

The IG argued that the agency's backup examination authority was particularly critical in this era of increasing bank consolidation. While the "megabanks" created by recent mergers pose the greatest risks to the insurance funds, the FDIC is the primary regulator for only two of the nation's 39 largest institutions. Obstacles to future FDIC access to relevant information about megabank operations in its role as back-up supervisor could have consequences far greater than the Keystone case.

To assess risk in large institutions where it does not have an ongoing presence, the FDIC requires timely information and records on important aspects of operations. Therefore, the bill I am introducing also includes language emphasizing the right of the FDIC to prompt access to information from other regulators and requiring the federal banking agencies to establish procedures for sharing other information, in addition to examination reports, whenever such information is relevant to the FDIC's responsibility to protect the insurance funds. This provision of the bill underscores the importance of interagency coordination and information sharing to ensure that the FDIC has the necessary data to assess risk to the insurance funds. It is intended to have the practical benefit of potentially minimizing the number of occasions in which the FDIC must exercise its special examination authority.

The vast majority of institutions will not be affected in any way by this legislation. For most institutions, the FDIC does not need any special information other than that already available to it, nor does it need to perform any form of back-up examination. But, clearly, in cases where the potential risk to the fund is great—banks with significant weaknesses, especially if they are megabanks with exceedingly complex activities—the FDIC should be able to function as Congress expects it to function and receive from the primary regulator the information it needs to assess relevant risk.

I might add before closing that my concerns in the Keystone case extend beyond the issues of regulatory cooperation and FDIC special examination authority. There are also troubling questions here about the regulators' ability to identify and stem high risk bank activities in a timely fashion. There was another bank failure involving extremely high losses relative to assets just over a year ago. On July 23, 1998, Colorado State Banking authorities closed BestBank—an FDIC-supervised state bank located in Boulder—after state and FDIC examiners found \$134 million in losses in high-risk, unsecured subprime credit card accounts. Although the FDIC initially estimated the cost of that failure to the insurance fund at about \$28 million, by year's end the estimate had risen 6-fold to \$171.6 million. I mention the BestBank case because of its striking similarities to the Keystone case. Like the junk-bond investments of S&Ls in the 1980s, both BestBank and Keystone were disproportionately involved in high-risk activities, namely subprime loans. Both banks relied heavily on outside, third party servicers. Both banks had experienced extraordinarily high asset growth. Both banks had high public profiles: In the mid-1990's, BestBank was labeled in one banking publication as the "best performer among U.S. banks," and Keystone captured the title of the nation's most profitable community bank for three straight years. Keystone

and BestBank also engaged in similar tactics to frustrate federal examiners, and fraud is alleged to have played a part in the failure of both. Unfortunately, I suspect we may also find some parallels in how federal regulators handled the two cases. The FDIC IG, in conducting the material loss review in the BestBank case, concluded that the FDIC could have been more effective in controlling the bank's rapid asset growth and thus curbing losses to the insurance fund.

While we do not yet know the final outcome of the investigations into either of these recent bank failures, it is clear that the banking agencies need to continue to review their supervisory strategies for banks engaging in inherently risky activities, such as subprime lending. Accordingly, I am asking each of the federal banking regulators to keep the Committee informed of any new policies and procedures for identifying institutions with profiles similar to those of Keystone and BestBank, and any changes in their supervisory practices with respect to such institutions. Also I am interested in any initiatives that would assist examiners in the detection of fraud, which is becoming a factor in an increasing percentage of failures. In this regard, I am pleased to note that FDIC Chairman Donna Tanoue recently announced that the FDIC is developing guidelines to require additional capital for subprime portfolios and reviewing potential increases in insurance premiums for banks that continue to engage in high risk activities of this nature without appropriate safeguards.

In closing, the insurance fund should not have to suffer an excessive loss during this era of generally favorable economic conditions. Expensive failures impose unfair costs in the form of higher insurance premiums on honest, law abiding community banks around the country. Failures also impose costs on depositors whose accounts exceed insurance limits. And, as illustrated by the Keystone case, failure can take a heavy toll on the local community and those whose jobs depend on the survival of the bank.

Clearly, it is critical that federal regulators cooperate with each other and pay particular attention to unusually rapid asset growth and potentially risky banking practices if future keystones and BestBanks are to be averted.

#### STOP 39-YEAR RAID ON SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from California (Mr. HERGER) is recognized for 60 minutes as the designee of the majority leader.

Mr. HERGER. Mr. Speaker, I have come here to join several of my colleagues in talking and speaking out on stopping the 39-year raid on the Social Security Trust Fund. Mr. Speaker, Congress and the President have come upon the historic opportunity to balance the budget without spending one penny of seniors' Social Security Trust Fund. For nearly 4 decades, the raid on Social Security has gone on, taking over \$850 billion in Social Security funds and spending them on unrelated government programs.

Mr. Speaker, 168 days ago, just over 5 months, this House passed my Social

Security lockbox legislation by an overwhelming 416 to 12 vote. The passage of this Social Security lockbox legislation showed that House Republicans and Democrats agree that Social Security dollars should not be spent on programs unrelated to Social Security. Congress made the commitment to stop the raid on Social Security.

Shortly later, however, President Clinton joined our bipartisan effort and committed the administration to protecting Social Security. That was over 5 months ago.

Unfortunately, I am afraid, today is a different story. While House Republicans are continuing to honor our steadfast commitment to protect seniors' Social Security, I have great concerns about the recent actions of the Clinton-Gore White House and congressional Democrats.

