

Thank you, Representative SWALWELL, for having this terrific Future Forum event on the floor today.

Mr. SWALWELL of California. Thank you, Congressman LIEU.

It has been exciting going to the nine cities across America and talking to young people and learning their thoughts. As the Future Forum, our goal has been first to listen, and then to engage with millennials, whether it is going to their college campuses, community colleges, workforces, incubator and startup hubs; and then it is to crowdsource these problems, and then for the lawmakers of Future Forum to come back to this body and this Chamber and act on the issues that young Americans care about.

It is the largest generation America has ever known. It is the most diverse generation that America has ever known. It is an aspirational generation that wants to solve problems and not sit on the sidelines and watch our sea levels rise and watch the Earth get warmer. It is a generation that feels a sense of responsibility that we are only on this Earth for a very short period of time, and we will be judged by what we leave to the next generation.

So, yes, we can do something about it. Young Americans are committed to fighting climate change. They know it is our own reality and the reality of those who will inherit this Earth, and they know it is better to start now, before it is too late.

Mr. Speaker, I yield back the balance of my time.

□ 1545

BUDGETARY CONCERNS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2015, the gentleman from Arizona (Mr. SCHWEIKERT) is recognized for 60 minutes as the designee of the majority leader.

Mr. SCHWEIKERT. Mr. Speaker, as we get ourselves sort of organized, you will actually notice a couple of these boards are a little worn. It is because it is a, shall we say, the continuation of a theme. But this is sort of an auspicious day to actually do some of this, as we are getting ready to do the omnibus, the big budgetary bill.

What is so important here is, I want, everyone, first, to understand the \$1.1-plus trillion we are talking about is solely what we call the discretionary portion of the budget. This is the portion of the budget we debate here, we do amendments, we work through; and then, in this particular case, because of a series of blocks and frustrations and game-playing that happened previously, we get here to the end and we are trying to package it all together. But it is not the majority, it is not anywhere near close to the majority of our Federal spending.

So take a look at this board. And this is for 2015. So we are right now working on the budget for the 2016 appropriation cycle.

If you see the blue, the blue is mandatory spending. Those are things like Social Security and Medicare and Medicaid and other parts of the welfare portion of our budget that are formula-driven, that you hit a certain age, you get a benefit; you fall below a certain income, you get a certain benefit. It is about 69-plus percent of our spending, and this is for last year.

Only 31 percent of the 2015 budget actually goes through this sort of normal appropriation process, and that is really important to understand the scale of the spending and how little of it actually is debated, because it is a formula. It is also the portion of our spending that is exploding.

So we are going to walk through a couple of these boards today. One of my goals is actually to also walk through and talk about what is actually happening in some of the mandatory spending, and why, for all of us, we are going to have to have that very honest, very difficult, very math fact-based conversation.

In my district, the Scottsdale, Phoenix area, I am incredibly blessed. I have an amazing constituency, I have a wonderful area, but we have done 100+ of these budget townhalls over the last couple of years, and I will get people who will come in and say, but that number doesn't feel right. I know it may not feel right.

Previous politicians on both sides, I think, have underplayed what is happening in this country demographically and what it actually means to our commitment.

So if you are someone who really, really, really cares about keeping this country safe, you need to be willing to start to understand what is happening in these numbers. You need to understand the financial pressure that is going to be on your ability to finance the military. If you care about health care, you need to understand the financial pressure that is going to be coming to deal with those, medical research, education.

So let's first get our head around what is both happening, and then we are going to actually walk through some demographic slides. And the reason I want to do that is to understand, this isn't the type of discussion where you can throw a switch and the solutions are simple.

The next slide, this is actually sort of walking through the projections, and, understand, these projections have actually changed a little bit, but I didn't have a chance to finish all the calculations. So this is, functionally, four budget cycles from now. So it is the 2020 budget. We are right now doing the 2016 budget.

At that point, 76 percent of the spending is Medicare, Medicaid, Social Security, interest on the debt, veterans benefits, and other transfer programs, welfare programs; 76. Remember, the budget cycle we just finished, it was 69. In, functionally, 4 or 5 years, it becomes 76 percent of all of our spending.

