Mr. NEUMANN. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from Wisconsin.

Mr. NEUMANN. My only fear listening to this, most of what you said I agree with wholeheartedly, as you well know, is that this becomes very partisan, and Social Security is too important to become partisan. Many of us Republicans also feel that it is inappropriate to use Social Security money for tax cuts, and I think it is important rather than get into a partisan bickering situation that we, you know, instead of me taking the next hour and coming back and bashing Democrats, this is not about Democrats and Republicans, it is about what is happening in Social Security in our country.

Many of us on our side of the aisle feel that it is inappropriate to use Social Security money. We support tax cuts, and I suspect that if we ask you if we could lower taxes by reducing wasteful government spending or by utilizing a portion of the surpluses from the general fund, not Social Security, as we are also paying down the debt, that that probably might be something that we on both sides of the aisle might find to be acceptable. Many of the Republicans do feel very strongly, as you are suggesting here tonight, that it is inappropriate to use Social Security surpluses for tax cuts, and I think you will see that unfold.

Mr. PALLONE. No, I appreciate the gentleman.

If I could just reclaim my time briefly?

I wanted to make it clear, emphatically clear, that this proposal that is before the Committee on Ways and Means is essentially coming from the Republican leadership, and I know that there are many Republicans, and I heard you speak this morning on this subject, that share the viewpoint that we have been expressing here that we should not have this tax cut until the Social Security money is paid back and until and that the really is not a surplus.

So I appreciate your comments.

I yield to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. I do not want to leave tonight leaving the impression that we are against tax cuts per se. I mean we are for responsible tax cuts that could be offset within the Federal budget. That seems to be a more fiscally responsible way of doing it.

Tax cuts are great. I am a believer in providing tax relief in this country so long as we can pay for it and find some offsets in some other areas in the budget in order to pay for it so that we have some fiscal honesty as we move forward here on up, and I appreciate my friend's remarks from Wisconsin and the position he has taken in regards to the Social Security Trust Fund as well, and it should not be a partisan issue. It really should not, and hopefully it will not be because when you take on Social Security, both parties are going to need to lock arms together on this if we are going to have any progress and do right by the American people, and that is an extremely important point, and I appreciate my friend's comments in that regard.

Mr. PALLONE. I honestly believe, and I will say this now, that I think that the opportunity does exist over the next few days to get a number of our Republican colleagues to join us on this and to defeat this effort to try to spend the alleged surplus. But of course I have to say that it is true that the idea is coming from the Republican leadership, and that is why so many of us on the Democratic side are speaking out against it.

Mr. NEUMANN. If the gentleman would yield, I would hope that we would also lock arms to prevent additional spending in the same way we are talking about the tax cuts here because, as I understand it, we also have a proposal coming at us to do what is called emergency spending, and emergency spending means effectively we are going outside the spending caps and just starting new programs.

So I would hope that we are equally committed to controlling emergency or spending beyond the caps so that if we do have true emergencies out there, as I know exists in some areas of the ag in particular, the ag industry, I would hope that we would find other programs that are less important that we eliminate so that we can pay for or reprioritize the dollars to these other programs rather than just going and spending more money because that new spending also is Social Security money. If we just go and spend more money, that comes out of Social Security too.

So I hope we have the equal commitment here to both hold the line on spending and hold the line on using Social Security money for tax cuts.

Mr. PALLONE. I appreciate the gentleman's comments, and if I could say, and out of no disrespect, that we are going to yield back the balance of our time and you can start your hour so we can go home.

SOCIAL SECURITY AND DISBELIEF OF POLLS ON TV SAYING 60% OF THE AMERICAN PEOPLE SUPPORT THE PRESIDENT

The SPEAKER pro tempore (Mr. COOK). Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin (Mr. NEUMANN) is recognized for 60 minutes as the designee of the majority leader.

Mr. NEUMANN. Mr. Speaker, I do want to continue the conversation that is started down here on the floor tonight, and I want to talk specifically about Social Security, and I want to talk about both sides' commitment to Social Security, but before I do there is something that has bothered me a lot during the last few days here as the Clinton situation is unfolding, and that is I keep seeing these polls on TV that 60 percent of the people support the President. And I frankly cannot quite figure that out because I have read the information, and I just honestly do not believe that 60 percent of the American people find what HAS happened here to be acceptable.

So in our own office we did some counting today, and we have had 1500 contacts to our office either over the phone or E-mail or letters in a short four-day period of time. This is the largest number of contacts we have ever had in our office for any issue. The calls are 82 percent to ask for the President to resign or that he should be impeached. The calls are right now 1294 suggesting that we ask for his resignation or call for his impeachment and 281 that basically say get off his back and forget about it and get on with stuff.

So wherever those polls are coming from, I would like the American people and I would like my colleagues to know what is going on in my office. In my office it is about 8 and a half to 1 against the President at this point.

And when I found these numbers this afternoon, I started asking some of my friends what exactly is the situation in your office, and I am just bringing you back factual information. Every single one I talked to had the same sorts of numbers in their office as what we have in ours.

So I frankly do not understand where the poll numbers are coming from. I know there is a lot of people that feel both ways in this issue out there in America, and I know my colleagues feel differently depending on where you are at on this particular issue. But I do think it is important that we report back some of the things that are happening in our congressional offices and what we are hearing at the grass roots level from our constituents.

So I thought it would be important that we at least start with that particular piece of information, and, going on from there, I would like to ask all my colleagues a question tonight, and I think it puts this whole Social Security discussion into perspective.

If President Clinton had testified truthfully 90 percent of the time, so 90 percent of everything he said was absolutely true, would that make his testimony under oath okay and acceptable?

And I suspect that most of my colleagues would answer that question: No. If he testified 90 percent of the time truthfully and 10 percent of the time untruthfully, that would not be acceptable.

Now what does that have to do with Social Security?

We currently have a plan out here called a 90 10 plan where 90 percent of the Social Security money coming in, over and above what we are paying back out to seniors—

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. COOK). The gentleman will suspend. As the Chair reiterated on September 10, 1998, Members engaging in debate must

abstain from language that is personally offensive toward the President, including references to various types of unethical behavior.

Mr. NEUMANN. My apologies, Mr. Speaker, but back to the Social Security issue:

If we have 90 percent of the money that is coming in for Social Security over and above what we are paying back out to seniors in benefits and 90 percent of that money is set aside and 10 percent is used for tax cuts because that is the proposal out here; this proposal is not that they take 10 percent of the tax cut money out of Social Security, they are taking all of the tax cut money out of Social Security, and the question would be: Would they find that acceptable? And I suspect the answer to that question is the same as it was to the previous question.

So I kind of start there with an understanding that in my mind at least the money that is coming in from Social Security over and above the money that is going back out to seniors in benefits ought to actually be set aside for Social Security the way any business would be required to set aside their pension money. It seems to me that any business in America would be required to put real money into their pension fund so that their employees could reasonably expect to get their pension when they got to retirement, and that really is the Social Security discussion that we are having today.

