and their family.

That is what this ought to be all about. It is about whether or not the next generations of Americans are going to have the opportunity to live the American dream. It is about whether or not we in our generation are going to be able to fulfill our commitments to our seniors, my parents, your parents. It is about whether we fulfill those commitments to our seniors.

Most important, I have to say, it is about our children and our grandchildren. It is whether or not there are going to be American job opportunities for those kids when they reach the age where they are making a decision on where they are going to go.

In this day and age we live in, you can get from here to Japan or China, anywhere else in the world in a relatively easy manner on a plane. Those kids are going to have the opportunity to go elsewhere in the world. If we mess this up to a point where it is not affordable for them to live here in the United States, they are going elsewhere. Because kids are dynamic. This is a dynamic Nation. And for generations there have been entrepreneurs that have built this great country of ours.

And if we mess this up to the point where the tax rate is 89 percent of all of their earnings or to a point where interests rates are so high they cannot afford to buy a house or car, they will be in a different country and they will raise our grandkids somewhere else other than America.

□ 1730

That is what this is about. It is about getting our financial house in order so our children have the opportunity to live the American dream.

Mr. SCARBOROUGH. And if the gentleman will continue to yield, the gentleman talks about children, and I know he has seen and I have seen and others have seen people pile on to the floor over the past 3 years since we came here in 1994 and they talk about children. And Washington is great. Any time somebody has a program that they cannot pass on its merits, they put on the children's tie and they come out and start talking about how much they love children.

It seems to me that some of the people come to this floor so much talking about how much they love children, and they love children so much that the first pockets that they go to to pay for their new Federal Government plans are our children's pockets. We can make no mistake of it, they are reaching down into the pockets of my children, the gentleman's children, children from across America, and they are stealing more money from the pockets of our children.

That may sound a little bit blunt, but it is the truth. We have already stolen, this body over the past 40 years has stolen \$5.6 trillion from future generations, and it is future generations that will have to pay that bill after the gentleman and I are retired.

Mr. NEUMANN. Reclaiming my time, I would say to the gentleman that we are about to do more of it. The supplemental appropriations bill, and I mentioned this earlier in the hour, is for a legitimate purpose, to help flood victims, those folks in North Dakota. They have a problem with the flood. It is real and it is genuine, and there are other people around the country that have real problems.

People in Wisconsin do not mind helping them, but when we are doing that, is it right that we take our children's money to help them, or would it be more fair to take money from our generation and help them? And we can do that by going to other parts of the budget and reducing spending elsewhere in the budget so we can help the flood victims.

But that is not the decision we are making in Washington. What we are doing in Washington is saying, forget it, we will add to the debt the kids will pay. We cannot keep doing that or the debt will get worse and the problem will compound itself to a point where we cannot deal with it any more.

That is a decision being made next week, and I sincerely hope my colleagues will join me in our efforts to make sure that rather than simply saying the flood victims need help, we have to help them, let us do it so that we will have our children pay for it; that instead of that, they will say the flood victims need help, let us do it, here is a less important Government program that we can cancel to help pay for the flood victims.

That is an entirely different concept. Right now we are intending to go to our children and say let the children pay, and that is just absolutely wrong.

Mr. SCARBOROUGH. I know that as a businessman, as a father and as a husband, there have been times when the family, we have put our families around the kitchen table, and I remember my parents did it when I was growing up, we do it at our home, and we look at the family finances and say, gee, we have these two credit cards and we are spending more money than we can afford to spend on the credit cards. And not only is it how much we are charging on the cards that we have to pay back, but it is the interest that keeps accruing, and we come to a decision as mature, rational middle-class Americans and we say, OK, listen, we are going to have to pay down these credit cards. We will have to cut a couple of them up, and we are going to have to spend only as much money as we bring in.

I remember looking at the wonderful example of my grandmother, who recently passed away, lived 93 years, and she raised a family of six in the Great Depression. That work ethic, that belief that one should never go into debt because there are disastrous consequences, that ethic was passed on to my parents, who passed it on to me, and I am just wondering when that ethic is going to infiltrate Washington, DC.

We thought in 1994 that the American people had sent a message, not a radical message, because radical, radical is a funny word. We were called radical because we believed in this: We believed that Washington should only spend as much money as it took in, and for that we were called radicals. We were called extremists. We were called reactionaries.