So if you care about the military, if you care about healthcare research, if you care about foreign aid, if you care about any of those things, it is shrinking rather dramatically as a percentage of our total spending.

Yet, you have got to understand, from 2015 to that 2020 budget, this government is going to go from, I think it is a \$3-plus trillion budget to a \$4.1 trillion budget. So in that few years, we are going to actually increase by \$1 trillion in spending and revenues, and some of those revenues come from borrowing. Yet, the ratio continues to explode because it is going into that mandatory spending.

This is demographics. This is reality. And unless you have a solution for baby boomers to stop, like me, turning gray, we have to grow up and deal with it. I find here in Washington there is pathological avoidance of the reality that is upon us.

I am going to do this without knocking anything down. And I believe these are already up on our Web site, the ability to sort of take a look and see where is the money actually going; because I can't tell you how many times we would do those budget townhalls and someone would come in the door and say, Well, DAVID, if you just did this, if you would get rid of foreign aid, that would take care of the problem. Then you go to this slide and try showing them that the tiny, tiny, tiny little sliver right there was foreign aid.

Well, DAVID, if you would just get rid of this. Well, waste and fraud is huge. The reality of it, we know in Medicare and Medicaid and many of these things, we have to come up with more dramatically efficient ways, the use of technology. We are going to start to talk about that at the end of this, that there really are some solutions we need to be embracing. But they are little slivers.

Do you see the blue areas? Social Security, Medicare, Medicaid, welfare benefits, interest on the debt? As you saw today, with the Fed starting to raise interest rates, we expect, in just a few years, interest to be bigger than the defense budget. In about 7 years, interest will be approaching \$1 trillion a year.

Understand, this is the reality of the math. This is no more happy talk that seems to go around in politics. It is math.

This portion over here, if you take out the Defense Department—so if you look at defense and all this blue, these here are all the agencies. It is important to understand these numbers, because I have been heartbroken at how often we do townhalls around our State, and there is this misunderstanding of where the money is actually being appropriated.

So we are going to talk about a little bit of the demographics of what is going on, but also, how much trouble, how much difficulty is Social Security in?

Remember, they used to say it is the third rail of politics, you are not allowed to talk about it or tell the truth about it, but we have a moral obligation to explain what is going on. How about Medicare? How about some of these others?

So I wanted you to see this particular slide here, and this just gives you a sense of also what is happening with us demographically.

I can remember many, many years ago, sitting in a statistics class over at Arizona State University—I love that school—and this is, I think, in the early eighties, and the professor is showing graphs saying, you have got to understand, in the 2015–2028 point, you have all these baby boomers that move into retirement, so I am sure the government, I am sure Washington, D.C., will make sure they have these massive amounts of reserves set aside to provide benefits for our seniors.

Well, being one of those “end of the baby boomer folks,” and now being here in Washington realizing: That money isn’t there. So when you look at this particular chart—and the only reason it is partially here—you see 2018, it is the next to the last bar. And then, all of a sudden, the last bar, do you see it is shooting up? We have hit the time they have called the inflection point.

So, in 22 months, we hit the time that we have talked about for 30 years, that the debt is going to start to explode in this country; 2018. We are doing the 2016 budget right now. We are already in the 2016 budget. So 22 months from now, the debt starts to explode.

So we are going to have a good year this year, though, because of some of the budget deal that was done about a month or so ago; and some of the other, lifting some of the spending caps of sequestration, we are going to end up with a larger deficit this year.

So I guess the best number I have seen right now is \$440 billion, \$450 billion this year. But come 2018, a couple of years from now, it starts to take off, and it takes off for, functionally, the next 40 years. This is the reality that is facing us. So, if you care about the military and education and all these other things, understand what is about to happen.

Here, actually, are some of the slides that start to become more difficult to talk about, and I am actually sort of frustrated that we don’t do more of this.

This particular chart here—and actually, I think this one I may have taken from The Wall Street Journal. And for folks who are actually interested in these demographic facts and how they affect your country, but also affect the world, The Wall Street Journal actually just recently finished a series I think they call “2050,” and it actually has some of the best narratives, best graphs, best details I have ever seen in sort of walking through, that this just isn’t an American trend.

