

States cities and Japan is more competitive and more preferable than additional service from cities that already have service to Japan.

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Texas.

Ms. JACKSON-LEE of Texas. I thank the gentleman from Texas, particularly for his effort. I simply want to join in his remarks and acknowledge as a representative for the downtown business community one of the strains on expanding business and expanding trade is a lack of a direct route from Houston to Tokyo. I would encourage the negotiators to seriously look at the importance of the fourth largest city in the Nation having a direct route from Houston to Tokyo, and particularly with respect to Continental Airlines and other airlines that are looking at that issue.

Mr. GREEN. In reclaiming my time, Mr. Speaker, and I know it is a bipartisan effort by both Republicans and Democrats, because I am honored to represent the Intercontinental Airport now that the Federal court saw fit last year to give it to me from district 18, having lived there for many years. It is important to the whole business community and all of Houston because of the port and the trade we already do with Japan to have that nonstop service. I hope those negotiators understand that.

MONTANA MINING DISPUTE

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

Mr. HILL. Mr. Speaker, I rise this evening to tell a story to my colleagues about a place called Cooke City, MT. Cooke City, MT, is an isolated community in south central Montana. It is located about 3 miles northeast of Yellowstone Park. It is surrounded by a historical mining district where there has been active mining for well over 100 years. It also happens to be the home of a place called the New World Mine.

Some of my colleagues might recognize the name the New World Mine. On October 12, 1996, a little over a year ago, President Clinton announced that he had entered into an agreement with a foreign mining company and an environmental community to stop the process of proceeding with the development of a new gold mine at the site of the New World Mine. He did so based upon concerns that had been raised by members of the environmental community that mining at that site might pose some risk to Yellowstone Park. However, in the process of interrupting the process of the mine, the President also interrupted the environmental impact statement that would have given us for certain an understanding of what the real risks would have been. So in secret the President, a foreign mining

company and an environmental community agreed to give away 65 million dollars' worth of public land in Montana in exchange for this mine.

Mr. Speaker, that created outrage in Montana. Sportsmen's groups and environmentalists expressed outrage because Montanans feel great attachment to the public land. They hunt, they fish, they hike, they pick berries, they camp. Mr. Speaker, many of them actually make their living on public lands.

Sensing that outrage, the President changed his mind, and he decided instead of 65 million dollars' worth of public land, he would take \$100 million out of the Conservation Reserve Program from Montana and give that to this mining company instead. That created outrage, Mr. Speaker. Farmers, environmentalists and sportsmen, all of whom believe greatly in the Conservation Reserve Program, expressed their outrage.

So then the President said no, he wanted \$65 million from the Congress. And Congress said, whoa, wait a minute.

There are three big problems, Mr. Speaker, with the President's plan. First, the White House forgot about Montana. The General Accounting Office just issued a report that said that Montana is going to lose 466 jobs, \$45 million in revenues. In fact, local Park County will lose \$1.2 million in revenues in the first 5 years.

The second problem is that we have discovered the mine was not an asset, but rather a liability. There are serious water quality problems arising out of previous mining activities, and the President has proposed that the taxpayers assume those liabilities.

But, Mr. Speaker, the really big problem with this deal was that we found out that the mining company did not own the ore. There is a lady by the name of Margaret Reeb, who lives in Livingston, MT, whose mother was the first woman in the Cooke City mining camp, who over the years has acquired those mining claims, and she owns the ore. The problem was she was not consulted, she was not asked, she never signed. Margaret owns the asset.

Mr. Speaker, when the White House was asked about this, what will happen if Margaret Reeb does not want to sell her ore, which she said she does not, the White House said, "Well, there's more than one way to skin a cat." Mr. Speaker, we do not call it cat skinning in Montana, we call it claim jumping. It is wrong in Washington, and it is wrong in Montana.

Now the President has said that if we do not give him a blank check in the Interior appropriations bill, he is going to veto the Interior appropriations bill. What do we do? Some people say we should just walk away from this deal. Others say that we should just give the President the \$65 million and forget about it.

I think both of those options are wrong. I think that we have an obliga-

tion, Mr. Speaker, to pay a mining company for what its real interest and the real value of its assets are. I think we have an obligation, Mr. Speaker, to protect Margaret Reeb and her private property rights. I think we have an obligation, Mr. Speaker, to make whole the State of Montana by replacing the minerals that will be withdrawn with other minerals that might be developed. And so I have offered a fair proposal, a proposal that will protect those property rights, that will reimburse the State of Montana, and will help that local community that is isolated and needs those jobs and that economic impact.

I would hope that my colleagues will help me in trying to convince the President that there is a fairer plan than stealing Margaret Reeb's property rights. There is a fairer plan than denying Montana the jobs and the economic opportunities.

