

realignment at a time achieved through American leadership and American partnership.

However, there is one glaring exception toward this progress, the totalitarian regime in Iran, which remains intent on Israel's destruction and disrupting the path to peace. It creates chaos in the region.

President Carter worked with Egypt and Israel to bring those two states to a sustainable peace. President Clinton worked with Jordan and Israel to normalize relations between those two nations. Four years ago, the United States formed the Abraham Accords, where the UAE and Bahrain recognized Israel's sovereignty. Sudan and Morocco would later join.

Then just days before October 7, Saudi Arabia and Israel were near a deal. It would have brought the region closer to peace. At that point, Iran had seen enough. Hamas, an Iranian-backed army, had seen enough, too, and they attacked, massacred, raped, and took Israeli and American hostages.

People have looked at this war as a David and Goliath story, and in some ways it is. We all know the story; the Philistines were attacking the Israelites in the Valley of Elah. Every morning, Goliath, this giant, challenged the Israelites to fight. One day, David, a young shepherd boy, did what no one else would do: He defeated the giant with just a sling, against all odds.

It is a story about the imbalance of power and strength but also courage and ingenuity. Israel in the last 8 months has been painted as this Goliath in the war today, and if you looked at a map and you zoomed in, you may think that, too. There is Israel, and there is Gaza, very small. However, if you zoom out, you would see the reality of what is going on, and that the Goliath isn't Israel, but it is Iran.

Iran has funded over 20 terrorist organizations all surrounding Israel. They have funded groups that were responsible for killing three U.S. servicemembers earlier this year, funding the Houthi rebels in Yemen responsible for attacking U.S. ships in the Red Sea, and most recently they funded Swedish gangs to carry out terror attacks against Israelis in their embassy.

Today, just like the story, 8 million Jews are in the Valley of Elah surrounded by the Goliath, Iran, and its terrorist-backed armies. Iran is not alone in this effort. It is supported by global chaos agents like Russia. What is happening in the Middle East and what is happening in Ukraine are not isolated events. Putin attacked Ukraine because he believes it is a fictional state, just as Iran and Hamas and Hezbollah believe Israel is a fictional state.

This partnership between Iran and Russia has sowed conflict, chaos. Russian-made weapons have found their way to Hamas for years, and the same Iranian drones that were fired into Israel weeks ago have been used in Russia's offensive against Ukraine.

There are those who seek to put us on a path to a peaceful future and those who seek to disrupt it and sow chaos and destruction. Russia, Iran, Hamas, Hezbollah, Houthi, they are all part of this group.

Following October 7, Israel was suddenly up against Goliath and confronted with an impossible choice:

What was Israel to do after October 7 when their enemy, Hamas, went underground, taking Israeli and American hostages with them?

What was Israel to do when they hid in tunnels and shielded themselves by leaving innocent Palestinians above ground?

What was Israel to do when Hamas vowed to end Israel if they were to survive?

Hamas could cease their actions at any moment to save innocent lives, but they choose not to. If Israel stops now, they would not only abandon their people and Americans, but they would also relinquish the hard-earned stability in the Middle East, opening the door for further chaos.

The truth is, we aren't seeing the forest for the trees. We aren't zooming out to see the Goliath here—the Iranians, the Russians, the terrorists that they support against the global community. They have done this by abandoning innocent people, hiding behind civilians, and stealing aid from Palestinians. Unfortunately, their plan has succeeded.

Recently, Canadian protesters gathered and declared:

What happened on October 7 was the beginning of the great intifada.

It has spread in the minds of people of the free world.

When you scream with a loud voice, Long Live October 7, you will understand that these people decided to end their miseries and this nightmare called Israel.

In response to calls like these, the Iranian Ayatollah has said it is working. That is right. He sees all of these protests against Israel, and the Ayatollah has said, it is working.

Just last week, in reaction to U.S. protests, the Ayatollah praised American protesters in a letter that also contained anti-Semitic tropes and accused Israel of being a terrorist state.

Iran and Russia's goal of terror isn't limited to the Middle East. It is spreading globally. If we want this war to end, which I desperately do, if we want the hostages returned, which I desperately do, and a new future for Palestinians in Gaza and the West Bank, which I desperately do, then we have to firmly stand against the ongoing Iranian aggression.

The path forward requires bold, ethical leadership from Israel to urgently end the deepening humanitarian crisis, defeat the terror groups once and for all, and rally global diplomatic support. It is also a requirement that the leaders of the international community and these Arab nations be all in for peace and be willing to stand up to Iran once and for all.

Crucially, the work ahead requires all of us to work together to reject the tactics of terror and chaos and choosing to build a brighter future.

Iranian aggression has pitted two groups with a deep history of trauma into further trauma and pain. Yet, in this shared trauma lies the potential for profound peace. This conflict can be the foundation upon which we build lasting and sustainable stability, where both Israelis and Palestinians can live in peace.