Let me tell my colleagues that where I come from a radical is somebody who believes they can spend more money than they take in, that a spending increase is called a spending cut, and that a spending cut actually amounts to a spending increase. And we heard all three of those arguments last year when we were told that a 7-percent increase in entitlement programs were massive cuts, when we were told that eliminating entire Cabinet agencies would actually drive up the debt.

I mean this was logic from people that have lived in never-never land for too long, and it was Alice in Wonderland-type reasoning and the type of reasoning that we came here to change.

Mr. NEUMANN. I was going to mention to the gentleman, he was talking about the values passed on to him by his grandmother and this concept that a debt is an inappropriate thing as one goes forward. This is more than an issue about numbers and whether we need to pay down the debt or balance the budget. It is an issue about morals, and it is one of many moral issues facing America today.

When a generation concludes that it is all right for them to spend the next generation's money, we have more than a numbers problem, we have a moral crisis facing America today. And this is just one part of it. The moral crisis facing our Nation is even bigger than what we are looking at here today.

I would go into one other area, but first I want to yield to my good friend from Minnesota. I would mention, however, that my son is filling sandbags over in part of the gentleman's district. I was just commenting that one of the districts in the gentleman's district was flooding and how important it is that we handle this issue properly here in Washington.

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman for yielding. I just came from a meeting with our Governor and the rest of the Minnesota delegation to talk about what has been happening in our State. I think we all, from both sides of the aisle, and whether we call ourselves liberal or conservatives, recognize that there is a need, as the gentleman from Florida a few years ago can attest, when the hurricane came through southern Florida.

In some respects, my district has been spared all but just the edges of the serious flooding, but the folks up in northwest Minnesota, it is a devastating thing to have entire cities literally under water. And it is the kind of situation where who would have ever predicted that a relatively small river like the Red River would be 25 feet above flood stage.

So I think that we are going to do what we can to make certain we get the aid that we can to those people to begin to rebuild the infrastructure in those areas, but I think there is also a new ethic in this Congress, that we should figure out a way to help pay for that as well out of this budget. That is going to be tough.

I know that the gentleman is doing what he can on that front, because I think there is a different ethic, and we will have to say that some projects will have to be delayed because this is a much higher priority project.

I also want to, if I could quickly, talk about, and it is not just the people in my area, but I think this is an ethic of Americans all across our country. My wife told me that about 36 hours ago now one of the radio stations in my district announced a program to try to raise some money for the folks up in the Red River Valley and they set a goal of raising \$10,000. I think my numbers are correct, that within 24 hours they already had pledges and cash totaling over \$21,000. I think that is going to happen all over the upper Midwest. And we are demonstrating that charity begins at home and that we will find people willing to help out. I think that is a great thing.

In the bigger picture, I do not think we should say, well, this is a new program, we will just have to add more debt to our grandchildren. There are certainly projects still in the Federal budget that are going to be delayed, that should be delayed in order to pay for this, and we hope that we can figure out ways to offset that spending as well.

And I thank your son for being one of those who are volunteering on the sandbag lines. Literally there are thousands of volunteers from Wisconsin and Minnesota, the Dakotas, and all over the upper Midwest helping those people save their homes.

Mr. NEUMANN. I want to mention, and we have talked about this a little, how this is really a tough dilemma, because on one hand we have flood victims who are truly in need of help, and on the other hand we have the responsibility to the future generations as well as to our senior citizens to make sure we are able to fulfill our commitments to seniors and to Medicare and also our commitment to our future generations to not leave them with a debt so big they are paying 89 percent of their total income in taxes.

So what do we do in this type of dilemma? I will give my colleagues an example, because this occurred today. In the Committee on Appropriations meeting I suggested that rather than simply saying let the children pay, or do a spend-now-pay-later kind of idea, where the children literally get this \$4.8 billion, \$4,800 million passed onto their backs, that what we do is this: We, as Members of Congress, make a commitment, and our commitment is this, and do not laugh when I say this. Rather than have elevator operators, who sit in elevators and collect tax dollars, push elevator buttons for us as we travel from our office buildings to the House floor to vote, that rather than use the salaries for them, instead of asking our children to pay, we no longer have elevator operators push the buttons as we travel from one place to another in this community.

