Eight years ago, Jeff Koons put his faith in the law. He put his faith in the United States of America. We have not returned that faith. I am asking my colleagues if they will please take the time to ask every constituent of theirs in this country, and that they do the same, and write the President of the United States, write the Attorney General of this country, write the Secretary of State of this country and plead for the return of this child to the United States of America now.

Bring our children home.

WOMEN'S HISTORY MONTH

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

Mr. KIND. Madam Speaker, before I take my 5 minutes, I just want to commend my good friend, the gentleman from Texas (Mr. LAMPSON), for the leadership he has provided on behalf of missing children in our country and the focus that he has given the United States Congress on this very important issue. I know, from observing him work and the passion he brings to the subject, that there would not be half the focus that there is in the United States Congress if it were not for him and the hard work that he is doing in elevating this issue and educating the rest of us, as well as our administration and the rest of the country, with what a serious problem it is. So I thank the gentleman and ask him to continue the good work. I want him to know that there are many of us who are with him every step of the way.

Madam Speaker, tonight I rise in honor of Women's History Month. In 1987, Congress passed a resolution designating the month of March as Women's History Month, and a time to honor, and I quote, ''American women of every race, class and ethnic background who have made historic contributions to the growth and strength of our Nation in countless recorded and unrecorded ways.''

For 2002, the theme of Women's History Month has been ''Women Sustaining the American Spirit.'' To celebrate this month, I would like to honor four of the numerous women from Wisconsin's history that have sustained the American spirit.

First, I would like to recognize Ada Deer. Ms. Deer, a Native American activist, was born in Keshena, Wisconsin. Nationally known as a social worker, scholar, teacher, and political leader, Ms. Deer was the first female Chair of the Menominee Nation and the first woman to serve as head of the Bureau of Indian Affairs. She continues her work today as a professor at the University of Wisconsin at Madison.

Next, I honor a woman if not well-known to my colleagues is certainly well-known to a lot of our children, Laura Ingalls Wilder. Ms. Wilder was born in a small town on the banks of the Mississippi, Pepin, Wisconsin, which is in my congressional district. Her early years in this area became the basis for her first book, ''Little House in the Big Woods,'' written when she was 65 years old. This was the first of many successful books that comprised the ''Little House'' series, which is still read by many children today.

Belle Case LaFollette is another woman whose contributions to Wisconsin's history cannot be overstated. Though it was her husband, Fighting Bob LaFollette, who held office, Belle was a political force in her own right. Born in Juneau County, Wisconsin, she was the first female graduate of the University of Wisconsin Law School. Throughout her life she was a tireless advocate on behalf of women's rights and human rights in general.

Finally, I would like to highlight the work of Georgia O'Keefe, born in Sun Prairie, Wisconsin. Ms. O'Keefe was one of the first nationally recognized female American artists. After attending high school in Edgewood, Wisconsin, she studied in New York City, then left the city to become supervisor of art in the Amarillo, Texas, school system. It was in the natural floral landscapes of the Southwest that she discovered the subjects of her most famous paintings.

Each of these women has had an impact not only on Wisconsin's history, but also on the history of our Nation as a whole. Whether in art or literature, activism or teaching, they deserve our remembrance not only during the month of March but throughout the rest of the year as well.

THE BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Florida (Mr. DAVIS) is recognized for 60 minutes as the designee of the minority leader.

Mr. DAVIS of Florida. Madam Speaker, tonight several of us are gathered to talk about the budget resolution we passed today, how we got to where we are, and where we need to go in order to protect our Nation's priorities.

I will start by yielding to the gentleman from Wisconsin (Mr. KIND), as soon as he is set up; but we also have joining us tonight the gentleman from South Carolina (Mr. SPRATT), the ranking Democrat on the Committee on the Budget, to talk both about how we got to where we are, exactly what we believe the facts to be, because at a minimum the American public deserves to at least have the facts before we debate our different opinions about how we achieve the Nation's priorities; and then to talk a little bit at the conclusion about some of the solutions we have proposed that were rejected.

These solutions were not even allowed to be debated today on the floor of the House of Representatives. But we are confident they will be brought up in the Senate and, hopefully, will be part of a bipartisan solution, because we cannot achieve a solution in this body, working with the President and the Senate, unless it is truly bipartisan.

So at this time I yield to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Madam Speaker, I thank my colleague for yielding to me, and I want to thank him for his leadership on the Committee on the Budget. He has been actively involved in trying to shape bipartisan budget agreements, and his knowledge and insight on the subject is invaluable to the institution, and his leadership is appreciated; and I thank him for all his hard work.

Today, anyone tuning into the deliberations on the House floor probably witnessed one of the most important debates we could have in this session of Congress. It sets the terms of the budget for the rest of the year. And not just for this year, but for many years to come. The budget resolution, although nonbinding, establishes the parameters of where spending is going to occur and how we are going to pay for these budget priorities.

That is why the debate we had, I felt, was very important and very constructive, because it not only affects the Nation in the coming fiscal year, but it will affect our seniors who are currently in the Social Security and Medicare programs, the baby boomers, 77 million of whom are rapidly approaching that retirement age in just a few short years and will start entering some of these very important programs, and also the younger generation, our children and grandchildren, who will be asked to clean up, so to speak, the various mistakes that I feel we are making as a Nation and as a body in the budgets and the economic policies that are then pursued over the next couple of years.

□ 2045

Unfortunately, the budget resolution that was before us today was a budget resolution that only Enron could love. It was full of smoke and mirrors, gimmicks, sleight of hand, and deceit, not in the parameters of the budget resolution, but in how we were going to pay for it and what was going to be sacrificed in the course of the coming year and years based on the decisions that we will be making in the months to come.