The current budget situation requires that every increase in spending be offset. Currently, if spending is not offset, it is drawn directly from seniors' Social Security dollars. Over the past few weeks, President Clinton has vetoed five appropriations bills because he says they do not spend enough. Yet, the President has not offered a single solid proposal to pay for those spending increases. It appears the President may be willing to spend Social Security dollars to pay for his spending projects.

Mr. Speaker, Congress and the President are faced with a very clear choice: ask Federal agencies to save one penny, just one penny of a dollar in waste, fraud, or abuse so we can protect Social Security or give in to the big Washington spenders and raid seniors' Social Security dollars.

Amazingly enough, there are still people in Washington that do not believe the Federal Government can tighten its belt by just 1 percent. But the American people know the truth. A recent poll conducted by the National Taxpayers Union revealed, let me show my colleagues this poll, revealed that over 84 percent of Americans believe that there is not just 1 percent waste in government, but they felt there was at least 5 percent of waste in unneeded spending in the Federal spending.

Surely, if 84 percent of the American people believe that there is at least 5 percent of waste, the President and the Congress can work together to find just 1 percent or one penny of waste in order to protect Social Security dollars so many seniors, so many seniors rely upon.

Let me present my colleagues with some examples of waste, fraud, and abuse that we have found in the Federal Government. The National Park Service spent \$1 million to build an outhouse at Glacier National Park in Montana. The expense was explained by the outhouse's remote location. The outhouse is located nearly 7 miles from the nearest road, and it took hundreds of horse trips and more than 800 helicopter drops to get the construction materials to the site.

Another one, erroneous Medicare payments that waste over \$20 billion

annually. Another, the Department of Education maintains a \$725 million slush fund, which it cannot account for. The Department of Housing and Urban Development, HUD, estimated it spent \$857 million in 1998 in erroneous rent subsidy payments in fiscal year 1998, about 5 percent of the entire program budget.

Let me close with this for a moment, and that is delays in disposing of more than 41,000 HUD properties cost taxpayers more than \$1 million per day.

These are all examples of how Congress and the President can find one penny, 1 percent out of a dollar in waste, fraud, and abuse in the Federal Government.

Mr. Speaker, we are all in this together. We want to work with the President and Vice President GORE to find this 1 percent so that we can protect Social Security dollars. We will not, however, under any circumstances, allow the Clinton-Gore administration to dip into the Social Security Trust Fund to pay for more government spending.

Mr. Speaker, with that, I yield to the gentleman from Arizona (Mr. HAYWORTH), who serves with me on the Committee on Ways and Means which has jurisdiction over Social Security.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from California for yielding to me. He outlines the parameters of what should be a common sense, straightforward decision. Because in a government that has grown so large, so overreaching, so all encompassing, we have heard Mr. Speaker, from various media outlets of waste, fraud, and abuse.

One television network regularly runs a feature entitled "The Fleecing of America." Another television network runs a franchise and a report entitled "It Is Your Money."

Mr. Speaker, that is precisely it. The money does not belong to the Federal Government. It belongs to the American people. What we say is rather straightforward and I believe fraught with common sense. Because I hold here a penny, made with good Arizona copper, no doubt, and what we are simply saying, Mr. Speaker, is that, when it comes to budgetary decisions, just as families have to make those decisions to find savings, and, indeed, I happen to notice in the Arizona Republic on Sunday over \$50 worth of coupons that my wife Mary sat down and went through to realize savings, if it is good enough for America's families, why is it not good enough for Washington bureaucrats?

□ 2130

Why can we not find those savings of one penny out of every dollar of discretionary spending? That is the challenge that confronts us as we work to achieve what is constitutionally required of the Congress of the United States, to work with the executive to finally determine the amounts spent in the budgetary process and to live within our means.

Now, we have made progress. That is the good news, Mr. Speaker. Because at the podium behind me here 11 months ago the President of the United States came to deliver his State of the Union message, and in that speech he proposed to save 62 percent of the Social Security Trust Fund for Social Security, which a quick check of mathematics would imply, and what was not articulated that night but subsequently outlined in more programs, the President wanted to spend 38 percent, almost 40 percent of the Social Security funds on new government spending, new Washington programs. And we are pleased that through our effort of cheerful persistence, Mr. Speaker, we were able to persuade the President of the United States to truly join us in a program to save Social Security first and agree that 100 percent of the Social Security funds should be spent on Social Security.

Now, that is scarcely a news flash to those of us who serve in the Congress of the United States. Indeed, as my colleague from California and as my good friend from Texas who will join us here momentarily will attest, that is something we have heard from our constituents in town hall meetings since we have come to the Congress of the United States.

And even as the President has agreed with us on that firm foundation, and we are glad he could come around to our way of thinking, we should also point out the good news that the media reported, although it was given scant attention, and we cannot articulate it enough, and that is the folks who do the estimates, the calculations, for fiscal year 1999, sharpened their pencils, got out their calculators, took a look at the receipts coming into the Federal Government via taxation and other means, took a look at the expenditures and, Mr. Speaker, the American people should understand this because it is a measure of how far we have come in a little under 5 years with a new majority in the Congress of the United States, the budgeteers found for the first time since 1960, when I was 2 years old, when a great and good man named Dwight David Eisenhower lived at 1600 Pennsylvania Avenue and served as President of the United States, for the first time since 1960, this government operated within its means to the tune of a balanced budget without dipping into Social Security revenues to meet obligations of the government.

Moreover, there was a true surplus. Now, what do I mean by that? Well, I mean there was a surplus over and above the money set aside for Social Security, a surplus to the tune of \$1 billion. And in that process we have also retired billions of dollars of debt, and we will do so again this year.

