as other things. That is all right with private money. Their parents took the private voucher money, they decided to send them, and that is quite all right. Parents have that right. We do not get into a debate about church and school.

I would say to those who want to push vouchers, why not let the private sector raise the money for the vouchers and demonstrate the utility of vouchers in solving problems, if that is the case. If we are going to launch a voucher program to demonstrate that it can help solve the problem, then let us use private sector initiatives and private sector money for vouchers.

Let us return to charter schools as another clear way to offer an alternative to traditional public school education. Charter schools can offer competition. Charter schools can develop innovations that might be replicated in the public schools. Charter schools can offer a great deal.

In New York City, we have something else called the alternative public schools. Alternative public schools fall in between charter schools and traditional schools. Alternative public schools are basically run and controlled by the central board of education, but they allow a great deal of leeway and latitude in the local group that wants to operate that alternative school. That is another possibility.

Of course, as I said before, we cannot let up on the process of hammering away at the big school systems in our big cities. They are going to be the system that provides most of the education for inner-city children for a long time to come. We cannot let them off the hook with governance, management.

The scandal in Washington, DC, that a command and control system, a centralized system, has allowed to happen should not be allowed to happen again. We should keep a vigilant watch on all of our school systems, but most of all, the Federal Government should send a message across America that where it hurts most, or where we can be most helpful, in the area of school construction in 1998, we are going to come together and make that the backbone of the effort to improve education in America, the Federal aid effort to improve education in America. Construction comes first.

UPCOMING TOPICS OF CONCERN FOR THE U.S. HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore (Mr. COOKSEY). Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 30 minutes as the designee of the majority leader.

Mr. NEUMANN. Mr. Speaker, we are nearing the end of our session. I rise today to talk about a couple of topics that are still pending out here, and that will be dealt with in the upcoming session next year. I thought we ought to kind of summarize a little bit about them before we close out the year. A lot of us here are hoping next week is the last week we are out here.

There have been a lot of accomplishments. I am going to spend some time talking about those accomplishments, and how far we have come, and I am going to conclude with a little discussion about where we might go to, and what our hopes and dreams are as we move.

There are a couple of issues pending. I am going to start with one that is current and that we may also have some discussions on in the next week. That is national tests. We are hearing a lot about this idea that Washington somehow is prepared to develop this national test to test our students to see whether or not they get the education that Washington thinks they should get.

I want to bring this up to discuss a little bit, because as a former teacher I was actively involved in developing tests, but it was not a national test, it was a local test. When I was teaching math, I used to go to some of the folks in town. They would say some of my kids did not know, and I call them my kids because we really got pretty close in our classroom, some of my kids did not know what they expected them to know on math, how to balance a checkbook, count change, some of the elementary things. I said, yes, they do. They graduated from my math class, so therefore my kids know this stuff.

People uptown said, no, they don't. We took a survey of the people uptown, and we found out what it was that our people in Milton, WI, thought our Milton High School graduates should know, and then we developed a test to see whether or not our Milton High School students knew what the people uptown expected them to know when they graduated from high school.

Is this not how it should be done, the local community, the parents, teachers, school board, working together to decide what it is that the students in Milton, WI, should know, or in the local communities should know?

□ 1430

That is how the test should be developed. The concept of Washington, DC, deciding what the students in Milton, WI, should know, instead of the parents and the teachers in the community, is just the wrong concept. That is one of the issues we still have pending before us out here during this session, and it may be dealt with before we adjourn for the year, but possibly will be put off until next year.

There is another one that we have had a vote on and it is actually one of the most difficult discussions that we have to have, and I cannot believe that we have discussions on this topic in America, and that is on partial-birth abortion.

One of the things that happened in 1997 is that the House of Representatives passed a bill that said there will be no more partial-birth abortions in America except when the life of the mother is at stake. The Senate passed the same bill. It was sent to the President and it was vetoed.

Mr. Speaker, I think it is very important that we understand what a partial-birth abortion is, and I think this practice, hopefully, can be eliminated in the next session in 1998. But if not, the people that are preventing it from being eliminated should simply be replaced in the upcoming election cycle.