Even though we have been debating 10-year budget plans with 10-year forecasts, the majority party decided to go with the 5-year. Perhaps they realized with the $2 trillion tax cut passed last year the effect of the explosion of tax cuts in the second 5 years of this decade and the tremendous impact it is going to have in creating annual structural deficits again.

They also used budget calculations from the OMB within the Bush administration, rather than the established CBO numbers that we have reached bipartisan agreement in using before in scoring all pieces of legislation, not just budget resolutions, but for obvious reasons, because the OMB numbers coming out of the administration are much more rosy and optimistic than what the CBO numbers show. The Director of the CBO is appointed by the majority party. Why they would reject their CBO numbers can only be explained from the fact that the numbers are based on more realistic economic growth scenarios and the impact of the policy decisions contained in the budget resolution.

Interesting enough, it was in 1995 when the Republicans came into the majority for the first time in a while that they shut the country down by demanding that the Clinton administration use Congressional Budget Office numbers rather than their own OMB numbers. A few years later, they flip-flopped on that issue out of political expedience. Medicare spending in the next decade, they are underestimating the true impact of Medicare costs.

Yogi Berra was fond of saying this is deja vu all over again. The budget resolution that we just debated is really a throwback to the economic policies and the budgets that were passed back in the 1980s and the first part of the 1990s. My constituents are surprised to learn when I tell them that the $7.5 trillion national debt that we now hold as a Nation, that 86 percent of that national debt was accumulated during the 1980s and early 1990s. So this large debt that we have outstanding already is a relatively recent phenomenon attributed to the policies that were pursued in the 1980s and the first part of the 1990s which led the country down the road of annual structural deficits, and using the money that is contained in the Social Security and Medicare trust fund for other measures.

Unfortunately, the budget that passed today, even after 1 year when virtually every Member of the House of Representatives is on record as saying we will not touch those trust fund monies, in fact, dips into those trust funds for other government expenditures.

Just to remind Members who voted for that budget resolution today what they said as recently as last year in regards to the sanctity of the trust fund, which I happen to agree with, and as a member of the New Democratic Coalition, we have been working hard to establish fiscal responsibility and keeping hands off these trust funds, realizing this demographic retirement boom is around the corner.

Last June the gentleman from Illinois (Mr. HASTERT) was on the floor stating, ''I was very pleased today that the House passed the Social Security and Medicare Safe Deposit Box Act. This important legislation will protect every penny of the Social Security and Medicare surpluses. American workers deserve to know that these important programs will be there for them when they retire.''

The budget resolution passed by the Speaker and his party pillages and raids the lockbox proposal that passed last year.

House majority whip, the gentleman from Texas (Mr. DELAY), again during last year's debate, ''Trust must be put back into the Social Security Trust Fund. The Republican lockbox legislation locks away the entire Social Security surplus and prevents the funds from being spent on other government programs.''

House majority leader, the gentleman from Texas (Mr. ARMEY), during last year's debate, ''I think it is very important for us to remember that the first thing this Congress did was to continue to keep a firewall between our Social Security and our Medicare Trust Funds and the rest of the American budget so no dime's worth of Social Security or Medicare money will be spent on anything other than Social Security and Medicare.''

Here we are today dipping heavily into those trust funds.

Finally, the House Committee on the Budget chairman, the gentleman from Iowa (Mr. NUSSLE), again last year, ''This Congress will protect 100 percent of the Social Security and Medicare trust funds, period. No speculation, no supposition, no projections.''

That is why many of us during the course of the debate were raising alarms in regard to the path which we are embarking upon with the budget resolution. But we were reminded by the gentleman from South Carolina (Mr. SPRATT), the ranking member of the Committee on the Budget, that we also need to maintain some fiscal discipline and not think about the next election or the next election cycle 3 years from now, but start thinking about the next generation. Our own ranking member, the gentleman from South Carolina (Mr. SPRATT), is quoted as saying during the context of last year's budget debate that set us on the course of these annual structure deficits, ''Today I have one priority, one overriding objective, and it is simply this: To make sure that we do not backslide into the hole we just dug ourselves out of. That is my overriding objective, and that is why I have a problem with the Republican resolution, because it leaves so little room for error.''

Madam Speaker, 1 year later we have seen how wrong that budget resolution was. There was no built in flexibility for a September 11, for an economic slowdown, and some of these other national emergencies that we must deal with, and hopefully deal with in the short term and get back on fiscal footing again.

What is different today that did not exist in the 1980s and 1990s is we no longer have the luxury of time. We could run some structural deficits during the 1980s and 1990s contributing to the $5.7 in national debt because we had the rest of the 1990s to recover from that. Through the budgets that were passed in 1993 and 1997, it put us back onto a road of fiscal sanity. We were actually able to run budget surpluses in the last 4 years, wall off the Social Security and Medicare trust fund, use the surplus to download our national debt and put us on a firmer financial position to deal with the impending baby boom generation's retirement. We do not have that luxury today.

If we continued down that road that existed in the 1980s and first part of the 1990s, we will not have time to recover. This is not a debate about the baby boom retirement, this is a debate fundamentally about the future of my two little boys, Johnny and Matthew, who are 5 and 3. It is their generation that is going to be asked to clean up the fiscal mess that is being created in today's Congress, by postponing these long-term decisions, by dipping into these trust funds, placing IOUs that will have to be paid back virtually simultaneously when the IOUs with the rest of the national debt have to be paid back.

