in the school breakfast program is yet to be seen. The debate over how to use this Nation's resources now, fortunately centers around what we do with the surplus.

Now that the deficit has been eliminated, we want to use our resources to help people, especially our children.

I urge my colleagues in the House to reject the Senate proposal to help those in Central America by hurting those in North America.

Everyday, twenty-six million children are served.

When a child has breakfast, that child is going to be more attentive, more alert, and his grades will improve.

When a child has breakfast, he will not have to visit the school nurse or the school principal for discipline as often.

It doesn't take much to understand that.

If America is to be competitive in the world market, we must educate our workforce.

But, good teachers can only be effective if our children are fed and not hungry in the classroom.

As you know, the President, in his budget, has requested Thirteen million for Fiscal Year 2000 for the School Breakfast Pilot Program.

It is very important that we fight for these funds. We must not take them for granted. School breakfast is not a welfare program. It is an education program. School breakfast is not charity. It is a chance for our children

Thirteen million dollars is a modest amount. But, for the children who will eat, it is an amount that will have a major impact. It seems strange that we must fight for food for those who can not fight for themselves. America is a strong Nation, and we are strong because we can provide quality food at affordable prices. There are many places in the World where the same can not be said.

But the real strength of America is not due to our advanced technology, our economic base or our military might.

The real strength of America is its compassion for people, those who live in the shadows of life.

The real strength of this Nation is its compassion for the poor, the weak, the frail, the disabled, our seniors, our children—the hungry.

America's compassion makes us strong.

It really is time to stop picking on the poor.

Less than three percent of America's Budget is targeted for feeding the hungry. Nutrition programs are essential to the well-being of millions of our children. They do not ask much. Just a little help to sustain them through the day. Nutrition programs, in many cases, provide the only nutritious food that millions of our Nation's children receive on a daily basis.

The SPEAKER pro tempore (Mr. PETERSON of Pennsylvania). Under a previous order of the House, the gentleman from South Carolina (Mr. DEMINT) is recognized for 5 minutes.

(Mr. DEMINT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. DIAZ-BALART) is recognized for 5 minutes.

(Mr. DIAZ-BALART addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

COMMON CONCERN AND ENTHUSIASM FOR THE PROSPECTS OF REDUCING THE TAX BURDEN ON THE AMERICAN PEOPLE

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

Mr. SCHAFFER. Mr. Speaker, I am joined here on the floor by a number of Members from the Republican Conference, and those of us in particular tonight are gathered out of common concern and enthusiasm for the prospects of reducing the tax burden on the American people. There are many of us here in Congress who believe very firmly and passionately that the size of the Federal Government not only is too big but that this government collects far more income and revenue from the American people than is necessary.

Furthermore, we are united in the firm belief that this surplus, this additional revenue that the Federal Government collects, confiscates from the American people and transports here to Washington, D.C., would be better utilized and in fact more powerful if left in the hands of those who work hard to earn this income in the first place.

Very, very clearly, what President Kennedy and President Reagan as well, have shown the Nation is that by reducing the effective tax rates on the American people, through economic growth and productivity of the American people, that the Federal Government actually generates more revenue.

Again, it is the entire distinction between growth in a strong vibrant economy and strengthened family budgets as opposed to slower economic growth and larger government budgets that divides the Congress, quite frankly, and it is the ultimate basis and difference between the Republican Party and the Democrat party.

We do stand squarely for a smaller Federal Government, for a lower tax burden, for stronger family budgets, and for economic prosperity through a deliberate plan to grow the economy of the United States of America.

We are joined and honored to be joined tonight by the majority leader, and I yield the floor to him immediately, the gentleman from Texas (Mr. ARMEY).

Mr. ARMEY. Mr. Speaker, let me thank the gentleman from Colorado (Mr. SCHAFFER) for yielding and let me thank the gentleman from Colorado for reserving this hour for us to discuss this.

We are joined by a good many of our colleagues here. I thought it might be interesting to sort of set the stage, for the American people to have a look at where it is we have brought this budget situation to, since we took over in the elections of 1994 and, of course, commencing in 1995.

Remember, in 1995 we had deficits for as far as the eye could see, and obviously because we were successful in restraining government spending, we have transformed this situation. The fascinating thing, the gentleman from Colorado (Mr. SCHAFFER) made a reference to it earlier, we have now in just these few short years, moved from the public policy discussions of deficits for as far as the eye can see to the current discussion of budget surpluses for as far as the eye can see.

Yet it seems like the terms of the debate between the two major political parties have not changed a bit. Republicans are still saying essentially that the Federal Government is too big and takes too much of your money and that we ought to use the surplus to fulfill our obligation to the American people. Whereas the Democrats seem to say, no, the problem is we really need to grow the government larger and we ought to do so by further prevailing upon the American people for tax increases.

This really centers around this next fiscal year, fiscal year 2000, the first new year of the millennium. We have now, as we look forward to next year, a $137 billion surplus in the Federal budget; that surplus in the budget comes almost exclusively from payroll taxes that are paid in excess of current, particularly Social Security outlays.

Let me just talk about that a little. My daughter, who is a young working professional in her early thirties, who probably represents that generation of Americans that is most worried about their own retirement security in America today, wears a little pin on her lapel and the little pin says, who in the devil is FICA and why is he taking my money?

I think that question is being asked by a lot of our young working people starting their new families and trying to get started in their life.

FICA, or the payroll taxes that we all have withdrawn from our check, is the money that the Federal Government takes for the purpose of fulfilling our obligations to our senior citizens for their retirement.

The youngsters, who are feeling the burden of this tax, are indeed a very loving and generous generation of Americans. We will hear them talk, and I hear them across the country, and they will say, look, these taxes are tough on us, they are tough on our young families. We have our own hopes for our children and our own retirement, but if it is for grandma's and grandpa's retirement, we will pay the taxes.

Now what these youngsters are discovering is, in just next year alone, they will pay $137 billion more in those taxes to that entity called FICA, in

their payroll taxes, than what is necessary next year for grandma's and grandpa's retirement.

The young people are quite correctly coming to us and saying, let us have an accounting on that. The first thing they will say is we owe that to grandma's and grandpa's retirement, and bless their little hearts they are saying do not spend it on other government programs like has been done; put it aside for grandma and grandpa. That is what they intended.