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

UPCOMING CHANGES IN THE ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 9, 2023, the gentleman from Arizona (Mr. SCHWEIKERT) is recognized for 60 minutes as the designee of the majority leader.

Mr. SCHWEIKERT. Forgive me, Madam Speaker, as we get our boards all lined up.

Madam Speaker, I am going to try something a little different than starting with the debt pie. We are going to actually sort of walk through some of the chaos that is coming next year. For those of you who always hear the saying, hey, the next election is the most important election ever, what I am going to walk you through is going to show, yeah, it probably is, but let's walk through why.

How many of you understand that in December 2017 there was a tax reform bill? It was the first time in 30-plus years that the United States had updated its tax code. Now, within that, one of the basic principles is what could you do to maximize economic growth and what could you do to make the United States competitive again?

Do you remember before 2017 the number of organizations, corporations that were chartered in the United States that were saying, bye, we are going to Ireland, we are going to other parts of the world because the way we taxed international business and those things. We found a way to make ourselves competitive, and I believe since then we haven't had a major organization, major corporation leave the United States.

Could you imagine having gone into the pandemic if we hadn't done the tax reform in December 2017? Also, I have tried in previous presentations to come here and talk about the morality of 2018, 2019, even 2020. We had the biggest movement of closing income inequality in America. It was actually some of the fastest in modern history of wages going up without inflation.

If you love and care for people, particularly working people, particularly those who, as is common, have the lowest quartiles of income, go back to 2018, go back to 2019, go back to the beginning of 2020, and understand the morality of having a revised tax code work.

Here we are. There is something coming next year we need to understand.

Parts of the tax code changes will expire. The reason is the way the tax reform had to be done because our brothers and sisters on the left were not going to help us, and you had this 1974 Budget Control Act that said, hey, you can go around the Senate 60-vote rule if it reduces spending within a certain set of rules.

It is called reconciliation. It is a little bit geeky. Even people here, we all have to sit down with the Parliamentarians and work out the rules. What that meant is there was a budget box built in 2017, and we filled into that box, but to make that box work, because it is a 10-year number, we had some things that would expire.

Guess what happens next year? A whole number of those provisions begin to expire.

Let's actually start to work on what is actually coming for us next year. These are the expiring tax provisions next year. This is going to make sense in a little bit. Let's say right now you make \$20,550 to \$83,000, today your current income tax rate—not your social security, not your FICA tax, those things, your current tax rate is 12 percent of your income. It is going up to 15 percent. The next bracket goes from 22 percent to 25 percent, then 24 percent to 28 percent, 32 percent to 33 percent. We are going back to the personal income tax rates from 2017 and earlier. The crazy thing is these rates actually are less progressive than the current updated tax reform.

Most people don't realize, when the Republicans did tax reform, we lowered rates, we broadened the base, we did all these sorts of things, but it actually was slightly more progressive than the old tax code—which our Democrat friends, it drives them insane when you mention that, so I always enjoy doing that.

□ 1715

This is coming. This is current law. This isn't a proposal. This isn't some sort of magic bait-and-switch discussion.

This is the current law. This is going to be part of the great battle next year doing policy here. I am going to show you three or four boards of what is changing in the tax code for all of us next year.

Understand, that math over 10 years is about 4.2 trillion. The first year it is, like, 380 billion. Let's just call it \$400 billion because that makes the math easy to do in our head.

Let's walk through some other things that are changing next year. Expiring 2025 tax provisions. The child tax credit.

Yes. In 2017, Republicans, without a single Democrat vote, doubled the child tax credit to \$2,000. In 2026 when you get ready to pay your taxes, that provision will have expired. Instead of getting \$2,000 per child, it goes back to \$1,000.

Here is one of the big differences when you can think about the inflation

we have had since President Biden took office.

If you live in the Scottsdale/Phoenix area that I represent, if you don't make more than 26 percent more today than you did the day Biden became President, you are poorer. Think about that.

These provisions aren't adjusted for that inflation. Right now, it phases out at 400,000. You lose this child tax credit doubling.

Next year, when this starts to expire, if you make over \$110,000, it begins to expire and phase out on you. Just be prepared.

The other thing is under current law, you get a \$500 deduction per dependent. Next year, when you pay your 2026 taxes, it is gone.

Understand these are taxes on working people. This is already the current law. This is coming at you.

Let's do a little more here. Expiring 2025 tax provisions. Current status. If you are single, you get a standard deduction.

One of the ways the tax code works, the way you create sort of this progressivity is you say, hey, the first block of your income functionally has no tax, and then the rates go up as you get higher in the income bracket.

Right now, if you are single, the first \$14,600, you functionally have almost no tax. If you are single when the provisions expire, that number gets functionally cut in half. It becomes \$8,300.