In a partial-birth abortion, a doctor literally reaches into the womb of a pregnant woman, grabs the ankle of the baby, and literally pulls the arms and legs of that baby out of the womb. At the last second, just before the baby's head is delivered, the doctor sticks a scissors in the back of the head and kills the baby.

It is interesting when I talk about this, people have a tendency to tune out. It is like they do not want to talk about that. We cannot even discuss that in America. And they are right; we should not be discussing this in America.

How can any citizen of our great Nation possibly justify a nearly born baby having a scissors stuck in the back of its head and being killed? This is something that is so outrageous. What amazes me most about this discussion is not that it is very difficult to discuss, because it is very difficult for me to discuss, but what is amazing is that when I do discuss it, people call me radical. They call me radical because I do not think that when a baby's arms and legs are literally delivered and moving that it makes sense in our great Nation to stick a scissors in the back of that baby's head and kill the baby. It is outrageous.

The status of this bill, it was sent to the President after passing both the House and the Senate. I am happy to say that the Wisconsin delegation from the House of Representatives, that all of our delegates, Republican and Democrats, pro-choice and pro-life, all of the people from the great State of Wisconsin voted to end this practice in the House of Representatives.

The bill was sent to the President. The bill was vetoed, and we would expect in 1998 that bill will be brought back to the House of Representatives and in the House of Representatives we will override the President's veto, because this practice is so outrageous and so wrong in this great Nation.

I hear when I talk about this to our constituents, ''Mark, you have no business talking about it. That is not government's role to talk about this sort of thing. It should be up to the doctor and it should be up to the mother.'' Mr. Speaker, I will tell my colleagues that when I took my oath of office, I swore to uphold the Constitution of the United States of America. The Constitution of our great land guarantees life, liberty and the pursuit of happiness. It does not guarantee life, liberty, and the pursuit of happiness to all those

who vote, but it guarantees life, liberty, and the pursuit of happiness to all American citizens.

Mr. Speaker, it seems to me that when a child reaches the point when its arms and legs are literally moving around, that that child is guaranteed protection under our Constitution just like any other American citizen and, doggone it, it is time we talk about this and keep talking about it until the problem itself disappears because we have outlawed the practice of partial-birth or live-birth abortion in America.

Mr. Speaker, I am optimistic that in 1998 we will see at least the House of Representatives overturn the President's veto of a ban on partial-birth abortions, and I would hope that the Senators that have voted against it and have not provided the necessary votes will see the light and will come around to vote to override the President's veto in 1998. And, hopefully, in 1998, for once and for all, we can ban partial-birth abortions or live-birth abortions in the United States of America.

There are some other topics that have been pushed to the back burner, and I would like to start with one that directly affects our senior citizens, it affects them dramatically, and that is Social Security. I think it is important as we begin this Social Security discussion to understand exactly what is happening.

Mr. Speaker, in 1983 when the Social Security trust fund was near bankruptcy they, quote, ''fixed'' the Social Security system. What they did is started collecting more money out of the paychecks of working families and workers all across America. They collected more money than what they paid back out to the senior citizens in benefits. In 1996 alone, they collected $418 billion in taxes out of the paychecks of workers across America and they only spent $353 billion. They only send out $353 billion to our seniors in checks.

To most folks, this would seem like it is working pretty good. They collected $418 billion and only sent out $353 billion. The idea is this: By collecting that extra $65 billion, they would put it into a savings account and when the baby boom generation gets to retirement and there is too much money going out and not enough coming in, we will go to the savings account and get the money and make good on the checks. The idea is if we collect $418 billion in 1996 and we only spend $353 billion, that will leave $65 billion to put into the savings account to make sure that Social Security is safe for our senior citizens.

Well, unfortunately, that is not what is going on in Washington. This comes as no big surprise to anybody who follows Washington closely. Here is what Washington does with the Social Security money. They collect all $418 billion and then they put it in the big Government checkbook, the general fund. They then spend all the money out of the general fund. As a matter of fact, they overdraw the general fund. That is called the deficit.

They take the $65 billion extra they collected, put it in the general fund, spend all the money out of the general fund. As a matter of fact, they overdraw that checkbook so there is no money left and at the end of the year they simply put an IOU, an accounting entry, down here in the Social Security trust fund.