But, my colleagues, it is really a simple process. I mentioned President Eisenhower. Ike had a favorite term, Mr. Speaker, when things seemed needlessly complex. President Eisenhower would refer to "sophisticated non-

sense." And a lot of the time here in Washington, with all due respect to my friends at the State Department, and I think I know why they call the location Foggy Bottom, but apart from diplomacy it also works in terms of economics. Sometimes we get things way too complicated and we have a battle of acronyms; CBO, OMB, GNP, all these different terms. My colleague from California offers the solution in the spirit of President Eisenhower, in the spirit of common sense, folks on both sides of the aisle and across the political spectrum, because again he says let us take a look at the 1 percent solution. One penny of savings out of every dollar of discretionary spending.

It ensures that we keep a promise to today's retirees and to future generations, because now that we have established the guidelines and achieved what had not been achieved since 1960, and that is walling off, not using Social Security funds in the general revenue, balancing the budget over and above that, we dare not retreat at this point. And so we say let us save one penny out of every dollar of discretionary spending.

Now, again, I mentioned the work of several different television networks, several different newspapers, and magazine articles that talk about government waste. And Mr. Speaker, with the indulgence and the obvious modesty of the gentleman from California, I would simply call the attention of this House and the collective attention of the American people, who may join us in hearing these words, to the efforts of my colleague from California on the Committee on Ways and Means with reference to understanding who deserves Social Security payments and how to protect the program for retirees.

My colleague from California (Mr. HERGER), in his efforts on the Committee on Ways and Means, introduced legislation that would make sure that felons behind bars would not receive Social Security payments. They have a place to sleep, three meals a day. Now, granted they do not have their freedom, but why on earth would they receive Social Security payments? And initially the budgeteers said, well, there will be a few million dollars of savings. Through the efforts of my colleague from California, who brushed away the sophisticated nonsense and took a look at the basic issues confronting Social Security and payments to felons behind bars, the Social Security Administration found something both profound and, I daresay, profane.

The Social Security Administration ran the numbers: \$3.46 billion. To use the proper mathematical terms, \$3,460,000,000 in SSI payments, Social Security payments, would illegally go to prisoners over a 5-year period, including a serial killer who was receiving \$80,000 in Social Security disability while he was on death row. My good friend, the gentleman from California (Mr. HERGER), from California made an

important first step to wall that off and to save money, and he is working for more commonsense legislation to completely wall that off. Because that money should not go to convicted felons. That money should go to people who have paid into the program who are law-abiding citizens who have played by the rules.

And that is a demonstration of where there are savings to be realized. And, Mr. Speaker, that is what the American people, Republicans, Democrats, and independents instinctively understand. Because we could talk, as the President of the United States did in a previous visit when he uttered the famous phrase "The era of big government is over," and we could debate that; but, Mr. Speaker, let me redefine what we should be about. The era of good government should begin, in this place, at this time, with Members of both parties working to eliminate waste, fraud and abuse that sadly has grown rampant in a government of this size.

One other note, and I see our colleague from Colorado joins us, and I am so happy to see my friend from Texas, and perhaps my friend from Colorado could expound upon this, because he and my colleague from Arizona (Mr. SALMON) and our colleague, the gentleman from Michigan (Mr. HOEKSTRA), went down to the Education Department, where Governor Dick Riley, an old friend of mine, former Governor of South Carolina, Cabinet Secretary for the Department of Education, said that there was no waste in the Department of Education.

And yet, and yet, when we check what goes on in the Department of Education, and understand that it is our philosophy that dollars should end up in the classroom helping teachers teach and helping children learn, but right now, sadly, the Department of Education, as near as we can calculate, maintains a \$725 million slush fund, and folks at the Department of Education cannot account for its use. Indeed, there is no way we understand, for the Inspector General, which is, Mr. Speaker, the fancy name for the accountant who would audit these things, the Department of Education's books are unauditible. The irony, of course, is that simple accountancy and mathematics is a basic skill. One would hope those engaged in education would understand that here in Washington. But that is yet another curious example, and examples abound.

But again it comes back to a very simple notion. To really maintain the integrity of the Social Security Trust Fund, to make sure we do not dip into it, it comes down to this simple notion: Let us save a penny for every dollar of discretionary spending. Because, Mr. Speaker, in the final analysis, a penny saved is retirement secured.

Mr. HERGER. I thank my good friend from Arizona for his profound statements. Earlier the gentleman from Arizona was mentioning how far we have

come in just the last 5 years with the new Republican Congress. I remember well, when I was first elected back in 1986, and up until 1994, I wondered whether I would ever see a balanced budget. We were looking at \$200 billion and \$300 billion budget deficits. Serving as a Member of the Committee on the Budget, they were projected to go and actually increase in the years to come.

We have reversed that, since the new Congress was elected, the new Republican Congress. Now we are not only balancing the budget, but we are now, for the first time in 39 years, on the verge of not spending Social Security.

It is interesting. We are so close. And I do not know why this issue is so controversial with the White House, with the Clinton-Gore administration. We are talking about one penny. We are that close. But let me just read some comments from different officials in the White House on what their response was to just cutting one penny out of the dollar.

By the way, we showed earlier the National Taxpayers' Poll that was done just last week that indicated not only does the American public believe we can consult one penny out of a dollar, 84, almost 85 percent believe that we should be able to cut at least 5 cents out of the dollar. But yet let me read what some of the comments are from some members of the Clinton administration.

When the Secretary of the Interior, Bruce Babbitt was asked on Tuesday, October 27 of this year, if there is no more waste in his department, his response was, "You have got it exactly right." In other words, "Is there any more waste in your department?" "You've got it exactly right."