Take a look at the numbers you see in China and other places around the

world, where the aging of the population, compared to the benefits that have been promised, compared to the number of workers, and that imbalance, and what that means to future economic growth for the world, let alone just the United States.

But do you see this line where it starts to explode off the charts? That is, functionally, enrollment in Social Security. So when we were at 2008, we had about 41 million folks who were in Social Security. Today, I believe now we have crossed 50 million, so 2008–2015, this is the reality of how quickly that slope. And it is the what? It is the baby boomers.

Remember, we have about 76 million of our brothers and sisters who turn 65 in about an 18-year period. The first one, the first baby boomer crossed that threshold, I believe, in late 2008. So we are in that demographic inflection.

You are going to start to see more and more of this reflected in our economic growth, in the debt, and the movement of your Federal Government resources into retirement programs for those who are over 65. Whether it be medical, whether it be indigent medical, whether it be Social Security and others, it is our commitment. We have made these promises. We have also made a promise that we need to find some way to pay for them, and that is where this discussion, hopefully, is going to take us.

This slide is a bit more of a concern. We are doing a project in our office right now. We have a little, a couple of folks set aside in our office called the “Idea Shop,” and they try to do sort of detailed research outside the day-to-day chaos that is being a Member of Congress.

It is really the bottom point here that I want to pop out at you, and that is the number of our brothers and sisters, the number of our fellow Americans, that are 55–64, so they are heading towards retirement. Nineteen percent of them have no retirement savings at all, so they are solely dependent on Social Security and the medical benefits that they will receive from Medicare.

If we bounce up one, 25 percent of those older than 45 have, functionally, no money set aside.

Now, I accept we have just come through a pretty rough economic cycle, but the last couple of years it is getting better. It is still not great, but this is a point where we are starting to step up and understand we need a revolution in this country’s Tax Code. We need a revolution in how we regulate in this country.

We all walk around with these supercomputers in our pocket. Information is ultimately the greatest regulator in a society, and yet we still try and design these command-and-control functions of bureaucracies like it was the 1930s.

We are also going to do a little talking about embracing the new economy, the hyper-efficient economy, that will, hopefully, maximize economic growth.

But everything, whether it be from immigration, to Tax Code, to regulatory codes, everything, now the first words out of that politician’s, that policymaker’s, that researcher’s, and you, as the constituent’s mouth needs to be, how does this maximize economic growth for the country, because I want to keep my commitment to the young and our commitments to seniors. When you look at the numbers, it does not happen unless we can get this economic expansion, some economic growth really working.

So as we go through these slides—the other thing is also, for someone that is also really interested in these, we try to put these up on our social media, but these are some of the different projects we are working on.

Now, on this one, this is just to sort of understand, one more time—and I know I am repeating myself with the different slides, but we did a budget deal about, what, 2 months ago? Social Security Disability was going broke. Social Security Disability in early, mid-2016 was, functionally, the trust fund for that was going to be gone.

□ 1600

So the solution that Congress supported—I voted “no,” but that is because we thought we had a more elegant solution. Functionally, the political will was not there for the types of reforms we thought were appropriate.

They reached in and took \$114 billion out of the big Social Security trust fund and moved it over here to the Social Security disability fund to shore it up. Okay. That was their solution, but there was almost no discussion around this body that it shortened the life of Social Security by about another year.

So when you take a look—the reason we are showing these is—take a look at this middle one. If you were to exclude the interest—now, understand, the revenues for Social Security come from really two pots, the taxes and then the money it has loaned to the government back to the general fund.

So the Federal Government—I know it is just an accounting gimmick back and forth because we are paying ourselves interest, but that is what we do. We pay ourselves interest, and that is considered one of the revenue sources for Social Security.

So if you were to take taxes and interest, but if you were to look at that midline and say, instead of the sort of bookkeeping entry we do back and forth, no interest, just the revenues from taxes on FICA, Social Security, it went negative in 2010. So more money was going out to beneficiaries than what has been coming in in taxes.

But if you actually put both the interest and the tax stream, it goes negative no longer in 2022. It goes negative now in 2021. So if I had a big marker, I would walk over there and cross that out. Of course, I would also knock over the board in doing it. So, functionally, 5 years, 60 months from now, Social Security goes negative.