Madam Speaker, I do not think there is any fiscal possibility or way for them to do it when it is time for them to assume the reins of leadership in this country, for their generation to deal with the aging population, and this massive population that will be existing there drawing from the Social Security and Medicare programs for many years to come. This is really a generational argument that we are having.

Whether we are going to be thinking long term, thinking about the future of our children and grandchildren, helping them to be able to assume the leadership and make the policy decisions that they will be asked to make in the years to come, rather than continuing this black hole of fiscal irresponsibility and adding to their obligations and their burdens when they reach the age of responsibility.

Those are just a couple of issues that I wanted to raise here tonight with my colleagues. I think they are important for us to emphasize and talk about. I think it is important for the American people to tune in for this debate and weigh in to this debate. This is not about whether Democrats support the war against terrorism. We are united on that front. This is about how we can still do that and maintain fiscal discipline and the promises for our aging population, but also the promises we should be making to our children and to future generations.

On that front we are failing them miserably unless we can engage the administration on a budget summit which has been proposed by the leadership of our party, getting the President to the table in order to negotiate a bipartisan agreement of how we can turn this down and get back onto the road to fiscal solvency, walling off the trust fund monies, and downloading the national debt, because we still have time before this massive retirement boom begins to hit our country, which is the greatest fiscal challenge which the country will face for many years to come.

Mr. DAVIS of Florida. Madam Speaker, I yield to the gentleman from Texas (Mr. TURNER), a leader of the Blue Dogs, a paragon of fiscal responsibility among Democrats and Republicans, and a leader on budget issues since he arrived in Congress in 1997.

Mr. TURNER. Madam Speaker, I thank the gentleman for yielding. It is a pleasure to join my colleagues tonight on the House floor to talk about the debate that has been ongoing all day in this House regarding the budget resolution for the upcoming fiscal year.

For many of us it was a very difficult and disappointing day in this House, a day when 435 Members debated the future budget of our Nation, and by a margin of just 6 votes chose to abandon fiscal discipline to raid the Social Security Trust Fund and to cease the efforts that we have made for the last 4 years to balance the budget and pay down our debt.

The choice that we had before us on the floor today was very clear. We can go back to deficit spending, raid Social Security, increase our debt; or we could have chosen to continue down the path of fiscal responsibility, balancing our budget, saving Social Security, paying down debt.

The Republicans on the floor of this House today suggested that we are in war and that their budget was justified because we are in war. All of us in this House, every Member agrees completely that we must dedicate whatever funds are necessary to win the war against terrorism. No dollar should be spared in this effort.

But is it right to ask the young men and women in uniform who are fighting this war to also pay for it? That is the effect of what happened here on this floor today. Does the majority party believe that it is right to commit to spend whatever is necessary to fund this war without an equal commitment to pay for it? Does the majority party in this House really believe that calling on young men and women in uniform who are today, tonight, sacrificing for our Nation, risking their very lives, to also be the ones that will have to pay the debts that are created by this budget?

□ 2100

Does the majority party in this House really believe it is right to spend whatever is necessary to win the war on terrorism while at the same time telling those 18- and 19- and 20-year-old soldiers that they will be called on to pay for this war when they are in their prime income-earning years? In my humble judgment, that is not the true spirit of American patriotism.

Deficit spending, borrowing money from the Social Security trust fund to fight this war is not only fiscally irresponsible but it is morally reprehensible. It is an injustice to pass the cost of today's war on to the very generation that is tonight fighting this war. What father in any American family would choose to leave an inheritance to his children consisting of a pile of debts, a pile of bills? That is the choice the majority party made in this House today.

After 3 years of budget surpluses achieved by courageous votes of Members of previous Congresses, the majority today refused to face up to the fiscal realities of today. Just 1 year ago, the Congressional Budget Office projected that we would have 10 years of surpluses. This year, the Congressional Budget Office projected that we would show deficits for the next 10 years. At your house or mine, in your business or mine, that would prompt us to change course. But not in this House today. Instead, this House chose to go down the path of fiscal irresponsibility. Yes, it was a sad day for the American people in this House and on this floor this afternoon, because the majority decided it was okay to raid the Social Security trust fund to fund their budget.

On at least four occasions on the floor of this House since 1999, this body has voted overwhelmingly to protect the Social Security trust fund, to put it in what we call the lockbox, pledging never again to spend Social Security funds, the retirement fund of every American, to cover debts incurred in the rest of the budget. If any corporate officer in America raided the employees' retirement fund, they would be guilty of a felony and they would be locked up for a very long time. But here in Washington, after promising never to do it again, the Republican leadership has presented a budget that, without apology and without remedy, raids the Social Security trust fund and returns us to deficit spending and fiscal irresponsibility. This was the wrong choice for the future of America. I am pleased to be on this floor tonight with my colleagues who believe in fiscal responsibility, to stand up for balancing the budget, paying down the debt and protecting Social Security.

