

Is it more important that we take care of the youngest children in this society and protect working families who want quality child care for their kids, or is it more important that we give huge tax breaks to the wealthy and the powerful?

Mr. Speaker, in my State and all over this country there is a terrible housing crisis.

The bottom line is let us repeal the tax breaks for the richest 1 percent, let us lower the deficit, and let us take care of the middle class of this country.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. SANCHEZ) is recognized for 5 minutes.

(Ms. SANCHEZ addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. SHERMAN 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 California (Mr. GEORGE MILLER) is recognized for 5 minutes.

(Mr. GEORGE MILLER of California 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 California (Mrs. DAVIS) is recognized for 5 minutes.

(Mrs. DAVIS of California addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

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

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mrs. MEEK) is recognized for 5 minutes.

(Mrs. MEEK of Florida addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. MILLENDER-McDONALD) is recognized for 5 minutes.

(Ms. MILLENDER-McDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. WOOLSEY) is recognized for 5 minutes.

(Ms. WOOLSEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mrs. CAPPS) is recognized for 5 minutes.

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

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

(Mr. FILNER 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 New York (Mr. WEINER) is recognized for 5 minutes.

(Mr. WEINER 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 Texas (Mr. SANDLIN) is recognized for 5 minutes.

(Mr. SANDLIN 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 Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

(Mr. CUMMINGS 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 New York (Mr. OWENS) is recognized for 5 minutes.

(Mr. OWENS 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 Illinois (Ms. SCHAKOWSKY) is recognized for 5 minutes.

(Ms. SCHAKOWSKY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

FISCAL RESPONSIBILITY

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

Mr. TURNER. Mr. Speaker, this evening during this hour the Blue Dog Democrat coalition in the House is

going to talk about the issue of fiscal responsibility, an issue that we think is very important to address tonight in light of the President's recent budget submission to this Congress.

The President and the Congress are united in the war on terrorism. Members on both sides of the aisle stand together in our commitment to defeat the terrorists and to do whatever is necessary and pay whatever price may be required to preserve our national security and to ensure that we protect the homeland.

There is no division that the current tax cuts that we have enjoyed in the form of the rebates have been important to the American people, and there is no suggestion, contrary to some on the Republican side tonight, that there should be any tax increase in the time of a recession, because we firmly believe that the recession needs to be addressed by this Congress in a responsible way, and tax cuts, tax cuts which have already been given and which already are being implemented in this current recession, are important to the recovery.

So when we debate the resolution on the floor of the House tomorrow, let there be no misunderstanding: Democrats understand that in a recession it would be wrong to increase taxes.

We passed a record tax decrease in June. The tax rebates were good for the American people. But back in June the Congressional Budget Office projected a 10-year surplus of over \$5 billion. Just 7 months later, these projections of a surplus are gone. We find that as a result of the tax cut, as a result of the recession, as a result of the war, we no longer are able to project future surpluses, and, in fact, we can only project future deficits.

We are once again confronted with a pattern of spending that was engaged in for over 30 years by this Congress that was ended in 1996-1997 when this Congress voted for the Balanced Budget Act, an act that put us on the road to fiscal responsibility, that resulted in 3 years of surpluses at the Federal level.

But once again we now see the President of the United States submitting a budget to this Congress that will return us to deficit spending. We believe as Blue Dog Democrats that we can win the war against terrorism, we can protect our homeland, without raiding the Social Security Trust Fund and increasing the national debt that we pass on to our children.

We notice in the President's budget submission of today that the national debt, which was projected back in April of last year to actually disappear over the 10-year period, in fact turn to a surplus, has now evaporated, and, based on the projections now contained in the President's budget, we will once again see \$2.7 trillion in debt by the year 2011.

□ 2030

So in just 7 short months, we went from projections of a surplus over the

next 10 years to ever-increasing national debt. These figures show the debt that will be held by the public, the debt that we owe to people who buy those Treasury bills and Treasury bonds, a large portion of which are owned by foreign investors, moving from a surplus to a debt of \$2.7 trillion.

Just look at the interest costs that this new debt will bring to the American people. We projected that over the next 10 years, back in April, that we could eliminate our debt and, over the period of 10 years, we would have to pay \$709 billion in interest. With the new President's budget, we now see that these interest payments will equal 1.8, almost \$1.8 trillion. That is just in interest that we will have to pay over the next 10 years. That is an increase in interest payments alone of about \$1.1 trillion over the next 10 years.