Mr. Speaker, this is no longer that theoretical discussion we were having saying sometime off in the future, sometime in 2027, sometime in 2040. It is 5 years. It is less than one U.S. senatorial term that Social Security goes negative.

Mr. Speaker, how much discussion do you see in the political class, in the researcher class, the policy class, and in our communities saying: “We need to deal with this today because every day we wait it becomes more difficult”?

If we look at the history of the last couple of decades when those of us who care about this deeply have gotten behind microphones and started to point out the numbers, we see the television ad the next campaign, whether it be pushing PAUL RYAN or a look-alike off of a cliff and saying that PAUL RYAN wants to try to reform your entitlements because—the fact of the matter is Medicare is going bankrupt. He wants to save the system. But if we can scare you to death, it becomes a great political issue.

I also believe the voters are way ahead of the political class in understanding we need to step up and do hard things to fix these. I also want to make the argument that these are the biggest issues in front of us because, if we don’t do it, then everything in the future is going to be how do we survive the promises we have made in our entitlements. And it is coming fast. Remember, Social Security goes negative in about 60 months. That is how fast it is coming at us.

This was just to sort of reemphasize the fact—do you see that little red area? That is what we did in the budget deal a couple months ago. We grabbed that \$114 billion and pulled it out of Social Security. Because of that, we shortened the life. We tried to do this without knocking them over. This was just another variation of the same set of numbers.

So now you know the reality. We have some on Medicare. But when you start to see some of the charts, we have charts that say that, if there is not a substantial economic expansion, Medicare could be 7 years and the trust fund is substantially drained.

Remember, these are supposed to be freestanding trust funds. The way the law works is you start to cut benefits. We need to avoid these. So how do you do it? How do you avoid these?

The first argument I want to make is it is next year when we start to discuss tax reform, a tax reform that maximizes economic growth, maybe not the benefit for the group you belong to or the industry you are in, but the tax reform that benefits the entire country to maximize economic growth.

Mr. Speaker, I am also asking for a revolution in the way we look at the regulatory state. There are a few people who have written about this. There are a few people who have thought about this.

For a couple of years I sat on the Science, Space, and Technology Com-

mittee. We would have debates back and forth with the EPA on: “How did you get to this regulation? How did you find this out?”

They would say: “We are not going to give you our data sets. It is proprietary. We are just doing the command and control.”

I learned there is this intense frustration. There is this fight out there between I believe people who make money off the regulatory state and those who functionally pay for it, which is all of us.

The fact of the matter is the crowdsourcing of information and data. Are we actually doing the most efficient methodology to have clean water and the most efficient technology to have clean air?

How about in my financial world? I sit on the Financial Services Committee. This is going to get a little geeky. But, in 2008, the bonds that were backed by mortgages blew up.

All of a sudden we found out there were lots and lots and lots of mortgages and deeds of trust rolled into these bonds that stopped performing. There were lots of debates and discussions of these were toxic loans, they were Alt-A that were put into these bonds, whatever the reason. How did we not know?

So we set up a financial system that bundled these mortgages into bonds. Are you telling me that, from the regulatory state, if we had designed an information-based regulatory system where those of us—when I was Maricopa County treasurer and you were looking at buying debt to park the cash you had so you would get a rate of return for your taxpayers, you would pick up the phone and call Moody’s or call S&P or call the rating and say: “Hey, is this a safe bond? Is this A rated? Is it AAA?” or whatever it is. You would get a phone call back. They would say: “Yes. It is fine.” That was your due diligence.

How about a system that uses information so the information flows saying: “Hey, the bond you are looking at, you now have 5 percent of the loans on it that aren’t making their payments.” “Hey, do you realize this bond has an intense geographic concentration so, if something happens in that geography, you are going to have ever greater difficulties?”

All of a sudden the regulators that are built into the system come in and bayonet the wounded after the war is lost. Sorry. That was one of my father’s favorite sayings.

But the fact of the matter is the way we do much of our regulation is after the sins have happened instead of using information to avoid the mistake in the beginning. So I am making the argument that that type of revolutionary thinking in the way we, as a society, regulate will maximize economic growth.

On immigration, you need to change this immigration system. When you realize that two-thirds of the immigra-

tion population is familial—and I know this sets people’s hair on fire.