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

[Mr. MARTINEZ addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

THE DEFICIT AND THE DEBT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for half the time until midnight, 40 minutes, as the designee of the majority leader.

Mr. NEUMANN. Mr. Speaker, I rise tonight to talk about the good news that we can bring from Washington, D.C., for a change and how much things have changed from the past to where we stand today.

I think to start this discussion, it would make sense that we talk about the difference between debt and deficit, much like folks in their own home understand the difference between a checkbook and borrowing a mortgage on a home. When we talk about the deficit in this Nation, what we are talking about is the amount of money that our Federal Government borrows each year more than what it takes in. That is how much it spends out of its checkbook each year more than what it takes in. That is the deficit. So the amount they overdraw their checkbook, it is not a lot different than in our own home. If you overdraw your checkbook, that is called a deficit.

What our Government does each year after they overdraw their checkbook is they go out and borrow money to make their checks good. When they borrow money, of course, each year, that amount that they have borrowed keeps adding up and up and up.

This chart I have brought with me tonight shows how the debt has been growing facing this Nation. As a matter of fact, in 1995 when I took office

for the first time, the debt had reached this point.

One can see the especially steep climb that has been going on from, oh, really the middle to late 1970's, right straight on through 1995. It is leading us to a huge problem in this great Nation that we live in. The total amount of debt that we as a Nation face today, the total amount that they have borrowed cumulative then over the last 30 years, the last time we had a balanced budget was 1969, the total amount they have borrowed since that date is \$5.3 trillion. \$5.3 trillion they have spent more than they have taken in in this community by the year 1995.

Let me translate that into English so my colleagues and anyone else viewing this tonight can understand if you divide the total debt by the number of people in the United States of America, our Government has borrowed literally \$20,000 for every man, woman and child in the United States of America. For a family of five like mine, that is \$100,000 total that our family is in debt on behalf of this Government, because, after all, we are the Government. The interest alone for that family of five on this debt is \$7,000 a year, or roughly \$580 per month. That is the interest alone on the Federal debt for a family of five is \$580 a month.

A lot of people say, "Well, I don't pay that much in taxes." But the fact is every time you walk in the store and do something as simple as buy a loaf of bread, the store owner makes a small profit on that loaf of bread, and part of that profit gets sent to Washington, D.C., to pay the interest on the Federal debt.

Mr. Speaker, I yield to the gentleman from Florida [Mr. FOLEY] who has joined me this evening.

Mr. FOLEY. How much is the annual cost to the taxpayers aggregate for the interest on the debt alone?

Mr. NEUMANN. It is roughly 7 percent of this number, so the Federal Government is spending about \$330 billion every year. Roughly \$1 out of every 6 that the United States Government spends is to pay nothing but interest on this Federal debt.

We should remember a good part of this debt is held by people in foreign countries, which means we are really collecting tax dollars out of working families' paychecks out here in Washington, and then we are paying that interest out to foreign entities who hold a good portion of this debt.

Mr. FOLEY. What the gentleman is saying tonight is that \$330 billion that is paying the interest on the debt does not reduce the \$5.3 trillion in debt?

Mr. NEUMANN. That is exactly right. That does nothing but pay the interest on the Federal debt. So even after we get to a balanced budget, this debt is still out there hanging over our heads. If we do not do anything about it, of course, this debt will be the legacy that we leave for the next generation.

Mr. FOLEY. To put it in simple terms, a family, if they borrowed

against their home on a 30-year mortgage and paid a mortgage payment every month for 30 years, but it was strictly interest, would still then owe the full principal as they started 30 years prior?

Mr. NEUMANN. That is exactly right, and that is exactly what we are doing out here with one slight difference. Out here we are adding to that amount every year. Since 1969, this number has gotten bigger and bigger. So if we put this in perspective for the families out there who own a home, it is not only like they are just making the interest payment and not making any principal payment on that mortgage, it is like they are paying the interest but adding to the mortgage amount every year. So if you bought a house and you borrowed \$80,000 to buy that house, it is like we are paying the interest on the \$80,000, but we are adding \$4,000 to it next year; so you are at \$84,000 at the end of the first year, and \$88,000 after that, and so on. Up and up it goes.

□ 2245

That is how we got to that \$5.3 trillion in debt. As a matter of fact, I brought another chart here to kind of show how we got to this point, and this chart shows not only how we got here but how different things really are between the past and since 1995 when you and I were both elected. For the first time Republicans have controlled the House of Representatives in a long time. This shows what Gramm-Rudman-Hollings promised to do. What they promised to do is stop overdrawn their checkbook. This is the deficit line or the amount they were going to overdraw their checkbook that they promised back in the late 1980's and early 1990's, and we can see that they planned to balance the budget for the first time; that is, not spend any more money than what they had in their checkbook. They planned to do that in 1993. The red line shows what they actually did. That is to say, the red line shows that they kept overspending their checkbook year after year after year after year, and of course the debt just keeps going up and up and up. That is how we got to this \$5.3 trillion in debt. These are the broken promises of the past that the American people got so upset with that led them to making the change in this House of Representatives in 1994, elected you, elected myself and elected 70-some others just like us because they were very frustrated that they had been given this promise and the promise was broken.