This is what we have done. We set aside the entire $137 billion for our seniors. The President has $52 billion of new government spending, growth in the government, and only $85 billion set aside for the seniors.

If one translates this over the next 5 years, what the Republicans are saying to our youngsters on behalf of their grandma and grandpa is, look, we will take $768 billion of your hard earned taxes and for the first time in the history of Social Security we will actually lock that away to make sure that grandma and grandpa are taken care of. The kids, bless their heart, are the first to demand that.

How many times have we heard a 20 or 30 year old youngster, starting their own family, look at that tax and say, this is a moral obligation to grandma and grandpa? It just warms the heart to see the generosity and the love.

President Clinton and Vice President Gore, on the other hand, they are saying, well, only $569 billion, because we need the rest of that for these government programs of growth.

We have also said that to the youngsters, we understand your concern that government grows out of control and it costs too much money. Look down the road. Take a young married couple today with a two or three year old baby, and they are thinking about now where will I get the money, when that youngster is 15 and 16, for the braces and so forth? They feel the burden of the taxes imposed on them to support the government, and yet what the Clinton-Gore people are saying is, we are going to continue growing the government even in these times.

What we have said is, look, in 1997, the Republican majority in the House and the Senate, every one of the gentlemen who are here, made an agreement with the President, and that agreement was that we would hold the line against further growth in the government. That is known as caps on spending, to stop the growth.

What the Clinton and Gore budget says is, let us increase that budget spending each of those years.

We believe that is wrong. We think a deal is a deal. We think we should hold those caps and we should do so in regard to those young people.

Then finally, the Clinton-Gore budget says they are going to raise taxes on those very same young people over the next 5 years, while we say not only can we hold the caps, not only can we set aside every bit of that Social Security payroll tax that these young people are paying for their grandma and grandpa, but we can get them a $146 billion tax reduction. So we find ourselves back to where we were.

The President and his party look at these tax cuts that we are trying to get for the American people. They throw up their hands with despair and they say, oh, that is just Republicans getting tax cuts for the rich. They, in turn, want to have tax increases.

Let us just stop for a moment. Where would their tax increases fall? Look again at that young married couple just trying to get their life together, finally out of their mom's and dad's home, into their own home. They have got a wonderful Tax Code that they work within. We know how generous our Tax Code is, that gives every one of those a home mortgage deduction so they can buy their own home and then they hit them with a marriage penalty so they are tempted to live out of wedlock, but the youngsters are dealing with that tax, doing the best they can. When we take a look at this and say, my gosh, the largest number of people hit are who, it is those people making $24,000 or $25,000. That is the young folks just getting out of college, just finally getting on with their lives. They are the people that bear the burden of this tax; those people who so desperately need the most take-home pay they can get right now because they have a new baby on the way. They want to redecorate that one extra room they have in that house that they managed to put together at the lower interest rates because of the budget deficit being eliminated, so that they can build a nursery.

Yet the other side is saying that money which would be put into redecorating that room for that nursery we need to, what, build some new government program.

Then after that, the $25,000 to $50,000 income category. So once again, relatively low income, younger people struggling to make ends meet, trying to build their family, are being asked by President Clinton and Vice President Gore to pay the tax increase so we can have the new government programs, and that is where we want to focus our attention tonight.

I believe when the gentleman from Colorado (Mr. SCHAFFER) contacted me and talked about this special order and invited all these other folks, he wanted to focus the Nation's attention on this question. When we have this area where finally after all the years we have struggled, where we can get to surpluses, where we can honor our commitment to grandma and grandpa on their retirement, and hold the line on the growth of government, and literally give these young people starting their young families a chance to have a little relief from the burden of this taxation that they feel so heavily, we feel like we have an obligation to all of these generations to step up and do our best. I think we have done that with our budget.

What have the President and Vice President said? Let us put big government first.

□ 1945

That is where we are, and that is what this debate is all about.

I know I have gone on too long, but it seemed to me, and I know the gentleman from Illinois (Mr. WELLER) had been looking at these charts and perhaps might want to use these charts and I want to leave them for the gentleman to use. But I think we ought to have a real candid discussion about that matter.

To the gentleman from Colorado (Mr. SCHAFFER), I again appreciate the gentleman yielding me this time, and perhaps if we have a few questions we can talk about it and get some of the rest of us involved.

Mr. SCHAFFER. Mr. Speaker, I yield to the gentleman from Indiana (Mr. MCINTOSH).

Mr. MCINTOSH. Mr. Speaker, let me say, because our leader is a modest man and is not going to brag about one of the things that he has done, but I think it is important that we bring this forward and let people know what we are doing to try to reduce that tax burden.

One of the things I want to commend the majority leader on is his America Deserves A Refund campaign that the gentleman launched here in the Capitol, bringing a family with, I believe it was 6 children who were able to benefit from the prime tax cut that Republicans put into the 1997 agreement, the $400 this year and $500 in future years tax credit per child. For that family, that is $2,400 more in their paycheck that they get to keep this year because of that Republican initiative that we were able to put into law.

Mr. ARMEY. Mr. Speaker, if the gentleman will yield, it is so neat to see the 6 daughters, the family had 6 daughters, and when they realized as mom and dad were sitting there working out their taxes that gee, this meant $2,400 more take-home pay for mom and dad because of that new provision we put in the law, I believe it was in 1995 or 1996, and in 1997 we finally got the President to sign it, the girls had a lot of fun thinking, gee, what can be done with mom and dad's new $2,400, and I kind of laughed, and they all kind of thought it might be a good idea to put that money away and save it for a new baby brother. That was a good consensus for the girls.

Mr. MCINTOSH. Mr. Speaker, the other thing that struck me about that was a statement the majority leader made about using a hypothetical family, the Smiths. What does this tax burden mean in our everyday life? When they get up in the morning, they flip on the lights and they pay a utility tax. They run the water to brush their teeth or take a shower, and they pay the water and the sewage tax. They have breakfast and everything that they bought for breakfast they paid a

sales tax on. Then when Mr. Smith gets in his car to head to work, he pays a gas tax and, in most States, a car tax which Republicans here in Virginia are working to eliminate. Then, when he gets to work, he pays an income tax, a FICA tax that the majority leader discussed earlier on this payroll, and if he is investing any of that money in a savings account or in the stock market, he pays a capital gains tax on the returns of his investments.