But if you are going to take in 1 million, 1.2 million, legal immigrants into the country this year, you do realize two-thirds of that population functionally gets to come to the United States because of a family member, where much of the rest of the world, whether it be Australia, New Zealand, Great Britain, Canada, have moved to a system that maximizes talent because they figured out they desperately need economic growth to keep their commitments.

But there is a fourth one that is almost never talked about and I can actually start to see here in Congress and I see it in our State legislatures, and that is actually the new economy.

I promise sometime when we get back in January we are going to do a presentation of how the new economy can both change how the government functions, but also, if we can get out of its way, it provides opportunity for everyone and, hopefully, maybe some escape velocity economically.

So let me throw you first just a simple concept. How many of you out there have ever ridden in a ride share or seen these things they call like Zipcar where you hit the button on your phone and you are able to just use a car? Why doesn’t government do that?

I think we saw some data that there are 176,000 cars that are either owned or leased by the Federal Government. We found one small agency that had more vehicles than employees.

So if I came to you right now and said: “Let’s rethink this. Does this agency here belong owning their own little vehicle fleet and this agency that is right next door belong owning theirs?”

Why wouldn’t you pool them together and create a simple app that does two things? It says the cars belong to everyone in the agency. You hit the button and say: “I need to use one today, and tomorrow I don’t need one” and, “Oh, by the way, the technology says that I am going to this community” and it tells you who else from the bureaucracy is also going in the same direction.

It is already happening in the private sector. Now think of it even more expansive. Why is it just the Federal Government? Why wouldn’t it be your State, your local, your tribal?

Another example we are working on right now in Arizona and we are actually working on with some of my State legislators is this concept for capital assets.

Mr. Speaker, I live in Maricopa County. It is maybe the third or fourth most populous county in the country. It is made up of 30-some cities and tribal communities.

How many of those communities own the really expensive earthmovers? How many of those earthmovers are used to their max every single day? If they are not, why isn’t a simple app created to

share? So do this tribal community, this city, this county, and this government each need to own their own? Why aren't they put on sharing platforms?

The concept is real simple. Capital assets need to be maximized. It is like the concept of a classroom. At 3:45, when school is out, does that classroom become the community college? At 7:30, does it become the senior learning class? It is a building. We are paying to heat and cool it. It is there. We spent the capital money. How do you maximize the utilization of capital assets?

Mr. Speaker, this is happening in the private world. Much of this technology is coming out of Silicon Valley and other hubs of innovation in our country. We need to open ourselves up in the government and say: "We need to be embracing this technology to move it to ourselves."

In the last half of this, I see fights starting to break out on the new technology and how it changes how we work. It changes our optionality. We need to understand that technology is changing our society. But if we can get out of the way, it can actually really provide us some opportunities.

So there are crazy thoughts. We are researching these. Let's say you are one of these drivers, whether it be an Uber platform or something else and there is this argument saying, well, you are being treated as a self-employed 1099 or you are getting direct payments electronically or you are doing Airbnb or these sorts of things. How is that going to help you fund your Social Security?

Maybe we need to rethink it. Maybe it really is time to have that honest conversation of should you be allowed to have that account that is truly yours and set up your technology that every time you have a client and you take them and deliver them to a location, every time you have guests in your Airbnb, every time you provide a certain service, you can use that technology so that a little bit of that money goes to your retirement account.

We have the technology. It would be a very low-cost way to do it. And we start to engage in the technology revolution that is happening around us to basically embrace it, not be scared of it, and at the same time use that technology to shore up what we have just talked about, the devastating actuarial math we are running into.

Mr. Speaker, I know there is a political battle coming in this because, for some of my brothers and sisters on the other side, it is very much: How do I unionize that population? How do I do this type of control? How do I have this?

For many of those on the more free market side, we are making the argument for individuals to be able to use technology and the new economy to pursue their optionality, maximizing the value of their time. They need to be allowed to do that.

We are Americans. Being free is part of the basic—it is supposed to be part

of our DNA. At the same time, use that same creativity, that same optionality, to not be afraid of it, but to use that technology to actually grow the economy and embrace the empowerment of individuals to deal with the very problems we were showing on those slides.