But I think it is also important that we understand how much things have changed since the American people did send a new group out here in 1995, yourself and myself included. This blue line shows what we promised the American people when we came in 1995, and notice the red line in a very different spot. We are not only on track to balancing the budget in the 7-year plan

that we laid out, we are significantly ahead of schedule. As a matter of fact, it would now appear that the budget will be balanced for the first time since 1969 next year. That is in 1998, 4 years ahead of schedule, we will have had the first balanced budget in 30 years because of the efforts of this Congress and the changes that have been made.

There is another way of looking at this, and I think it is important that we understand that if we had come out here and done absolutely nothing, this would not have happened. When we were elected in 1995, this red line shows where the deficits were headed. The yellow line shows how much progress we made.

To my friend from Florida, my colleague from Florida, does he remember what the first hundred days out here were like in that first year? Does he remember the hassles and the fights we went through during that first year? What we were going through is bringing this red line, deficit line, down to here, and in the meantime we laid this plan into place, how we were going to get to a balanced budget by 2002. But the reality is we are outperforming our projections, and I am happy to bring to the American people the good news that the budget will in fact be balanced. We are not only on track but ahead of schedule, very different than the Congress that was here before, on track and ahead of schedule, and we will have a balanced budget in 1998 for the first time in 30 years.

I have one more chart here that I think is really important. I have been out with my constituents across the State of Wisconsin, and you know when I tell them these things they say, "Well, you guys are lucky the economy is performing so well that you have got all this extra revenue coming in and because the revenue is coming in, you have got a balanced budget, and you all are trying to look good because of it." Well, I first point out that we have had good economies in the past, since 1969, and when we had good economies in the past my good friend from Florida might recall what the Congresses that were here before us did. When the economies were good and extra revenue came in it does not take Einstein to figure out what Washington did. Washington spent the money, and that is very different in this Congress. While the revenues were coming in strong because the economy was good, not only did we not spend the money, at the same time we slowed the growth of Washington spending. So at the same time extra revenues were coming in this Congress slowed the growth of Washington spending. Before we got here this red column shows it was growing by 5.2 percent a year. Since we have been here it has only grown by 3.2 percent a year, still faster than some would like, like myself. I would like to see this even smaller yet, but it is very significant to note that the growth of Washington spending has been slowed by 40 percent in the first 2 years that we have been in office.

So it is not only a strong economy; certainly that is part of it, but in addition to the strong economy we also have slowed the growth of Washington spending, and the 2 things put together have put us in this position where we are going to balance the budget for the first time in 30 years next year, 4 years ahead of the promises we made to the American people.

But as my good friend from Florida has been talking to his constituents about, I know even after we get to a balanced budget we still have that \$5 trillion debt hanging over our heads.

Mr. FOLEY. Mr. Speaker, if the gentleman would yield, that is something I want to emphasize.

You know, it is great to boast about progress we are making, and I think we have turned this place light years around from where we were. But none of us have actually talked enough about that looming \$5.3 trillion debt that will remain even with the balanced budget. Some estimates suggest that that number may climb to \$6 trillion by the year 2001, 2002.

So I think we have to underscore right now that we are talking about a significant amount of debt that remains after the balanced budget.

Mr. NEUMANN. Well, I think that it is important to look at how far we have come, and we should applaud the fact that we are going to have the first balanced budget since 1969, and, you know, before we go forward we should also mention that 1993, that same year they broke the promise that they were supposed to have a balanced budget, that is a very famous year for another reason. Without a single Republican vote in the House of Representatives they passed the largest tax increase in American history, and to my colleagues that have forgotten what this was like before we were here, in 1993 we were talking about raising the marginal income tax rate, we talked about a 4.3 cent per gallon gasoline tax increase, and the money did not even get spent on building roads to provide a better infrastructure. They extended a 2.5 cent per gallon gasoline tax increase, they raised the taxes on Social Security. Before 1993 we were faced not only with the broken promises of a balanced budget but with the discussion about how high to raise taxes and which taxes should be raised first. That has changed too. In 1997 we passed the first tax cut in 16 years, and I know we want to talk about where else we are going here on paying off the debt, but I think we should look at the fact that we have a balanced budget for the first time in 30 years, lower taxes for the first time in 16 years, and also restored Medicare in a very different way than they did in 1993.