Mr. KIND. If the gentleman will yield, I just picked up on a very important issue that the gentleman raised this evening and, that is, who is ultimately paying for the increase in spending or for the tax relief that just passed last year. The gentleman talks about the young men and women who are serving our country now in harm's way overseas and we are blessed that we have such gifted and talented and dedicated individuals looking out after our liberties and our freedoms across the globe in this battle against terrorism. But someone ultimately pays. Unfortunately, while at the same time the majority party delivered tax relief for the most wealthy last year, they are asking to pay for that along with the spending increases in defense and in homeland security through FICA taxes, which we all know is the most regressive form of tax in the Nation, because it is working families, it is low-income working families who have to pay 100 percent of their obligation in FICA taxes to the treasury every year. Those FICA taxes are what goes into the Social Security and Medicare trust funds. So by raiding those trust funds, we are basically saying that we are going to be delivering tax relief to the Bill Gates and the Warren Buffets of this country while at the same time we are going to continue collecting these FICA taxes from hard-working families who, by the way, are the ones offering their young sons and daughters to fight this battle overseas and they are also being asked to shoulder a disproportionate burden, financial burden, in paying for all this stuff. I could not think of anything more inequitable, anything more unfair that we can do to these working families today than the type of economic policies that have been pursued. I thought that that was an important point that the gentleman raised this evening.

Mr. TURNER. The gentleman from Wisconsin is certainly accurate in his assessment, and I think what it comes down to is that in this Nation, at this time of war, all Americans need to recognize that it is not just those young men and women in uniform that are sacrificing for our Nation but all of us must be willing to do so, because our failure to do so does mean, as the gentleman suggests, that the very generation that is fighting this war will later be the generation that is called upon to pay for it.

Mr. DAVIS of Florida. Madam Speaker, I yield to the distinguished gentleman from North Carolina (Mr. PRICE), a senior member of the House Budget Committee.

Mr. PRICE of North Carolina. I thank the gentleman for yielding and for taking out this special order tonight to let us continue the budget debate that has gone on today and that is of such importance to the future of the American people.

Madam Speaker, it was only 10 months ago that we were hearing projections of $5.5 trillion worth of surpluses over the next 10 years in this country. What has happened since then is a fiscal reversal that I believe historians will tell us is unmatched in our history, where we have gone from a $5.5 trillion projected surplus to a projected surplus of essentially half a trillion dollars, and even that is probably an overestimate, because the budget numbers that our Republican friends are working with do not include lots of things that we know are probably going to have to be changed and that they are already advocating themselves. It is a sobering reality that we are dealing with. But instead of dealing with that reality and putting us on a path to improving our situation, the budget our Republican friends have put out here today and that the House has approved is, I am afraid, not only going to ratify the situation but actually deepen our difficulty.

The Social Security surplus is estimated to be about $1.2 trillion over the next 6 years. That was a surplus that we had hoped to not spend on other things but instead to apply to buying down the national debt and therefore preparing ourselves to meet Social Security's obligation in the next decade. But now that Social Security surplus is going to be spent under this Republican budget. Over 86 percent of that surplus is going to be spent.

This chart will illustrate the reality. Last year we were projecting a surplus in the non-Social Security portion of the budget of $100 billion in the near term and then well up into several hundred billion dollars later in the decade. Now, a year later, the Bush budget, passed by this House today, put forward by the Republican leadership, now shows that there not only is no non-Social Security surplus but that we are actually in deficit in the non-Social Security portion of the budget, and that means we will be borrowing from Social Security in order to meet our obligations.

Mr. DAVIS of Florida. Will the gentleman yield?

Mr. PRICE of North Carolina. I will be happy to yield.

Mr. DAVIS of Florida. It seems to me that it is important to understand how we got to where we are to avoid repeating history and going deeper into this hole. I know the Congressional Budget Office which is widely regarded as a nonpartisan, apolitical office analyzed what caused the reversal you have just referred to, how we went from surplus into deficit. Many people believe it is entirely based on the events of September 11 and the money that we understandably have spent and will continue to spend to deal with security at home and abroad.

But could the gentleman elaborate a little bit on what the Congressional Budget Office has explained is the cause of this sudden change from surplus to deficit?

Mr. PRICE of North Carolina. The Congressional Budget Office estimates that actually less than 10 percent of this reversal, less than 10 percent of the disappeared surplus, is related to the war on terrorism. Forty-three percent of it has to do with the President's tax cut, which our Republican friends shouted through last year with assurances that there was plenty of slack, plenty of running room, that we could do this safely and have a trillion left over. But 43 percent of that fiscal reversal has to do with that tax cut and less than 10 percent with the war on terrorism.

This chart will illustrate the situation. All legislation, including the war on terrorism, accounts for 17 percent and the war on terrorism is about half of that. These technical changes and economic changes have to do with the economic downturn and some of the additional costs in Medicare and Medicaid. It is not all any one factor. But the predominant factor is indeed last year's tax cut.

Mr. DAVIS of Florida. If the gentleman will further yield, as I recall there was a Democratic tax cut proposal last year that differed in the size from what was ultimately passed as the Republican tax cut and one of the reasons for that was the Democratic tax proposal also included a plan to more aggressively pay down the massive Federal debt and also built in a cushion to be more conservative, is that correct?

Mr. PRICE of North Carolina. Absolutely. The gentleman is correct. A year ago we were debating Republican and Democratic budget alternatives. The Republican alternative left no margin for error. It basically said let us take the surplus and spend it on a tax cut and let us risk going into the Social Security surplus. The Democratic plan was far more balanced. We also proposed a tax cut, a tax cut that was aimed at estate tax relief, aimed at putting money in families' pockets who most needed it. That was a proposal that I think could have gotten widespread support. But our Republican friends insisted on going way beyond that. We also had built in a disciplined, systematic program of debt reduction, of buying down the national debt. We also provided for some needed investments in defense, in prescription drug coverage under Medicare, and other pressing national priorities. Most of the American people, I think, agreed that this was a more balanced approach and one that left a greater margin for error in case the economy did not perform as we hoped. Now we know in reprospect that our plan would have been far superior and would have avoided this fiscal turnaround that we have now seen.