Mr. Speaker, I yield back the balance of my time.

RESOLUTION TO HONOR AND PRAISE THE AMERICAN JEWISH COMMITTEE ON ITS 109TH ANNIVERSARY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2015, the Chair recognizes the gentleman from Texas (Mr. AL GREEN) for 30 minutes.

GENERAL LEAVE

Mr. AL GREEN of Texas. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject matter of my Special Order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. AL GREEN of Texas. Mr. Speaker, as I move forward with this Special Order hour, because the AJC has been very close in Houston, Texas, to a leading citizen, the Honorable William Alexander Lawson, I think it appropriate to let it be known that the AJC stands in sympathy with a good many persons with reference to Pastor Lawson's loss of his wife, the Honorable Audrey Lawson.

□ 1615

She will be funeralized on Friday at 11 a.m.—that would be central standard time—in Houston, Texas, at the Wheeler Avenue Baptist Church. Pastor Lawson has worked very closely with the AJC and many other Jewish organizations. I would dare say that he has been a nexus between various communities and the Jewish community. I am saddened by his loss and want him to know that the AJC as well as my good offices send him our condolences.

Today, Mr. Speaker, we are here to present H. Res. 518. H. Res. 518 honors and praises the American Jewish Committee on the occasion of its 109th anniversary. I am proud to tell you, Mr. Speaker, that on the campus today here at the Capitol we have visitors from the AJC. We have Richard Foltin, who is the Director of National and Legislative Affairs in AJC's Office of Government and International Affairs, in Washington, D.C. He happens to be accompanied by an intelligent, beautiful lady, who works with the AJC. Her name is Daniela Erazo. They are here, and I am proud to let them know that we are most excited about their being here on the occasion of the introduction of this resolution.

This resolution has been cosigned by a good number of Members of Congress.

I would like to, because this is very special to us, give their names so that the RECORD will be clear as to who the cosponsors are.

The original cosponsors are: the Honorable ILEANA ROS-LEHTINEN, Florida's 27th District; the Honorable EMANUEL CLEAVER, Missouri's Fifth District; the Honorable STEVE COHEN, Tennessee's Ninth District; the Honorable ALCEE HASTINGS, Florida's 20th District; the Honorable SANDER LEVIN, Minnesota's Ninth District; the Honorable JERROLD NADLER, New York's 10th District; the Honorable CHARLES RANGEL, New York's 13th District; the Honorable DAVID SCOTT, Georgia's 13th District; the Honorable FREDERICA WILSON, Florida's 24th District; the Honorable TOM MACARTHUR, New Jersey's Third District; and, of course, the Honorable DEBBIE WASSERMAN SCHULTZ, Florida's 23rd District, whom I mentioned earlier.

This resolution is one that acknowledges the mission of the AJC, which is to enhance the well-being of the Jewish people and Israel, and to advocate and advance Jewish rights and Jewish values in the United States and around the world. The AJC is committed to combating racial prejudice, anti-Semitism, and sponsoring and supporting issues related to the State of Israel.

The AJC has a rich history. It was founded on November 11, 1906, in New York City, by a group of American Jews who wanted to raise awareness about some of the atrocities that were taking place against Jewish people in Russia as well as in other places. This leadership went on to add as its list of duties, I suppose, doing all that they could to help in the fight against racism here in this country.

I am proud to tell you that the local chapter of the AJC in Houston, Texas, currently has as its director, Randy Czarlinsky. He is a dear friend. The president is Marcia Nichols. She is a friend as well.

But I am also going to mention a friend who was there in 1989. His name is David Mincberg. David Mincberg and I worked together. I was the president of the Houston branch of the NAACP. At that time, we had an unfortunate circumstance occur in Houston, Texas. We had a city council person make a racial slur. The AJC and the NAACP worked very closely together.

David Mincberg was one of the leading citizens to stand up and denounce this racial slur that took place and call for the resignation of the city council person. It had been prognosticated by one of our local persons who was in the community associated with political science.

He went on to explain that this person probably could have won. I have not mentioned his name. I see no need to. He probably could have won his office because there still was some support for him—substantial support, I might add. But because David Mincberg and the AJC stood with the African American community, by and