Mr. FOLEY. If the gentleman will yield again, I think we also have to underscore the tax increase that seniors suffered in 1993, which included taking away some of their interest earnings in income and taxing their Social Security in order to balance the budget.

People who had retired, who had worked all their life for this country, now were being taxed under a new plan in order to balance the budget, but we did not really balance it because we kept spending more and more and more.

Mr. NEUMANN. And therein lies the key. Reclaiming my time, therein lies the key. When we got here we realized that it was important that we curtailed or slowed the growth of Washington spending, and that is why this other chart we had here is so important. When we got here we did slow the growth of Washington spending.

I brought a line chart that kind of shows the same thing. This red line shows how fast spending was going up again before 1995, and after 1995 we can see the red lines going up at a slower rate. Well, if the red line is going up at the slower rate, the blue line shows how fast revenue is growing up. Well, if revenue and spending was going up at the same rate, the deficit remained. But we now have a good economy, so the blue line starts going up a little faster. At the same time the red line is going up slower. Spending is going up slower. Revenue is going up faster. That gets us to a balanced budget ahead of schedule, and that is exactly what has happened. But not only is the budget balanced at this point, we can see what is going to happen next: With the spending going up at a slower rate than the rate of revenue growth, we are going to start running a surplus.

And I know my good friend from Florida has been working on this because a surplus is important to the seniors in his district, and I would be happy to yield to hear what his seniors have to say about the idea of paying off some of the debt so we can restore the Social Security trust fund.

Mr. FOLEY. Well, let me suggest that I spent this past weekend back in Florida in my district, and I will also suggest that my district, when I first got elected, was the No. 1 of all the freshmen in the 104th Congress with the most Medicare recipients. I am number 7 in the Nation of every Member of Congress with the most seniors in my district. So they are concerned about the future of this country, they are concerned about Medicare and Social Security, but they are also smart enough, many who have lived through the Depression, that they understand what it means to save a buck.

You know I use an analogy about my grandmother. My grandmother, if she would receive an unexpected refund check from the IRS, not that that happens that frequently, but if she got \$50 back unexpected, she would put it in a savings account. My generation would get \$50 unexpected, go out and buy a \$100 stereo and convince themselves it really only costs \$50 for the stereo because the \$50 was found money.

What we have to do and what I was telling them about this weekend which met with great response from Democrat, Republican and Independent vot-

ers in my district, from all age brackets and all economic strata, we laid out the plan that you carefully authored, the Debt Repayment Act of 1997, which will only allow the Federal Government once we hit a surplus to spend 99 cents of every dollar of revenues; 1 percent has to be earmarked for replacement of the funds that this Congress has borrowed out of Social Security. Again we talk about a trust fund. There is no trust there. It has been borrowed and raided for years and decades. We replace money into the trust fund. We also replace money into the highway trust fund and use some of the dollars to pay down that deficit that looms, as well as additional tax cuts. One percent, thanks to your great creative work on this bill, will be earmarked for those 3 categories.

And when I describe it to the seniors, they say that is so common sense. We in our family save 5 to 10 percent of every paycheck whenever possible. It is not always possible, families run into struggles, different unexpected demands on their paycheck, but most families as a rule save 2, 5, 10 percent of weekly paychecks so that they can put it in toward retirement, toward a family vacation, toward the Christmas club account, toward what have you for safety and security.

Mr. NEUMANN. Just to expand on that a little bit, exactly how this would work, what we do is after we balance the budget we cap the growth of Washington spending at a rate 1 percent under the rate of revenue growth, at least 1 percent, it might be even more.

In English let me translate that into a picture here. If spending is going up, that is the red line, at a slower rate than the revenue is going up, we have capped the growth of spending at a slower rate than the growth of revenue. That creates this surplus in here. The surplus is used two-thirds to pay back that Federal debt. Now part of that Federal debt is that money you are talking about that is supposed to be in the Social Security trust fund. Every year the government is taking in more money for Social Security than what it is paying back out to our seniors in benefits. That extra money is supposed to be set aside in a savings account so when there is not enough money coming in for the seniors we go to the savings account, get the money and make good on the Social Security checks. Unfortunately all of that money has been spent, and that trust fund, that savings account, is now all part of that \$5.3 trillion debt.

Now, as we put this plan into place and the surplus develops, what happens is we start paying that debt down, and as we are paying the debt down the money is put back into the Social Security trust fund, making Social Security once again solvent for our senior citizens. But I would add there are a couple of other outcomes of this bill. One-third of this surplus is dedicated to further tax reductions. We have

made a good start here in 1997. We have reduced taxes for the first time in 16 years. But what happens under this plan is we developed a surplus, one-third of the surplus is dedicated to additional tax cuts, two-thirds to paying down the debt, and of course as we pay down the debt, the Social Security trust fund is restored.