If you are married today, it is \$29,200. This is the standard deduction. It will go back down to \$16,600 so no inflation adjustments. Your taxes are going up next year.

Understand, this is the law. Understand, what we are starting to discuss here is what does Congress look like next year? What does the Presidency look like next year? What is the need of the economy? What is the need of the debt and deficits? This actually becomes really interesting debate at the same time you are borrowing.

We are going to walk through, actually in a little bit, some good news on the economy, some stabilizing news in the debt and deficits, but for a lot of Americans, they are already just stressed out of their mind.

Once again, there has been 26 percent inflation for my community in functionally the last 3, 3½ years. What happens in that same environment when your taxes go up?

Let's walk through a little bit more here. I know talking about tax provisions is so exciting, but when you pay them, you understand why we wanted to get ahead of the curve and explain to our brothers and sisters in America this is the current law. This isn't a proposal. This is the law as it is.

Another 2025 expiring tax provision. Currently, 100 percent of first-year bonus depreciation. Now, this has been starting to phase down.

You have a small business. You buy a piece of equipment. I have done entire presentations on this. When we talk

about research and development or expensing, you buy that piece of equipment so you can be better, faster, cheaper, and become more productive.

What are the two ways you pay workers more in America? Actually, in all economics? Inflation? I raise your salary because of inflation. That bought you what? Nothing. Productivity. You are making more stuff better, faster, cheaper. Your wages go up. That is real gain.

The idea behind the depreciation on both research and development and expensing was if I can get that business to buy a piece of equipment where they are more productive, they can pay their workers more.

In the coming weeks, I am going to come here and show some of the tax cuts that were given to businesses after 2017, the vast majority of that actually went to wages. It was wage growth. When you raise those taxes, you have to accept you will flatten out wage growth over the coming decade.

This is one of our biggest frustrations right now because this has been phasing down 20 percent each year for 5 years.

What is depreciation? You bought that piece of equipment. The government gets what in tax receipts? If you depreciate it over 7 years, 5 years, you get to depreciate it off your taxes, right? If you depreciate it in 1 year, you get to depreciate it off your taxes. It is a timing effect.

The government still gets functionally the same taxes. The difference is when you have to do it over time.

You, the businessowner, had to find a way to finance that piece of equipment over those years until you got the tax benefit, and you could use that tax benefit.

That is one of the reasons productivity has become stale in America. It is because this isn't really a tax cut. I would argue it is timing.

There is also some really interesting economic data that the expensing and the research and development expensing may have represented almost half of the economic growth after the tax reform.

Think about that, because it created a productivity capital cycle. In a world right now where we are 7 years later after TCJA, the tax reform, where you now have AI, now you have robotics, other things, there is an argument that that productivity cycle by being able to invest in capital equipment could even be steeper, meaning your wages go up.

We actually passed a short-term, couple-year extension of this. We got it through the House. It was even bipartisan. It has been sitting in the Senate for months.

It shows you how perverse this thing is around here when even the things that grow the economy and grow your wages and functionally have almost no cost to tax receipts we can't even get through here.

Let's actually walk through what these tax provisions expiring mean to

the people of my community. Let's do some math.

Here is the first one. Sorry. Some of the phrasing over here is a little awkward. It should almost reverse. Expiring tax provisions in 2025.

Right now, per child, when you get the tax credit per child, that is about \$753. That is going away. Remember, it is getting cut in half, so you are going to lose that.

Let's do the next one. Expiring 2025 tax provisions. What does this mean to someone that lives in my Congressional District?

Before we do this, I think I need to have a moment of honesty. I represent a fairly prosperous district. I represent an incredibly well-educated district.

I represent Phoenix, Scottsdale, Fountain Hills, Carefree, Cave Creek, town of Paradise Valley, north central Phoenix.

If you live in my district, you likely have a college degree or you work your heart out. It is an aspirational district.

I have to accept I am going to have higher numbers than a lot of the other districts in the Southwest.

Think about this, just the income tax provision.

We are not talking about all the other credits that are expiring, just the income tax increase for the average family, and, typically, we model this as a family of four. Your taxes are going up \$2,541.

If you live in the Phoenix/Scottsdale Congressional District 1 in Arizona, are you ready for \$2,541? The punch line even gets uglier. That is just on the income tax portion, not the tax credit portion.

We added it up and figured out if we remove all the tax credits and everything else that are expiring in the 2025 year, here is our grand total.

The average tax increase in Arizona's Congressional District 1—once again, I need to admit mine may be almost double some districts around the United States because it is a more prosperous district—is \$5,921.

Congratulations. This is what is coming at you next year. Top this on the 26 percent inflation that has been in my community.

You are getting your head kicked in next year. Start thinking about that is what this election is just in prosperity, just in opportunity, just in your ability to save for your retirement.