So the fact of the matter is that this extra money that is being collected that is supposed to preserve and protect Social Security is not being put away the way it is supposed to be. In fact, all that is in there is in nonnegotiable Treasury bonds, generally referred to as IOU's.

Mr. Speaker, this practice is wrong. We in our office introduced legislation, and forgive me if this does not seem like Einstein legislation; it is not. It simply says that the money that comes in for Social Security goes directly into the Social Security trust fund. It does not go into the general fund. It goes directly into the Social Security fund.

What does that mean? It means that $65 billion that they collected more than what they paid back out to our senior citizens in benefits would actually go into that savings account the way it is supposed to be. Let me suggest the way it happens if this bill is passed. It is a pending bill. We have 100 cosponsors, Democrats and Republicans have cosponsored this bill.

Mr. Speaker, if this bill is passed, Social Security is solvent all the way to at least the year 2029 and maybe significantly beyond that. If this bill is not passed and we continue to spend the Social Security money that is coming in, rather than put it aside the way it is supposed to be set aside, then Social Security is in trouble not later than the year 2012. So let me say that once more. If the Social Security Preservation Act is passed, Social Security is solvent for our senior citizens for the foreseeable future. If it is not passed and we continue the practice of taking the $65 billion, putting it in the general fund and spending it, if that practice continues, Social Security is in serious trouble not later than the year 2012.

So when we look at issues that need to be addressed in 1998 and 1999, this is certainly one of the key issues. It is important that folks understand Washington's definition of a balanced budget and what a balanced budget means as it relates to Social Security.

Remember, the Social Security trust fund collected $65 billion and put it in their checkbook. So when Washington says their checkbook is balanced, what they actually mean is they took this $65 billion, put it in the checkbook, spent all the money out of the checkbook, but the checkbook was not overdrawn and that is a balanced checkbook.

So my colleagues can see, even after we reach a balanced budget, and we should not downplay that, the budget has not been balanced, even by Washington definition, since 1969. That is a monumental accomplishment, and it appears that we are going to get that done in 1998, 4 years ahead of schedule. But even when we get that done, they are still using the Social Security trust fund money to make it look balanced.

Here is another way of looking at that same picture. When Washington reports the deficit to the American people, they actually report this blue area. So in 1996, when they reported a deficit of $107 billion, what Washington actually meant is the checkbook was overdrawn by $107 billion, but in addition to that, they spent the $65 billion that came in extra for Social Security.

So when Washington says it is going to balance the budget, it is very important people understand what they really mean is this blue area is going to go away, but they are still going to be spending the Social Security trust fund money. It is very, very important that we do not downplay the accomplishments, because getting to a balanced budget is important. And it is obvious that we have to get to a balanced budget before we can stop spending Social Security money. But it is also important that we understand that once we reach a balanced budget, our job is not done.

Mr. Speaker, we have no business spending the Social Security trust fund money and anybody who supports spending that money on other Washington programs instead of setting it aside ought to be unelected in the next election. It is that simple and straightforward.

Having said that, I think it is important that we look at some other solutions to these problems, look at how far we have come. It is clear we still have a long way to go, but we have made significant accomplishments during this year.

In order to understand how far we have come, I think it is important to note where we started back in 1995. When I left the private sector to run for office it was because I had looked at this chart and I had watched this debt that faces the United States of America and I had just watched it grow. That Social Security money, those IOU's, they are part of that growing debt facing this Nation. As a matter of fact, as we look at this chart, we can see from 1960 to 1980, the debt grew a very small amount. But from 1984 it grew off the map.

By the way, Mr. Speaker, I know all the Democrats say, ''Yeah, that's the year that Ronald Reagan got elected,'' and the Republicans are going to say, ''Yeah, the Democrats spent out of control.'' The fact of the matter is it does not matter if we are a Democrat or a Republican. The bottom line is that our Nation is this far in debt and we better do something about it.

Mr. Speaker, this is what we came into office facing in 1995. This is the problem that brought many of us out

of the private sector, myself included, having never held a public office before. It is this picture that brought us out of the private sector and it is an understanding that this problem needed to be solved if we have hope that we are going to have a future for our children in this great Nation that we live in.