Another comment from the Deputy Attorney General Eric Holder on October 26 as well, when he was asked if the administration's position is "We should not reduce at all the size of the Federal budget." His response was, "That would certainly be the view of the administration." In other words, should we not reduce at all? He is saying that would be the view of the Clinton-Gore administration.

And then the last one here, the White House spokesman a day later, on October 27, Joe Lockhart, when asked why dipping into Social Security is even listed as a choice, his response was, "Listen, if you look at the budget that Congress has produced over the last 15 or 20 years, they have every year dipped into that." In other words, that was his reason. Just because we did it before, we are going to do it again.

We are talking about one penny out of a dollar of fraud, abuse and waste. And this is such an opportune time to be talking about this and for the American public to be aware. Because our negotiators right now, our House negotiators and Senate negotiators, are working with the White House right as we speak this evening and trying to negotiate one penny out of the dollar, and they have been turning us down.

□ 2145

So I would like to urge all our listeners, all our taxpayers out in America, all of those who do tighten their belts in their own families, businesses who tighten their belts, please contact House Democrats, Senate Democrats, the President, Vice President GORE and let them know that you think that they can, at least, cut a penny.

Mr. Speaker, I yield to my good friend the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Speaker, I appreciate the gentleman from California yielding.

I heard the debate going on, and I came out of my office. Not only are the colleagues who are here, like the gentleman from Arizona (Mr. HAYWORTH) and the gentleman from Colorado (Mr. SCHAFFER) are here, trying to talk about what is going on, because just a few feet from this House floor, our negotiators are busy trying to hammer out a deal that, once again, is good not just for the American worker and not just for the American family, but for the taxpayer.

It is the taxpayer that we, as Republicans, must remember the most. That is what brought me to Washington, D.C., in 1994 when I ran for Congress. I signed that wonderful document called the Contract With America. And the Contract with America was a document for all Americans and mostly the taxpayers to see that one party was going to stand up and talk about the things that were important for generation after generation.

The things that we talked about in the Contract with America essentially boil themselves down to these few points: number one, we were going to balance the budget. We were going to do something that had not been done in Washington since we first placed a man on the Moon in 1969.

We were not only going to balance the budget, but we were going to make sure that we took power away from Washington, D.C., and placed it back at home, placed it back at home where people, like myself, as a non-Member of Congress, a person who got up and went to work every day had a wife, a family, kids lived in a neighborhood, went to church, and worked not only in my neighborhood but all across their communities to make things better; and we decided that we were going to let people at home make decisions. And lastly, we decided that we were going to take the power that resided in Congress and open it up to people.

We did away with things like term limits for committee chairmen. We did things like not allowing proxy voting in committees. So we have done so much that has brought not only good government to Washington, D.C., but also did it for the taxpayer.

Now, where have we come? Well, where we have come now since that Contract with America is that we have balanced the budget now three times. We did it first in 1997, then 1998, and

then in 1999. But as we Republicans recognize, and I think Democrats know it, too, that we recognize that we, with a straight face, could not say we know we completely balanced the budget. And the reason why is because we were spending Social Security, we were taking the excess money that came in that people gave to Washington, D.C., for their future and for their future retirement, for the retirement of not only themselves but their families, and we for the first time in 1999, not by accident but certainly not because we did it on purpose, because it was not the law, we stated that we were not going to spend America's retirement future. And so we did not. And for the first time in 39 years, the Republican Congress did not spend one penny of Social Security.

What we are attempting to do tonight is not only to duplicate that but to do it on purpose, because we told the American people we were going to do that. This is what responsibility is all about.

Tonight we are dealing with a circumstance where the President of the United States says, oh, I now believe you. I want to be on your side.

In January of this year he said 60 percent of Social Security was good enough, if there was a surplus. Sixty percent of Social Security would be set aside, but 40 percent would go to spending, new government programs, new spending.

Now he has changed his tune. I say, thank you, Mr. President. Thank you for joining Republicans on doing things that are important to our money; this is our retirement. It does not belong to Washington, D.C.

But what is happening in this endeavor? Now the President and Democrats want more and more and more and more spending. Just last week the White House, in the foreign aid bill, demanded \$800 million more for foreign aid, \$104 million more for Russia. It just goes on and on and on.

So we know what we have got to do. We have got to make sure that we keep this line, as it implies on the chart, of going up to where we have a surplus. Because this surplus will not only go to pay down the debt, but it will also go to make sure that we have the opportunity to give money back to people who earned it.

I want to show my colleagues one other thing, if I can. This is an example of how much money we owe back to Social Security before we can begin the process of building a surplus there. We have to be able to pay back \$638 billion.

Now, our President and my colleagues on the other side of the aisle will say, look, it really does not matter. You know, \$800 million here, \$800 million there; it is really not a big deal. The President wants \$4.5 billion more.

Well, I will say, and I believe that I would gain concurrence from my colleagues who are here tonight, every single dollar counts. The most impor-

tant part of what we are attempting to get across now is it is not just the dollars, it is the cents, it is the pennies, and it is this cent or common sense that we are talking about.

Waste, fraud, and abuse consumes over \$200 billion a year, documented by the Government Accounting Office, \$200 billion a year.