Mr. Smith comes back home, and the gentleman was kind enough to mention a bill that my colleague the gentleman from Illinois (Mr. WELLER) and I have been working on to eliminate the marriage tax, because he and Mrs. Smith have decided to stay married, in spite of the fact that they pay on average $1,400 more just because they are married. Then, they pay property tax on their home, and if they then reach the end of their lives and want to pass that on or the other assets on to their children, they pay a death tax. That is just 11 taxes, but it is a huge chunk, as much as 50, 60 percent of many people's incomes that go to taxes at all levels of government.

Mr. Speaker, I want to commend the gentleman for taking the initiative and focusing our effort here in Washington on engaging the American people for this campaign of America Deserves A Refund, rather than using those taxes to grow the size of government. I thank the gentleman for doing that.

Mr. SCHAFFER. Mr. Speaker, this is a topic that as a Republican majority we care about, not only from the perspective of managing government and trying to run a more efficient and leaner government, but from the perspective of our concern for middle class Americans. I want to share a couple of sentences here from a letter, and then I will yield to the gentleman from Illinois.

This is a letter I received from a constituent from my district, and I will point out that what we are hearing here in Congress are the concerns of average American people who are realizing that the $52 billion in tax increases that are being proposed by the President of the United States and the White House is not consistent with the best interests of average American families. Average American families want to see tax relief. Here is a good example.

''Dear Congressman Schaefer: The administration's 2000 budget plan presented to Congress on February 1 imposes new taxes that will make it harder for millions of American families to save for their own retirement needs and will seriously jeopardize the financial protection of families and businesses. Providing for retirement and securing your family's financial security should not be a taxing experience,'' the writer claims.

''Americans are taking more responsibility for their own financial futures and they have made it clear that they oppose both direct and indirect tax bites that jeopardize their retirement security and their ability to protect their families. Congress, on a bipartisan basis, soundly rejected a similar approach last year, and I strongly encourage you to do the same this time around. Please oppose any new direct or indirect taxes like those that commonly are referred to as DAC or COLI on annuities or life insurance products.''

Here is a letter from an average American family in Colorado urging us here in Congress to avoid the kinds of tax increases that the Clinton administration is proposing. They are looking to somebody here in Washington, and I am proud to say that the Republican Party is listening to things like this.

Mr. Speaker, I will now yield to the gentleman from Illinois (Mr. WELLER) to help assure not only this constituent, but others like him around the country who are looking to us for real leadership and guidance on trying to shrink the size of the Federal government and provide real meaningful tax relief for families just like his.

Mr. WELLER. Mr. Speaker, I thank the gentleman from Colorado for yielding and organizing tonight's discussion on some of the issues that are so important for us.

Mr. Speaker, think about it. I have been here now 4 years, I have had the privilege of serving in this body, and we were told time and time again that there was so much that we wanted to do that we could not do it, it could not be done, we could not accomplish it. We balanced the budget for the first time in 28 years; we cut taxes for the middle class for the first time in 16 years; we reformed welfare for the first time in a generation, and we tamed the tax collector, reforming the IRS for the first time ever. Those were all accomplishments that we were told we could not do. It had never been done before, so you cannot do it, but we did.

As a result of that, we have a big challenge and opportunity before us that is something new in Washington. That is, we have some extra money. We have a projected $2.8 trillion surplus of extra tax revenue that is burning a hole in Washington's pocket. And the debate this year is what are we going to do with it?

Of course, the President came in and gave a great speech on his State of the Union and basically promised to spend it all. He says, we will save Social Security and we will spend it. I went back home after that, because I stood up and applauded several times, because it sounded great. But folks back home said, well, wait a second. If we have all of this extra money, why is the President asking for $176 billion in new tax increases in his budget? And then they said, but he says he wants to save Social Security, but he raids the Social Security Trust Fund by $250 billion. I do not understand that. Wait a second here. We have a surplus; why do we need a tax increase? We have a surplus; why do we need to dip further into the Social Security Trust Fund?

That is why I appreciate the leadership that the majority leader and others have shown with the decision that has been made just in the last few days to do something that the seniors back home in Illinois have told me they would like to see done, and that is that we are going to wall off the Social Security Trust Fund, that we are going to put an end to a practice that has gone on since LBJ was President, and that is, hands off Social Security. For once and for all, we are going to wall off the Social Security Trust Fund, and we can no longer spend it on anything other than Social Security. That will also put a stop to the President's idea of raiding the Social Security Trust Fund.

I think that is an important issue, and I really want to salute the Republicans in the House and Senate who took that issue on over the last 4 years, because it is a big victory, and I see it as a bright light at the end of the tunnel as we go through the budget process, doing something this year that seniors have asked us to do.

Mr. ARMEY. Mr. Speaker, if the gentleman would yield, talking about that increased spending the President has before us, in his budget he proposed 120 new government programs. Not expansions of existing programs, but 120 new Federal Government programs. I just have to ask Mr. and Mrs. America, when you see where all you find the Federal Government in your life and in your community with this program, that program and the other program, does anybody in America believe that America today needs 120 new government programs? It seems to me that is just wanton growth, almost as if for the sake of the government alone.

Mr. WELLER. Mr. Speaker, in response to the majority leader, the President wants to pay for these 120 new programs by dipping into the Social Security trust fund. We see the young men and women many of us know back home in our home communities, just graduating from high school, they are in college or entering the workforce and they are paying 12.6 percent of their income into the Social Security Trust Fund with little hope, many of them tell me, of ever receiving Social Security benefits.

So unless we wall off the Social Security Trust Fund and stop Washington from dipping into the Social Security Trust Fund to spend on new government programs, our young people may never see Social Security. That is why it is so important that we make this change in how we budget the process.

Mr. ARMEY. Mr. Speaker, bless the hearts of kids. I love listening to the young people today. They are so good. They are paying these taxes for grandma and grandpa's retirement. They know that is an obligation and responsibility. They are happy to fulfill it. It is just that they cannot understand why then would we take that money that they work so hard for, that they are so willing to give up for grandma

and grandpa and give it to 120 new programs they have not even heard of before. It is a fundamental thing, the families that we know and love and trust and we feel responsible for, putting them ahead of new ventures in life, and the kids understand that.