Someone like myself, I have young kids. Don't laugh at me. My wife is the same age as I am. We are incredibly blessed, and we have done okay in life.

We freak out on just trying to figure out how we set aside money for my retirement and their education. This isn't going to help. This is the current law. This is what is coming at you. Understand what is at stake.

I need you to see here is almost \$400 billion just after the expirations in new taxes coming in, over \$4.2 trillion over the 10 years.

In the same time, I have a society that is getting older very fast. I have a

government that is basically buying love from what the Democrats did here in the first 2 years of the Biden administration where they bought and were subsidizing businesses and all those things to a couple trillion dollars.

You stack that on top of each other, and you start to understand: How do we do this? What do we have to do policy wise so your taxes do not go up?

You keep the economy growing, and you don't grow the debt anymore. You see the puzzle that I am throwing at you?

We are going to make an argument, and I have been doing this slowly on the floor, trying to roll out this concept.

If you are going to think about the tax cut expirations, if you are going to think about it as binary, just think, well, just extend them.

Well, that is about a \$400 billion hit on projected borrowing. Come over here. Do you raise corporate taxes, because C corporations, their tax cuts are locked into the code. Well, you just slowed down the economy.

How about we do some other things? Instead of making it sort of binary about the tax code, why not change government? Why not make government dramatically less expensive?

We have done multiple presentations. I am going to do more in the coming weeks on revolutions you could have by adopting technology to reduce the cost of healthcare.

In the Joint Economic Committee, our economists on the Republican side are going to issue a report in the next couple weeks.

I am probably going to get my head kicked in, but we are going to walk through a series of things you can do to dramatically reduce the cost of healthcare.

Be prepared to see a number. We are not done with the final vetting on it. These are the things that are uncomfortable to talk about.

If diabetes is 33 percent of all healthcare spend and 31 percent of all Medicare spend, we have a country where our brothers and sisters are dying. This may be the fifth year in a row where prime age males have a shorter life.

Maybe the solution here is not only looking at the tax code but changing government, adopting technology so that government is smaller, changing healthcare where healthcare becomes about being healthy and dramatically reducing its cost substantially by legalizing technology. Then think about the tax code in a much more productive way.

□ 1730

How do you design a tax code? Do we have to do base broadening? Do we have to lower certain rates? Do we have to spread it out so you maximize economic growth? It is sort of the old Laffer Curve concept, but I need you to think about it on a grand scale.

Instead of this just being binary about taxes, I want you to demand that

the Members of Congress think about this in a fashion of what policies are you willing to do to lower the cost of government, so we have the ability to extend these tax cuts without raising the debt and deficits. That is the great puzzle that is coming. You have got to decide when you go vote how your vote is going to manage that.

Let's actually talk through some things that are worrisome right now. You have these tax expirations already coming. It is the law. Remember how the Biden administration has been touting: Look at this great economy. We spent all this money. We bought prosperity. They basically bought corporate America by handing out cash. Let's be honest.

It turns out we got the math wrong. It turns out when you look at the Bureau of Labor Statistics, we got another revision. I think it was yesterday or the day before. Turns out that real GDP growth for Nowcast wasn't 3 percent. It is down to 1.8. We are seeing a crashing back to where our expectation was of 1.8, 1.7 GDP growth.

You have got to understand that when the debt grows dramatically faster than the growth of your economy, that ratio of debt to the size of the economy starts to spread and it makes buying U.S. debt riskier, meaning we have to pay a premium. The United States is now number 14 on the credit stack, meaning there are 13 countries that have better credit. When they go sell a 10-year bond, their bonds are sold cheaper than ours. Greece today has a better credit stack than the United States. Part of that is governance. Part of it is all the other things that go into how the Moody's and the S&P's and those do.

Understand, until we can also demonstrate to the bond markets—you ask: Why is he talking about the bond markets? I think we borrowed like \$57 billion last week.

There is some good news. Our estimate that we would borrow \$2.8 trillion this fiscal year may be down to \$2.5 trillion. That is still almost double what we were predicting a year ago or a year-and-a-half ago.

Now, when you see the size of the economy starting to flatten out, is anyone other than myself getting nervous?

Let's dive into this. I would suggest to anyone who wants to geek out with me, there is an app. Go grab your phone. The Atlanta Fed has something called GDPNow. Others have Nowcast. They all model it differently. One looks at expected; one looks at actual data.

This is from the Atlanta Fed. I want you to notice something. The Atlanta Fed was way up here at 4 percent. You had the White House and you had the Democrats saying: Keynesian economics works. You can buy prosperity by borrowing stunning amounts of money.

Boom. That number is falling off the cliff. It turns out, at a certain point, the sugar high of spending—this is just

because I care about this, even if no one wants to hear it.