So that is why I think, for the first time ever, the Congress of the United States challenged an administration and said, Mr. President, we are willing to cut our own pay by 1 percent. We are willing to cut our own spending 1 percent. But, Mr. President, we want and expect you, too, to do the responsible thing; and that is to find one penny from discretionary spending. We are not talking about Social Security, we are not talking about Medicare, we are not talking about Medicaid. What we are talking about is one penny out of every dollar that you would have control over to where you would say, we are going to look internally to ourselves, we are going to look internally to the Government that is fraught with waste, fraud, and abuse, we are going to consider it a challenge, a challenge for employees of the Government and a challenge for those people who are administrators, who may be secretaries, who may be Cabinet officials, to look deep within themselves and to challenge each and every one of their employees.

The same thing that happened when I was in the private sector just a few years ago. I spent 16 years for a corporation in this country, never missed a day of work, and I was challenged as an employee of that company virtually every single year not only to find what we knew was abuse and waste but what we knew would be a challenge to run our company the way we as employees thought it should be run.

That is where this government is missing out. That is what this President is missing out, an opportunity and a challenge to every single government worker for maybe the first time in their career.

Can you imagine an employee that may have been with the Government for 40 years, their entire career, never once challenged and then the first time a challenge from the Congress of the United States come forward where Members of Congress were willing to take their own pay cut and the chief executive of that country said, no, we cannot live up to that challenge because there is not enough money?

Well, I will submit tonight that the retirement security of every single American, of every single generation is far more important than the \$800 million that we added in, and it is far more important than all the shenanigans that go on in Washington, D.C.

That is why we are here tonight. We are here to make sure that no means no. Mr. President, you cannot have our retirement. One hundred percent is far greater than 60 percent, and it belongs to people back home. It does not belong

to you, Mr. President. It belongs to the people who produced it.

I thank the gentleman from Arizona (Mr. HAYWORTH), I thank the gentleman from California (Mr. HERGER), I thank the gentleman from Michigan (Mr. HOEKSTRA), and I thank the gentleman from Colorado (Mr. SCHAFFER) for the time and look forward to hearing their remarks.

Mr. HERGER. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS), my good friend, for his remarks.

Again, it is difficult to believe that this administration and those in the minority party here in the House and the Senate are fighting the fact that all we are talking about is one penny out of the dollar that we want to save. And again, as I mentioned earlier, our negotiators are talking right now, are negotiating right at this moment at the White House, trying to come up with one penny of the administration. The administration is fighting that.

Mr. Speaker, I urge all my colleagues and everyone to call the White House, call our Democrat Members to urge them that if 84 percent, almost 85 percent of the American public, believes we can trim 5 percent out of our budget, out of the Federal budget, surely they can find one penny.

Mr. Speaker, I yield to my good friend the gentleman from Colorado (Mr. SCHAFFER).

Mr. SCHAFFER. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, the gentleman is exactly right. Right now, as we speak, the White House and the Congress are meeting and arguing over this one penny on the dollar that we are trying to look for in savings in order to avoid the President's goal to raid Social Security in order to pay for his spending preferences in the budget negotiations.

It was an interesting thing just a few weeks ago when we talked about the necessity of saving 1 percent, one penny on the dollar, out of the appropriated funds in order to avoid that Social Security raid. It was the Secretary of Education and the Secretary of the Interior and others of those sorts who stood up and said it is impossible for us to find one penny on the dollar in savings on our agencies.

Most Americans just understand that is foolish. Most Americans know that there is enough waste and fraud and abuse and excessive spending here in Washington, D.C., that we can go find it if we are willing to spend the time and roll up our sleeves and get in the trenches and look for that penny. The American people know it is there.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield, I think we ought to really put this in context. Because we are not talking about taking the dollar that they had last year and making it 99 cents. We are talking about taking the dollar that we gave them last year plus the 4 cents, 3 to 4 percent increase that is in the budget this year.

At the beginning we asked them to save a penny so they can only have \$1.03. But I think now, as we are negotiating in the White House and some of the other offsets, we are asking them to find a half a penny. So that this year they have \$1.03 and a half cent instead of \$1.04.

We are going to find them a half a cent of waste, fraud, and abuse out of the \$1.04 that we gave them over what they had last year.

Mr. SCHAFFER. Mr. Speaker, I want to jump right in there. Because it is so simple. The American people understand. They just intuitively know and are correct that there is excessive money here in Washington that the American taxpayers are sending more cash here in Washington than the Government legitimately needs to run the Government.

All we are saying is, we understand there is a difference of opinion between Republicans and Democrats and Republicans like to be more efficient and frugal with the taxpayers' dollars and get those dollars to where they are needed most and do it as efficiently and effectively as we can so we can reduce the tax burden and eventually leave it back home.

The White House, on the other hand, run by Democrats, they want to spend that money. They do not want to look for that penny because they prefer to spend it.

So when Secretary Riley and the Department of Education said just reflexively, no, we cannot save the penny, it is just not there, our Department of Education is so well run and so efficiently managed that there is not a penny to be found, we disagreed.

A handful of us said, no, way, Mr. Secretary. We stayed an extra day when the rest of the Congress went home and three of us marched down there to the Department of Education, showed up at 9:00 in the morning, and we said, listen, folks, we are here to help. We want to help you find that penny, and we went office to office.

□ 2200

We went office to office and spoke firsthand with many of the finance officers and we found some examples of where that penny can be found if you just take the time, spend half a day to go find it. We want the President to join us.

I yield to the gentleman from Michigan to share with the Members what it is we discovered when we went there.

Mr. HOEKSTRA. I know this is why my colleague from California invited me down here tonight. I really appreciate that. But as the gentleman from Colorado and I heard 2 weeks or 2½ weeks ago when we went to the Department of Education, which we heard last week when we met with the Inspector General and which will finally come out, I believe, on Thursday for 1998, in 1998, we entrusted the Department of Education with \$35 billion in discretionary spending. They loan out an-

other \$85 billion. So they are basically entrusted with \$110 billion annually of American taxpayer money. That is a big agency. What are they going to tell us on Thursday? This is not for 1999. This is now November of 1999 for the fiscal year which ended on September 30, 1998. What are they going to tell us?