Mr. WELLER. Mr. Speaker, in yielding back my time to the gentleman from Colorado, perhaps I could pose a question to the my colleagues, and that is a question that was posed to me at an union hall back in Joliet, Illinois just a few days ago. This gentleman said, you folks in Washington, you have so much extra money right now, that surplus, over $2 trillion over the next 10 years in extra money, why does the President want to increase taxes? Why does the President say we need $170 billion in new tax increases on the American people and the American economy?

I think that is an important question, and we should be asking the President, but we should also be asking the Congress, why in the world would anyone consider new taxes in a time when we already have all of this extra money.

Mr. SCHAFFER. Mr. Speaker, it is very clear, we do not need new taxes.

Let me again refer to another real American who wrote to me from Fort Collins, Colorado.

''Last year, we withdrew an additional $1,000 from our IRA and found it increased our Federal income taxes by $515. That's right. We only had $485 left. President Clinton's tax increase to 85 percent of Social Security for affluent seniors,'' and she puts affluent seniors in quotes, ''is what did it.''

She goes on, she says, ''In the 28 percent bracket, each additional dollar is of course taxed at 28 cents, and it also makes an added 85 cents of each Social Security dollar taxable at that rate. So the tax is 28 cents plus 24 cents, or 52 cents on each dollar.''

She asks, with exclamation marks, ''Who else pays at that marginal rate?'' She says, ''If we are wrong about any of this, please let us know. But if we are right, please help.''

Well, we are pleased to be joined here this evening by the gentleman from the great State of New York (Mr. FOSSELLA) who is here to help, and I yield the floor to him.

Mr. FOSSELLA. Mr. Speaker, she should go see her Congressman from Colorado. He is going to give them all the money back.

Let me just commend the gentleman from Colorado as well for putting this together, and also the majority leader, and the gentleman from Illinois (Mr. WELLER), and the gentleman from Indiana (Mr. MCINTOSH); we are joined also here by the gentleman from Wisconsin (Mr. RYAN) of Wisconsin and the gentleman from South Dakota (Mr. THUNE), all of whom are speaking for the American people who feel that they are overtaxed.

The gentleman from Illinois (Mr. WELLER) posed the question about how can we be doing this? How can the White House be making these statements about a so-called surplus and yet spending more money.

I would like to refer folks back to the movie the Wizard of Oz. Remember Oz, the wizard who would say, do not look behind the curtain. Well, in a way, that is what happens here in Washington. Just do not ask those questions. Trust us. Trust the White House spending your hard-earned money. And if the gentleman from Illinois (Mr. WELLER) goes back home and sees that gentleman again and he asks him the question, does he trust people in Washington or the President to spend the money he earns every single day of the year, or would he prefer the freedom and the opportunity and the liberty to spend that?

Mr. WELLER. Mr. Speaker, if the gentleman will yield, that is really an important fundamental question we should be really answering here in Washington and the Congress, and that is who can better spend the hard-earned dollars of the folks back home, those of us here in Washington, or real people trying to meet their own family's needs? When we think about it, if we allow people to keep more of what they earn, and of course I would like to eliminate the marriage tax penalty that punishes 21 million married working couples an average of $1,400 each just because they are married. Now, $1,400 in the south side of Chicago and the south suburbs, that is a year's tuition at a local community college. It is 3 months of day care at a local day care center. It is a washer and a dryer in the utility room.

The point is, it is real money for real people, and if we allow people to keep more of what they earn, they can also make choices themselves, because we in government really are not in the best position to make the best decisions for folks back home, for families. Because if they have more money in their pockets, they can choose whether or not to take care of their children's needs or set a little aside for Johnny's college education fund or give a little extra money at the church or the temple or for a charity that is important to their community.

□ 2000

That is an important choice. That is a fundamental decision that we are really going to be deciding this year, is whether or not we let folks keep more of what they earned, or do we spend more here in Washington.

That is why I am so concerned about the President's $250 billion raid on the social security trust fund and his $176 billion in new tax increases, because that is taking more money out of the pocketbooks of hardworking folks back home in Illinois, New York, and other States.

Mr. FOSSELLA. Mr. Speaker, the interesting point here is we are from all parts of this country: New York, Illinois, Wisconsin, South Dakota, Colorado, Texas. I think we represent really what the heart and soul of what the American people want from us.

That is, those are the folks who work hard every single day to send that money back home, because ultimately in life we have a choice. We have a choice here in Washington, by sending people who want to spend that money, much of it unnecessarily, or send it back home where it belongs, and at the same time set aside money where it belongs in the social security trust fund so it is not treated as a slush fund instead of a trust fund. That is the decision that is going to be made every single day of this Congress and the next.

I believe strongly, despite what the polls say, despite what the pundits say, that the people at home in my district on Staten Island and Brooklyn, and in that of the gentleman from Illinois (Mr. WELLER), feel they pay too much in taxes. I say we give them that $1,400.

Would they prefer to spend it back in Illinois? People I represent would rather have that $1,400 in Staten Island to spend how they see fit, whether it is education, a vacation, a new car, whatever it is, because we believe in what this country is all about: the fundamentals of freedom and liberty, and the notion that if you provide the incentives to go out there and work hard we will see economic growth, we will see new jobs created, we will see new innovation, we will see the creativity, we believe in the American spirit.

I want to thank all my colleagues for taking time out to really be the voice of the American people here in Congress, and I thank again the gentleman from Colorado (Mr. SCHAFFER) for putting this together.

Mr. SCHAFFER. From Erie, Colorado, I received this note: Dear Representative, please cut taxes. The proposed 10 percent tax rate cut is so little, but at least it is a cut. Please cut taxes, sincerely, and the writer or the author of this e-mail was from Erie, Colorado. I mention this just to let this woman from Erie know that somebody is listening from Washington, cares, and is interested in moving in that direction. Mr. Speaker, I yield to the gentleman from South Dakota (Mr. THUNE).

Mr. THUNE. Mr. Speaker, I want to thank my friend, the gentleman from Colorado, for yielding, and my other colleagues on the floor this evening for participating in this dialogue.

I think it is fair to say that a tax cut of a $1,000 probably goes farther in South Dakota than it does in Long Island, but in South Dakota, that is a lot of money.