Mr. KIND. The gentleman has talked about debt reduction, our plan for debt reduction. Obviously during the course of the debate today and also last year, the Republican majority talked about the merits of tax relief and how it could theoretically stimulate the economy, generate more revenues and encourage more growth. They truly believe that. I understand their argument. Could the gentleman explain to us a little bit about the merits of debt reduction and the fiscal reasons for that and the type of economic benefit that that could bring for the Nation.

Mr. PRICE of North Carolina. I thank the gentleman. That is an extremely important point. It is very disappointing to realize that now for 3 years we have been actually buying down the national debt. We have reduced the publicly held debt by something like $400 billion. That has strengthened our country, strengthened our economy, and made us pay less interest each year on that debt service. Why do we want to reduce the debt? Because it is a huge drag on this economy to owe $3.5 trillion in externally held debt. The debt service alone on that burden is $200 billion a year. Any one of our constituents could think of more productive public and private investments. That is simply money down the rathole; $200 billion a year in interest payments. I think the greatest problem is the burden this represents for future generations, particularly at precisely the time when the baby boomers are going to be retiring. These surpluses we are running in Social Security are not going to last forever. Baby boomers are going to start retiring in about 6 or 8 more years and then around 2015 or 2016, all of a sudden we are going to be putting out more money in Social Security benefits than we are taking in in Social Security revenues. What do we have to do at that point? We have to start cashing out those bonds that the Social Security trust fund has been holding all these years. The best single way we could prepare for that obligation is to reduce that publicly held debt, so that we are no longer laboring under that burden, no longer putting out $200 billion worth of interest each year. But I am afraid the situation has precisely been reversed and this budget today that we have been discussing foresees and, in fact, facilitates a huge turnaround in our debt situation.

Mr. KIND. If the gentleman will yield further, I am always interested in listening to Chairman Greenspan when he testifies before our various committees, in the Committee on the Budget, for instance. He is always explaining to us such inherent positive features of debt reduction, not the least of which is the impact on long-term interest rates which can be a hidden tax relief. By keeping debt reduction in check and reducing it will have the beneficial effect of reducing long-term interest rates, making it cheaper for businesses to borrow money, to invest in capital, to create jobs and to hire more people working, making it cheaper for people to afford car payments and home payments and student loan payments and credit card payments. To them, at the Federal Reserve, whether it is Chairman Greenspan, Chairman Volcker before him, the real key to a lot of economic stimulation and growth in the country is what happens with long-term rates.

□ 2115

Through increase in debt and deficits, we have raised those long-term rates because of the reaction from the bond market and financial markets. By maintaining fiscal discipline and reducing our debt burden, it enables those financial markets to reduce the long-term interest rate burden that all working families and all businesses have to confront with.

Mr. PRICE of North Carolina. I think the gentleman is absolutely right. Even before the tragic events of September 11, it was clear that the fiscal policies of our Republican friends and of the Bush Administration were being read by the markets in ways that simply were keeping those long-term interest rates up and were showing that the fiscal projections did not have much credibility. Of course, with this budget we passed today, that problem has been compounded.

A year ago we were looking at essentially paying off the publicly held debt by around 2008 and being in a far stronger position in this country to do what we need to do, most particularly to meet our obligation to Medicare and to Social Security. Now, unfortunately, we are looking at $3 trillion debt levels, an accumulation of $4 trillion more in debt, for as far as the eye can see. This is an enormous fiscal turn around, and if you doubt it has some effect on our yearly bottom line, this chart should illuminate that impact.

Mr. DAVIS of Florida. Madam Speaker, I would like to further elaborate that just a couple of years ago that interest payment figure the gentleman cited was closer to $225 billion, and, just to put that in context for the folks at home, that was almost as much as we spent on Medicare for the entire country for that year.

The good news was we were starting to reduce that interest payment, but now, as I think your chart points out, we are going to actually start borrowing more money again, driving up that interest payment, wasting money and potentially jeopardizing these historically low interest rates that consumers have been enjoying, as the gentleman from Wisconsin (Mr. KIND) has said.

Mr. PRICE of North Carolina. The gentleman from Wisconsin (Mr. KIND) is absolutely right about the threat to the long-term interest situation, and the gentleman from Florida is right about the implication of this kind of debt service, burdening us down each year.

I think the year the gentleman is referring to, the interest payments were actually more than Medicare. As I recall, interest payments were the third largest item in the whole Federal budget, surpassed only by Social Security and by the defense budget.

Mr. SPRATT. If the gentleman will yield, last year, as you well know, we were literally having a debate about how fast we could pay off the Treasury debt held by the public, which is a little less than $3.5 trillion. Republicans were trying to tell us we were providing too much, more than could actually be purchased and bought back.

Now what we see from CBO, this is the Congressional Budget Office's analysis of the President's budget dated March 6, the debt held by the public not only has not gone down, it is actually going up. In 2001, at year's end, the total debt outstanding owed to the public was $3.3 trillion. In 2006, 5 years from then, the debt held by the public will be $3.6 trillion. It will actually go up $300 billion.

Our Republican friends took to the well today and touted the fact that some $300 billion or $400 billion in national debt had been paid off. It was. It was paid off during the Clinton administration, as we got rid of the deficit and put the budget in surplus. But our objective last year was nothing less than to get that debt paid to a very, very low level, a negligible level, so when the baby-boomers retired Treasury would not be burdened with this external debt owed to the public and they could meet the obligations owed to the Social Security trust fund.