But the most important thing of all and the thing that means something to me and, I think, to all generations, future generations of Americans, by the year 2026 the entire Federal debt would be repaid and we could pass this Nation on to our children and our grandchildren absolutely debt-free. We would leave our children the legacy of a debt-free Nation instead of the legacy of a \$5.3 trillion debt.

Mr. NADLER. Would the gentleman yield for a question?

I was just listening fascinated. I must say I am here for the next special order but I was listening to your presentation. The question struck me. You say that we have been borrowing from the Social Security trust fund.

Mr. NEUMANN. I would personally call it theft, but I would.

Mr. NADLER. Call it what you will. We have been taking the money out of the Social Security trust fund and using it to fund the deficit. And what you are proposing—

Mr. NEUMANN. Well, actually we have been using it on other wasteful Washington programs.

Mr. NADLER. Using it for other purposes. And under your plan you say we would use a certain amount of the surplus to repay the trust fund.

Mr. NEUMANN. That is correct.

Mr. NADLER. Okay. My question is what would you do with—my understanding of the trust fund has always been that since 1935, when Social Security was enacted, the law has always provided that all money that comes into Social Security that is not paid out must be put into government securities.

Mr. NEUMANN. That is correct.

Mr. NADLER. Which is considered the safest investment, aside from putting it under the mattress or investing it in private stocks or bonds which are less safe; you must buy government bonds, and that is what has been done with it. What would you do with this money if you are not buying government bonds, which you then characterize as whatever you characterize it as, theft, where would you put the money in the trust fund when you are repaying it?

Mr. NEUMANN. That is an excellent question. I would be happy to respond to the gentleman.

First off we need to understand that the government bonds that it is currently held in are called nonnegotiable government bonds. Definition of nonnegotiable means they cannot be sold, which also means when we reach a shortfall in the Social Security trust fund these nonnegotiable bonds, called by USA Today IOUs, called by the Li-

brary of Congress IOUs, these IOUs out there are nonnegotiable; that is, they are nonmarketable, they cannot be sold.

My suggestion would be that we simply put negotiable Treasury bonds into the Social Security trust fund so when the money is needed to make good on the Social Security checks for our senior citizens, we simply cash the negotiable or sell the negotiable instrument that is in there. A negotiable Treasury bond is something you or your parents or my parents could go into the bank and buy themselves in the local community.

□ 2300

Mr. NADLER. So in effect you would still have a bond. It would not be a negotiable bond.

Mr. NEUMANN. Let us make this very clear, though, that we have changed from a nonnegotiable bond; that is, a bond that cannot be liquidated, sold, in the marketplace, when the money is needed to make good on the Social Security checks, we have changed from that entity, an IOU, nothing but an IOU, we have changed from that entity to a marketable instrument.

Let me go one step further. As this plan is put into place, I think it is very significant that we recognize that we will stop using the Social Security trust fund money to mask the true size of the deficit. When we say the budget is balanced, we are still dipping into the Social Security trust fund, taking out \$100 billion, putting it in our checkbook and calling our checkbook balanced. Under this plan, that practice would stop as well. I think it is very important we have also introduced the Social Security Preservation Act, which would stop that practice immediately.

Mr. FOLEY. I will tell you what I am hearing in my community from younger generations, baby boomers. They are suggesting maybe some day we should experiment with privatization of Social Security. We are not certainly calling for that under this act. We do not even talk about privatizing Social Security. But some of our future generations may decide instead of buying these nonnegotiable Treasury bills, they would rather have a chance to have some investments in mutual funds. So maybe the government no longer is the arbiter of what is the best investment for families. Maybe we are able to turn away from the government and say let the private sector determine, and yet preserve some security.

I wanted to be very careful and state carefully for seniors that are listening tonight, we are not talking about privatizing your Social Security system. We are talking about preserving and protecting. What we are talking about is 30 years from now when we pay off the huge debt that this Congress has run up for the past 40 years, we are talking about making for the first time meaningful financial reform

of our government so that we expect from our government the same we expect from our families. I will tell you and I will claim as I have done in my district, if a family bounces checks the way we bounced our budget, they would be arrested and charged with theft and a crime.

Mr. NEUMANN. Would the gentleman yield? I would add one more step. If there is any business owner in America today that set up a pension fund for his employees or her employees and then did not put the money in the pension fund, put in nonnegotiable instruments owned by the company, or IOU's, as USA Today calls it, as well as several others, that business owner would be locked up in jail. Also it would be illegal. What is being done in the trust fund and private sector would not be permitted.

That is why it is so important to get the National Debt Repayment Act and Social Security Preservation Act put into place to preserve Social Security for our seniors. When you talk about privatizing or the thought of young people doing something different on that, let me be clear where I stand on that.