Many people in America do not realize this, but there are literally people that sit in the elevators and push the buttons so that Members of Congress do not have to push their own elevator buttons. So my suggestion was, why do we not take the money that we are using in those salaries, and those folks can be reassigned. I know them and they are very capable and responsible people, and they can easily be reassigned elsewhere as people retire, and so on, to fill the place of people who are retiring. So we take those folks that were sitting in the elevators, Members of Congress are perfectly capable of pushing their own elevator buttons, and they take that salary money and apply it to offset the cost of helping the flood victims.

Now does it not sound reasonable to my colleagues that instead of spending the money on elevator operators that we would help flood victims instead? And does it not seem reasonable that instead of passing this debt on to our children and simply going, let the kids pay, spend now, pay later, instead of letting the kids pay that we find things like the elevator operators that we can do without?

Certainly, Members of Congress, if they figured out how to get elected, are perfectly capable of figuring out how to push the elevator buttons. I have great confidence. I say that tongue in cheek, but the reality is I know that we do not have to spend \$500,000 a year of the taxpayers' money on this particular topic in Washington, DC, and that money could be applied to help the flood victims rather than simply saying we are going to spend the money, let the kids pay.

Mr. GUTKNECHT. If the gentleman from Wisconsin [Mr. NEUMANN] would yield, I think that there are plenty of examples. The gentleman from Wisconsin has illustrated one. But I think perhaps even to the point, we are paying to rebuild villages and countries all over the world; and I think this is one example where we probably have got to rebuild some of our villages and our cities first.

It really is a matter of priorities. I applaud the Committee on Appropriations for what it is doing, but I do not think we should get away from the basic goal of balancing the people's books. Partly, as the gentleman says, it is a moral issue. It is not just an accounting exercise, it is about preserving the American dream for our kids.

Every time something comes along where we say we want to balance the budget but, we would balance the budget but, we have just got to eliminate those "yes, buts."

Mr. SCARBOROUGH. Mr. Speaker, I heard the gentleman from Minnesota [Mr. GUTKNECHT] say that charity begins at home. I believe that the ethic that the gentleman was talking about and that my colleague, the gentleman from Wisconsin [Mr. NEUMANN], is talking about also begins at home, that we, as Members of Congress, should save

this country \$500,000 by pushing our own elevator buttons for automatic elevators.

Let me take it a step further. I certainly hope I do not make some fellow Members uncomfortable, but we had quite a showdown a couple weeks ago because we believe that this Congress should abide by the same rules that middle-class Americans abide by; and if you do not have money, if you are \$5.4 trillion in debt, then you do not raise the spending for your own committees and for your own appropriations.

That is going to be a pitched battle. I have seen some reports in the paper today that I know have to be inaccurate that talk about how our leadership is actually going to some of the most liberal Members in this House in trying to strike a deal because they are so desperate to get committee funding increased that they would rather deal with those that spin us into debt for the past 40 years instead of talking to those of us who believe that one only spends as much money as one takes in.

I know that those news accounts are inaccurate. I have full confidence in it. I know that our leadership is going to come back here and they are going to say, if we want the American people to only spend as much money as they take in, then we are going to live by those rules ourselves, that the ethic that got us through the Great Depression, the ethic that got us through World War II, that made America the last great hope for this dying world, that we will live by those same rules.

Mr. NEUMANN. Reclaiming my time, is it not nice to have confidence in the Republican leadership to know that Republicans do not stand for increasing the size of Washington committee staffs; Republicans stand for making Washington smaller and less intrusive in our lives?

So certainly, Republican leadership is not going to bring us a bill with a 14½-percent spending increase. Republicans stand for getting to a balanced budget. That was our issue a long time ago. We really do mean that we want to get to a balanced budget.

So I know that our Republican leadership is not going to allow a bill to come to the floor of the House that spends now and passes the spending debt on to our children, the spend-now-pay-later plan of spending \$4,900 million of our children's money.

□ 1745

I know our Republican leadership understands that we have to go elsewhere in the budget and find wasteful spending to offset this new spending for a legitimate reason.