Mr. SCHAFFER. They are going to tell the Congress that their books are unauditable going back to 1998. That they cannot tell us precisely how they spent the \$120 billion, \$35 billion in discretionary spending that the Congress gives them on a year-to-year basis.

Mr. HOEKSTRA. So the Secretary of Education will stand up and say I cannot find a half a penny or a penny out of my budget in waste, fraud and abuse, and at the same time, on Thursday, I do not think he will be at that press conference.

Mr. SCHAFFER. I doubt there will be a press conference.

Mr. HOEKSTRA. I bet there will not be a press conference. Because by law, they were supposed to tell us in March, in March of this year by law they were supposed to tell us and release their books to the Congress and to the American people saying, here is the \$35 billion, here is the \$85 billion in loans that we manage and here is what happened to the money. In March, they were supposed to tell us. They extended it, they extended it, they extended it, they extended it, until finally we hear that this week the auditors will finally come out and say, that \$110 billion that we had way back in 1998, we cannot really tell you how we spent it, or the auditors cannot in good conscience tell us where the money went or how it was spent or whatever. But we cannot find a half a penny of waste.

Any organization that is that big and whose books are not auditable has at least a half a penny and you can probably find nickels and dimes of waste and inefficiency because if you cannot track where the money goes, you cannot hold the people accountable for getting the kind of results that they want.

Mr. SCHAFFER. I want to talk about some elementary school children that I met with yesterday. We talked about the importance of education. Before I do that, I want to just ask the gentleman from California, I know how my constituents react when they find out that the Department of Education, the agency charged with helping the children who made these cards for me, cannot balance its books, cannot provide books that are auditable so we can even find out where the money is. We want to help the children who made this artwork back in our schools, in our districts, but it is impossible to be assured that those dollars are really helping children when the Department of Education, itself, a \$120 billion agency, one of the largest financial institutions on the entire planet, cannot tell us with any precision where the money went.

What do they say back in California when people find out about these kind of things?

Mr. HERGER. It is hard to believe, and I hate to put it this way, but were it not for the Federal Government, they would not believe it. If something like this were happening in any business in this Nation, if this were happening to anyone in this Nation, if those individuals responsible could not account for their books, the law would take care of them by incarcerating them. We are not proposing that happen to anyone at the Department of Education, but we are saying that those responsible and setting an example of educating our children should be able to keep books in a proper manner.

I yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank my colleague from California. Mr. Speaker, I have come across the aisle symbolically to reach out to my friends in the Democratic Party, to reach out to the administration.

In a previous life, before coming to the Congress of the United States, I was a broadcaster. Oft times I was entrusted with updating current events, what we call in common parlance the news. Mr. Speaker, the news tonight as my colleagues have outlined, is as follows: At this minute, at the White House, congressional representatives and representatives of the administration are involved in negotiations. The most effective way to realize the savings necessary so that we can reach an agreement between the priorities of the administration and the necessities of the American people as reflected through our programs in this common sense Congress is for the administration to agree with us to the 1 percent solution, one penny of every dollar of discretionary spending. As my colleague from Texas pointed out, we are not talking about Medicare dollars, Medicaid dollars, Social Security dollars. We are not talking about vital funds to programs known as entitlements. We are talking about discretionary spending, where choices can be made.

One other note because as my friends talk about education, we should also talk, as I was honored to serve with my colleague from California earlier on the Committee on Resources when I first came to the Congress of the United States, one note on this, because also Arizona's former governor, Secretary Babbitt, at the Interior Department, has followed the predictable, what we call in this town, spin of the administration and said that the Interior Department cannot realize any savings.

Mr. SCHAFFER. If the gentleman will yield, this is Secretary Babbitt's exact quote here. The reporter asked, "Is there no more waste in government in your departments?" Secretary Babbitt said, "Well, it would take a magician to say that there was no waste in government and we are constantly fermenting it out. But the answer otherwise

is, yes, you've got it exactly right." In other words, yes, there is no waste in the Federal Government. This does not pass the straight face test, whether you are in Arizona, Texas, Michigan, California, or Colorado, the American people understand there is waste in government and people who make answers like your former governor has here simply ought to be replaced in Washington as far as I am concerned.

Mr. HAYWORTH. And I would like to refresh his memory, because it is burned, it is seared into my memory, the first subcommittee meeting for parks, the Inspector General, the accountant for the Interior Department, with the then director of the National Park Service at his side, the Inspector General testifying in front of that Resources subcommittee said that the National Park Service for that budgetary cycle, for that year, could not account for \$73 million of taxpayer funds. My colleague from California pointed out, were this the private sector, it would not be a national park someone would be spending their time in, they would be incarcerated for malfeasance. And the challenge for my colleague from California and others who have that wonderful mission of serving on the Committee on Ways and Means and the Committee on the Budget is to restate our rules so that we have a way to impound those types of funds out of administrative accounts in the next few years. But that is the challenge we face and that is ample evidence. And then we have the other evidence, the infamous outhouse, \$1 million for an outhouse at Glacier National Park in Montana. It took over 800 helicopter trips. That is how inaccessible, we are talking about really out there, this outhouse, the million-dollar outhouse. Maybe that is \$1 million out of the \$73 million of that budgetary cycle. Yet my former governor, the Secretary of the Interior says there is no waste.