Before we begin that discussion, as far as I am concerned, I want to make sure the money that is supposed to be in the trust fund to preserve Social Security for our seniors today is put back into that trust fund.

That leads us back to this bill. We capped the growth of Government spending at a rate slower than the rate of revenue growth, and it is very clear on this chart what happens. When spending is going up slower than the revenue growth, we create this surplus. That is where we get the money to put back into the Social Security that has been taken out and spent on other government programs for the last 15 or 20 years before we got here to stop this thing. I think one of the important directives we have gotten from the American people when they changed control of the House of Representatives in 1994 was to balance the budget, restore the Social Security trust fund, and let us start lowering taxes. All of those things are beginning to come together.

Mr. FOLEY. So that suggests that the young gentleman here who was helping turn charts for you, who is a page in this Congress, whose parents from California have sent him here proudly to be a part of this government, watch it in action, he may inherit a Nation and be a leader of this Nation, one which has a surplus in its budget.

Mr. NEUMANN. Let me go a step further. What I think is really significant on that, when I think of my children in the same spot that we were a few years back where our kids are growing up and have a family, are married, have got 3 kids in their household, just think what it would mean if we could leave \$580 a month in that household, instead of Washington confiscating

that money out of their paychecks, bringing it out here to Washington, and dispensing it to whoever gets the interest on all of these notes. Make sure we understand, there are people getting the interest back on these notes. Would it not be great if a generation from now a family of 5 was not required to pay that \$580 a month out here to Washington. What a great gift we would be giving to the next generation of Americans.

Mr. FOLEY. Let me get this straight and let us reiterate, because this sounds so simple that it may not actually work in Washington, because they will not get it.

We are going to spend less than we take in, we are going to use some of the surplus to repay monies we borrowed from trust funds, we are going to give additional tax relief, and we are going to improve our Nation's highways in the process and restore fiscal accountability. Is that correct?

Mr. NEUMANN. That is exactly right. For the senior citizens in our Nation under this bill, the Social Security trust fund would be repaired in its entirety and Social Security would once again be solvent for our senior citizens. For the workers out there today, all the workers in the work force today, under this bill one-third of the surpluses are dedicated to additional tax cuts. That means they can keep more of their money in their own homes with their own families and send less out here to Washington. Most important of all for the children and grandchildren in this great Nation of ours, they inherit a debt-free Nation instead of the legacy of a \$5.3 trillion debt.

Mr. FOLEY. Something else I thought of. We may not have to pass supermajorities to raise taxes. We may not ever have to confront a tax increase again in our Nation's history if we abide by your plan.

Mr. NEUMANN. I am glad you brought that up. I see my good friend from New York has joined us as well. One of the complaints I have gotten, there is static that we have changed the course from the 1993 tax increases. They are happy with the \$500 per child and happy with the college tuition credit and capital gains reduction and they like the idea they do not owe tax when they sell their homes any more. They love all of that, but think it is extremely complicated. I know the gentleman from New York has an idea that I am certainly a strong supporter of.

Mr. PAXON. I appreciate the gentleman from Wisconsin and the gentleman from Florida's comments tonight. I am sitting here reflecting on your opening comments. You said up front that there is good news, and listening this evening, you cannot help but be enthused.

We said in 1994, when you arrived, the two gentlemen arrived here in 1994, and you said something that was rather audacious at that time: We are going to say by 2002 the budget will be balanced.

Nobody within the Washington Beltway thought that was possible. Everybody, from the President, to the then, up until then, majority in this Congress, said we are not going to even talk about it. That is Fantasyland.

It is not anymore. Because of your persistence and the will of the American people, the budget is now being balanced. Hopefully by this time next year or shortly thereafter, for the first time in a generation or longer the budget will be balanced.

Then I hear you talk this evening about probably one of the most important proposals I have seen come forward, that not just talks about paying down the debt to the point that when my little year-and-a-half daughter is just a few years out into the work force, she is going to inherit a country that is debt-free, and in addition to that, ensure the fact that Social Security is protected for seniors today and in the future.

These are exciting times. The gentleman mentioned a proposal that I put forward that is being supported by many in this chamber, we just announced last week on this very floor H.R. 2043, which seeks to address another problem that, of course, they said could not be solved, and that is the problem of the abuses in the Internal Revenue system that has gotten out of control, 5.5 million words.

The solution, to be honest with you, came from your enthusiasm and your persistence in balancing the Nation's budget. We set a date, based on the election of Republican Congress in 1994, that the budget would be balanced by 2002. We set the end of the game; now, let us figure out how the debate will structure to get us there.