Mr. SCARBOROUGH. If the gentleman will yield, of course, they would have to. Because how could one say on one hand, we have got to balance this budget, we have got to get by on less, we have got to freeze discretionary spending, and then turn around and increase your own budget by 15 percent? These are some very intelligent people,

and I have confidence that the same fire that brought this party to a majority in 1994, the same visionary leadership, the same visionary courage that had men and women across the country saying we will live by the same rules that middle-class Americans live by, that sounds so simple in Washington, DC. I know they are not going to back down now. Because to do so would be sending a dangerous message, and I know they are not going to do that. I am glad to be a member of a party that has such courageous leadership.

Mr. NEUMANN. I yield to the gentleman from Minnesota.

Mr. GUTKNECHT. To change the subject slightly, there was a Pepsi commercial that used to say life is a series of choices. And really Congress is about making choices. We may have to have some different priorities. It may mean that we will have to delay the purchase of some of the B-2 bombers. It may mean that we are going to have to pull our troops out of Bosnia sooner because we simply cannot afford \$2.5 billion a year to keep troops in a country that may or may not ever be at peace with itself.

There are a lot of choices that we are going to have to make in this Congress, and they are not easy choices, but I hope that we will not say to people, whether it be in Grand Forks, ND, or East Grand Forks or some of those people who really are suffering that we are not going to help you.

I really do think we have to help those people, but then we have got to make the tough choices. And as I think what you are saying is, Congress has got to lead by example as well. We are going to have in the next several weeks a number of tough choices. I would hope that within 2 weeks, this House will have on the floor a budget resolution which will be the blueprint. Hopefully, it will be an agreement between the White House and the Congress. And there are negotiations going on, and we hear rumors that one day they feel like they are close, the next day they are far apart. We really don't know, and they have been very tight-lipped about what exactly the terms and conditions are that are on the table.

But we hope there will be an agreement between the White House and the Congress on a budget resolution. But even if there is not, this House is going to have to pass a budget resolution very soon and it is going to mean some tough choices. We are not going to turn our backs on people, and particularly Americans who are desperately in need and then say to other countries and other people around the world, well, sure, Uncle Sam will be there to bail you out.

So we are not going to turn our backs on those people who are suffering in the United States and continue to provide unlimited foreign aid to some of these other nations.

Mr. SCARBOROUGH. If the gentleman will yield, he brings up a good point. We talked about Congress nego-

tiating with the President. Obviously, we negotiate with the Senate also. Let me just say this: This is something that gets lost in all the discussions about the budget.

The Constitution says that this body, the people's House, as the Speaker says, this body that is closest to the people has the checkbook. And so we have to stop pointing our fingers at the Senate, we have to stop pointing our fingers at the White House, and we need to recognize that we have the checkbook, that all spending originates here, all bills that have anything to do with spending originate here, and so we have the ultimate responsibility.

We have got to take personal responsibility for that instead of turning and whining about how the Senate moderates everything or how the White House is addicted to spending. Whether that is true or not is completely irrelevant. We have the checkbook in our hand. If we have a checkbook in our hand and our children come up and say they want to spend money on Nintendo games or they want to spend money on a trip this summer, they want to go to Disney World, if we do not have the money, we have the checkbook in our hand, and if we go ahead and write a bad check to our children just because we are afraid of the consequences, then we have no moral courage and do not have the moral fiber that we have to have to make the tough decisions. We need to always remember that. Unfortunately, it seems to me at times that Congress has forgotten that.

Mr. NEUMANN. There is one thing the gentleman from Minnesota mentioned; priority spending. There is kind of a myth going on out here in Washington D.C., and I noticed it at our town hall meetings, we just held about 20 of them. The myth has really penetrated to the public that they believe defense spending has gone straight up and very, very few people in this Nation recognize the fact that defense spending has actually dropped, in actual dollars spent, dollars written out of the checkbook from \$300 to \$266 billion a year from 1990 to 1996.

In real dollars, it has gone down even more. In real dollars, that is dollars adjusted for inflation, it is comparable to a drop from \$325 to \$242 billion over that 6-year span of time.

The other thing that is out there kind of as a myth is that with this defense spending increase, and we are cutting all these other areas in Government. Well, the reality is that is not true, either. The reality is these other areas called nondefense discretionary spending have risen dramatically from \$165 billion in 1986 all the way up to \$268 billion 10 years later. So over a 10-year period of time, it has nearly doubled, in spending in these other areas called nondefense.

