NETHERCUTT) is recognized for 5 minutes.

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

PAYING DOWN THE DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SMITH) is recognized for 5 minutes.

Mr. SMITH of Michigan. Madam Speaker, we have heard a lot about the talk on paying down the debt, and I think it is very important that American citizens understand some of the terminology that is used here in Washington.

This chart represents what would happen to the total public debt. The total public debt of this country right now is $5.7 trillion. That includes the debt that we owe the Social Security Trust Fund and the debt that we owe Wall Street or the debt held by the public, plus the debt held by the other trust funds. I think this represents the potential good news of paying down that debt if we were to stick with the caps, the budget caps that we set in 1997, but that is not going to happen.

Yesterday in the Committee on the Budget, we heard the director of OMB say that those caps are unrealistic and presented the President's budget. The President's budget, by the way, increases taxes and fees over the next 10 years by something around $250 billion. Next year alone, his tax increase is $9 billion. So he is expanding spending for a lot of people and a lot of programs with approximately 80 new programs and a considerable extension and expansion of another 155 programs.

So those increased taxes and fees are what is paying for a significant increase in the size of the Federal Government. He is able to say that he is going to pay down what he calls the debt of this country. But I think what we should be very careful in understanding is that what he is talking about paying down is the debt held by the public.

The bottom portion of this chart represents the debt held by the public, starting now in the year 2000, and what is going to happen over the next 10 years. The middle portion is approximately 112 trust funds that we borrow from in addition to Social Security. That is the Medicare trust fund, the Medicaid trust fund, the transportation, highways and all of the other trust funds. The top trust fund of course is what we have been concentrating on, and that is the Social Security Trust Fund.

So when it is suggested that we pay down the debt of this country, what we are talking about is that portion of the total Federal debt, approximately $3.6 trillion; but the way we pay it down is when the cash dollars come in from the Social Security tax, there is more money coming in right now from that withholding tax than is needed to pay out current benefits.

So what is being suggested is we use those dollars, we take the cash dollars from Social Security, we borrow it, we write an IOU, and we use those dollars to pay down the debt by the public.

However, what happens to the total Federal debt of this country is the debt continues to increase. So we are looking at down the road in the next 10 to 15 years of having the current debt go way over $6 trillion, even if we were to stick with the caps.

Here is why I think it is so very important. It is not just the debt and it is not just paying down the debt but it is the structure of our entitlement programs that are going to be very, very difficult for our kids and our grandkids to pay off.

Right now the FICA tax, the withholding tax on payroll is 15 percent of taxable wages. Right now, approximately 75 percent of the workers in this country pay more in that FICA tax, that payroll withholding tax than they do in the income tax. If we do nothing, within the next foreseeable future, our payroll tax will have to go to 40 percent of payroll if we do not fix these programs of Social Security and Medicare, 40 percent of payroll. Then we add income taxes on that for all of the rest of the Federal programs, we add another 20 percent of pay that goes to State and local government; enormous taxes are there, and the potential is a huge disadvantage for the ability of this country to stay competitive with the rest of the world.

Some people say well, can this happen. All we have to do is look at Europe, look at Japan. Already many of those countries are 40 percent. In France, the effective payroll withholding in France is now 70 percent. I mean it is no wonder they have a tough time competing. If we do not do anything in America, we are headed down that same road. That is why looking at entitlement, that is why I am disappointed that Steve Forbes has withdrawn from the race, because he is one of the few candidates that laid out a precise, exact solution of what he thought was the way to go to keep Social Security solvent, to keep Medicare solvent and still have the choice of doctors.

Madam Speaker, I think as we move ahead this year, and moving ahead with this budget, I think we need to challenge ourselves very aggressively to looking at the problems of entitlements, because that is going to be the huge challenge of America and this government in the future.

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

(Mr. PETERSON of Pennsylvania 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 gentlewoman from Idaho (Mrs. CHENOWETH-HAGE) is recognized for 5 minutes.

(Mrs. CHENOWETH-HAGE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

ACCOMPLISHMENTS OF THE REPUBLICAN MAJORITY

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

Mr. WELLER. Madam Speaker, I look back over the last 5 years and I think of when I was first elected in Congress in 1994, what were the big issues of the day. The Democrat Congress and President Clinton had just enacted the biggest tax hike in the history of this country, raising our tax burden to its highest level ever in peacetime history. We had massive deficits of $200 billion to $300 billion a year as far as the eye could see, and there was a proposed government takeover of our health care system. The American people did not necessarily like that situation, and they gave the Republicans the opportunity to be in the majority for the first time in 40 years.

We said that we were going to meet the challenges, we were going to balance the budget, we were going to cut taxes for the middle class, that we were going to reform welfare, and, of course, pay down the national debt. I am proud to say that over the last 5 years, we have accomplished many of those goals, in fact, every one of them.

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. In fact, 3 million Illinois children benefit from that $500 per child tax credit. The first welfare reform in a generation has reduced our Nation's welfare rolls by one-half, and we overhauled the IRS and paid down $350 billion of the national debt. Those are great changes. On top of that, this past year, we stopped the terrible practice, probably Washington's dirtiest little secret, and that is Republicans put a stop to the raid on Social Security. This past year, for the first time in 30 years, we balanced the budget without touching one dime of Social Security, protecting that retirement income for our seniors.

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Those are great accomplishments. Of course, this year we are working to continue our effort to save social security and Medicare, to pay down the national debt, to help our local schools. We also want to bring about tax fairness. I thought I would take the next hour to discuss the issue of tax fairness.

One of the most fundamental questions of fairness that I am often asked in the South Side of Chicago, the