I think we should do exactly the same thing in terms of the Tax Code. H.R. 2483 simply says that by December 31, 2000, the Tax Code ceases to exist. Ninety-six of 99 chapters are gone. We will, therefore, begin the debate, just like we did with the balanced budget, on what will replace it, how we will get there.

There are many great ideas in this chamber, the flat income tax, a national sales tax and others. But our goal is let us start that debate, let us pass that bill. And I want to make one caveat, just as we talked about Social Security, our legislation exempts Social Security. It does not touch the parts of the Tax Code that deal with Social Security or Medicare.

We want to make sure every senior in America and every American knows, we are not talking about the funding for Social Security and Medicare. Simply let us stop the abuses of the Income Tax Code, 5.5 words, 113,000 IRS bureaucrats, and let us bring the American people into a dialogue on what we can do to replace it that is better.

Mr. FOLEY. If the gentleman would yield, is the gentleman suggesting actually sunseting a law that was created here in our Nation's Capital?

Mr. PAXON. That is right. Absolutely correct. More so, a law that

began in the first years of this century, that we will have end, if this Congress has the courage to do it, will end only the last day of this century, so we begin the next millennium with a fairer Tax Code, that treats Americans as honest citizens, not guilty until proven innocent.

Mr. NEUMANN. If the gentleman would yield, would it be safe to say that if the Tax Code were simpler and fairer and the people understood it better, that it would be near impossible to raise taxes?

Mr. PAXON. You have gone to one of the most important points of this legislation. Right now, with 5.5 million words interpreted by 113,000 IRS folks and by all the Members of Congress, no one ever knows whether or not their tax burden is too much or too little compared to their neighbor, their friend, the person down the street. That is why half of Americans today have to rely on professional help to fill out their tax forms.

Mr. NEUMANN. Did you know that the entire Bible that we were given to tell us all the important things that are in the Bible that are so important to so many of us is only 800,000 words, compared to the 5.5 million words in the IRS code?

Mr. PAXON. Absolutely correct.

Mr. NEUMANN. Would you yield for one other question? Did you know the IRS sends out 8 billion pages every year to keep people up to speed on the IRS? From an environmental point of view, do you have any idea how many trees have to be cut down to supply eight billion pages?

Mr. PAXON. The gentleman is absolutely correct. Of course, I am not taking sides in the debate on what should replace it. I think we should involve the American people in that debate. Let us do something right, let us make the decision we are going to end the Tax Code on December 31, 2000, and then every one of us go home and listen to our constituents, as the gentleman did in his state, as I know the gentleman from Wisconsin does every week go home, and maybe we will come up with a flat rate income tax that you can fill out on a postcard this big, you will not need the IRS system, or maybe we will come up with a national sales tax and you will not need anybody at the IRS.

Mr. NEUMANN. Could I just add that that would save 290,000 trees in the United States of America if we were able to do that? It takes 293,000 trees to provide the paper necessary to send out those eight billion pages. It is staggering the amount.

Mr. FOLEY. We had 200 people in Port St. Lucie, 100 at Fort Pierce, about 125 in Hobe Sound, Florida, this weekend. In every meeting, in every town hall meeting I had over the weekend, someone asked about the IRS. Somebody asked about the gentleman from New York's bill and the reform efforts. Someone would ask about Mr. ARMEY's attempts to have a flat tax,

some would ask about Mr. Archer's NATIONAL SALES TAX.

But it was interesting, each and every person had their own analogy or story about what they went through with the IRS. I guess the most telling is when my own CPA and others have told me they have to seek professional help themselves to figure out their own taxes, so they do not make an error, on their own taxes. So a CPA has to do a CPA's taxes and have them proofread by another person in order to make certain that they comply with the law we have created, so complex, so convoluted. That should frighten the average person.

Again, I think it is extraordinary that we are at a point in time we can talk about two significant changes in the Federal program: One, a surplus in Federal revenues over expenditures, and, two, actually revisiting and looking at the complexity of the code, making it simpler and fairer for every American.

Mr. PAXON. If the gentleman would yield, I would say the gentleman has hit the nail on the head. Every week we go home and hear from constituents that say it is time to change the system, we are tired of abuses. I would just mention for those few, there may be two or three Americans that do not believe there needs to be change in the Tax Code, significant sweeping reform, they should get a transcript of "60 Minutes," the CBS show from Sunday night, that detailed I think the severe problems there are with the current tax system and the way it is enforced by the IRS.

In addition, for those that do not have a chance to get that transcript, they should tune in. C-SPAN has been running tremendous coverage, as well as the other networks, of what has been going on in the Senate hearings that Senator ROTH and the Senate Finance Committee is conducting, again underscoring the abuses of this system.