Everybody blames Social Security and Medicare and all of that stuff for rising too fast. The reality is it is not just there. It is these other programs, too, that have gone up by over \$100 bil-

lion over that 10-year period of time. I, for one, would just take the opportunity when you mention priority and spending to work again to dispel the myth that somehow defense spending is the cause of the problem.

In fact, defense spending has dropped over the last 10 years in either real dollars or actual dollars coming out of the checkbook. I think it is important, because the threat is growing around the world. We do need to maintain our defense.

Mr. SCARBOROUGH. If the gentleman will yield quickly, a couple of quick numbers. We are spending less on defense today per ratio of how much we have at any level since 1939, before World War II and Pearl Harbor. The dire consequences are these: We have enlisted men and women who are on food stamps. We have promises that are being broken to our military retirees and our veterans. We cannot sustain the continued cuts unless we want to face dire consequences in the 21st century.

We have to be concerned about a system that allows men and women that are protecting this country to live on food stamps. The quality of life right now for men and women in the armed services is absolutely dismal, at its lowest level ever.

Mr. NEUMANN. I would just add in the defense area that defense is not above wasting some money either and certainly is subject to our review as we find areas of waste within defense so that those dollars can be reallocated and better spent for the defense of this Nation.

Mr. GUTKNECHT. If the gentleman will yield, I would make this point as well. We heard a lot about when we won the cold war, and frankly, I think sometimes we are too timid to say, we won the cold war. The military buildup of the 1980's was perhaps, in my opinion, one of the greatest investments in the history of human beings because we literally won the Third World War, the cold war, if you will, without firing a shot. It was because of the buildup. Now, we are seeing some of that peace dividend.

Real defense spending has dropped by over 30 percent in the last 5 years. A lot of people talked about the peace dividend. But I think most of us would agree that that peace dividend ought to go to our children rather than go into even higher domestic discretionary spending. Unfortunately the gentleman from Wisconsin is absolutely right. What we have seen is dramatic increases in domestic discretionary spending along with entitlements as defense spending has come down. But let me just say this, too, and I think this is an important point, and we should have a healthy debate about how many B-2 bombers we really need. The gentleman from Wisconsin may disagree with me and the gentleman from Florida may disagree with me, but I think we probably have enough

B-2 bombers. But let us have that debate. Even within the Defense Department, whether or not we need to move ahead with some of the other new weapon systems or if they can be delayed. We live in a relatively safe world. I do not want to cut defense irrationally, but on the other hand I do not think any area of the budget should just be rubber-stamped by this Congress. As I say, we have got to set priorities and clearly at this point in time one of those priorities has to be people who are hurting in disaster areas such as northwest Minnesota.

Mr. NEUMANN. We are nearing the end of the hour that we have reserved to us this evening and I thought I would bring the discussion kind of back to where we started, and that is this picture that shows the growing debt facing this Nation of ours and maybe talk a little bit about an issue that is very important, that is probably not now coming to the floor of the House but we hope it does in the future, and that is the balanced budget amendment. I have had a lot of people in our town hall meetings again asking me the question, "Do we really need the balanced budget amendment?" I have been asking those people back when they ask me that question, I just point to this chart and point to the growing debt, and then I ask them, if we did manage to get to a balanced budget in 2002 and let us be optimistic and say we got to a balanced budget without using the Social Security trust fund money, we got Washington to stop spending the Social Security trust fund money, we got the job done. Do you really think that in 2003 they would balance the budget again? Or do you think we would go back to our old ways? And even if we managed to do it in 2002 and 2003, how long would it take before they went back to their old ways of this growing debt?

That is why a balanced budget amendment that has failed by one vote three times in the Senate of the United States is so important. I hope on the other side they decide to bring it back again and get another vote on it so that we have what Wisconsin already has in its constitution, a requirement that we do not spend more money than we have. It is not about a balanced budget. It is about our children's future and whether or not they can hope to have a future in this great Nation of ours. Without a balanced budget amendment even if we manage to get the job done by 2002, we have those after years, 2003, 2004, 2005, 2006, and so on to worry about. Fixing the problem temporarily by 2002 is not going to solve the long-term problem without the balanced budget amendment to the Constitution.