If there was a business in America today that took the pension money and used it to give pay raises, those folks would be in deep trouble. So why is it that our government can think about taking the Social Security Trust Fund money, pension money if you like, and use it for something other than Social Security?

Now, I would like to go a little bit further on what some of my colleagues from the other side, because all of a sudden I am hearing an awful lot of this Democrat-Republican stuff starting here, and I think it is important we put this in perspective for any of them pointing fingers over here at that Republicans that Republicans want to use Social Security money for tax cuts. Let us just put this thing in perspective right now so we get a little better handle what this place has been like for the last 40 years.

We have not had a balanced budget for 40 years, for 30 years. Since 1969 every single nickel of the Social Security money was used for spending. It was not used for tax cuts, it was used for spending. And it is every bit as bad to take that Social Security money and use it for spending as it is to take it and squander it on something else just because we happen to find, and I personally find, tax cuts much more desirable than new spending programs.

I brought this chart with me because I think it is very important to understand what is going on in this city right now today. In 1993 we had serious problems facing our country. We had had the promises of the 1980's that we are going to balance the budget, and those promises were broken. And in 1990 we had taxes increased, and we got to 1993, and we had this huge deficit, and America woke up and realized we had a problem, and the people in Washington decided that the right answer to their problem was to raise taxes.

I brought this chart along because it shows the growth of spending in this government in 1993. This blue column shows the growth of spending. Well, what is growth of spending? If you spend a hundred dollars one year, and you spend $102 the next year, that is a 2 percent growth of spending. In 1993 we had the spending growth rate down to 2 percent. So in this city they raised taxes, they said we have got to get this budget balanced and even do something about Social Security, and when we raised taxes in this city, immediately what happened is Washington spending went up.

So this is not a holier than thou kind of situation where all of a sudden Republicans are bad guys for proposing tax cuts where the other side is the good guys. The facts are for a lot of years here what has been going on is that extra money that was coming in that was supposed to be set aside for Social Security was lost in the spending increases.

All right. So we got past 1993. We saw the tax increase, and of course higher taxes simply means more Washington spending as this chart shows. We went through 2 years of that, and the American people said enough of this stuff, we do not want higher taxes, we wanted less wasteful government spending. So they sent a new group of people to Washington, D.C.

And when we got out here, look what is happening to the spending growth rate. You will notice instead of being here, that spending growth rate is starting to go back down again. That is the accomplishment, and that is what has led us to this balanced budgeted and our first surpluses.

But let us make no mistake about it. Let us make no mistake whatsoever. We would not have a balanced budget, we would not have a surplus, we would not be talking about what do with this surplus, whether it goes in Social Security or tax cuts or new spending; none of that would have been going on if this had not happened and we reduced the growth of government spending.

Now when we reduced the growth of government spending, we literally were in a position where we could both balance the budget and start putting the Social Security money aside and reduce taxes.

Now a lot of my colleagues, and I hope my Republican colleagues are listening tonight because a lot of what I am hearing out here is, well, the tax cut of 1998 is no different than the tax cut of 1997. And I want to tell you that is wrong, that is fundamentally wrong on the basic premises of what it means to be a Republican.

It seems to me when I became a Republican and when I came to this city, I came here for purposes of reducing the size and scope of this government so we could reduce the tax burden on working Americans at the same time we restored Social Security and paid off the debt.

I have got with me two sheets of paper that will not show up on the screens tonight. On one piece of paper is the 1997 tax cut. I have got the number circled in red, it is a hundred billion dollars. The net tax cut 1997 was a hundred billion dollars. The other sheet of paper I had is the corresponding spending reductions. In 1997 we did this the Republican way. We cut spending and we cut taxes. We did not go into Social Security money to pay for the tax cuts, we cut taxes, we cut spending. The number over on the spending side is $127 billion.

So again let me reiterate. In 1997, when the Republicans brought this first tax cut out here, the $400 per child, the 1500 to help pay for college tuition, the capital gains from 28 to 20 and going to 18, removing the taxation on virtually any home sale in America, all of the Roth IRA, all of those good things that were brought forth in 1997, we did the tax cuts and we did the spending cuts.

That is the Republican way. We cut taxes and we cut spending and that is the right way to go about this.

What we did not do, what we did not do, is we did not go into the Social Security surplus and use that money that belonged set aside for Social Security for purposes of tax cuts. Again, I want to point back to this chart because it is so important.

Those tax cuts were paid for by bringing this growth rate of government spending down. That is the right way to solve the taxation problem facing this country.

I am probably going too strong. I feel very strongly about this. We can tax cuts in this city at the same time we set aside the Social Security money and pay down the debt if we will just do it the right way by controlling the growth of government spending as opposed to just surrendering and saying, government does not waste any more money.

Is there anyone in America that honestly believes there is not enough government waste out here to offset a nice tax cut package that we could pass yet this fall? Why in the world are we not, as Republicans, going about this the right way, saying we are going to reduce taxes because the tax burden is too high, and we are going to reduce spending to offset the reduction in revenue?

That is the Republican way of doing things and it is what we ought to be doing out here right now.

Mr. HOEKSTRA. Mr. Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Michigan.

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague, the gentleman from Wisconsin, for yielding.

Mr. Speaker, I realize the passion with which the gentleman is dealing with this issue and has dealt with this issue over the last couple of years, and really appreciate that because I think it is one of the things that has really enabled us to in 15 days or 14 days end the fiscal year the way Washington counts, with our first surplus since 1969, recognizing that perhaps all or most of that surplus will be attributable to the surplus that we have in Social Security revenues.

I really want to build off on this. I was watching in my office the gentleman's dialogue with his counterpart, the gentleman from Wisconsin, and in that dialogue I really felt that there was one point that was missing, and the gentleman was just talking about it.

I think that the gentleman and I agree that as we end up 1998 and as we prepare for 1999, the last thing this Congress ought to be doing is a $90 billion spending plan. It is being talked about as an $18 billion, $19 billion spending plan, emergency spending, but what the gentleman and I both know, being on the Committee on the Budget, as soon as we put that $18 billion in there for 1999, it becomes part of the baseline for 2000, 2001, 2002, 2003, 2004.

It is not emergency spending that goes out here somewhere and says, that is a 1-year emergency. All of a sudden it is a built-in emergency as part of that budget each and every year so we are on the verge, or the rumors are because we have not seen anything yet and I think some of our other colleagues are saying if we are going to spend this $18 billion this year we ought to find offsets, but the worst case scenario would be that in the next 3 or 4 weeks we do an $80 billion to $90 billion spending increase, a spending bill. That is the wrong way to go.