There is sort of this allocation theory. This is one of the splits between Republicans and Democrats. Every once in a while, you will hear Democrats say: Well, they believe in supply side. Understand what that means. If you give someone a tax break, the benefits of that go to where it gets the highest yield, the most productivity.

If you engage in the arrogance of saying: We are really smart. We are going to choose businesses which we are going to invest in, so we are going to invest in this solar technology even though 3 weeks later there is another breakthrough that doesn't get financed. The arrogance—oh, by the way, because we hand out checks, these people become friends with us politically. They even show up at the White House for nice cocktail parties and fundraisers.

This is what the Democrats did. They had the arrogance of deciding who would get the money on their Inflation Reduction Act, the most Orwellian-named bill in modern history, to things like the CHIPS and Science Act. It was sort of a designation of where the cash goes.

If you wake up the next day and there is a technology breakthrough, with that allocation theory—if you had done some of those same dollars in tax reform, the money goes to where it maximizes productivity, wage growth, and it becomes part of the base of the economy where it is the new cornerstone of the next generation of economic growth. This one buys you lots of political power. This one actually buys you the morality of prosperity.

You are starting to see it. Mark my word, watch the data coming in on GDP and the size of the economy. I am not terrified yet. I am not that worried yet, but the fact of the matter is, when you start to see numbers predicting—we went from 4 to almost 1.8 in a matter of weeks. Something's wrong out there.

What happens to that debt and deficit when we roll over economically? What would happen if we hit even a short-term recession?

This is one of the other great frauds around here. In my time here, I have never seen revisions in the economic data like we have been seeing these last several months, revisions where you get this great headline and everybody applauds: Keynesian economics managed the economy. Industrial planning, it works, you see here.

Then they don't mention that 6 weeks later those numbers are being revised way down because you have got your political pop already.

Some of the revisions of the fourth-quarter wage and salaries, we had to revise down again another \$73 billion. Some of this is from sampling errors, actually some there were complications. This isn't a conspiracy. It just turns out the economy is different today than it was before the pandemic,

a number of people work at home, this and that, the way we sample. We have to modernize our data.

It turns out, this may explain why tax receipts aren't where the size of the economy should be. At the same time, we are trying to figure out the growth of the debt and deficits when we keep being told how great the economy is. Now that it starts to roll over on us, we start to understand.

Just a couple of other geeky things. Over the past four quarters, the total public debt has grown by more than twice the growth of GDP. This is a weird slide. Let me explain.

Do not get it in your head that you can borrow at the rate of the growth of your economy. It doesn't work that way. If the economy grew \$1, you only get about 17 to 18 cents in tax receipts. This is historic. When we have had high marginal tax rates or low marginal tax rates, the United States gets about 17 to 18 percent of the economy. The secret is to grow the economy, grow the economy, grow the economy.

What happens when you know you are only going to get about 17 to 18 percent of that GDP growth in tax receipts when the debt grows twice as fast as size of the economy?

You hear the discussions of what happens when you are at 100 percent of debt to GDP. Understand, the way the Europeans do their calculations, it is all debt. The United States, if you do our gross debt, the borrowing from our trust funds, which we have to pay interest on and we have to pay it back, we are over 120 percent of debt to GDP. In one calculation, we are at 140 percent of debt to GDP.

If you do just borrowing from the public, which subjects you to the bond market being in charge of your government, we are just shy of 100 percent of debt to GDP. This number tells you it is moving away from us fast.

A bit of trivia. Mr. PERRY, you want to play?

You can just yell from there. I know it is a break of decorum, but we will have some fun.

If I came to you and said: What is the second biggest spend in government, what is it? The second biggest spend this fiscal year?

Mr. PERRY said the military. He is a general. Of course he is going to say that.

Turns out it is interest.

Remember, it is unfair to use Social Security, because Social Security operates on its own trust fund. It has its own tax stream and trust fund. As we saw in the Social Security actuary report, in about 9 or 10 years, the trust fund is empty and everyone gets a 21 percent cut, depending on if the economy is good or maybe larger.

Now, they have interest at \$1.144 trillion this fiscal year. My math is a little higher. I come in just around \$1.2 trillion.

Defense and Medicare are moving back and forth between who gets to be number three and who gets to be number four.

My friend from Texas, tell me you like this number. Isn't this terrifying?

Mr. ROY. Will the gentleman yield? Just making the Parliamentarian happy.

Mr. SCHWEIKERT. Mr. Speaker, I yield to the gentleman from Texas (Mr. ROY) for the purposes of a colloquy.

Mr. ROY. Mr. Speaker, for everybody watching at home, Social Security is predominantly on autopilot, mandatory accounts.

Mr. SCHWEIKERT. Correct. You and I don't get to vote on it.

Mr. ROY. Interest is effectively on autopilot.

Mr. SCHWEIKERT. You pay your obligations.

Mr. ROY. You don't want to default.