I think the basic question we are all talking about here in Washington right now is who are we going to trust to fix social security, to save Medicare, to pay down the debt, and to see that the American people get to keep more of what they earn. Are we going to trust the group that for 40 years was in charge of this institution and did not do anything to protect social security,

or the people who in 1994 came to this town, were elected, the Republican majority in the Congress, and the gentleman from Illinois (Mr. WELLER) was part of that group, and we were able to join him later, who said we are going to reform welfare and then did it; who said, we can balance the budget, and then did it; who said, we can cut taxes, and then went ahead and did it? Or are we going to trust the other group, that for years and years and years continued to squander the taxpayers' money?

Just to give an example of this, if we look at 1995 and what the projection was, and we have seen a lot of numbers out here this evening, but in 1995 the Congressional Budget Office projected 10 years out into the future. They projected that we would have a $3 trillion deficit, year after year of deficits accumulated. Now the Congressional Budget Office is projecting out for the next 10 years $2.6 trillion in surplus.

The American people I think can do the arithmetic on that and see how far we have come in a very short period of time, 4 year's time. I think it is a great tribute to the hard work and fiscal responsibility of the Republican Congress when they came to this Congress and said that we were going to change business as usual.

I think the ironic thing is that now we have the President of the United States coming up here and saying, we have to pay down debt. We need to invest more in national security. We have the leadership in the Congress on the Democrat side saying that, one, we need to live within the budget caps; and two, we need to look at what we can do to cut taxes.

That tells me we are winning the argument. When we are winning the argument, I think the American people are winning, because it means we are getting more control and more of their hard-earned money back into their hands.

All of us come from different parts of this country. I think we are all a product of those we represent. Where I come from, we have a lot of farmers, a lot of ranchers, a lot of small business people, a lot of hardworking families. It is a place where your word is your bond. It is a place where business deals are still conducted with a shake of the hand. I am proud to represent a place like that.

But they are people who understand that the big hand of big government in Washington is choking them and their existence, if we look at the cost of regulations and the cost of taxes to people who work hard in farming and ranching, and all the ways they get hit. Many of the proposals we are talking about that would reduce the tax burden on people of this country would be directed at people like those I am talking about.

The gentleman from Illinois (Mr. WELLER) has talked about, for example, putting a package together that allows for the deductibility of health insurance premiums for self-employed people. That is critical to farmers and ranchers.

Talk about the death tax, one of the concerns that we have in rural America is how can we keep the family farm and the ranch together? How can we pass it on to the next generation? One of the ways we can do that is to make it easier, so when it comes time and you want to make that transition, and the young person wants to stay on the ranch or the farm, that we do not confiscate it from them through taxes.

If we could do something about the death tax, we would go a long way to preserving the fabric of family farming and ranching in America, which I think strikes at the very heart and soul of the value system of this country. We want to preserve that, and we are not making it easy for them to do that.

If we could address the death tax, if we could address deductibility of health insurance premiums and the burden that we place on hardworking people in this country, the gentleman from Illinois (Mr. WELLER) has been a leader on the marriage penalty.

I think, again, that is something that has been in the tax code for a long number of years, that we have had this notion that somehow if people get married, they are going to be penalized through tax policy. That is just asinine. It is high time we changed it.

The proposals that we are talking about, one, walling off social security and seeing that we preserve that program, and again, I think it is the hard work of the American people and the hard work of this Congress in trying to control spending that has given us the opportunity to say we are going to set the FICA tax aside. We are not going to spend it. The other side, the President, the administration, and the other side of the House, want to, again, raid that social security trust fund.

We are going to set it aside, take that issue off the table, and then let us have a debate, an honest debate in this country about when that is done, are we going to spend more money in Washington on bigger government and more programs, or are we going to give it back to the American people? I think that is one that we win with the American people.

Mr. WELLER. Mr. Speaker, if the gentleman from Colorado (Mr. SCHAFFER) will yield further, that is an important question the gentleman is raising that we probably should ask as we go through the budget process this year. When the President is calling for 120 new government programs, maybe the question we should ask is, who is going to pay for that?

Clearly, in his budget he says that we should take $250 billion out of the social security trust fund and we should increase taxes on top of that another $176 billion. That tells us where the money is coming from, from the pocketbooks of hardworking folks in South Dakota, and also the social security money for young people down the road, as well. I think that is an important question we should ask, where is that money coming from? If they propose a new government program, clearly they are raiding social security to pay for that new government program.

Mr. THUNE. I thank the gentleman for making that point. The irony is that in all of this, we hear an awful lot of demagoguery and an awful lot of rhetoric about what they want to do to protect social security, and yet the numbers bear out. The numbers do not lie.

If we look at the commitment that is made in terms of the rhetoric that comes out of the White House, and then if we look at how this thing actually goes when we read the fine print, it is a very different story.

I would simply say that I think we have a responsibility as guardians of the public trust and as those who defend the people who work hard in this country and pay taxes to see that we do not take any more from them than is absolutely necessary.

If we look at the tax burden, the regulatory burden, and the gentleman was reading some letters, the gentleman from Colorado (Mr. SCHAFFER), from people. We got one the other day. We have a situation in South Dakota where there is a small business deal where a city is taking gravel out of a pit, putting it on the back of a pickup, but because they used a conveyer belt to do it, they fall under the Mine Safety and Health Administration of the Department of Labor. It is considered mining, because they used a conveyer belt.

Under the regulations for mines, one has to have a porta-potty, so they had to put a porta-potty out there for 2 weeks' time, and it costs them $300. It did not get used once, not once. Then they were fined for other things, because they were not complying with some silly regulation because they were trying to move some gravel to the back of a pickup. This is just how ludicrous and ridiculous some of the stuff becomes.

I am not saying for a minute that there is not a need for health and safety type regulations, but there are an awful lot of people in this town who I think have way too much time on their hands who come up with some very ridiculous things.

That is what really this debate is about; again, how do we come up with a government that is more user-friendly, that is modernized, and that sees that because of the hard work of the American people, that we are not taking any more from them than is absolutely necessary.

If we look at what they can spend, if we take a $1,200 tax cut and think about how America could spend it, 15 weeks of child care, 24 weeks of grocery bills, 3 months of rent and housing, three car payments. This is real stuff. This hits people where they really live.