The gentleman was talking with his colleague from Wisconsin, and the gentleman was talking about that increasing spending was the wrong thing to do. I think the gentleman got agreement, but I am not sure it is what he and I agree with, that the tax burden is too high, that when the American people between the local, State and Federal government taxes are working Monday and Tuesday for the government, 40 percent of their income they are paying to taxes, the gentleman and I want that lowered. The gentleman and I agree on that. I am sure they did.

The thing that I was hoping that the gentleman would get agreement on is that they would join the gentleman and I in identifying wasteful, ineffective, inefficient spending of taxpayer dollars here in Washington.

We are spending $1.6 trillion to find, what? To find a $16 billion, a $20 billion tax, we have to find what? How much is that, less than 1 percent?

Mr. NEUMANN. Reclaiming my time just for a minute, I am sure after the impassioned speeches we heard this evening basically condemning Republicans for even proposing a tax cut idea because it uses Social Security money, I am sure everyone listening and all of their colleagues on their side will understand that new spending is money coming out of Social Security, too.

We need to understand, we have a triangular fight going on here. The fight is between those who want to use Social Security money for tax cuts, without offsets, and those who want to use Social Security money for new spending, and those of us who think Social Security money belongs in the pension fund like any other business in America would be required to do with their pension money.

I hope, after we heard those impassioned speeches over there, that we are going to find them supporting our efforts to not allow the Social Security surplus to be used for new spending either, but as the gentleman said, I am not 100 percent sure that is what I heard but I think I at least heard that from my colleague from LaCross, Wisconsin.

Mr. HOEKSTRA. Mr. Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Michigan.

Mr. HOEKSTRA. Mr. Speaker, we do know that in many cases we can have the best of both worlds. We proved it in 1997, and we can prove it again that we can reduce spending. Excuse me, we can just slow the rate of growth. We as Republicans have done nothing to cut the size of government. All we have done is slow the growth of government. If we go back and we just take a look at the wasteful spending, I have taken a look at the Education Department, I have taken a look at the Labor Department. There are billions to be found. It does not mean that spending on education is not important, but the way that we are spending on education, where a dollar comes in to Washington and only 60 to 65 cents gets back to a classroom, I believe that means that we are wasting 30 to 35 cents.

We were in Milwaukee. We have been around the country listening to people at the local level about education. They are saying, we like your money but the rules and the regulations just dampen our enthusiasm and they stop us from doing what we would like to do.

Mr. NEUMANN. Reclaiming my time, I want to take just a couple of minutes and I just want to walk slowly through this Social Security debate because I think it is so important that people actually have the facts about what this whole debate and what this surplus is all about.

I want to walk through the surplus and how it relates to Social Security and what is actually happening. Social Security this year is collecting about $480 billion from workers' paychecks. So we are getting $480 billion in. We are paying back out to seniors in benefits about $382 billion.

Now, let us put this in perspective so everyone understands. If someone had a checkbook and they had 480 bucks in their checkbook and they wrote out a $382 check, their checkbook would be all right. In fact, they would have 98 bucks left in their checkbook when they got back. That is Social Security today. It is collecting more money than it is paying back out to our seniors in benefits. As a matter of fact, this year, there is $98 billion left over.

Now, that has been going on since 1983 and when my colleagues on the other side talk about this, we better get rid of the holier than thou attitude because since 1983, every year that they collected more money than they paid out to our seniors in benefits, the extra money has been going into the big government checkbook. If one thinks of this as the $98 billion, it goes directly into, think of this as the big government checkbook called the general fund. Well, if they spend all of the money, they write checks out of the big government checkbook, they spend all the money out of that general fund.

Now, the checkbook has been overdrawn every year since 1969. So they get to the end of the year and they spend all that money, including the Social Security money, and there is no money left. So what has been going on over here is they are simply writing IOUs to the trust fund.

Now, again, I would like to go back to the real world for a minute because I had no political experience before coming here, and in the business I ran, if I would have taken my employees' pension money, put it in my business checkbook, spent all the money out of the business checkbook and then at the end of the year written an IOU to my pension fund, my employees would not have tolerated that, and the American people are not willing to tolerate that out of their government either.

So we wrote a bill. I want to make this clear how this bill would work. We would simply take that $98 billion, the extra money, and we would put it directly into the Social Security trust fund.

Now, that may not seem like a brilliant idea to most people but the facts are in this city that is a very different policy. The money coming in from Social Security then would actually go into Social Security.

I have drawn a line here. Make believe that is the law, because what we are trying to do is keep this money out of the big government checkbook so that it cannot get spent on other things, even other good things like tax cuts.

So if we could get this money into Social Security, that leaves us then with the government general fund.

Now, let us think about the next step here because we are about to go into surplus not only in Social Security but also in the general fund. To my Republican colleagues and to my Democratic colleagues that were here earlier this evening that were talking about paying off the debt, let us complete this picture of what we ought to be doing.

Again, I am not smart enough to understand all the politics of this thing. I come from the business world. This is what we would do in the business world. First, the pension money actually goes into the pension fund. You do not touch that for other spending in your business. You do not give it for pay raises. You do not give it for new cars. You do not spend that money. It goes into the pension fund. So that is first.

Then we look over here at the general fund. When our general fund goes into surplus, okay, walled off from Social Security, when the general fund goes into surplus, good news. We are there now. It is just starting right now as we stand here speaking.

When the general fund goes into surplus, we take part of that surplus and use it to repay debt, and part of that surplus and use it to lower the tax burden.

So in that scenario, what we are doing is putting aside the Social Security money the way we should be, and we are going to the general fund and out of that general fund surplus we are funding additional tax cuts and they can be massive tax cuts in the near future because the economy is so strong as it is.

So we go to the general fund and we fund the tax cuts and we make payments on the debt.

Now, I have written a bill that does exactly this. There are two of them. The Social Security Preservation Act forces the Social Security money to actually go into Social Security, and we also wrote a bill called the National Debt Repayment Act which would pay off the Federal debt much like one would pay off a home mortgage, and whatever is left after our mortgage payment, well, that comes back to the people in tax cuts.

Now, I have an interesting provision here, and it is this picture for my Republican colleagues who got this in the mail while they were over break. If the economy stays not as strong as it is but close to as strong as it is, we would wind up with a $1.5 trillion tax cut over the next 10 years, simply following this suggested plan that I have just laid out here.

Now, the problem with this is that it only happens if the economy stays strong. We do not go out and spend the tax cuts or spend the money in something different before we actually have it in our hands. The tax cuts only occur after the revenue is actually in hand.

What does it do? Well, it actually would pay off our entire Federal debt inside of 30 years. It would lower the tax burden on working Americans by $1.5 trillion. That is 1,500 billion dollars. That is huge. It is almost 20 times what they are talking about here. We do it the right way. We do not use Social Security money for tax cuts. We look at the general fund and we look at reduced government spending to go make those tax cuts happen.

Mr. Speaker it is my honor and privilege to have with us here this evening one of our most distinguished Members, my friend, the gentleman from New York (Mr. Solomon).