The American people know better, Mr. Speaker. My colleagues have amply demonstrated that.

Mr. HERGER. Mr. Speaker, I yield to the gentleman from Texas.

Mr. SESSIONS. I thank the gentleman for yielding and appreciate the gentleman from Arizona.

What we are doing here tonight is we are, I believe, being responsible. We are doing, I think, what I came to Washington, D.C. to do. That is, to work very carefully, very methodically and in the open, to give people not only an understanding about what we are doing but to make sure that we stay here until the ball gets kicked in the net.

Today, the gentleman from South Dakota (Mr. THUNE) stated something that was very interesting to me. Today he said, "We have got more time than money, and that is why we are going to stay here." We are in a tough league here. I tell people back home, in the league I play in up in Washington, D.C., you really do not ever get a no-hitter, but you can have a complete game. I believe us being here talking

about the things we are, to have a complete game on behalf of the taxpayers of this country, the people who get up and go to work every day, the people who get things taken out of their paychecks even when they do not want it but they cannot fight the government. We are here for the taxpayer, not the tax collector. And the taxpayer says overwhelmingly, you can find a penny from the government. I am ready to stay. I am ready to stay here as long as we need to.

Mr. President, we believe in what we are doing, and we are going to keep fighting on behalf of what is right. One hundred percent of Social Security is more important than us giving in and going home. I intend to stay. Like the gentleman from South Dakota, I have more time than money, and we are here for the taxpayer. I believe by us telling the truth to the American public, they will recognize that we will find our penny and we can win this battle.

Mr. HERGER. I thank my friend from Texas. Let me point out that while the American taxpayer, 84 percent, almost 85 percent feel we could be saving a minimum of 5 percent, we have only asked the administration to save a penny, and now I understand it is down to about a half a penny and they are still fighting that.

I yield to the gentleman from Michigan.

Mr. HOEKSTRA. I thank the gentleman for yielding. We have come a long way this year. We were in this Chamber earlier in 1999, towards the end of January when the President came down here and gave his annual State of the Union speech. The President at that time said, I want to save 62 percent of the Social Security surplus. By implication meaning I am going to spend the other 38 percent. I do not remember, maybe one of my colleagues can remember and refresh my memory on the fees and the tax increases that the President proposed back in January, that he proposed in his budget. Does my colleague from Arizona remember what that amount was?

Mr. HAYWORTH. As I sat here that evening listening to the President's speech, in 77 minutes he outlined over 80 new spending programs, I believe it was well in excess of \$70 billion, in fact almost twice that much.

Mr. HOEKSTRA. Somebody just handed it to me and said the President earlier this year proposed 75 use taxes and fee increases, totaling \$150 billion a year. When we take a look at how much progress we have made, we have moved to the point of no tax and no fee increases. In that way, we have eliminated \$150 billion of new spending that this President wanted. We have also moved from saving 62 percent of Social Security, we are now within a half a penny in this budget of saving 100 percent of the Social Security surplus. We have come a long way. Thankfully, we have taken the President all the way to 99½ cents.

Mr. HAYWORTH. I think this point should be made, because again in the spirit of bipartisanship, we welcome the President with his change of mind. We appreciate the fact that good people can disagree and then reconsider and come along. Now he says, let us save all of the Social Security trust fund for Social Security. One other thing we did in this Congress, when he proposed the tax and fee increase, we brought it to the floor. Mr. Speaker, again just to refresh the collective memory of this body and clue in the American people, not a single Member of this institution, Republican or Democrat, or my friend from Vermont who is a self-described socialist, an independent, not a one voted for the tax increase. So in that sense, the House worked its will. The President has bowed to that. Again, the 1 percent solution makes dollars and sense. A penny saved is retirement secured.

Mr. SCHAFFER. I would like to talk about one other place where this really matters, and that is with our children around the country. This is National Education Week this week. The slogan for this year is Students Today, Leaders Tomorrow. This debate really does come down to responsibility here in Washington.

I was out in my district just yesterday, I visited three schools up in Sterling and Green Acres Elementary School in Fort Morgan, Colorado, I stopped in and visited with the folks there.

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I brought some of the artwork from some of those kids that I am dying to show some of my colleagues. I am scheduled to go to Ukraine next week as soon as we adjourn and will be meeting with some schoolchildren there. I am asking these kids to make up some cards and letters for kids out in Ukraine.

The gentleman ought to see some of these. Here is one from Carrie, who drew a picture of herself at the library where she can check out books. Here is another, Nicole, who wrote, "I can play at Riverside Park in the rain," and drew a nice picture of herself at the park. These are just great.

Here is one from Luke. Luke says, "I am walking my dog, Mattie. She is 13 years old. She is a yellow lab. She has a blue frisbee and she likes to play with it." There is a picture of Luke there that we are sending to the kids in Ukraine.

Here is one more. This is from Teresa. She put a bunch of crucifixes and the American flag. She is sending that to the Ukraine. She drew a picture of her room, and talks about some of the things she likes to do at home.

The point of this is that these are the children that matter most in America. When we start talking about ending dipping into social security and spending more money than Washington has to offer, these kids understand that that is wrong. The kids understand



that the right thing to do is to save social security, to stop spending in deficit quantities.

They understand responsibility at school. When the teacher told the kids on Monday, the Congressman is coming and I want you to have these cards ready to go, the kids had their reports ready to go. Would it not be great if the Department of Education could do the same thing here in Washington, D.C.? When the Congress says, on the 19th of November you need to certify to the Congress that your books balance, we do not need to be hearing the answer we are going to get on Thursday from the Department, that their books are unauditable going back to 1998.