Instead we see, looking at these numbers that CBO gave us just a week or two ago, in 2008, when the baby-boomers begin to retire, we will have outstanding debt owed to the public by the Treasury $3.479 trillion, which is about $150 billion more than at the end of 2001. We will not have made any progress at all on the problem. That is such a radical reversal from where we were last year.

Mr. PRICE of North Carolina. Madam Speaker, I thank the gentleman. In the meantime, of course, we will have sunk hundreds of billions of dollars into interest payments, which could have financed, for example, prescription drug coverage under Medicare about three times over, could have rebuilt our crumbling schools, shored up our infrastructure, could have done so many things for our country.

Sometimes these numbers just seem beyond comprehension, but these national debt numbers are not just abstract numbers. They are a yearly drain on this country's resources which, unfortunately, this budget approved here today will only increase the problem.

Mr. SPRATT. If I could go back to what we were discussing a minute ago, Chairman Greenspan, about 2 or 3 years ago when we first began to see daylight, we began to see the budget pull completely out of deficit and into surplus without counting the surplus in Social Security and Medicare, we were able to discern that on the horizon, Chairman Greenspan came to our Democratic Committee on the Budget caucus over in the Library of Congress and spoke to us behind closed doors, off the record.

He said, look, the Fed can get short-term interest rates down, but only you, with fiscal policy, can really bring long-term rates down, and the way you do it is exactly the way what is unfolding right now. If you can convince the financial markets that you are going to retire $3.5 trillion of Treasury debt, then that will mean the Federal Government will not be in the markets crowding out private borrowers, driving up interest rates. Instead, for every dollar you pay off, it will be a dollar added to net national saving, and over time it will drive down interest rates, boost the economy and bring that long-term rate down.

That in itself, if we could have accomplished it, would have been a long step towards ensuring the solvency of Social Security. That was why it was so critically important. This is not some obtuse debate of whether or not it is better to have less or more debt. It is an absolutely essential element towards making Social Security solvent for the long run.

Mr. PRICE of North Carolina. The gentleman is absolutely correct. We need to be systematically and in a disciplined way paying down that debt, and in these fortunate years where the Social Security trust fund is running a surplus, that is exactly the way that surplus should be applied; not for tax cuts, not for new spending, but for debt reduction and for the strengthening of the future of Social Security. That is the path we were on, that is the path we have been now knocked off of.

We all know that we have to do some extraordinary things at this time of national crisis, and you will find no disagreement here today about that, about the need to prosecute this anti-terrorism offensive, about the need to shore up our homeland defenses. But the entire fiscal solvency of the country cannot be wrapped up in the anti-terrorism offensive. We need to do this and to do it well and to do it right, but we need not to do it at the expense of our country's long-term fiscal strength and fiscal solvency. And that is the debate I am afraid our Republican friends have failed today, as they have projected actually a 5 year budget. They have gone from 10 to 5 year numbers to make it look better, but the fact is our long-term budget prospects are being sacrificed.

Mr. DAVIS of Florida. If I could inquire further of the ranking Democrat on the Committee on the Budget, the biggest fear I have with what happened today is that we have failed to adopt a credible blueprint.

The budget resolution is supposed to be our blueprint. For those of us elected to Congress because we extolled the virtues of the balanced budget and paying down the debt because it was the right thing to do for our children and grandchildren and contributed to lower interest rates and helped preserve Medicare and Social Security, we measure every act we take here, whether it is a tax cut or spending proposal, by how it affects our ability to have a balanced budget and pay down the debt.

Having adopted a budget resolution today which I think clearly fails the test of being an honest yardstick as we go forward, I would say to the gentleman from South Carolina (Mr. SPRATT), I am terribly concerned as we start to debate spending proposals and tax cut proposals over here, we are not going to know where we are in relation to whether it is driving us further into deficit and how we are going to get into it.

Does the gentleman have that fear?

Mr. SPRATT. I will show the gentleman the disparity between the budget on the floor today and the President's budget, and the reason we said this budget we are voting on today is not a real budget.

When the President sent up his budget, he asked for $675 billion in additional tax cuts, on top of the $1.35 trillion cut last year; another $675 billion. Some of it is for things that are going to come up, extenders, that are expiring tax provisions that are very popular and we will all vote for them. The research and experimentation tax credit is a good example. When it expires we will renew it. This budget today provided only $28.8 billion, an allowance of just under $30 billion, versus the President's request for $675 billion. What is the right number?

One of the biggest issues of all is what happens to last year's tax cuts. Passed last June, by agreement with the Senators who voted for it that made up the majority, the amount of revenue reduction was limited to $1.35 trillion. To shoe horn that into the budget, it was phased in over time, and then in the year 2010 everything that was phased in would suddenly become a pumpkin, it would expire, we know that is not going to happen.

Nevertheless, when we got this 5 year budget, they limited it to 5 years because that precluded them from having to deal with the decision, what happens if you make this tax cut permanent? It has a huge effect on revenues and a backwash effect at the present time.

CBO says the impact on revenues from making that permanent is an additional $659 billion, that much less revenue, $659 billion. Our Republican colleagues on the committee, when asked, said no, we have not made a decision about that. This budget makes no implication.

The next day the Speaker said, absolutely, the repealer, sunsetting that tax bill, will be rescinded. It will not stand. Reporters put the same question to Ari Fleischer at the White House. He said unequivocally, it will be repealed.

That is a $659 billion item. You should reduce your revenues in this budget by that amount and ought to have an honest budget. Not a single penny of that tax policy is reflected anywhere in this 5 year budget. That is why we said this is not a real budget. This is the tip of an iceberg. We are not dealing with reality here.