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I would just like to say to the gentleman from Wisconsin I appreciate him yielding. We certainly concur with everything the gentleman and my good friend are saying here.

Mr. Speaker, apropos to that I am going to send to the desk three privileged reports from the Committee on Rules for filing under the rule, one of which is a 10-day continuing resolution that will keep the government functioning, keep the Social Security checks going out, in case we have not finished our business by September 30.

I salute the gentleman for all of his hard work in bringing some fiscal sanity to this chamber.

Mr. NEUMANN. Mr. Speaker, I would ask the gentleman, does that continuing resolution fund the government at 100 percent of last year's level?

Mr. SOLOMON. It has to fund it at 100 percent of last year's level, which actually saves money, as the gentleman knows.

Mr. NEUMANN. I was just going to say, that does not mean 101 or 102 or 103 percent? Is the gentleman sure he would not like to make it longer?

Mr. SOLOMON. I would love to.

Mr. HOEKSTRA. Mr. Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Michigan.

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

Mr. Speaker, I think as we take a look at this, number one, what we have to recognize is the significant amount of progress that we have made. Again, listening to some of the comments earlier about what happened in the eighties, the tax cuts and spending, the problem in the eighties was spending, and when we go back to the gentleman's earlier chart, I mean spending just went up, up, up, up.

In 1995, when my colleague joined us here in Washington, we started to cut the growth. Again, we did not cut spending; we just cut the growth, projected growth of spending.

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Where we are this year, and I do not know if my colleague has his latest estimate, but the gentleman has been about our most accurate forecaster in Washington, but we are very close to actually being able to have a surplus in the general fund. I am not sure we are going to quite get there, so I will yield to the gentleman.

Mr. NEUMANN. Mr. Speaker, the facts for this year are that we may in fact have the $98 billion. It is close. It is some place between on the bottom end probably 79 or 80, and on the top end about 103 or 104 billion. The surplus is right in-between there. Right now we may in fact have all of the Social Security surplus.

But the important thing to note is that if we have another year, not as good as this year, but nearly as good as this year, that we are not in a major recession, we are going to have surpluses in both of these accounts. I keep going back to that. For my Republican colleagues who are so anxious to cut taxes, we are so close to doing this thing the right way where we can actually put the Social Security money aside and have surpluses in the general fund. That is literally where we are right now today, if we have one more year that is just not as good as the last year, but close to as good. When that happens, we are now able to put this money away in Social Security like we should.

When we look at the surpluses up here in the general fund, we can make that mortgage payment and start paying off the debt so our kids can inherent a debt-free Nation, and we can lower taxes. We can do both of these things simultaneously.

One more thing. As we start making that payment on the Federal debt, part of the Federal debt is the money that has been taken out of Social Security over all of these years. So as we make payments on the Federal debt with that general fund surplus, another thing that is happening is that we are paying off these IOUs that are in Social Security.

It seems to me from a business perspective, this is not an overly complicated topic in terms of understanding what we need to do in the right way. If we are just a little bit patient, we are here. We are literally at the point where we can put the Social Security money aside and run significant surpluses in the general fund, so that we can both lower taxes and pay down debt. For any seniors, my colleagues who have many seniors in their district, as we pay down that debt, all of that money that has been taken out of Social Security literally gets put back in.

This is the course of action that we should be taking as a Congress, and I, for one, intend to work very, very hard to see to it that this is the direction we go.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield, a couple of points. Number one, all of those years from 1969 where our colleagues on the other side, and I hope they join us on slowing the growth so that we can get some tax cuts; but from 1969 when we reported, or the Democratic Congresses reported $200 billion deficits, that $200 billion did not identify Social Security, did it? If we would have taken the Social Security surplus out of there, we would have been at $250 billion or $300 billion deficits annually.

Mr. NEUMANN. Mr. Speaker, on that point, if I could just reclaim my time for a minute, yes, those deficits that the American people and my colleagues

talked about all through the late 1980s and the early 1990s, they took all of that Social Security surplus, they put it all in the big government checkbook, they wrote out checks out of the big government checkbook, overdrawing the checkbook by $200 billion a year, and that included spending all of the Social Security money. That is why they kept putting these IOUs down here. That has been going on for years and years and years, before we got here and turned this thing around in terms of getting spending growth under control.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield, Members on the other side of the aisle who are blasting us now for perhaps even considering some of these things, from at least 1969 on, were burying these Social Security surpluses into more spending and understating the deficit each and every year as those numbers continued to go up.

Mr. Speaker, if we go to the budget, I saw the budget proposal for redoing the budget process today, and I do not know if the gentleman has seen that or not, but if the gentleman goes back to his chart that he had up there, the wall that he drew in, if we are going to talk about honest budgeting, I am thinking this is going to be a bipartisan effort because of the work that the gentleman has done in helping to communicate this very issue.

But under budget process reform, we are going to take the tax dollars collected for Social Security that go into the Social Security Trust Fund, we are going to take that wall there and we are going to pull those two circles and that green arrow, if the gentleman would point them out, we are going to pull them out of this equation. In the future, when we are talking about this, we are going to be talking about a Social Security chart, and we are going to be talking about a general fund chart, and we are going to start doing this more like the way we should than the way we have been. So that we can talk about Social Security, we can talk about how much the debt is, and then we can talk about the general fund.

The other thing that we are going to put in there, because this is such a convoluted budget process, but nowhere in our budgeting process today do we account for the other accrued liabilities that the Federal Government has. Nowhere do we identify the pensions that are payable to Federal employees.

So the new budget process number 1, is going to do exactly what the gentleman has proposed on that chart, and what the gentleman has proposed in his legislation which is to say, we are going to take Social Security and Social Security revenue and expenditures, and we are going to take it out of the general fund, and we are going to have really 2 accounts. If we want a unified budget, we can go and add those 2 charts together, but we are going to be working off of 2 separate accounts here. That is a huge step forward, and the gentleman has spent a lot of time educating the rest of this House about why that needs to happen. I think we have a real opportunity to make that happen and begin that process yet before we go home.

Mr. NEUMANN. Mr. Speaker, reclaiming my time, the song One Step at a Time comes to mind. Just think where we have come in 3 short years. In 3 short years, by getting spending under control, we are now running a surplus.

In 1969 when we ran a surplus it was $3 billion. The surplus this year is 80 plus, so we are talking about the most significant surplus perhaps in the history of this country this year. That has come about because we got government spending under control, coupled with a strong economy.

A lot of times people say, well, the strong economy did it all. I have been out to a lot of town hall meetings all over Wisconsin and I ask them all a question out there in Wisconsin, and the question goes like this: Which one of these 2 things do you think is more likely to happen? A martian spaceship lands outside and comes in and joins us; they go back to Mars, and they snicker, and I tell them not to jump to conclusions. Because the second choice is that Washington gets $100 billion of unexpected revenue and does not spend a nickel of it. Then they all snicker and they take the martians in most cases. In fact, that has happened out here.