Now, you put defense over here as discretionary, although there are some issues in there in terms of some social spending. Call that discretionary. You have got Medicare, which is effectively mandatory. What you don't have on that chart is that obviously Medicare is growing and exploding, correct?

Mr. SCHWEIKERT. Medicare spending, when I checked about 6 weeks ago, was already up 10 percent in spending this fiscal year.

Mr. ROY. Right, and it is going up in perpetuity.

Mr. SCHWEIKERT. Part of that is demographics.

Mr. ROY. We have got a bubble that is going to—

Mr. SCHWEIKERT. Yes.

Mr. ROY. Also not on there are significant other mandatory things. For example, we have veteran spending. We just voted on MILCON-VA. We have veteran spending based on burn pits and stuff that is about a \$500 million or \$600 million mandatory account.

We have what we do with food stamps on the farm bill and other things that we categorize as mandatory but are a little bit more discretionary.

My point is—and I don't want to take the gentleman's time; I will yield back—that you are putting up there stuff that we pretty much have to pay.

Mr. Speaker, I yield back to the gentleman from Arizona.

Mr. SCHWEIKERT. Mr. Speaker, the gentleman from Texas is my buddy. In some ways he is much more elegant with language. He has the misfortune of being a lawyer.

I show up at townhalls and things like that and they say it is defense spending. Then they don't believe you when you say, no, defense is either third or fourth. Actually, defense spending is what is in the Constitution.

We have to deal with the reality. This coming fiscal year, I calculate Social Security will be at \$1.480 trillion. The shortfall, just this fiscal year, is about \$340 billion in the Social Security tax that comes in and the spending is out the door. That is why you see them every month having to cash in their special Social Security Treasury bills. Let's just call it that.

Now, they get paid interest. Believe it or not, about 6 percent of the Social

Security budget is actually interest paid by the general fund. In some ways, over here we are borrowing money to pay back the interest on the borrowed money. You have got to see this weird washing machine that is going on.

Mr. ROY. Will the gentlemen yield for one quick question?

Mr. SCHWEIKERT. Mr. Speaker, I yield to the gentleman from Texas (Mr. ROY) for the purposes of a colloquy.

Mr. ROY. Do our revenues for this year, FY24, cover what is on that chart?

Mr. SCHWEIKERT. No.

Now, it is a little more complicated than that because Social Security is on the FICA side. Interest is general fund. Defense is general fund. Medicare is a little tricky, because it is about—I have a chart here I wasn't going to use. Most people think Medicare is off the FICA tax. Only about a third of it is. That is the Medicare part A. That is the hospital portion. The other part comes out of some fees, and then the majority of it is right out of the general fund.

Mr. ROY. Mr. Speaker, my main point for the average user is that the revenues we bring in from general taxes, corporate taxes, FICA taxes, the chart that the gentleman was just showing, does not cover even all of what the gentleman just put forward, much less the remainder of the government, the remainder of the Department of Justice, the Department of Homeland Security, the FBI.

□ 1745

Mr. SCHWEIKERT. You said this, and I actually stole it from you months ago, Mr. ROY. Every dime we as Members of Congress vote on is borrowed money.

Every dime we vote on is borrowed money, and if you actually sort of work it out on the annual, all defense is borrowed, all nondefense discretionary is borrowed, and about one-third of Medicare is on borrowed money.

Most people can't get their heads around the fact that everything we vote on is borrowed money, and over here, it is on autopilot.

I have been trying to make the moral argument of what is doable. I believe we could crash the price of healthcare. I believe we could dramatically shrink government.

We had a hearing on artificial intelligence over in the Senate with the Joint Economic Committee. We had a couple of experts saying: You realize you could get rid of all these employees and do all this stuff with crowdsourcing and this and that. You could revolutionize the size and cost of this government tomorrow if we would legalize the technology and use it.

You have to deal with the army of lobbyists and the army of people from bureaucracies who will knife us for just actually saying that.

Mr. ROY. I don't want to take up the gentleman's time, although I have time

on the back end, and we are happy to bleed them together, but I would just add to the gentleman's point.

We have to address the drivers that the gentleman comes down and talks about every week for the most part and comes down with regularity that get to the heart of those numbers.

We look at it like some monolithic amount that we can't address when, in fact, if you drive the price of healthcare down through the innovations the gentleman talks about, through cures, competition, and the things that we know we could do, you could massively reduce that Medicare burden, reduce interest, and deal with a lot of the expenses. Then, as we grow our economy, we get ourselves into a good place.

Does the gentleman agree?

Mr. SCHWEIKERT. The running joke in our office, and this is one of our tests for the interns—you are going to be tested on this later: What is your government? In one sentence, describe it. It is an insurance company with an army.

Mr. ROY. Correct.

Mr. SCHWEIKERT. It really is the vast majority of the money.