Now, to put that in perspective, what could we do with \$1.1 trillion in interest costs if we could simply return to the surpluses that we had anticipated back last April? Mr. Speaker, \$1.1 trillion will fund the President's defense budget request for not just one year, but for 3 years. Mr. Speaker, \$1.1 trillion would fund the President's budget request for defense for 3 years. That is why we need to be sure that we do not go back deeper into deficit spending, increase that national debt, and waste the resources of our taxpayers on interest servicing our national debt.

We know as Democrats that raiding Social Security is the wrong thing to do. Raiding Social Security will result in debts that will fall on the backs of our children. The American people know or deserve to know the truth. They understand that raiding Social Security and increasing our national debt will ultimately result in higher taxes for our children.

We have called on young men and women who wear the uniform of our great Nation to sacrifice, even to risk their lives in the defense of freedom. We all know that we are at war, but no one has told the American people that each of us must be willing to sacrifice as well. We have been told that we can have it all. We have been told that we can win the war, we can increase spending, we can have our taxes cut, that it will all be possible.

During World War II, every American sacrificed. During World War II, every American did their part. In the current war, we have been led to believe that we do not have to sacrifice. By doing so, we are entering, once again, into a period of deficit spending and growing national debt that, after 3 short years of fiscal responsibility, we will pass on to our children the cost of paying for this war.

I believe that is wrong. Blue Dog Democrats believe that is wrong. We believe that it is important to be honest with the American people about our finances in Washington. We believe it is important to preserve the principle that was voted on repeatedly on the floor of this House to lock box the So-

cial Security trust funds. We, once again, under the President's budget, will be spending Social Security money to operate the rest of the government. Our children will pay the price of our fiscal irresponsibility. We believe as Blue Dogs it is time to get our house in order and to be honest with the American people.

We have several members of the Blue Dog Coalition who are here with us tonight who will address these issues. The first member of the coalition is the gentleman from California (Mr. SCHIFF). The gentleman has been very active in fighting for fiscal responsibility, for paying down the debt; and I am happy to yield to him to speak on this subject tonight.

Mr. SCHIFF. Mr. Speaker, I thank the gentleman for yielding. Tonight I join my colleagues in expressing my concern about the President's budget proposal. We applaud the President for outlining the priorities of beefing up homeland security and strengthening our national defense. What our troops have done halfway around the world in Afghanistan is nothing short of miraculous, and it is our obligation and our responsibility to make sure that the men and women in uniform have every tool at their disposal to win the war on terrorism and win it convincingly.

But the President has also proposed in his budget new levels of domestic spending and more than half a trillion dollars of additional tax cuts. One critical issue has been left out of this budget and that is, how do we pay for all of this? So many American families are facing the challenge of making ends meet, especially during this recession. American families are struggling to live within their means, and it is our responsibility as the Federal Government to do the same. We must find a way to balance the budget and remain steadfast in our commitment to fiscal discipline.

The new budget reports indicate that the government will return to deficit spending and raid all of the Medicare surplus and further raid the Social Security trust fund by more than \$1.5 trillion over the next 10 years. This should be cause for great concern for our Nation's long-term economic well-being.

We are, I fear, at risk of making the same mistakes we made 2 decades ago when we began a vicious cycle of deficit spending and burdened ourselves with terrible debt and crushing debt service. We are at risk of ignoring the lessons of our protracted climb out of debt during the 1980s and 1990s and the enormous economic benefits that the return to fiscal responsibility brought this Nation. Having failed to learn from that history, we are now perilously close to repeating it.

Even now, credible voices within the administration are saying that debt simply does not matter. How soon we forget. During the debate last year, Congress and the President agreed that the Social Security trust fund surplus

would be put in a lock box and saved to prepare for the retirement of the baby boomers. The new projections show that this promise will not be kept. Unfortunately, the new projections show return of budget deficits, of borrowing from Social Security, and a rapidly increasing national debt. Soon, very soon, the administration will be before this Congress asking us to raise the limit on the national debt; for permission, in effect, to open the Social Security lock box and throw away the key until one day, too far in the haze of our tomorrows to see now, we may find that key again.