When we look at this controlled government spending, it is important to know that that controlled government spending occurred in the face of a very strong economy, which meant additional revenues coming in. So in the face of $100 billion of unexpected revenue, we literally held the line on spending. That is a pretty monumental change in the way things are going on.

In my town hall meetings when I look at their faces, there is kind of an appearance of disbelief. If anyone out there would like to check this out or my colleagues would like to check it out, and I am sure somebody on the other side of the aisle might want to check this out, in 1995 if you look at our budget resolution, what we projected we were going to spend in 1997, and if you look at our 1995 budget resolution what we projected for revenue, you will find that $104 billion of unexpected revenue came in, while we underspent our projected spending by $26 billion.

With the Internet and everything today, that is not a very complicated thing to check out. People can pull up these resolutions pretty easily and find out that these numbers are in fact true.

It really leads us back to this picture. I am glad to hear that the Committee on the Budget, I was not at that meeting today, we had others going on, but I am glad to hear that we are going to pull Social Security out. That is really what we are talking about.

Mr. Speaker, my fear is that over the next 3 or 4 weeks we are going to get so bogged down in a fight that they are going to say is using tax cuts for Social Security. Again, I would point out the difference between this and our tax cuts in the past. When they accused us of using Social Security for tax cuts in the past, we simply went and got our sheets of paper and said, wait a second. There is $100 billion of tax cuts, here is $127 billion of spending reductions. No, no. We are reducing spending and we are reducing taxes. That is the Republican way.

But this time, when they say we are using Social Security for tax cuts, they are going to be right, because we now only have 1 of these pages. That is the tax cut page. We have somehow lost that willpower to find that other page that goes with tax cuts, and that is spending reduction. I just cannot emphasize for my colleagues how important it is that we recommit ourselves to that basic principle and that basic premise. Tax cuts are good, but tax cuts should not come out of Social Security. Tax cuts should come by reducing or controlling government spending, or, and I have now laid out a second option that was not even considered 3 years ago, because we did not have a chance at this.

The second option for tax cuts is when our general fund, with Social Security walled off, when that general fund goes into surplus, we are then in a position to make payments on the Federal debt, and remember, as we pay down the debt we are paying off the Social Security IOUs, and we can use the balance of that general fund surplus to again lower the tax burden on Americans.

Mr. Speaker, a lot of my colleagues say, wait a second, what are we going to campaign on with all that stuff. I say, most of the American people do not even know about the 1997 tax cut, that tax cut where we cut taxes and reduced spending to pay for it, that tax cut most of them do not even know about yet. It might be wise here to talk about the impact to some of our families of the 1997 tax cut so folks do know about it.

If one has a child and is a middle income Wisconsin family, and one has a child under the age of 17, one gets a tax refund next year of $400. So if one has a child 17 or under, when one does their taxes next year, there is going to be a check back in the mail to them for $400 for each one of those kids. If one has a child in college, one is going to get up to $1,500 to help pay that college tuition. Paying college tuition today is tough for parents.

Rather than developing some big new government education program where bureaucrats get the money, we simply allowed for a tax refund to go back to those families with college kids. But it did not stop there.

When I go to meetings and I ask how many people own a stock or a bond, almost every hand in the room goes up.

When you sell, instead of paying 28 cents on the dollar to the government, you are only going to pay 20. As a matter of fact, that number is going to 18 very shortly. There are a lot of folks in lower income brackets that own stocks and bonds, and for them it is going from 15 down to 10.

Mr. Speaker, this is good news for America. Taxes were reduced, and again, I keep going back to in 1997 when we reduced those taxes, we reduced spending. This is good news for Americans.

The Roth IRA. My own kids are starting Roth IRAs. It scares me to think that I have kids that are in their early 20s that are now taking advantage of this tax cut package that we passed last year. Young people in America can now put money into the Roth IRA to buy their first home. When they take out the money it is tax free for the down payment.

When they put money in the Roth IRA if they decide to return to school, they can take money out of their Roth IRA tax-free to return to school. Equally important, if one is in their 40s and they are now looking to what it is going to be like when one is in one's 60s and ready to retire, you should start asking yourself, should I put money into the Roth IRA. You put the money in, interest builds and accumulates until you reach retirement, and you pay no taxes when you take it out at retirement.

This is a huge, tremendous encouragement for people to save to take care of themselves. The tax cut package of 1997 was a phenomenally good package for virtually all Americans.

A lot of times I talk to senior citizens and they say, what did I get out of it. Well, a lot of you sold your homes when you took the one-time, age 55 exclusion and you bought a smaller home and you are now ready to sell that smaller home. Well, the fact is there are no more taxes on that smaller home even if you took the one-time, age 55 exclusion.

Equally important for seniors is the Medicare reforms, because rather than just going and saying we are going to collect more taxes for Medicare, what we did is looked at Medicare and came up with ways to make Medicare better for seniors that was also more cost-effective. I just want to give one specific example, and that is diabetes.

In the past if a senior citizen wanted screening for diabetes, it was not covered under Medicare. What would happen is lots of seniors got diabetes and they got very sick and it destroyed their lives and it also was extremely expensive to deal with the problem after they got sick. So we included diabetes screening, which is not only cost-effective, but more importantly, it provides a better life for our senior citizens. There are many, many aspects of Medicare that have changed in that manner for senior citizens.

So when we look at that overall 1997 package, and again, I go back to the Republican way: tax cuts coupled with spending controls and spending reductions, that is the Republican way of doing things and it benefited literally all Americans.

I would be happy to yield to my friend from Michigan.

Mr. HOEKSTRA. Mr. Speaker, I thank the gentleman for yielding.

I think it is important for us to come back and say, what was the trigger, what was the trigger that enabled all of these positive things to happen? I really come back to exactly that. That chart; the chart that said, we believe Washington is big enough and has enough; as a matter of fact, we think Washington has too much of your money and we have set our growth rates too high, and all we want to do is scale back the rate of growth. And when we did that, it enabled us to get to a surplus budget.

Remember, a year ago we were debating, because people were saying, get to a surplus budget by 2002? Never make it, never happen. But by controlling the growth of spending and when revenues came in higher, we were able to get to that. We are going to get to that surplus, and we were able to do all kinds of other positive things.

When we in Washington say, enough is enough, we have had enough and we have to learn to live within our means; as a matter of fact, again, I keep saying cut, but it is not. All we need to do is to learn to grow a little bit smaller.

□ 2145

Mr. NEUMANN. Mr. Speaker, I have got a question for the gentleman from Michigan. Has the gentleman from Michigan ever been in one of his town hall meetings and asked the question: How many people think government spending should go up faster than the rate of inflation? And they just look at you and laugh. They say of course government spending should not go up faster than the rate of inflation.

But when I point back to this chart, we are seeing government spending going up nearly twice as fast as the rate of inflation. What they call a cut in spending in Washington, what they actually mean is they are bringing the growth rate of government spending back to about the rate of inflation.