How far in debt are we? Well, it is $5.3 trillion as of today; $5.3 trillion translates into $20,000 for every man, woman, and child in the United States of America. If we take that $5.3 trillion and divide by the number of people in the country, it is 20,000 bucks for every man, woman and child in America today. That is how much money our Government has borrowed.

For a family of five like mine, which is where the problem comes in, for a family of five, the U.S. Government has literally borrowed $100,000, most of it over the last 20 years. The kicker to this whole thing is down here. A lot of my constituents go, ''So what? Does it really matter or doesn't it?'' Well, yes, Mr. Speaker, it matters. It matters because every month a family of five like mine needs to send $580 a month, every month, to Washington to do nothing but pay the interest on the Federal debt, $580 a month for an average family of five to do nothing but pay the interest on the Federal debt.

Then my constituents go, ''Well, that is not me. I don't make that much money, so I'm not sending $580 a month to Washington.'' But, Mr. Speaker, they forget to take into account that if we do something as simple as walk in a store and buy a loaf of bread, the store owner makes a small profit on that loaf of bread. And when the store owner makes a profit on that bread, part of that profit gets sent to Washington. When we add up all the taxes on groceries or gasoline or whatever, an average family of five is, in fact, spending $580 a month to do nothing but pay interest on that Federal debt.

Mr. Speaker, I think it is important we talk about how we got to that number. What in the world went on in this country that we ran up a debt that the people here in Washington decided it was appropriate to spend $100,000 on behalf of my family of five and every other group of five like it across America? What is going on out there? Did they try to solve it? What led us to this point?

Mr. Speaker, I think this chart says a lot about it. And I could show any one of a number. I have got the Gramm-Rudman-Hollings bill of 1987, but there was a Gramm-Rudman-Hollings bill of 1995 and another one in 1987. There was a 1990 deal, a 1993 deal, but they all had the same basic elements to them. They all said, yes, we had not ought to be spending our children's money. We are going to balance the budget in five years out or whatever, but they all said we are going to balance the budget.

As a matter of fact, this blue line shows how they were going do balance the budget by 1993. The red line shows what actually happened, because every time Washington set about controlling Washington spending to balance the budget, they broke their promises to the American people. I could put any one of a number up here, but they all look the same.

There is a blue line that shows how they were going to balance the budget, and then there is a red line on top that shows how they failed to do what they said they were going to do for the American people. So we got out here to 1993, after failing in 1985 and 1987 and 1990 and again in 1993. We get out here to 1993, and we are looking at this problem and Washington decided that there was only one thing left to do.

□ 1445

We cannot control Washington spending. There are too many important things that Washington wants to spend money on. So what we are going to do is take more money away from the working people, get it out here to Washington so Washington can decide how to spend that money because, after all, Washington knows best how to spend the people's money.

So in 1993, they passed the biggest tax increase in history. The idea was if we got more money out of the pockets of the people that somehow that would lead us to a balanced budget. That is what led to the revolt in this great Nation. That is what led to the turnover of Congress in 1994. The people said, enough of this stuff. We have had it with the broken promises. We have had it with raising our taxes. That is not what we want. We do not want Washington deciding how to spend our money. We want Washington to let us keep our own money so that we can make decisions on how to spend it because we know best how to spend our own money.

This picture is what led to the turnover in 1994. It was the fact that they could not get to a balanced budget, coupled with the tax increase that led to the 1994 revolt, if you like, amongst the American people that sent a change in control of Congress. We are now 3 years into this thing. This is kind of the background.

We laid out a plan to balance the budget. We said we wanted to reduce taxes. We made a bunch of promises when we got here in 1995, too. I think the American people ought to be asking, what has happened in the last 3 years? How are you doing? Are you any different than the group that was there before you?

I brought a chart to show our promises. In 1995, when we got here, we laid out a plan to balance the budget, too. We were realistic and we said, we will get there by the year 2002. We are now 3 years into that plan to balance the Federal budget, but notice where the red line is. For the first time the red line is not out of whack. We have not only hit our targets, but we are significantly ahead of schedule. We will have the first balanced budget in fiscal year 1998. The first time since 1969, we are going to see a balanced Federal budget 4 years ahead of promise. This is significant.