I welcome the opportunity to participate in this debate and talk about what we can do to preserve the way of life

where I come from, which is rural America, and how we address some of these agricultural issues, and the tax issues and big government come right into that debate. So I appreciate the chance to visit this evening with my colleagues here.

Mr. SCHAFFER. Mr. Speaker, I ask Members to brace themselves for this. This is a woman from Fort Morgan, Colorado, who writes that she needs to know that there is a Republican Party back here in Washington who cares about her.

She writes, ''This January I resigned my job and retired early at the age of 50 to cut our taxes. We are penalized for being married and we have no children, so you guys really sock it to us,'' she says. ''The higher fees on everything we buy or use are taxed at higher rates.''

She says, ''We have been putting almost the maximum allowed into our 401(k) to help cut our taxes, but I may not live long enough to spend that money, because you look at my retirement dollars as your money,'' and she is speaking about Washington, D.C. and the Federal Government, of course, ''and are determining for me how and when I can spend it.''

She says, ''When I watched the Senate hearings of Mr. Clinton's budget, it became apparent to me that the era of big government is back. The felon''—her letter may not be compliant with our House rules. Let me skip to the bottom.

''I do not want to hear you guys in Washington say one more time, we have to save social security. Do it now and do it right.'' She says, ''Give us our money.'' Well, Members can hear the frustration and just the tone of the letter from an average constituent. I would suspect that the sentiments that are expressed in this letter are also expressed in the great State of Wisconsin.

Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. RYAN) to elaborate further on what he is hearing from the people in his home district.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman from Colorado for yielding to me. I am a new Member from Wisconsin, and I was very honored and privileged to serve on the Committee on the Budget. What we have been doing in the Committee on the Budget has been two things, analyzing the President's budget proposal, taking it very seriously, and crafting our own budget proposal.

It was my first time to sit in this well of this House to watch the State of the Union Address. When the President stood right behind me here and talked about his plans to save social security, everybody remembers that 62 percent number, saving 62 percent of the surplus for social security, well, I was wondering and scratching my head at the time, why 62? Why not 100 percent? Where did the 62 number come from?

We have been analyzing that in the Committee on the Budget. It looks like actually he is not saving even that much for social security. But what that policy that the President has subscribed to allows the President to do is to continue raiding the social security trust fund.

Where I come from in Wisconsin, people believe that if they pay taxes for social security off of their payroll taxes, their FICA taxes, it ought to go to social security, not to other government programs. For 30 years our Congress, our presidency, this Nation has been raiding the social security trust fund. We have been taking money out of the social security trust fund that we have been paying every paycheck in our FICA taxes and spending it on other government programs.

I had thought that we would be able to end that process. Today we have two surpluses coming in Washington. We have a social security surplus and we have an income tax surplus, a surplus from non-social security taxes. In my opinion, what we have to do, and in fact what this Republican Congress is going to do, is to end that 30-year practice of raiding social security.

This chart right here beside me shows the differences that exist between our emerging budget plan and the President's budget plan. It shows that this year we have a $137 billion surplus, this year, 1999. It is all from social security.

The President wants to take $85 billion and put it toward social security. Some $52 billion of social security dollars are going to go to new spending. We are putting all of social security dollars back into social security. We are putting a firewall in our budget back in place that simply says that from now on, Congress can no longer raid the social security trust fund; that every ounce of FICA taxes we pay for social security plus interest will be dedicated solely to social security. Then when Washington starts running other surpluses from non-social security parts of the budget, from our income tax overpayment, we should get our money back.

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The good point about the Social Security surplus is that that is part of our national debt as well. We have been raiding our Social Security for so long that we owe over $700 billion back to the Trust Fund. The Trust Fund contains nothing but a bunch of IOUs.

But our budget plan is going to pay down that debt. We are going to pay down our publicly held national debt. The President's plan actually increases the national debt by about $1.6 trillion.

The gentleman from Illinois (Mr. WELLER) talked about the new tax increases in the President's budget. It is very clear that what is emerging here is a sharp division of philosophy, a difference of opinion on the role of the Federal Government, on whose money is whose. Are we the stewards of the taxpayers' money, or does the government own their paychecks? That is the difference.

I think the President did a very good service to the Nation when he was speaking about the budget in Buffalo, New York about 4 weeks ago. I want to quote him, because I do not want to put words in the President's mouth. In talking about the surplus, the other 38 percent of the surplus he planned for other programs, he said this, ''We could give you your money back in the surplus, but we would not be sure that you would spend it right.'' Therein lies the difference. Therein lies the difference of philosophy.

We are going to take all the money that people pay in Social Security taxes and dedicate it to Social Security. We are going to stop the raid on Social Security from now on. Then we are going to pay back the money that was stolen out of there in the first place. Then when people start paying overpayments in income taxes over the next 10 to 15 years, we are going to let them have their money back.

Mr. WELLER. Mr. Speaker, if the gentleman will yield, the point the gentleman from Wisconsin (Mr. RYAN) is making, I appreciate the gentleman from Wisconsin discussing this, because I serve on the Subcommittee on Social Security. The President has had a series of town meetings, televised town meetings around the country. His very first one was in Kansas City. He asked four of us to participate in satellite TV hookups with groups in our districts to talk about Social Security.

So I was in South Holland, Illinois with about 400 senior citizens. We had a discussion before we hooked up with the President. It was almost like the Wizard of Oz. There was this big screen, and there was the President's big smile. But they said, ''Congressman, when you ask the question of the President for us, would you ask this one that is really important?'' This gentleman said, and he is very sincere, ''Ask the President when the politicians in Washington are going to stop raiding the Social Security Trust Fund.''

Of course all the seniors broke into applause because they all agreed with that question. So when I had the opportunity to ask the President some questions on behalf of those in attendance at this televised town meeting with the President, I said, ''Mr. President, the first question they want me to ask of you is they want me to ask, and let me quote this gentleman, when are the politicians in Washington going to stop raiding the Social Security Trust Fund?''

The President just kind of paused and put on a real sincere look and said, ''We are not raiding the Social Security Trust Fund. We are just borrowing it. We are going to pay it back again someday.''

Well, all the seniors laughed because they do not believe it is going to be paid back. I am proud to say that this Congress, this Republican Congress is answering that question from those 400 seniors at the South Holland, Illinois town meeting.