Mr. PRICE of North Carolina. If I could inquire further of our ranking member, is there any provision in this budget for emergency spending?

Mr. SPRATT. None at all, even though we know from historic experience it averages about $6 billion a year. Let me give credit to our chairman, the gentleman from Iowa (Mr. NUSSLE). Last year he wanted to baseline that amount of money. He wanted to take the historic average and put it in the budget every year so we would not have a supplemental that would add it in later. The appropriators and some others did not like that idea, and he ultimately lost and he simply dropped it this year. But you may as well get ready, it will be there. We will have to spend that amount of money. You will have to add it to the bottom line.

Mr. PRICE of North Carolina. Is there any provision for the supplemental appropriations bill that we know will be before us in a few weeks?

Mr. SPRATT. None at all.

Mr. PRICE of North Carolina. Is there any provision for altering the Alternative Minimum Tax so millions of Americans don't bump up against that?

Mr. SPRATT. We know that 1.7 million taxpayers last year had to deal with the AMT, the Alternative Minimum Tax. We know from the Treasury Department over the next 10 years that number will grow to 39 million taxpayers, mostly middle income Americans. The gentleman was here when that bill passed. I was here. It was not intended for middle income Americans. It was intended for upper bracket taxpayers.

Consequently, when they find out that deductions and credits and preferences that we promised them in the Tax Code are not fully available because of this thing called the AMT, they are not going to like it. They will be numerous, rising to 39 million taxpayers.

I am sure we will eventually relent and have to modify that and should modify the AMT. But every time we bring it up and say you have to factor this in to the future planning for revenues, sooner or later we have to do something about the AMT, it gets shoved forward, gets ignored.

That is another element that was simply omitted in the consideration of this budget and a reason we said this is not a real budget. This is not everything that has to be captured and taken into account.

Mr. PRICE of North Carolina. So as bad as these figures look, about the disappeared surplus from $5.5 trillion to $0.5 trillion, that is actually an optimistic view.

Mr. SPRATT. It could very well be worse. There are several things to bear in mind: The surpluses come from a projected, estimated $5.6 trillion. That includes Social Security, all the way to $0.6 trillion. From $5.6 trillion to $0.5 trillion; $661 billion if we implement the President's budget as he sent it up. That is his number. That is their estimate.

However, the President assumes that Medicare will grow at a rate of growth that is $225 billion less than CBO assumes. The President assumes that revenues will be $110 billion higher than CBO assumes. The President assumes that discretionary spending can be held to about $200 billion non-defense discretionary spending, held about 10 percent below the rate of inflation over the next 10 years.

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That is probably doable, but it has not been done before, and it is doubtful.

Add all those things together, and that .6 is gone, too. If they are wrong about those three assumptions, we wipe out what is left of any kind of surplus, which means we have fully consumed the Social Security surplus, because that is what it is, the Social Security.

Mr. DAVIS of Florida. Madam Speaker, I think the gentleman from South Carolina (Mr. SPRATT) has referred to probably one of the most devastating aspects of the budget resolution, and that is the Medicare feature.

As the gentleman has mentioned, if we were to have used the true set of numbers that have been relied upon for years, roughly the amount of money available to spend on Medicare would be about $100 billion less than is projected today in the Republican budget resolution.

Mr. SPRATT. Two hundred twenty-five billion dollars less. That is the difference between CBO and OMB. CBO says it will be $225 billion higher than OMB estimates. OMB is estimating a very low percentage rate of growth, 4.5 percent in the next couple of years, which is a dramatic departure with the last several years.

Let us hope it happens, but I doubt that it will.

Mr. DAVIS of Florida. Madam Speaker, I ask the gentleman, where does that leave us on two critical challenges we face: first, assuring there is a reasonable and fair rate of reimbursement to doctors and hospitals in rural areas and overcrowded other hospitals; and how do we begin to credibly fund a Medicare prescription drug benefit, given those numbers?

Mr. SPRATT. If the gentleman will continue to yield, what the Republicans have done in this budget is set up a reserve account. In that reserve account, they have put $89 billion to take care of provider payment adjustments, hospitals, doctors, home health care.

We have an agency called MEDPAC which advises Congress on the Medicare and Medicaid programs, and in particular, on reimbursement rates that are paid providers. They have recommended in all cases increases, and in some cases they have indicated that, for example, the physician reimbursement formula is flawed and needs to be adjusted upward because it has understated what they are entitled to.

In any event, the total of their recommendations over 10 years comes to $174 billion. That is half the amount of money that the Republicans have put in this reserve fund over 10 years.

That has to come out of the provision for Medicare prescription drugs, because what they have done is put in one pot the sum of money that will pay for Medicare prescription drugs and provider payment adjustments, and the provider payment adjustments could eat up half the amount of money and leave very little left over for Medicare prescription drugs.

But then what happens if CBO is right and OMB is wrong? Then we have to take $225 billion from $150 billion and we only have the remainder, $125 billion to pay the providers, who are seeking $175 billion, and to pay for Medicare prescription drugs. It is obviously ludicrously inadequate.

Yet, they touted the prescription drug program repeatedly here on the floor, without telling everybody who is going to be a prescription drug beneficiary, or hopes to be, they are going to be in competition for the providers for the little bit of money that is left in that account.

Over 5 years, if CBO's Medicare estimate is right, there is less than $40 billion over 5 years, spread over 5 years, 40 million people, to pay for prescription drugs. We cannot do it.