At the same time we balanced the budget we lowered taxes for the first time in 16 years and, if time permits later on, I would like to go through some of those. They are heavily oriented toward education and toward families: $400 per child; grandparents can start putting $500 per child away in an education savings account; college students, $1,500 freshman and sophomore year tax credit; that is, you figure out your taxes and subtract $1,500 off the bottom line; juniors and seniors in college continuing education; young couples where one has gone back to school, it is 20 percent of the college tuition credit; capital gains lowered from 28 percent to 20; for those that were in the 15-percent bracket earning less than 40,000 a year, lowered from 15 down to 10; no more tax when you sell your personal residence if you have lived there for 2 years. The list goes on and on.

Encouragement for savings for retirement even if you are in a 401(k). You can now join a Roth IRA and put $2,000 a year away. When you take the money out at retirement, you pay no taxes on the accumulated money.

The bottom line is, this picture is very important. It is very, very different than this picture where the promises were made, but they were not kept. Promises were made and they are being kept. We are not only on track to getting to a balanced budget, but we are significantly ahead of schedule. I show charts like these out at town hall meetings. The people say, MARK, the economy is so good, you guys are taking credit for that good economy. If the economy were not that good, of course, you would not be doing these things. Partly that is true. The economy is doing very well. That is part of why this picture is true. But the reality is, we have had good economies between 1969 and today many times.

Every time the economy has been good in the past, Washington saw that extra revenue coming in and they spent it. This Congress is different. The economy is good, but instead of spending the extra revenue, we are getting to a balanced budget ahead of schedule.

I think this perhaps is the most significant picture that I can possibly show in terms of describing how different Washington is. The economy has been strong. There has been over $100 billion a year in revenue coming in above expectations. In the face of that, this Congress looked at spending. It was growing at 5.2 percent before we got here.

This column shows how fast Washington spending was increasing before we got here in 1995. We, in the face of that strong economy and extra revenue coming in, we slowed the growth rate of Washington spending by 40 percent

in 2 years. The growth rate of Washington spending now is down to 3.2 percent. Would I like it to be lower? Yes. But the reality is, we have slowed the growth of Washington spending by 40 percent in 2 years in the face of a very strong economy.

I challenge anyone, any of my colleagues anywhere in America to find a Congress before us that had an extra $100 billion above expected revenue coming in and have that, find a Congress that spent less money than they said they were going to spend and slowed the growth rate of Washington spending in the face of that strong economy. It has not happened in our history. This is new. It is different. It is the reason that we are able to both balance the budget and lower taxes at the same time.

In fact, in real dollars, Washington was growing at 1.8 percent annually before we got here. It is now growing at .6 percent. The real growth has been slowed by two-thirds. Do we still have a ways to go? Should we slow that to zero? We do not need a bigger Washington. Washington could do less. Sure, we would like to go further, but I do not think we should look past the fact that in 2 short years we have slowed the real growth of Washington spending by two-thirds in 2 short years.

This is what has led to this point where we have our first balanced budget since 1969 and we have a tax cut package at the same time. Are we finished? Absolutely not. When we started this discussion today about Social Security and how when we talk about a balanced budget that Social Security money is still being spent, we have a long ways to go.

We need to pass the Social Security Preservation Act, which is the act that stops Washington from spending that money. We are not going to quit here. We are not going to quit with this. The other thing that we hear out at our town hall meetings is, this would have happened even if you guys were not there. No matter what you did, this would have happened.

I brought a chart with me to show exactly what would have happened if we had played golf and basketball and tennis instead of doing our job. Almost no one in America can forget the first year that we were in office, 1995. There were all sorts of things going on. It was just short of bullets out here. There was misinformation on Medicare attacks. There were school lunch attacks that were full of misinformation. There was just short of a war in this country. Government shutdowns, you name it.

The reason those things were going on is because if we had done nothing, this red line shows where the deficit was going. It was headed to $350 billion if nothing was done. Remember, that is instead of balancing the budget, even with the Social Security money on top of this, it was going to be a $350 billion deficit. The yellow line shows how far we got in our first year. The green line shows our hopes and dreams, that we were actually going to be able to balance the budget by 2002. And the blue line shows what is actually happening, how far ahead of schedule we are. We are winning a monumental battle for the future of this great Nation. We are winning a battle that is going to allow our children to have hope in this great Nation that we live in.