I am particularly pleased this week H.R. 2483 has picked up two important endorsements. The National Federation of Independent Business, I think the most important grassroots business organization representing 600,000 American small businesses, has endorsed our effort under H.R. 2483 to sunset the Tax Code; and Americans for Hope, Growth, and Opportunity this week, which is an important national advocacy organization, praised this legislation to sunset the Tax Code.

I really believe that we would not have a chance to talk about ending the IRS as we know it and replacing it with some other system if it was not for the work of the gentleman from Wisconsin and the gentleman from Florida, who have pushed first and foremost to get our Nation's budget balanced and are now focusing on the important efforts of eliminating that debt that burdens every child in this country, and, in so doing, ensuring the solvency of our Social Security system.

Mr. FOLEY. I want to make one point as well. When we talk about the

IRS, I want to be abundantly clear, as I know the gentleman from New York is. We are not upset with the workers that work for IRS. These are great family people who are doing a job. It is the complexity of the code they have to deal with that was passed by Members of Congress for the last 40, 50, and 60 years.

Once in a while when I go out to town hall meetings, it seems we are agitated against the IRS, and they look at the person that works at the IRS as the culprit. It is not the average worker at IRS we are talking about tonight. We are talking about the system, the unfairness of the system that does render you guilty until proven innocent, and about the complexity of a Tax Code that is impossible to understand by an average lay person.

After all, government is of the people, by the people and for the people, and if you cannot explain it in a very short sound bite or very short span of time, then it is too much for all individuals to assume.

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Mr. NEUMANN. Is this not an exciting conversation? Where we have been tonight, we have talked about the past before the change in this Congress in 1995, before the people changed America with the 1994 elections and we took office; the past of the broken promises where we could not get to a balanced budget in this city because they could not control spending, and the past where they talked about higher taxes and which taxes should go up and how high should they go; and then we have talked about the present, 1995 to today and how different things are; how, instead of talking about broken promises and budgets that cannot be balanced because spending is out of control, we have controlled the growth of Washington spending. It has been slowed by 40 percent in the first 2 years. In fact, we will have our first balanced budget since 1969 next year, an amazing accomplishment in and of itself, but coupled with that, instead of those tax increases of 1993, we did not do it that way.

Coupled with the first balanced budget is a tax cut, a tax cut where the American people get to keep more of their own money instead of sending it out here to Washington, DC; Medicare restored and not by raising taxes on the people, but by reforming the system to provide better services in a more efficient manner to our senior citizens. The present is a balanced budget, the first time since 1969; lower taxes, the first time in 16 years; and Medicare restored for our senior citizens.

Then it gets really exciting because we talk about where we are going to next. After the budget is balanced, we start paying down that awful debt; we pay it off by the year 2026, and by doing so, we also lower taxes on people using one-third of the surpluses for tax cuts, two-thirds to pay down that debt, and

in paying back the debt we are restoring the Social Security trust fund so Social Security is safe for our senior citizens.

Forgive me if I get excited talking about this. This is exciting. It is good news coming from Washington, DC, and the most important thing of all in that future plan: We pay the entire Federal debt off so that our children and our grandchildren can inherit a debt-free nation.

The other exciting news coming out of Washington in the last couple of weeks: Reforming the Tax Code. Some people said it cannot be done. They said we could not balance the budget, too, and that is done. That is done 3 years ahead of schedule. We did it.

They said we could not balance the budget and lower taxes, but that is done, too. They said we could not restore Medicare without hurting senior citizens and without raising taxes, and that is done, too.

We can reform the Tax Code. We can take these 20,000 pages that make up the IRS code and regulations today and reform it with something that is simpler, fairer, and easier for our people to understand. We can do that. It cannot be any harder than balancing the budget 4 years ahead of schedule. We can pay down the Federal debt. It is not any more complicated or harder than what we have done in the past.

With that, I would conclude tonight by saying it is an exciting time to talk about paying off the debt so we can give our children this Nation debt-free.

Mr. FOLEY. Mr. Speaker, if the gentleman would yield 1 additional second, because it reminds me of watching TV at home and the ominous voice of the announcer comes on and says, have you overextended your credit? Have you spent more than you have in your account? It is time for credit counseling. You need to see a professional to get yourself out of debt.

What we are doing here tonight does exactly what we caution all Americans to do: Get out of debt, get equity, build a future for yourselves and your family. Finally, finally, the Federal Government is going to set and lead by example, rather than setting an example that I think has been devastating to the Nation, because they feel if politicians in Washington and bureaucrats can spend more than they bring in, then it must be all right for me.

IMPORTANT CONCERNS ABOUT THE CASSINI SPACE MISSION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New York [Mr. NADLER] is recognized for the remaining time, until midnight, as the designee of the minority leader.

Mr. NADLER. Mr. Speaker, I rise today to urge the Members of this House and this Congress and this country to take a close look at the facts surrounding the planned launching by NASA of the Cassini space probe to