Mr. GUTKNECHT. As I have said before, and one of the things I really like about the budget plans that the gentleman and I have worked on, and frankly the gentleman from Wisconsin has done a lot more of the work than I have, but as a famous architect from

Chicago said, "Make no small plans." I think we need a big vision, and I think the vision should not be just to balance the budget by the year 2002. I think the real vision and the real goal ought to be to pay off that national debt. As the gentleman says, and I certainly agree, I can think of no better thing to leave our kids than a debt-free future. We have an opportunity to do that if we will exercise the discipline this year and every year. As we have said before, balancing the budget is not something you do next year. Balancing the budget is something you do this year. It is something you do every day. That is why as we look at this supplemental appropriation, I hope that the gentleman is successful in the Appropriations Committee to make certain that we set those priorities, that we rearrange some of the budget so that we can take care of those people who are hurting and needing in certain areas of our country and still stay on that glide path to balancing the budget.

Mr. NEUMANN. Would the gentleman not say that is also true of the Social Security issue? The issue where the Federal Government is collecting out of paychecks about \$65 billion more than it is paying back out to seniors and that that money is supposed to be set aside in the savings account but Washington is instead spending that money? Is that not a day-to-day struggle also to prevent Washington from spending that money?

When Washington talks about getting to this balanced budget in 2002, we cannot accept getting to the balanced budget by going into the Social Security trust fund and taking that money out, taking \$104 billion out of the trust fund, putting it in the checkbook. That is not good enough. That is not really a balanced budget. Is that not what this fight is about day to day out here to stop Washington from spending that Social Security money, get us to a balanced budget but do it the right way without using the Social Security trust fund money to get there? Are those not the battles that we are engaged in out here day after day after day in this city?

Mr. GUTKNECHT. We are certainly in a wonderful position. We are given a golden opportunity. We are at relative peace and relative prosperity here in this country. If we cannot balance the budget and save Social Security now, I do not know when we will.

Mr. NEUMANN. I thank the gentleman. I would conclude tonight with a very optimistic picture for the future of this great Nation that we live in. We have it within our grasp, within our means, within our understanding to do what is right for the future of this country. We have laid out a plan that gets us to a balanced budget by 2002, lets the American people keep more of their own hard-earned money, sets aside the Social Security trust fund money that estops Washington from spending the money that is supposed to be in the Social Security trust fund

and at the same time looks past the year 2002 to 2003, 2004 and beyond, looks at paying off the Federal debt so instead of taking \$600 a month from our families of five in America, that instead of doing that to just pay the interest on the Federal debt that we can look at the families keeping that money, using it for education, using it for things that are so important in our families in America today.

We do have a big vision for the future of this great Nation we live in. It includes a balanced budget, it includes protecting and preserving Social Security and fulfilling our commitment to our seniors in Medicare. It includes letting the American people keep more of their own hard-earned money. There is just no reason not to look past that and look to the big picture and say, yes, we can pay off the Federal debt and, yes, we can get to a point where our people do not need to pay \$600 a month to do nothing but pay the interest. Let our families keep that money in their own pockets to spend in the way that they deem most appropriate instead of sending it out to Washington to do nothing but pay the interest on the Federal debt.

I see a very bright future for America because if we manage to implement these sorts of plans, that means the Government is going to quit borrowing the money out of the private sector, leave the money in the private sector. When there is more money in the private sector, that means the interest rates stay down and when the interest rates stay down that is a bright picture because then people can afford to buy houses and cars and all the other things that they do when the interest rates are low, and that means somebody has to build those houses and build those cars and that is job opportunities for the young people in this great Nation that we live in. These are our hopes and dreams for America's future. God bless you all.

□ 1800

RED RIVER VALLEY FLOODS

The SPEAKER pro tempore (Mr. MICA). Under the Speaker's announced policy of January 7, 1997, the gentleman from North Dakota [Mr. POMEROY] is recognized for 60 minutes as the designee of the minority leader.

Mr. POMEROY. Mr. Speaker, my remarks tonight have nothing to do with political party or political ideology. In fact it has rather to do with something much more basic than that, disaster of an unprecedented character that has inundated the second largest city in the State that I represent, the State of North Dakota, and caused hundreds of millions of dollars of damage up and down the Red River in light of the disastrous floods we continue to experience. During the next few minutes I want to brief my colleagues about what brought this about, what weather circumstances were out there that caused