Now, it is reasonable and appropriate to run temporary deficits during a recession and wartime, and we all fully support the President's efforts in this war on terrorism. However, under responsible fiscal policy, the temporary deficits incurred during a period of economic weakness and war must be offset by a return to budget surpluses when conditions improve. The government is projected to run on budget deficits that will require the government to raid the Social Security and Medicare trust funds for the rest of the decade, even before, even before additional spending increases for defense and homeland security are even counted.

We need a plan for the long-term budget that brings us back to fiscal responsibility. We are spending money now faster than it is coming in; and in doing so, we are risking the long-term solvency of the Federal budget and, worse, we are simply mortgaging our children's future.

Because our great Nation is faced with the challenges of protecting our national security, both at home and abroad during this time of war, we need to make tough choices in addressing the budget outlook. We need simply a wartime budget, one that meets our national defense and homeland security needs, and one, like in past wars, that calls on Americans for something they are willing to give, if asked; something they, in fact, yearn to be asked for in plain and candid terms, and that is sacrifice. Yet, this administration and this Congress has not called on the American people for sacrifice; not yet. Not with a budget that says we can have our cake and eat it too. We must keep our Nation strong, and we will; but we should not force our children to pay for it.

The price of freedom is high, as President Kennedy once said; and Americans have always been willing to pay it. We pay it still. We must sacrifice now for our children's future so we do not mortgage that future. While we stand in support of the President's efforts in this war on terrorism, we also must challenge our colleagues in Congress and in the administration to effectively address these economic circumstances and, working together in a bipartisan way, to return to a balanced budget, responsible fiscal discipline, and keep that Social Security trust fund sacred.

Mr. TURNER. Mr. Speaker, I thank the gentleman from California (Mr. SCHIFF) for his remarks. Another member of the Blue Dog Democrat Coalition who has been an outstanding leader in trying to urge this Congress to maintain and stay the course of fiscal responsibility has been the gentleman from Illinois (Mr. PHELPS). We are proud to have him on the floor tonight to share his thoughts with us.

Mr. PHELPS. Mr. Speaker, I thank the gentleman from Texas (Mr. TURNER), a vibrant leader of our caucus; and we appreciate his leadership in every way in trying to bring out the truth in honest budgeting, and that is truly what we need here in Washington.

I join my fellow Blue Dog colleagues in voicing my concerns with the President's budget. I support the President's outline for handling the war on terrorism, but I have concerns that the domestic priorities are being somewhat ignored. We can strike a fair balance and reasonable balance between our commitment to deal with terrorism and recognizing our needs for the economy.

Under the President's budget policies, the 10-year budget surplus is reduced by almost \$5 trillion from what was expected a year ago. No doubt some of this is caused by the war on terrorism and the economic downturn. However, the President's budget cuts critical domestic funding for education, health care, and farmers for this year in order to reward corporate interests down the road. Even more, in order to avoid reporting deficits, the budget dips into the Social Security and Medicare trust funds, something he agreed during the election would not happen. As we Blue Dogs feared, this budget will start the public debt to rise again after reductions over the past 4 years and, as we expected, has already resulted in a request by the administration to raise the statutory debt ceiling.

In my congressional district of central and southern Illinois, domestic priorities such as creating jobs, providing affordable health care, improving schools and helping farmers are critical, especially during a recession. I am concerned that if we shortchange these critical domestic needs while running deficits and increasing the national debt, we will jeopardize our long-term fiscal health and will hamper our ability to meet future obligations to Social Security and Medicare, as well as our ability to pay for the next unforeseeable crisis our Nation might encounter.

Mr. Speaker, I thank the gentleman for this opportunity, and I appreciate his leadership.

Mr. TURNER. Mr. Speaker, I thank the gentleman for his remarks. I appreciate the leadership that he has given to our Blue Dog group as we work on these and other issues in this Congress.

I would like to yield now to the gentleman from Mississippi (Mr. TAYLOR). The gentleman has been a leader in

strengthening our military, serving as the ranking Democrat on the Subcommittee on Procurement of the Committee on Armed Services. But while working to strengthen defense, he has also been an outspoken advocate of fiscal responsibility. I am proud to yield to a fellow Blue Dog Democrat, the gentleman from Mississippi (Mr. TAYLOR).