Now, it is earned benefits. You earned it. We just don't have the money for it. I am going to light myself on fire. I am going to go out of order.

Mr. PERRY. If the gentleman would yield?

Mr. SCHWEIKERT. The gentleman may want to leave before I do this chart because this chart really upsets people.

Mr. PERRY. I don't know if you talked about disability, where we have gotten the money for the increase in disability, how we are making up for that, what the growth of that number looks like, and what the plan for the future is.

Mr. SCHWEIKERT. It is more complicated, and I have to do about a half-hour presentation to talk about it because it is more than just the disability payments that are part of Social Security and SSI.

Mr. PERRY. Where do we get that money?

Mr. SCHWEIKERT. That is coming out of part of the FICA tax, but it is the labor force participation. When you create incentives in society not to be part of society, then you lose all sorts of things.

Let's do this slightly out of order. I was going to do this slide to talk about the scale of what you and I have to deal with.

What happens in society when you functionally finance people being sick?

Let's be brutal. We should do some fairly revolutionary things in the farm bill because we give people money to buy onion rings. I would say that is immoral when obesity is almost one-half of healthcare costs.

I have a slide that shows the Milken Institute study from a couple of years ago. It is 40 percent of all healthcare spending in the country. We are dying.

Then, we have this other issue that we are not having children. This last year, fertility rates in the United States collapsed to 1.62, meaning France has more children than we do.

You tell me how we finance things like Social Security, Medicare, and these things, which are pay-as-you-go. Today's taxpayers are sort of paying the benefits of today's retirees, which is the way it was designed because we always expect population stability.

In 15 years, this country has more deaths than births. We are having the fifth year in a row where prime-age males are dying younger. A child born today, particularly a male child born today, is estimated to have a shorter life expectancy than you and I.

There is something incredibly immoral happening, and I would say it is our own policies. We have incentivized leaving the workforce. We have financed unhealthy living. We do a number of things where we have indemnified being alive, healthy, and part of society.

It is immoral what we have done under policy, and most of the policies have been brought to us by that side. We make the sin of continuing it.

Here is the punch line. This punch line is really uncomfortable, and you may want to run away from me because I am an idiot willing to tell the truth.

The average family is going to get back Social Security money and about a \$72,000 spiff for the average couple, which is a crack rate of return. Most people don't realize that your Social Security payment is actually progressive. If you were at the lower end, you get a decent rate of return. If you are at the higher end, you actually get a substantially negative rate of return.

For every dollar you paid when you paid your FICA taxes for Medicare, we now calculate you get \$5 to \$6 back. This right here and the financing costs to that is the primary driver of U.S. debt.

I have been booed. I have had someone throw something at me. I have had a woman stand on her chair and scream at me that she wants every dime. It is fine. It is an earned benefit. You earned it.

My argument is that we need to think more like revolutionaries. Legalize the technology. Do the financing of the cures, the very things where we could crash the price of healthcare and have a healthier and more moral society, maybe with family formation, maybe where young working men aren't dying younger, maybe where obesity isn't killing off substantial portions of society.

It is moral, and I need us to think much more because complex problems, the terrible things, often require complex solutions, and I don't know if this place is capable of thinking of complexities.

Mr. ROY. Will the gentleman yield?

Mr. SCHWEIKERT. Madam Speaker, I yield to the gentleman from Texas.

Mr. ROY. Would the gentleman agree that the fundamental obstacle to achieving what the gentleman just outlined is that it has a lot of complexities in it?

Mr. SCHWEIKERT. Yes, but we have a plan. We have a plan.

Mr. ROY. We will go through committees, figure out the work. It is tough work. We will do it.

Would the gentleman agree the primary obstacle to that is, and I am going to use this term broadly, the buildup—the gentleman referenced K Street and the army of lobbyists—the sort of corporatization of all things that we do, meaning healthcare is driven predominantly by the massive corporations—pharmaceutical, hospitals, pharma. My life got saved by great innovation in pharmaceuticals when I had cancer. I am for it.

But the corporatization, the corporate cronyism, the extent you have these massive entities, including, by the way, those that are driving our food supply, all the regulations prohibiting small farms and small meatpacking plants to ship the stuff to have local produce and local foods so that you can eat healthy. It is the massive corporate interests that come here lobbying for benefits and tax breaks that, by the way, are going to be front and center among Republicans when everyone says that we must go back and put in place all the tax benefits, which some are good, as I was talking about earlier.

Does the gentleman agree that some of these are part of the problem?

Mr. SCHWEIKERT. This is probably going to be the first time you have ever heard this, CHIP. I don't think you are cynical enough. That is actually very funny for those of us who know CHIP.

We have actually created a motto in our office: Money, power, vanity, but most of the time, it is about the money.