These kids understand responsibilities. They deserve a Department of Education that will work hard to help this Congress find that extra penny in savings so that these kids can get dollars to their classrooms, so that their teachers can have the resources they need to teach, so they can have a roof that does not leak, so they can have education opportunities that are the envy of the world and something to brag about in places like Ukraine, like these kids have done, and I am going to help them do later on this week.

That is what these children deserve. That is what their parents sent us here to Washington to do. Those parents want to know that the kids who made these products and created this artwork have somebody looking out for them in Washington.

If we walk around outside these hallways here, there are lobbyists all over the place. They are all here trying to get an extra dime here or there, or get extra money for their project or for their special interest. But these kids, we are all they have. They are counting on us to fight hard; to stay late into the evening, like we are doing tonight; to negotiate until the bitter end with the White House, so we can save that penny on the dollar and make sure that the education dollars get to the classroom, not hung up in Washington, so they have a social security retirement fund when they retire, and so that their country is run in a way in which they can be quite proud.

Mr. HERGER. Mr. Speaker, I thank my good friend, the gentleman from Colorado. The tragedy is unless the Congress takes action, unless the Congress saves and does not spend on existing programs, for social security coming in, not one of those students will have social security by the time they are ready to retire. This Congress has to act.

I am very grateful that back 168 days ago, and I might mention, in a bipartisan manner, 416 to 12, this House voted overwhelmingly to lock up social security and not spend it. But right now what we are asking of the White House right now is a penny, we are down now even to compromise and find some places where we do not spend in other areas and maybe reduce by half a penny, and we cannot even come up

with that. It is really almost unbelievable.

I yield to my friend, the gentleman from Michigan (Mr. HOEKSTRA).

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague for yielding.

What we have worked on so hard in the Committee on Education and the Workforce, and my colleague, the gentleman from Colorado, referenced it, the leverage point on giving kids a good education is moving the decisions closest to the kids in the classroom and the people that know our kids' names, the parents and teachers.

The money we are spending, let us make sure we move the flexibility for making those education decisions as close to those kids as possible.

Mr. HERGER. Mr. Speaker, each of us are parents here, and I know we are coming to the end of our time, but what it is really all about is our children. Each of us here speaking are parents. Undoubtedly, most people who are listening tonight are parents.

Right now there will not be any social security unless we do something about it. We as Republicans are committed to do that. We believe there is a minimum of a penny that any Washington bureaucracy can find to trim out of each of their departments. We are asking that they do it, and maybe do a little more to make sure we save social security. We believe it is there to do. The American public believes we can do it. We are committed to do it.

#### THE SITUATION IN COLOMBIA, SOUTH AMERICA

The SPEAKER pro tempore (Mr. COOKSEY). Under the Speaker's announced policy of January 6, 1999, the gentlewoman from Wisconsin (Ms. BALDWIN) is recognized for 60 minutes.

#### GENERAL LEAVE

Ms. BALDWIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Wisconsin?

There was no objection.

Ms. BALDWIN. Mr. Speaker, I rise tonight to discuss one of the most pressing foreign policy issues facing our great Nation. That is, the situation in Colombia, South America.

Tonight my colleague and I want to speak about the many challenges that are faced in Colombia. We will discuss the civil war, the inequalities of wealth, the drug problem, the failure of the judicial system there, and the problem created by large numbers of displaced persons.

As we begin this discussion on Colombia, I guess I want to state from the outset that I would like this discussion to deal broadly with Colombia's problems and challenges. This body has all too frequently focused on Colombia, and in fact our Nation usu-

ally narrowly focuses on the issue of illegal drug production and trafficking. I strongly believe, however, that without addressing directly the broader problems that are faced in Colombia that we will not make significant progress in addressing the drug trafficking problem, because these problems are so interrelated.

I think we all must agree that drug addiction and abuse must be addressed by our government, that too many Americans and frankly people all over the world are addicted to illegal and sometimes legal drugs. We know that this is a problem that must be addressed. I think we can do so respectfully, agreeing that this is a problem that we are all committed to, but agreeing that we may have some different approaches and different perspectives on how to do that.

Colombia presents an important case study in this regard. It is a country that must be viewed comprehensively, not simply as a drug-producing Nation. The flow of drugs will not stop unless Colombia can achieve peace and economic security.

I wanted to start by sharing a little bit about how I first became interested in the policy in Colombia, U.S. policy towards Colombia, interested in the problems faced by the people of Colombia. I, too, used to view Colombia as a Nation, mostly by what I read about the drug production there, until I had the opportunity as a local elected official on my county board to become involved in a sister community project.

Our county essentially adopted a community in Colombia; in fact, a community in one of the most violent and war-torn parts of Colombia. Through this sister community, we got to experience exchanges. We had people come up, religious leaders, labor leaders, those interested in impacting poverty and fighting human rights abuses in Colombia. They came to our community and discussed the problems. In turn, people from my community got to travel to Colombia, as I did in 1993, to meet people there, to ask firsthand what was happening.

Perhaps learning about Colombia in this way stands in stark contrast to how many of our colleagues first discover the issues and the challenges faced by the people of Colombia, through high-level briefings, perhaps, meeting with generals, ambassadors, presidents, Members of Congress.

I started by meeting with people in agriculture, human rights leaders, people trying to organize collectives and cooperatives. It was a fascinating way to learn about Colombia. I met environmentalists who were engaged in the task of trying to protect the rainforests. I met people engaged in social work, trying to help address poverty in the big cities in Colombia, trying to help former gang members find another way of life. It was eye-opening for me.

One of the things I remember very vividly about my 1993 trip to Colombia