□ 2045

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman from Texas (Mr. TURNER) for this opportunity to speak to the American people tonight. I would ask Members to try to remember back a year ago. A year ago right now the President of the United States was saying that we were going to have surpluses as far as the eye could see, that nothing that could happen in Washington could keep that from happening, and, doggone it, there ought to be tax breaks because we have all these surpluses.

Washington is awash in money. His words, not mine. Back then I said it was not true. I knew it was not true then. It is certainly not true now.

A year ago in August, just think back to August, the President wanted to give 3 million illegal aliens amnesty coming to the country. Now he is on the right track saying we need to tighten our borders. I want to commend him for that.

A year ago the President had waited until the last day of July to submit his budget for defense to the Committee on Armed Services. Most Presidents, including President Clinton who was never accused of being pro-defense, would do it in February so we would have a chance to look at it, to scrub it, to try to make it better.

President Bush chose to make it his lowest priority, I am sorry to say. I want to commend him when this year he makes it his highest priority. I want to commend him for getting right on tightening our borders and not letting illegal aliens in and giving them amnesty.

There is one thing that the President continues to do that I need to point out and say, Mr. President, you have changed your tune on two things for the better; I am hoping you will change your tune on the third.

Mr. President, after some soul searching a couple of years ago I voted to impeach a guy who I felt lied under oath. We do not need to get into the details of that, but I felt like he lied under oath and he did not deserve to be President anymore. When someone talks about non-existent surpluses, it is probably just as good you did not say that under oath. When somebody talks about that we can go back temporarily to deficit spending, it is okay, it is probably just as good you did not say that under oath because I do not think that is true.

You see, Mr. President, what you totally ignored a year ago, and you cannot ignore now is right now, as we

speak, our Nation owes the men and women of America, the working people that we all profess to represent, \$1,210,000,000,000.

Let us remember a million is a thousand thousand. A billion is a thousand million. A trillion is a thousand billion. It is pretty mind boggling. We have a tendency here in Washington to think of something as 1.2 apples. No, it is 1 trillion, 200 billion, hundreds of millions of dollars that right now hard-working Americans have had taken out of their paychecks since the 1980's and even before with the promise as recently as the Reagan administration when Social Security taxes were increased with a Democratic House, a Republican Senate, a Republican President. They raised the amount that was taken out of people's paychecks for Social Security with a solemn promise that that money would be set aside to use for nothing but Social Security.

The much-discussed lock box on this House floor, if you could get to that lock box and open it up, all you would find is an IOU for 1 trillion, 210 billion, hundreds of millions of dollars. They did the same thing with Medicare. Again, the taxes went up on individuals. The taxes went up on employers. This happened during a Republican President, Reagan, a Democratic House, a Republican Senate, with the promise that that money would be set aside to pay nothing but Medicare bills for when people get 65 years old and when they get sick and need some help.

If you were to find that nonexistent lock box, all you would find is an IOU for \$249,700,000,000. It is not there, not one penny of it.

We take money out of the folks who work for our Nation, not just the folks here on this House floor but the folks who are out there every day being park rangers, the folks being border policemen, INS agents, Customs Service agents. A little bit of money is taken out of their paycheck every month with the promise that it is set aside for their retirement. They have been doing it for a long time. If you would finally go through the hoops and find that account and open up that box, all you would find is an IOU for \$537,500,000,000. There is nothing there.

For our military retirees it is a little bit different. They invest with their lives. They invest with their time away from their families. They invest with the thought that they could be killed any day at any moment, even in so-called safe places like the Pentagon, which we learned tragically in September are not safe places for America's military personnel.

So although they do not pay directly out of their paychecks, there is a line in the defense budget every year that contributes money to their retirement account, again, with the promise that it is going to be set aside and used for no other purpose but to pay their retirement. If you were to find that account all you would find is an IOU for \$173,700,000,000.

So when the President and the talking heads in the media and other folks last year were talking about Washington being awash in money, I think they were fibbing to the American people. Either they did not know the truth, or they were misleading the American people. And that is not a good thing for either one of them to do. That is why a group of us said last year is it not more important to honor the promises, now that we have finally broke even and started having small surpluses, to pay those bills back?