We are saying, ''You are right. We are going to stop that practice. This Republican Congress is going to wall off the Social Security Trust Fund and ensure that 100 percent of Social Security dollars go to Social Security.'' That is a big victory once we get that done this year.

That is why I am just so excited that, finally, after those of us, like the gentleman's predecessor, Mark Neumann, who really was a leader in this effort, and all of us that worked on the Social Security Perservation Act wall over the last few years, to save the Social Security Trust Fund, to wall off the Social Security Trust Fund, that the light is at the end of the tunnel.

By the time we finish this budget process, we want to stop raids in the Social Security Trust Fund. When the President proposes taking another $250 billion out of the Social Security Trust Fund in the next few years, that tells us why our effort is so important this year, and we want to win this effort.

I really hope that our friends on the Democratic side will join with us to protect Social Security because this is an important fight. The President says 62 percent. We say 100 percent of Social Security dollars must go to Social Security.

Mr. RYAN of Wisconsin. Mr. Speaker, if the gentleman will yield, I think it is important to look at why were they raiding the Trust Fund in these early years. I wanted to find out why could they possibly justify taking FICA taxes and spending it on other government programs when they were dedicated to Social Security in the first place.

What we found out is that we have been running these massive deficits on the general revenue side of the government, the general fund. To pay for this deficit spending, rather than Congress passing the balanced budget amendment, which we have passed out of this House in prior Congresses but the President will not sign into law, rather than balancing the budget and cutting spending when we have deficits, they raided the Social Security Trust Fund to pay to these other deficits on the other side of the government ledger book.

But now we are even running surpluses over there. So there is absolutely no conceivable justification for continuing to raid the Social Security Trust Fund, no justification whatsoever.

What we are simply saying is this, from now on, under this Congress and under the budget we are going to present, every dollar coming from Social Security will go to Social Security plus interest. Then when we start overpaying our taxes on the other side of the government ledger book through income taxes and other types of taxes, one should get one's money back.

We are going to accomplish three historic goals that have not been accomplished here in my lifetime, which is this: we are going to stop the raid on the Social Security Trust Fund. We are going to pay that money back. We are going to give people their money back when they overpay their income taxes, and we are going to pay down our debt. We are going to start paying down massive payments of our publicly held national debt.

For the first time, because of the fiscal discipline of this Congress, we made the first down payment on our national debt last year to the tune of about $60 billion.

But here is the question that is being posed to all of us, and here is the question and the alternatives that America is facing: Do we want to continue to go down the road where Congress still plays this shell game, where they continue to raid the Social Security Trust Fund, as the gentleman mentioned, the President continues to raid it by $252 billion; or do we say enough is enough, stop the raid, put the money back that was taken out?

Then when Americans start overpaying their taxes for the next 15 years in income taxes and other areas, do we plow that money into new spending as the President has asked for for these 120 new programs he is proposing in this budget, or do we let people have their money back? That is the difference.

Mr. THUNE. Mr. Speaker, if the gentleman will yield, I want to commend the gentleman from Wisconsin (Mr. RYAN) for taking this issue on. The freshman class that joined us here as sophomores now, and the gentleman from Illinois (Mr. WELLER) as junior, I would like to think at least that we have had a lot to do with trying to get this thing switched around.

I want to elaborate on one point the gentleman makes. I think the American people should not miss this. Make no mistake about it, the President is going to continue spending out of the Social Security surplus. That is simple fact.

What we are saying tonight is in the budget that will be presented here, that that is going to be walled off. What I would like to do is elaborate on one point the gentleman made earlier about what he said in New York, because I think it ties in, it links to what is also being said by the administration and by the leadership, the Democrat leadership in the Congress.

That is that, once we have done that, once we have gotten a surplus, the Social Security is walled off, we have paid that back, and we are starting to generate a surplus in the other aspects of the budget, the question then becomes, are we going to have this debate about whether or not to spend it in Washington on new programs or give it back to the American people?

It is interesting what they say about that. Because what they have been saying in the quotes I have been reading, at least from the Democrat leadership that I have been reading, ''We cannot afford to spend the surplus on tax cuts.'' Now think about what that means. I mean right there they are making a basic assumption that it is Washington's money. They are essentially saying that we are going to spend your money giving it back to you.

See, I think that the mentality which we are trying to crack around here is that it is not Washington's money. It is not the government's money. It is the American people's money. That is a fundamental difference in the way that we approach these issues.

I hope that we get to the point where we actually have a surplus beyond Social Security so we can engage this debate and talk about whether or not we build new bureaucracies in Washington or we get the money back. It is not spending the surplus on tax cuts, it is giving the people back their money in the first place.

Mr. RYAN of Wisconsin. Mr. Speaker, if the gentleman will yield to me, in going down the same direction the gentleman from South Dakota was, what our budget plan is going to include is, we are going to make sure that Social Security is walled off, $100 percent of Social Security goes to Social Security. We then use that money to pay off the Social Security debt and our publicly held debt. So we get our national debt going down, the debt held by the public.

All those bonds that are out there by individual Americans, we are going to start retiring those bonds. But in the non-Social Security side of the surplus, that is what we are trying to spend. These surpluses are growing very rapidly over the next 10 years.

Our budget is going to include a budget mechanism, a trigger mechanism which simply says, we are going to save us from ourselves, we are going to save Washington from itself by making sure that these non-Social Security surpluses, when they materialize, that that money can only be used for reducing our debt or reducing our tax burden, not for new spending. Because if we do look at the President's budget, he is dedicating all of those new surpluses for more spending. Our budget is going to protect against that.

Mr. FOSSELLA. Mr. Speaker, if the gentleman will yield, I think one of the benefits of tonight's discussion, and I really appreciate my colleagues bringing out all they are, because I think the American people deserve the truth, and what my colleagues are doing tonight is presenting them with the truth, is we are having a healthy conversation about tax cuts as well.

Now there may be differences of opinion, for example, within the Republican Party as to what tax cuts should be. I support Mr. WELLER's efforts to eliminate the marriage penalty tax. Mr. THUNE's constituents in South Dakota as well as mine would benefit from a reduction in the death tax. The constituents of the gentleman from Wisconsin (Mr. RYAN) and the gentleman from Colorado (Mr. SCHAFFER) will benefit from a reduction in the capital

gains tax. I happen to believe that we need a reduction in marginal rates across the board.