I would argue that Congress has become substantially a protection racket. We protect incumbent bureaucracies and incumbent business models. When someone comes to us and says: Hey, I have this thing you can blow into and, boom, it will tell you that you have the flu, and it can bounce off your medical records and order your antivirals that Lyft can drop off in 2 hours. That technology exists. We will find a way to make that illegal. We will make it so you can't be reimbursed. It will be illegal for an algorithm to write a prescription—those sorts of things.

There is a revolution of technology around us where we can make our lives so much easier. You and your family can have more time, and we can crash the debt and deficit, and young people don't have to live poorer than their parents because that is what the math says.

This will be the first generation coming up right now that will be economically more disadvantaged than their parents. That is immoral, and we can

stop it, but we have to think disruptively.

Maybe I am a little bit of a utopian on some of this stuff. The Democrats, all their taxes, you get about 1.5 percent of GDP when you do economic effects. I have offered some pretty brutal amendments here, which are never going to pass, on cutting spending and nondefense discretionary. If you let me have everything, I can get 1 percent of nondefense discretionary, 2½ percent.

The runway rate this year, I think it is going to go down near the ending of the last quarter of this year, but we are burning 8, 9 percent of GDP in borrowing.

Here is my problem: If you are borrowing about 8 percent of GDP and everyone's proposal, because this is our campaign talking points, is down here, we have to revolutionize policy.

There is our problem because there will be an army of people in the hallways here really cranky at us because we are forcing them to compete, have a vibrant economy, and bring technology, disruption, and productivity to market.

It means they have to change their business models. The bureaucracies have to actually be, in many ways, replaced with technology.

Mr. PERRY. Will the gentleman yield?

Mr. SCHWEIKERT. Madam Speaker, I yield to the gentleman from Pennsylvania.

Mr. PERRY. Are you talking about, to be clear, crashing the cost of healthcare?

Mr. SCHWEIKERT. And government.

Mr. PERRY. You are talking about bringing down substantially, almost cataclysmically—

Mr. SCHWEIKERT. No, no, no. Don't use a word like that. Just morally. Morally.

Mr. PERRY. That is fine, but substantially, the magnitude. That money is going somewhere right now.

Mr. SCHWEIKERT. Yes.

Mr. PERRY. Wherever that is going, those folks want that money.

Mr. SCHWEIKERT. Of course. How much of that is on borrowed money right now?

Mr. PERRY. It is all borrowed money.

So who is going to be unhappy if we do that?

Mr. SCHWEIKERT. Oddly enough, I get this crazy thing where I will get business models that are built on today's way of healthcare reimbursement, which need sick people to exist. They will come in and say: Okay, I am wearing two hats. For my business, I need to stop you, SCHWEIKERT.

It is like the fights we had here on telehealth and digital medicine, those things. They fought like crazy to stop that, and then, in the next sentence as they are walking out the door, they are saying: But we want it for our family. We want the technology. We want the time. We want to be healthier. We want this.

That is actually why I am hoping at some point the morality of what people would want for themselves and their families, they will see actually it is good business, moral, and really important for the future survival of this Republic.

Mr. PERRY. I am not going to hold my breath.

Mr. SCHWEIKERT. You have to keep trying. My argument is that there is a path.

Madam Speaker, I appreciate you tolerating us, but there is a path where you can make this math work. The problem is it is going to be hard. There are going to be people who are upset because you are making them rethink how they do their business. You are going to make bureaucrats either rebuild their bureaucratic model or actually go find a job in the private sector, but we don't have a choice.

Be prepared. There is a way to save us. One of our economists has played some math games, and the theory is depending on where interest rates are at, because functionally the bond market is getting close to running this country, depending on where interest rates are, you may have 3, 5 years, could be longer, where a movement in the bond market starts to consume all your variability.

At that point, it is almost too late to do major policy. At that point, you are doing policy to pacify those whom you are trying to sell your debt to.

□ 1800

Mr. SCHWEIKERT. This election you just saw, you have the prosperity of your family and the tax code, but you have an opportunity to use that stressor.

Mr. ROY, this is actually where my punch line at the end was going to be: Are we nimble enough to use the stressor of the expiring tax provisions to get us to think about things we could do to change the cost of government because it is like the debt ceiling around here and other things? Without those and without a stressor on this place, this place will not do anything that is hard.

Let's think creatively. Let's do quality math. Let's be hopeful, but let's demand that the public understand the scale of the problem and that there is hope. It just is that hope isn't perpetual. We may only have a few more years, and then the revolution is too late to be able to make the difference.

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

CRISIS AT THE BORDER

The SPEAKER pro tempore. Under the Speaker's announced policy of January 9, 2023, the Chair recognizes the gentleman from Texas (Mr. ROY) for 30 minutes.

Mr. ROY. Madam Speaker, I thank the gentleman from Arizona (Mr. SCHWEIKERT), my colleague and friend, for his steadfast dedication to ensuring