That is why a group of us last year initiated the effort to increase defense spending. It started with the Blue Dog Coalition. Thank goodness the President got on the right side of that issue later in the year. But I certainly feel like we helped steer him in the right direction.

Remember, even with the increases in last year's defense budget, the procurement accounts were short-changed again. They were no better than under Bill Clinton; and as a matter of fact, the Bush budget asked for fewer ships for the United States Navy than even Bill Clinton did. Once again, this year the Bush budget despite the huge increases asked for even fewer ships than last year. The Bush budget only asked for five ships for the U.S. Navy. The typical life expectancy of a U.S. Navy ship is 30 years. Quick math, 150-ship Navy.

Just a few years ago Ronald Regan was trying to get us to a 600-ship Navy. Just a few years ago we had a 400-ship Navy. Today our Naval fleet is 318 ships and only 100 of them are combatants. If we accept the Bush budget, we will have a Navy fleet in short order of only 150 ships.

I do not think those are good priorities. I think the priority ought to be honesty to the American people. Remember all the talk about Washington is awash in money? Please, someone, explain to me if Washington is awash in money, the debt this year compared to the debt last year has increased by \$281 billion in 12 months.

Now, folks will say September 11 threw us out of whack. I will remind you that our Nation's budget runs from the first of October to the end of September. The events of September 11 took place exactly 20 days before the end of the fiscal year. No one on Earth with a straight face is going to tell you that almost a \$100 billion deficit occurred in the last 20 days of the year, because it did not.

One of the things I will encourage the American people to do, because a lot of the numbers get thrown around in Washington, I want you to check my numbers. I want you to check my sources. I hope you look at <http://www.publicdebt.treasury.gov/>. You can look it up on your computer. They track it by the month. You can see on September 1 our Nation was well on its way to about a \$90 billion annual operating deficit. It got bigger each month of the year. That is the truth to the American people.

Please check my figures because very few people in Washington will encourage you to do so. That is one of the reasons why tomorrow, when people say, if you vote against this motion tomorrow you voted for a tax increase, you know what, if that guy said that under oath, I would have to impeach him because that is a lie. It is not a tax increase. It is a tax decrease that has not taken place yet. It is a tax decrease that those people who voted for it knew automatically sunsets 5 years from now. They all go away. All the taxes that were in place 18 months ago come right back.

So using their line of thought, those people who voted for it, voted for a tax increase because they all come back in 9 years.

The much talk about the estate tax relief that they make mention of does not really kick in until the ninth year and goes away entirely. That means it comes back the tenth year. Are we going to encourage people to commit suicide the ninth year because that is the only year that has meaningful change?

We propose giving people \$4 million in their estate tax free. That is a heck of a lot of money in Mississippi. Even in Texas that is a lot of money. That is a lot of money in Florida. That is a lot of money in Illinois. I think that is fair. Because remember, a guy who is out there earning \$40,000 paid taxes on everything he earns. Why does it have to be so magical about money you are given?

In fact, some of the most conservative commentators in America said it is really not conservative to tell people that a gift ought to be tax exempt when earnings are not. Why should earnings be taxed higher than things you are given, things that you have earned?

I want to encourage people to work. I want people to have faith that when they go to work and pay their Social Security taxes, that it really will be set aside for their Social Security; when they pay their Medicare taxes, it really will be set aside for that. For folks who work for us here, who work for the INS, the Customs Service, Federal firefighters on our military bases, I want them to know that their retirement is going to be there.

If we continue along this path of deficit after deficit, there is no guarantee it will be there. In fact, the chances are that it will not. I will remind people the most common question asked of me is Where does the money go? And their jaws hit their chest when they say the biggest expense of this Nation is not welfare. It is not foreign aid. It is not health care. It is not taking care of kids. It is not building roads. The biggest expense to this Nation on an annual operating basis is interest on the national debt, and it is \$1 billion a day. The war against terrorism is \$1 billion a month. The cost of incompetence in spending money we do not have is \$1 billion a day. It continues and only

gets worse as long as we continue to borrow money.