The important thing to note is it is not just a simple choice between what we are discussing in terms of tax cuts for the American people, and none at all on the other side and what the White House is saying, we are talking about saving Social Security, strengthening Social Security, and tax cuts as opposed to more spending and higher taxes. That is what we are hearing from the other side.

I think the more the American people look at the details of what the Republican Congress is doing, what it has done up until now when given the ability to do so, despite the rhetoric, despite the fear, despite the sky is going to fall from the other side, ultimately, at the end of the day, the American people are going to place their trust in the people who are true to them.

I want to congratulate all my colleagues again.

Mr. RYAN of Wisconsin. Mr. Speaker, if the gentleman will yield, I just want to bring up one more point, and that is the question that I get asked in a lot of my town hall meetings. What if these surpluses never materialize? What if the money does not come? We have to do everything to assure that it does materialize.

But by creating 120 new government programs in Washington, that can become and will become tomorrow's tax increases above and beyond the $176 billion of tax increases in the President's current budget. That becomes tomorrow's debt increases.

One thing that is very important that we need to keep in mind as we look at these budgets is we need these surpluses to materialize so we can pay off these obligations, so we can get ready for the baby boom generation on Social Security, so the money is there in the Trust Fund to pay out benefits when the baby boomers begin to retire, when younger generations begin to retire.

The best thing that we can do to assure strong economic growth which gives us more jobs, produces more taxpayers paying more taxes, giving us the surpluses that they are projecting is to reduce the burden of taxation on the working families of Wisconsin, Colorado, New York, South Dakota, and Illinois.

The best thing that we can do, in addition to keeping our interest rates low by reducing our national debt, which we are doing, is to let people keep more of their own money time after time. Every time we have done that in this century, cut tax rates under Hoover, under Kennedy, under Reagan, we increased economic growth.

We actually increased revenues from those taxes which are going to help us keep the economy growing, produce more jobs in this country, keep these surpluses coming in, so we can pay off our debt, so we can fix Social Security. Because if these surpluses do not materialize, if we go into a recession, all bets are off, and we are stuck with these new government programs. So that is why it is so important to make sure that we pay these obligations down and let people keep more of their money.

Mr. SCHAFFER. Mr. Speaker, reclaiming my time, in the remaining 2 minutes that are left, I yield half of that to the gentleman from Illinois (Mr. WELLER) to wrap things up for us.

Mr. WELLER. Mr. Speaker, let me first salute my colleagues here for talking about an important subject tonight, and that is what are we going to do this year in the budget? How are we going to save Social Security? How are we going to lower the tax burden? How are we going to meet our financial obligations and pay off the debt?

The President says that extra money that is burning a hole in Washington's pocket, that $2.6 trillion surplus, he wants to spend it on new government programs and raid Social Security to the tune of $250 billion over the next 10 years.

We have a different approach. The Republican Congress says, look, we are going to stop something that has gone on in Washington for 30 years. We are going to stop the raid on the Social Security Trust Fund and end that practice that President Clinton wants to continue.

We are going to lower the tax burden by eliminating the marriage tax penalty. We are going to pay down the national debt. That is our goals.

Mr. SCHAFFER. Mr. Speaker, reclaiming my time, I want to thank the Speaker for recognizing a representative sample of the Republican majority here in Congress during this special order.

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In Fort Collins, CO, a woman writes, ''Although our family is not wealthy, it makes sense to me to give the extra money back to the people who paid it.'' That is the operative sentiment that drives us here in Congress.

We, as a Republican majority, ultimately believe that any surplus that this government manages to acquire is better reinvested back into the people who earn that money in the first place. That is a far more profitable prospect than what the Democrats prefer, which is to invest other people's cash into the government charity of the Democrats choice. We stand for something very different. We stand for all these constituents who believe that they should come first; that people should come before bureaucracy.

THE REPUBLICAN AGENDA

The SPEAKER pro tempore (Mr. GREEN of Wisconsin). Under a previous order of the House, the gentleman from Illinois (Mr. WELLER) is recognized for 5 minutes.

Mr. WELLER. Mr. Speaker, I represent a pretty diverse district. I represent the south side of Chicago and the south suburbs in Cook and Will Counties, bedroom communities like the town of Morris, where I live, as well as a lot of corn fields and farm towns. Representing such a diverse district, city and suburbs and country, I have learned to listen, and to listen for the common concerns that the people ask their elected representatives to look out for.

One clear message that I have heard over the last 4 years that I have had the privilege of serving in this House of Representatives is that the folks back home want us to work together, they want us to get things done, and they want us to come up with real solutions, solutions that meet the challenges that we face. I am pretty proud that we have met that request.

When I was first elected in 1994, I was told it would be too difficult to balance the budget, and surely we could not cut taxes, let alone reform welfare or tame the IRS. I am proud to say in the last 4 years we did just that. By working together, by staying focused, by keeping our eye on the ball and working hard, we balanced the budget for the first time in 28 years, we cut taxes for the middle class for the first time in 16 years, we reformed welfare for the first time in a generation, and we tamed the tax collector, reforming the IRS. That is pretty good. Those are real accomplishments, major changes in how Washington works.

When I am back home in Illinois folks say, that is pretty good, but what is the Congress going to do next; what is the challenge? When I listen to the concerns back home, I hear several things. The folks back home in Illinois tell me they want low taxes and good schools and they want a secure retirement, and that is the Republican agenda this year.

We want to ensure that our local public schools and private schools are strong, and that our public schools are run by locally elected school boards and local teachers and local parents and local school administrators, and that dollars we provide actually reach the classroom to help kids learn.

We also want to save Social Security by walling off the Social Security Trust Fund and ensuring that 100 percent of Social Security dollars go for Social Security. And we want to lower taxes.

Now, that also means we have some big challenges ahead of us. How are we going to accomplish that? There is a big challenge and an opportunity, and my colleagues and I have participated just in the last hour talking about some of those challenges, but the biggest opportunity and challenge is what are we going to do with the so-called surplus, $2.8 trillion in extra tax revenue, most of which is Social Security?

Well, the President says we should take 62 percent of it for Social Security and spend the rest. Republicans say we want to do it differently; we want to ensure that 100 percent of Social Security dollars go for Social Security, and