A lot of people would like to see it grow slower. Then I always have somebody stand up and go, we cannot do that say because, because, because; and they come up with some program that has got to grow faster than the rate of inflation.

Let me give you an example. The baby boom generation is headed toward retirement. So when we look at Social Security with cost of living adjustments, plus additional seniors going into Social Security, Social Security is, in fact, going to go up faster than the rate of inflation.

My answer to them very simply is, look, if we have got a program that has to go up faster than the rate of inflation why do we not find a program that is not as important as that program and reduce spending in that program that is less important, so we can keep the overall spending growth rate of government at or below the rate of inflation. Then they all nod their head.

It just seems to me logical that we ought to be able to keep the growth rate of government spending at or below the rate of inflation. If I had my way, as my colleague well knows, it would not be at the rate of inflation. It would be slower than the rate of inflation, because we would find all kinds of waste. When we cut the waste out, the savings would be used to reduce taxes as we did in 1997.

Mr. HOEKSTRA. Mr. Speaker, will the gentleman yield?

Mr. NEUMANN. I am happy to yield.

Mr. HOEKSTRA. What happens through this process is what you outline. We get to a surplus in 1998, or we get to a balance or close to a balance without taking into account Social Security, which is a very, very positive step. When I first came here in 1993, we were looking at increasing taxes, and we were looking at increasing spending, and we were looking at deficits of $300 billion as far as the eye could see.

Mr. NEUMANN. With Social Security, do not forget.

Mr. HOEKSTRA. With Social Security. So taking Social Security out, it would have been close to $400 billion annually.

So we get almost a real surplus, and next year we probably will. We are able to do all of those tax cuts that the gentleman outlined, the $400 per child, the Roth IRA, the Hope scholarships, the scholarships for students. We go through all of that, which is a real benefit to American families each and every day.

We are then on the verge of next year, with continued economic growth, of getting to a real surplus, taking Social Security out, which then enables us to do even more good things, which is more tax cuts and paying down the debt and putting the dollars back into Social Security.

Also, by doing and getting to where we are financially today, the Members now will have the courage to go through and do the right thing on budget process. Because a few years ago, they said we cannot change the budget process because then people will really know that the deficit, instead of being $200 billion is really $298 billion. It has really been liberating and has changed the dynamics and changed the debate here in Washington for us to do a lot of good things and move us in the right direction.

Mr. NEUMANN. Mr. Speaker, if I can reclaim my time, I would like to ask my friend, the gentleman from Michigan another question that I think kind of puts this all into perspective.

If we look at this chart over here, and we see that spending was going up at this rate before, and now spending is only going up at this rate and even slower yet, if the government had

spent this much more money instead of doing tax cuts, so the government spends it instead of leaving it in the pockets of the American people, is there anyone in this country that honestly believes that, by spending this much more money, the government would have done a better job spending that money than our families would out there in Wisconsin or in Michigan or anywhere else in America? Does one honestly believe that the government here in Washington knows how to spend that money better than the people out there in America?

I think what is real important here is to understand that, if we had not done the tax cuts, that we were actually getting this money back to the people, and we could not frame it in this framework of, well, listen, we are going to do one of two things, we are either going to spend it here in Washington or we are going to let our families keep it themselves, it was that framework, it was that idea that we could allow the American people to keep the money instead of Washington spending that has helped us control this growth of government spending.

It is that idea, that understanding that families in Janesville, Wisconsin can spend their own money better than we can spend it out here in Washington that has allowed us to get these spending growth rates back under control.

Because if we just say we want to cut spending, there is not much incentive to do it. But if we say we want to cut the growth rate of government spending so we can allow our families in Wisconsin to keep more of their own money, it becomes a winning argument. In fact, that is how we have been winning these arguments out here for the 3 years I have been here, almost 4 years now.

Mr. Speaker, I am happy to yield to the gentleman from Michigan.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield, it is not the winning argument, it is the right thing to do.

Mr. NEUMANN. That is correct.

Mr. HOEKSTRA. The gentleman is absolutely right. When I go to my town hall meetings and talk to my constituents and say, would you like the growth rate to be a little bit more than inflation, because we are really doing good things with your money out here in Washington, it is kind of like they look at you and say no, because we just have way too much evidence of you doing the wrong thing in Washington with our money. We do not have a high degree of confidence that you need all of this.

As a matter of fact, most of my constituents, I would believe, think that we have too much of their money and ask them for too much of their money each and every week when they look at their little pay stub; and they say, wow, this is some money that I probably could spend better than what Washington could spend it.

The gentleman has identified we have got the silly little spending out there, the cow, the methane gas study that is going on.

Mr. NEUMANN. Mr. Speaker, would the gentleman fill my colleagues in on that, because that was very quick. That amendment that I brought to the floor to end the cow gas study was very quickly accepted down here. Some of our colleagues may not even be aware that we were spending lots of money, the taxpayers' money to study cow gas out here before this year.

Mr. HOEKSTRA. Mr. Speaker, I do not know all the specifics on it. The gentleman highlights it. We are glad that the gentleman goes through the budget and he finds that. I do not remember the exact amount of money, but the gentleman looked at it and said, is this really what we need the federal government doing is paying for someone to study the cow gas.

Mr. NEUMANN. It smells like government waste to me.

Mr. HOEKSTRA. It smells like government waste. So we have got to stop.

Mr. NEUMANN. Mr. Speaker, we are kind of making light of that, but there are hundreds and hundreds and hundreds and hundreds of these sorts of programs.

We can start with the Russian monkeys where we were sending millions of dollars of taxpayers' money to Russia to launch monkeys into space, for heaven's sakes. We did this every year. Or the ice buckets that were delivered to our office doors every morning, even though we all had freezers.

For goodness sakes, they started delivering ice buckets in the 1800s. In the 1930s, when they put refrigerators in the office, nobody ever told them to quit delivering ice. So they kept spending $500,000 a year delivering ice to our doors every morning.

I might add, in the House of Representatives, we got that stopped in my first year here. The Senate did it 3 years later. So it only took them 3 more years to figure out it was not such a hot idea over in the other side of this body.

But the list of this sort of thing goes on and on. The military plane that flew a cat back from I believe it was France to Colorado Springs at a ridiculous cost to taxpayers. Hundreds of government employees that we can do without.

This list is so extensive. Then you add to that corporate welfare. We are going to talk later this week. Did the gentleman know we were using tax dollars to teach anglers, fisherman, how to guide for fishing, but not in America, but Ireland?

Think about this for a second. Think about the logic of this program. I just found this one today, so it is kind of fresh on my mind. We are taking taxpayers' money out of Janesville, Wisconsin. We are getting it out here in Washington. We are then sending it over there to Ireland so Ireland can train fishermen how to guide for fishing expeditions properly.