Mr. President, two things I think you ought to know. We are approaching the \$5,950,000,000,000, mark which the law says is the Federal debt limit. You are rapidly getting there. This Member will not vote to raise the debt limit. If we have to tweak other budgets, if we have to suspend some of the tax breaks that have not taken place yet in order to fund the war on terror, I will help you do that. But I will not ask my kids and your kids and our grandkids that have yet to have been born to pay our bills, because no other generation of Americans has done that, and this generation of America cannot start that bad trend.

All the way from George Washington through the Carter presidency, this Nation only borrowed \$1 trillion. That doubled in the 8 years of the Democratic House, Republican Senate and Ronald Reagan was President. Look where it is now.

As the gentleman from Texas (Mr. STENHOLM) jokingly says, Confucius says, "When you find yourself in a hole, quit digging." It is time for our Nation to quit digging. It is time for our Nation to get serious about paying our bills. It is time for your generation and my generation to get serious about paying our bills.

Mr. President, if you send us a budget that is not in balance, that does not pay for this year's needs with this year's revenues, I cannot support it. We know how to balance the budget. You know how to balance the budget. This war is only costing one-twentieth of what we are squandering on interest on the national debt. It is not the reason the budget is out of balance.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BROWN of South Carolina). Members are reminded that the remarks in debate should be addressed to the Chair. It is not in order to direct remarks directly to the President.

Mr. TURNER. Mr. Speaker, I thank the gentleman from Mississippi (Mr. TAYLOR) for his presentation. The gentleman has been one of the foremost advocates of fiscal responsibility, balancing the budget and paying down the debt, and we are grateful for his membership in the Blue Dog Democratic Coalition.

Another Member who has been very active in leading the Blue Dogs and serves as a co-chair of the coalition is our friend, the gentleman from Florida (Mr. BOYD). It is my pleasure to yield time to him.

Mr. BOYD. Mr. Speaker, I thank the gentleman from Texas (Mr. TURNER) for organizing this Special Order to give the members of the Blue Dog Coalition a chance to talk a bit about fiscal responsibility.

I also want to thank the previous speaker, the gentleman from Mississippi (Mr. TAYLOR). He has been a forceful and long-time advocate for a strong national defense and also for fiscal responsibility. So we appreciate the

gentleman's long work here in the House of Representatives.

Mr. Speaker, tonight I have a feeling inside somewhat like I had about 13 years ago. Before I entered elected public service, I was a business person running a family business that I had spent 25 years in. I was extremely concerned about the future economic health and viability of our Nation.

Let me remind the Members about where we were in 1988. We had annual deficits, annual deficits running in the hundreds of billions of dollars. That means that the government was spending hundreds of billions of dollars on an annual basis more than it was taking in in revenue. And that deficit was only counted after you spent all of the Social Security money, after you spent all the Social Security money which was supposed to be set aside for future retirees. Our accounting practices were really messed up. We did not count a deficit until we spent everything, what we call the operating money, off-budget money, and then all of the Social Security money too.

□ 2100

In 1992, President George Bush was running for reelection. This country that fiscal year had a \$290 billion deficit. President Bush, if my colleagues will remember where we were back then, we had just come out of the Desert Storm, the Persian Gulf conflict in which the Iraqi government had threatened some neighbors and America came to their defense and again showed us leadership around the world and doing what was right.

President Bush did a great job prosecuting that war. That happened I think in 1990 or so, but the election in 1992 really became about the economy and the fact that we had a \$290 billion annual deficit, even after spending all the Social Security surpluses; and unemployment was high, interest rates were high, jobs were not being created. The economy was generally fairly stagnant.

That election, as I said, was much about the economy; and of course, President Bush lost that election, and in the next 8 or 10 years the administration, in concert with the Congress, I think because the country demanded it, began to work together to solve the economic problem, to solve this deficit problem that we had in this country.

I ran in 1996 for the U.S. House of Representatives, and I remember the cornerstone of that campaign was about the economy, was about the deficit, the fact that this country was not able to balance its books. So a lot of that conversation and debate that we had during the 1996 campaign was about that.