Mr. PRICE of North Carolina. Madam Speaker, I thank the gentleman from Florida (Mr. DAVIS) again for taking out these special orders and allowing us to explore these issues in more depth in a way that the 1-minute sound bites on the House floor do not permit.

It is a real service, and I am grateful for being able to participate in it.

Mr. DAVIS of Florida. I would just like to close by saying we have attempted tonight to identify in what we believe to be a credible way the problems facing this Congress, Madam Speaker.

Earlier today we had the debate on beginning to talk about the solutions. One of the solutions that were proposed by a number of us that we hope the Senate will take up on a bipartisan basis is a trigger which would force the Congress to confront the painful fact that we are going deeper into deficit spending, and that once we do manage to get control of this war on terrorism and we pull out of the recession, that the Congress would be forced to develop a 5-year plan to balance the budget, to begin to use an honest set of numbers so we can again begin to prepare for the Social Security and Medicare, for the retirement of the baby boomers, to credibly talk about how we fund a prescription drug benefit for Medicare, and to get back to paying down the debt, reducing our interest payments as a Federal Government, and contributing to lower interest rates for consumers at home.

Madam Speaker, that concludes our presentation tonight.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SHADEGG (at the request of Mr. ARMEY) for today until 1:00 p.m. on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KIND) to revise and extend their remarks and include extraneous material:)

Ms. WOOLSEY, for 5 minutes, today.

Mr. HINOJOSA, for 5 minutes, today.

Mr. RODRIGUEZ, for 5 minutes, today.

Ms. SCHAKOWSKY, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Ms. WATSON of California, for 5 minutes, today.

Mr. LAMPSON, for 5 minutes, today.

Mr. KIND, for 5 minutes, today.

(The following Members (at the request of Mr. GOSS) to revise and extend their remarks and include extraneous material:)

Mr. KERNS, for 5 minutes, today.

Mr. GOSS, for 5 minutes, today.

Mr. ROHRABACHER, for 5 minutes, today.

Mr. PLATTS, for 5 minutes, today.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1499. An act to amend the District of Columbia College Access Act of 1999 to permit individuals who enroll in an institution of higher education more than 3 years after graduating from a secondary school and individuals who attend private historically black colleges and universities nationwide to participate in the tuition assistance programs under such Act, and for other purposes.

H.R. 2739. An act to amend Public Law 107–10 to authorize a United States plan to endorse and obtain observer status for Taiwan at the annual summit of the World Health Assembly in May 2002 in Geneva, Switzerland, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2019. An act to extend the authority of the Export-Import Bank until April 30, 2002.

ADJOURNMENT

Mr. DAVIS of Florida. Madam Speaker, pursuant to House Concurrent Resolution 360, 107th Congress, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Accordingly, pursuant to the previous order of the House of today, the House stands adjourned until 2 p.m. on Friday, March 22, 2002, unless it sooner has received a message from the Senate transmitting its concurrence in House Concurrent Resolution 360, in which case the House shall stand adjourned until 2 p.m. on Tuesday, April 9, 2002, pursuant to that concurrent resolution.

Thereupon (at 9 o'clock and 35 minutes p.m.), the House adjourned until 2 p.m. on Tuesday, April 9, 2002, pursuant to House Concurrent Resolution 360, or under the previous order of the House if not sooner in receipt of a message from the Senate transmitting its concurrence in House Concurrent Resolution 360.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5973. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Isoxadifen-ethyl; Pesticide Tolerance [OPP–301224; FRL–6628–5] (RIN: 2070–AB78) received March 15, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5974. A letter from the Deputy Secretary, Department of Defense, transmitting a report on the retirement of Lieutenant General Thomas J. Keck, United States Air Force, and his advancement to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

5975. A letter from the Director, FinCEN, Department of the Treasury, transmitting the Department's final rule—Financial Crimes Enforcement Network; Special Information Sharing Procedures to Deter Money Laundering and Terrorist Activity (RIN: 1506–AA26) received March 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

5976. A letter from the General Counsel, Department of Commerce, transmitting a draft bill to amend the Communications Act of 1934 to assess certain annual lease fees; to the Committee on Energy and Commerce.

5977. A letter from the General Counsel, Department of Commerce, transmitting a draft bill to amend the Communications Act of 1934 and the Miscellaneous Appropriations Act, 2000, to provide certainty regarding the availability of spectrum for use by new licensees in upcoming auctions; to the Committee on Energy and Commerce.

5978. A letter from the Regulations Coordinator, Department of Health and Human Services, transmitting the Department's ''Major'' final rule—Medicaid Program; Modification of the Medicaid Upper Payment Limit for Non-State Government-Owned or Operated Hospitals: Delay of Effective Date [CMS–2134–N] (RIN: 0938–AL05) received March 18, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5979. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Finding of Failure to submit a Required State Implementation Plan for Particulate Matter, California—San Joaquin Valley [CA073–FON; FRL–7157–9] received March 15, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5980. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Perfluoroalkyl Sulfonates; Significant New Use Rule [OPPTS–50639D; FRL–6823–6] (RIN: 2070–AD43) received March 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5981. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Protection of Stratospheric Ozone: Removal of Restrictions on Certain Fire Suppression Substitutes for Ozone-Depleting Substances; and Listing of Substitues; Correction [FRL–7160–3] received March 15, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5982. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Outer Continental Shelf Air Regulations Consistency Update for Alaska [Alaska 001; FRL–7158–2] received March 15, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5983. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Modification of Significant New Uses of Certain Chemical Substances [OPPTS–50642A; FRL–6819–5] (RIN: 2070–AB27) received March 15, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.