If someone can help me understand the logic of this, then maybe I will concede that it is not such a hot idea to continue our efforts to control the growth rate of government spending.

But I have to tell my friend the gentleman from Michigan and my colleagues, I honestly believe we can do tax cuts this year if we just get our nerve back to control wasteful government spending. There is no reason in the world not to offset tax cuts with the elimination of wasteful government spending.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield. Just a simple question. What department was this angler training program in for Irish fishermen?

Mr. NEUMANN. Foreign operations. We just found it today. There are a series of other things in the same bill that are just fascinating. That is the only thing I can say is it is fascinating. It is equally fascinating as the cow gas study.

When you start looking at what the government spends the taxpayers' money on, it is almost as if somehow the people out here forgot that it is not their money. It is the people's money. It is the family of five in Janesville, Wisconsin with two kids at home and a freshman in college that next year is going to get a tax refund of $400 per child and $1,500 for that college tuition, $2,300. That family of five, two kids at home and a freshman in college is literally going to get a tax refund of $2,300 next year.

We could have trained more fishermen, I guess, in Ireland or maybe in England or somewhere else; I do not know. We probably could have done some of those things; but, shoot, it seems to me that those families out there in Janesville, Wisconsin and all over this country could spend that money better than if we sent it overseas to train fishermen or launch monkeys into space for that matter.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will yield, I asked the gentleman the specific question about the anglers in Ireland only because I chair an oversight subcommittee on the Committee on Education and the Workforce, and we asked a very simple question of the Executive Branch about a year and a half ago as we began a project called Education and Our Crossroads.

We said, this is the Executive Branch. We kind of surveyed their documents and tried to answer the question. How many education programs are there? The answer came back, and a lot of study, and it is 740, 760. We finally said, if you take it all, and this is not all K through 12, it is all kinds of different education programs, and this one might be in there, and if it is, I am sorry we did not catch it and identify it before the gentleman did, but it is like 760 programs.

We thought hallelujah. Now we know why there is an education department, to coordinate 760 programs. We then took a look at it and said wrong; 760 programs, 39 different agencies. We

found things like, we, the people in the gentleman's district, the people in my district pay for closed captioning, think about this, closed captioning of Bay Watch, of the Ricki Lake Show. American taxpayers are paying for closed captioning of Bay Watch.

It is kind of like take a look at where we are spending our dollars. This is why, when we go to our town meetings and say, do you think we should grow at a rate faster than inflation, they said no, kind of like maybe we should decrease spending, which we have not done.

Mr. NEUMANN. Mr. Speaker, I just want to bring this back to the discussion we are in the middle about here right now. I hear this cry from my Republican colleagues and some from the other side as well that we should somehow take the Social Security surplus and use it to cut taxes. Why can we not do it the same way we did last year?

We started talking about these waste programs. Why can we not cut taxes and eliminate government waste? Why do we not reduce spending and reduce taxes at the same time so we are not using Social Security money for tax cuts? Why can we not do this the right way? Is there anyone that honestly believes there is not plenty of waste still in this government that we can get rid of so we can provide tax relief for the American taxpayer and do it without taking the Social Security money?

Why should we surrender and say we cannot do this anymore? We can do it. There is plenty of waste still in this government. For goodness sakes, we can start on the audit where they went looking for ships. Out of, I do not remember the numbers exactly, it was about 72 ships, they could not find 22 of them, for heaven's sakes.

We start finding that the Forest Service Department could not find $215 million. How in the world do you lose $215 million? If somebody would have come back to me and my building company and said I lost $250, I mean that would have been grounds for serious consideration for dismissal or at least serious ramifications. But $215 million that they cannot find in this audit.

We have got plenty of places in this government where we can still eliminate wasteful government spending. If we are real serious about providing tax relief, and I think we should be, let us do it the right way.

Let us go after tax relief and spending reductions to pay for it, and let us leave the Social Security money alone so our senior citizens in this country can start getting up in the morning again, understanding that their Social Security is safe.

There are a lot of people, there are a lot of senior citizens in America that just plain cannot afford to make it without that Social Security. They have gone through their whole life expecting Social Security to be there. The government has made that promise to them. Their government has made that promise to them.

They cannot go back and relive their life and start a Roth IRA like many of us are doing now. They cannot do that. It is too late for that for them, because they are relying on that Social Security check.

Why can we not do this the right way? Let us put the Social Security money aside. We are there. The general fund is in surplus as well. Let us wait for that surplus to get big enough to do a legitimate tax cut.

If we want to do tax cuts this year, shoot, let us not take the social security money and do it, let us do it the right way and reduce spending to correspond to the tax cut that we want to do out here. That is what we ought to be doing in this city.

By the way, that teaching fishermen how to guide fishing trips properly in Ireland that we are paying for with American tax dollars, I do not think that is on your list of education programs. It never even occurred to me that that is a course in education program. It never even occurred to me that that is education. I am sure that is not on the list. Maybe we expanded the education list to 761.

Mr. Speaker, I am happy to yield to my friend, the gentleman from Michigan.

Mr. HOEKSTRA. Mr. Speaker, I thank the gentleman for leading this discussion. I think the real focus here is on controlling spending. Even the gentleman was using the term reducing spending. We are not reducing spending.

The best we can hope for is to slow the growth of spending. If we can slow the growth of spending, we save Social Security, we pay down the debt, we can reform the budget process, and we can provide tax relief. It really opens up and changes the debate in wonderful ways here in Washington.

Mr. NEUMANN. Mr. Speaker, I just want to kind of conclude this conversation this evening with just kind of a summary here. A lot of times what has happened and what is going to happen over the next couple of weeks is this House is going to be divided. We are going to hear the Democrats saying Republicans are proposing tax cuts paid for with Social Security money.

□ 2200

We are going to see some Republicans, myself included, going, ''We cannot use that Social Security money for tax cuts.'' And there is going to be a fight going on. But we need to keep the big picture in mind. For goodness sakes, in 3 years we have gotten to that balanced budget that was not promised to be here until 2002. We have got our job done.

The only reason we are having this fight at all is because we have gotten to a balanced budget and we are running surpluses, not in 2002, like the Republicans promised when the Republicans took over in 1995. That is not what happened. We did not get there in 2002. We got there in 1998.

It is about time I think that some of the people that are responsible for this get some of the credit for doing it. By controlling government spending, we brought a tax cut about first time in 16 years. We brought about the first balanced budget since 1969. These things have happened and the credit for these things ought to be given out here so that as we are having these fights that are currently going on, we realize that had we not turned this spending growth rate around, we would not be having these discussions at all. There would not be any fight about tax cuts using Social Security money. That fight would not be going on if we had not done our job properly.

So as we have these disagreements amongst thinking people that can disagree, we should also remember to put credit where credit is due. Because without the people that are leading this Congress today, certainly we would not be in a position to have this discussion. And it is a great, great discussion to be having.