When I got to Washington I was anxious to become part of a group that was interested in fiscal responsibility, and so that is why I joined the Blue Dogs; and as my colleagues know, the leadership of the United States Congress, which was Republican in both the

House and the Senate, and working in a bipartisan way with President Clinton's administration, developed a plan, actually it was a seven year plan in 1997, which would take our Nation out of deficit spending and carry us back into fiscal responsibility. I think the Blue Dogs played a very important role in that debate or that deal that was cut, and it just showed what can happen when the country comes together. We have a problem, we figure out a way to solve it, set aside our partisan differences and work together.

That plan was really a pretty simple plan, if put in place. Spending caps, it required that we ratchet down our spending as we went along and that if the economy would continue to grow we would be able to get in a surplus situation.

Guess what happened. The business community had great confidence that the government was doing its part, that we were doing our best to hold down spending and that in the long run we would get out of that deficit situation. As a result, the business community began to invest. The economy began to boom. We had a lot of people who had capital who were willing to risk that capital in new ideas and creative ideas. Next thing we know interest rates begin to go down. Employment was higher. New job creation. We had rising markets everywhere.

Of course, everybody knows that in 1992 the stock market was in the 3,000 range and maybe even below, and it went up in 2000, 2001 era, went up to 11,000.

When we got to balance, there was a lot of talk about lock boxes. This Congress had many debates. I know we have taken numerous votes on the lock boxes. That was a good idea; and that idea was simply this, that we use whatever surplus money we had to pay off the Federal debt. The Federal debt was running in the five and a half trillion dollar range. That Federal debt, to service it, was costing us, as my colleagues heard the gentleman from Mississippi (Mr. TAYLOR) say, the largest single expense item of the Federal budget, costing us in the neighborhood of \$325 to \$350 billion.

My contention is, as a businessperson, that a debt that is of that high percentage of an annual budget, it was in the neighborhood of 15 to 16 percent I believe, would really drag us down over a period of time, and we had to figure out a way to reduce that debt. So the lock box idea was a very good idea, which we would be forced to put Social Security surpluses into reducing Federal debt and any other surpluses that we might have into reducing Federal debt.

2000 Presidential election came along. OMB and CBO and others were forecasting just a year ago that we would have a \$5.6 trillion surplus over the next 10 years, a \$5.6 trillion surplus. Given the current laws that we are operating on, the current expected spending or revenues that we are going

to get in and the spending requirements we have, we were looking at about a \$5.6 trillion dollar surplus over the next 10 years, and if we had that kind of surplus we could almost pay off the total Federal debt. That was 1 year ago, January 2001.

What is that projection or forecast today about surpluses? Four billion dollars of that surplus has disappeared over the last year, projected surplus, \$4 billion. There are lots of reasons for that. We all know what they are. Some have to do with the natural downturn in the economy that happened, some have to do with the September 11 tragedy and the effect it has had on our economy, and certainly a portion has to do with the economic policy that this Congress and administration put in place a year ago.

I would submit to my colleagues that there are three very good reasons not to go back to deficit spending. Number one is, and I think they are all equally important, but number one, the best way to continue our economic prosperity or economic boom that we experienced in the 1990s is to continue to run a surplus and to continue to pay down our Federal debt. Take pressure off the capital markets, interest rates stay low. The investment community, people who have money to invest will continue to have confidence that the economy is going to continue to be good and they will invest in it.

Secondly, I think the second reason is and certainly one some others have spoken about very eloquently is that when we borrow money to pay for programs that we want today, we are just mortgaging the future of our children and that is not fair. That really is an unfair thing to do.

Thirdly, certainly a situation that those of us here in Washington have been unable to face squarely is the Social Security issue. We all know that we are running surpluses in the Social Security trust fund now on an annual basis, but soon that will change. Within about 10 years we will not run an annual surplus in the Social Security trust fund. We will begin to draw out of that IOU that the gentleman from Mississippi (Mr. TAYLOR) talked about that is in that box, and we know the box is not locked by now. We do.

We expect the baby boomers to retire, and our economists and forecasters tell us that there is going to be a tremendous amount of pressure on our Federal Treasury to meet the requirements under the current Social Security and Medicare law. We have to prepare that, and we have not done a good job of that. One of the things that I hope this administration and this Congress can do this year is begin to address the long-term Social Security reform.