This is not the end. Again, I think it is very important that we understand that when we reach a balanced budget, we still have problems in this great Nation. We still have a $5.3 trillion debt staring us in the face. We still have the Social Security trust fund money being spent on other Washington programs. The battle is not over when we reach a balanced budget.

I have with me a chart showing what we suggest that we do next. This is really the future. We bring us to a balanced budget. We start the process of lowering taxes. We restore Medicare for our senior citizens.

This is next. It is called the National Debt Repayment Act. What it says is this. Once we reach a balanced budget, we slow the growth rate of Washington spending. We cap it at a rate at least 1 percent slower than the rate of revenue growth. This picture shows what will happen if we do that.

This is the point we reach balance. The red line shows spending growth in Washington and I would like to see it slower. That is just for the record. But it shows that if spending is going up at a rate 1 percent slower than the blue line, the rate of revenue growth, if spending is just controlled, that it goes up 1 little percent slower than the rate of revenue growth, it creates this area in between here called the surplus.

With the surplus under this bill we do two things. We take one-third of that surplus and dedicate it to additional tax cuts, and we take two-thirds and put our great Nation on a home mortgage type repayment plan. The two-thirds of this surplus literally starts making payments on the Federal debt, much like you would make payments on a home loan.

As a matter of fact, if this plan is followed, by the year 2026, the entire Federal debt would be repaid and the legacy we would leave our children would be a debt-free Nation instead of a Nation so overburdened with debt that they have to look forward to sending $580 a month to Washington when they have their families.

The opportunity here to pay off the Federal debt is so great and so monumental that we need to move rapidly in this direction. As we reach the balanced budget, this needs to be the next step that we put the Nation on, a debt repayment plan.

One other thing, as we repay the Federal debt, the money that has been taken out of the Social Security trust fund that I spent time talking about, that money that has been taken out of the Social Security trust fund, those IOU's, as we are paying off the Federal debt, that money is returned to the Social Security trust fund and Social Security once again becomes solvent for our senior citizens. The tax cuts, I think it is important we realize another piece of legislation that is being introduced, part of my dream for the future of this country, that we abolish the IRS Tax Code as we know it today.

The legislation has been introduced to abolish the IRS Tax Code as we know it today in the year 2001 so that we can replace it with a simpler, fairer, easier-to-understand Tax Code.

How does that relate to the National Debt Repayment Act? As we are providing tax cuts each year, it gives us the opportunity to facilitate that move to a simpler, fairer tax system. So think about this for our dream and our vision for the future of America. First, we do not do what they did in the past anymore. No more broken promises of a balanced budget. No more tax increases. We continue on the path that we are currently on.

We reach our balanced budget, first time since 1969. We lower taxes for the first time in 16 years, and we restore Medicare for our senior citizens. That is the present.

Here is our dream for the future. Our dream for the future is that we put our Nation on a debt repayment plan much like a home mortgage repayment plan. As we are on that plan to pay off the Federal debt, as we are on that plan, we put the money back into the Social Security trust fund that has been taken out so our seniors can rest assured that Social Security is safe and secure. We lower taxes each and every year by utilizing one-third of that surplus for additional tax cuts. We replace the IRS Tax Code with a system that is easier, simpler, much fairer, something the American people can understand. And the most important part of this dream, the most important part of this vision for the future of our country is that we, in our generation, can leave our children a legacy of a debt-free Nation, a legacy where they can once again look forward to having the opportunity to live a life that is as good or better than ours, the opportunity to have a job right here at home in America.

That is what this dream is about. It is about balancing the budget, paying off the Federal debt, restoring the Social Security trust fund for our senior citizens, lowering taxes and, most important of all, providing the children of this Nation and our grandchildren with a debt-free country so they can have, once again, the hope and the dream of living here in this great Nation and having the opportunity of a better life, much as we have had during our generation.

INTRODUCTION OF H.R. 2786

The SPEAKER pro tempore (Mr. COOKSEY). Under the Speaker's announced policy of January 7, 1997, the gentleman from Pennsylvania [Mr.