Think if somebody would have told us 4 years ago, or 3 years ago that we would be standing here on the floor of the House in 1998 fighting about whether or not we should use the surplus for tax cuts or for Social Security or, as we are beginning to hear about, new spending. What a wonderful fight. Nobody would have dreamed we could have had that fight.

Mr. Speaker, I think it is important that we keep in perspective just how far we have come in this country in such a short period of time so we recognize what our potential is as we move forward.

Shortly we are in a position where we can put aside all the Social Security money and start paying back the money that has been taken out of Social Security, and our seniors can again get up in the morning understanding that Social Security is safe.

We are in a position that the general fund is in surplus as well, so we can make payments on the Federal debt and pay it off much like any American would pay off their home mortgage. Thirty years from now, 25 years from now, if we will just do that, we can give America to our children debt free. When we think of goals for a generation, would it not be a wonderful goal for our generation to make those payments on the debt and give America to our children debt free?

At the same time that general fund is in surplus, let us make our mortgage payment and take what is left over and use it for tax cuts. We can do that. We can pay off the debt, we can lower taxes, and we do not have to use Social Security money to do it.

Mr. Speaker, I conclude tonight by encouraging my colleagues to support tax cuts, because the tax burden is too high. But let us not, for goodness sakes, do tax cuts with Social Security money when we are right on the verge of being able to fix Social Security at

least from now through 2030, start paying off the debt, and still provide significant tax relief to the American people. That is the direction that we should be heading with our Nation.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. COOK). Members are reminded to refrain from characterizing Senate action or inaction.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 128, CONTINUING APPROPRIATIONS, FY 1999.

Mr. SOLOMON (during the special order of the gentleman from Wisconsin (Mr. NEUMANN)) from the Committee on Appropriations, submitted a privileged report (Rept. No. 105–724) on the resolution (H.Res. 541), providing for consideration of the joint resolution (H.J.Res. 128) making continuing appropriations for the fiscal year 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4569, FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS ACT, 1999

Mr. SOLOMON (during the special order of the gentleman from Wisconsin (Mr. NEUMANN)), from the Committee on Rules, submitted a privileged report (Rept. No. 105–725) on the resolution (H. Res. 542) providing for consideration of the bill (H.R. 4569) making appropriations for foreign operations, export financing, and related programs for fiscal year ending September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3248, DOLLARS TO THE CLASSROOM ACT

Mr. SOLOMON (during the special order of the gentleman from Wisconsin (Mr. NEUMANN)), from the Committee on Rules, submitted a privileged report (Rept. No. 105–726) on the resolution (H. Res. 543) providing for consideration of the bill (H.R. 3248) to provide dollars to the classroom, which was referred to the House Calendar and ordered to be printed.

RESHAPING THE INSTITUTIONS OF AMERICAN SOCIETY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin (Mr. OBEY) is recognized for 60 minutes.

Mr. OBEY. Mr. Speaker, first of all, let me apologize for keeping you here after 10 o'clock at night. Also, let me apologize to the staff. I do not ordinarily talk to myself in an empty room, as the other two gentlemen have been doing for an hour. But there is something tonight that I feel I simply have to get off of my chest.

Mr. Speaker, I intended to speak tonight to address some of the institutional failures that I believe are besetting this country as we deal with the matter involving the President. The Speaker's recently announced guidelines about what comments are permissible about the Starr report that we voted to release, and the President's conduct, prevent me from saying on the floor certain things that I wanted to say. In deference to those guidelines, I will honor them. But the whole text of what I intended to say will be available in my office.

Mr. Speaker, Friday night after 2 hours of reading, after our vote on Friday, I began to wonder about the correctness of my vote earlier that day in light of my concerns about the appropriateness of what should be electronically directed into people's homes in this country. Taking a break from my reading, I turned on the TV to see, as an unreconstructed Cubs fan, if I could find out whether Sammy Sosa had hit another home run again. The tube came on, and within seconds I heard a CNBC reporter using language that I never expected to hear on the Nation's national news programs, or what passes for them these days. And at that moment I reached the same conclusion that millions of Americans have probably reached. I have had it. Not just with this story, but with something far more disturbing.

What I felt was a conclusion that has been building within me for months, even years. I was overwhelmed with the feeling that our society and our country is faced with nothing less than the accelerating failure of institutions that are central to our functioning as a decent society and as a democracy that works the way our Founding Fathers wanted it to work.

Mr. Speaker, please do not misunderstand. This is a great country. In many ways, it is a good country. There is much that is good in our society and we have had much good economic news in recent years. Nonetheless, I believe that most crucial institutions and institutional arrangements in this country and in this society are failing in their responsibilities. That failure is affecting our economy, our culture, our political system, our long-term environmental security, and even our own spirituality.

The evidence of the failure of our most important institutions is all around us in this and other events. At the moment our Nation is transfixed on this episode, global challenges face us everywhere. The world's economy is in turmoil. We have almost no tool but persuasion to move the Japanese Government off a course of economic and fiscal impotence and incompetence that threatens the economic health of all of Asia and indirectly threatens our own economic health as well.

International financial institutions such as the International Monetary Fund are being overwhelmed by changes in the world economy, changes in currency relationships, changes in capital flows that each day weaken the ability of the major institution the world has to stabilize economic relationships between nations, the IMF.

The Nation with the largest arsenal of nuclear weapons that could possibly one day be arrayed against us, Russia, is experiencing political and economic chaos. Much of Europe is focused on that chaos, but here in America we give it only intermittent attention and analysis.

The most irrational, paranoid, and dangerous government in the world, North Korea, is facing military, political, and economic instability that could easily threaten the lives of 50,000 American servicemen and women stationed in South Korea, and hundreds of thousands of other human beings.

Our ability to prevent the spread of nuclear weapons has been brought to the edge of failure by events on the Indian subcontinent and in Korea. And yet the discourse in this country about how to deal with that issue is shallow and in some cases down right dangerous.

The best chance in a generation for peace in the Middle East is slowly but surely sliding away, and this decade has produced the hottest known global temperatures in years with huge potential consequences for worldwide agriculture, fisheries, economic dislocation, public health, and environmental stability. And yet commercial disputes about profit levels are threatening our ability to take even marginal action to minimize potential catastrophe.

On the home front, the Supreme Court, the institution that we in the end rely upon more than any other to preserve the balance of forces that protect our democratic processes and our liberty, has handed down two very different sets of decisions that have crippled the ability of our political system to function as a democracy should.

First, the spectacularly myopic decision by the Court in the Paula Jones case that the government would not be distracted if that case went forward now rather than 2 years from now and the President was out of office.

Second, the mind-bogglingly naive decision that the constitutional rights of Americans to have a political system that functions for them would be protected by a series of naively libertarian decisions that equate money with speech, establish absurd legalisms about campaign financing that have no relationship to reality that have turned politics into a money chase and political campaigns into the competition of dollars rather than ideas.