I think the last issue that I would like to talk about is one of the debt lending. I think the gentleman from Mississippi (Mr. TAYLOR) has addressed it in a very adequate way; but I said on this floor last year, as others did, and

we heard arguments, as we presented our Blue Dog budget, which we thought was a good budget that would have kept us out of this mess that we are in now, some argued against that budget and ultimately defeated it on the basis that we would pay off the Federal debt too quickly, that this United States Government that would pay off, if we went into the surplus and began to pay down some of the debt, that we would pay off the debt too quickly and have to pay some kind of penalty. I wish we could even think that today.

The same folks who may have argued a year ago that we could not pay down the surplus because we might have to pay off the debt too quickly today might ask us to raise the debt ceiling. I have to agree with the gentleman from Mississippi (Mr. TAYLOR). I am not going to vote to raise the Federal debt ceiling until we put a good plan in place. I think we need to go back, like we did in 1997, and the President and the administration and the congressional leaders need to sit together and we need to figure out how to get out of this mess together.

I want to thank the gentleman from Texas (Mr. TURNER) for his work. I know that he and others have organized this event tonight; and I want to say to the leadership, the Republican and Democratic leadership, and to the administration, the Blue Dogs stand ready to work in a bipartisan way to help us find the solutions to these problems that we are facing today. We are ready. We have got a lot of good folks who understand that the country has many needs, who understand where its priorities are, and we want to work with the President and the congressional leadership to get those problems solved.

I yield back to the gentleman from Texas (Mr. TURNER) and thank him for allowing me to speak.

Mr. TURNER. Mr. Speaker, I appreciate the gentleman from Florida's remarks and appreciate his commitment to fiscal discipline and fiscal responsibility. It does seem somewhat surprising that in just a year's time or less than a year that our Federal financial picture could have changed so much.

I think one of the most difficult things at work in this Congress today is to acknowledge that the circumstances have changed. There is going to be a resolution on the floor tomorrow. It is not a law. It does not have any effect. It is what we call a sense of the House. It is simply an effort by the Republican leadership to try to put folks on record as to whether or not they are committed to the tax cut that was passed last June.

I was pleased to be one who supported the tax cut last June, but I also understand that since last June we are now at war again. We are now in a posture where we are seeing record projections of deficits rather than surpluses, and I think even though all of us understand that we must not raise taxes

in the current recession, the long term does require an intelligent and a careful discussion of the direction this country has taken; and to blindly follow a path toward fiscal irresponsibility is going to result in debts on the backs of our children that all of us will be ashamed to see.

Our Federal debt, almost \$6 trillion today, is increasing daily because of the deficit spending, and as the gentleman from Florida (Mr. BOYD) pointed out, the President, through the Secretary of the Treasury, has asked this Congress to raise the debt ceiling \$700 billion. We were told back last June that it would not be necessary to raise the Federal debt ceiling for at least 6 or 7 years; but all of a sudden, just before the Christmas recess, we were told that we are now going to have to raise the debt ceiling sometime in late February or early March.

I agree with the gentleman from Mississippi (Mr. TAYLOR) and the gentleman from Florida (Mr. BOYD), we do not need to vote to increase the national debt of this country, to raise the ceiling of that debt until we have some firm commitments regarding a return to fiscal responsibility. As we said earlier, if we continue along the path of the Republican's budget plans over the next 10 years, based on the best estimates we have from the Congressional Budget Office, we will increase the amount of interest that we pay on our national debt by a trillion dollars, over a trillion dollars.

There is a lot we could do with that trillion dollars. As I said, we could fund the President's defense budget request for 3 years straight if we could save that trillion dollars.

We already spend a billion dollars a day on interest on our Federal debt. We were told earlier that the war is costing us a billion dollars a month, contrast that, and it is very expensive to fight this war, and all of us believe we need to spend every dollar necessary to win this war; and it is currently costing us a billion dollars a day, but we are paying a billion dollars every time, billion dollars every month, but it is costing us a billion dollar every day just to pay the interest on our national debt.

□ 2115

Clearly, our national debt has grown too large. The interest consumes too much of our Federal budget, and we are going in the wrong direction.

If we had a trillion dollars in interest savings by not increasing our national debt, by proceeding on the path we were on and thought we were on last June, where we are not increasing the national debts and in fact were headed towards paying it off, we could take that trillion dollars and save it, and we could pay for 20 years of war at \$1 billion a month.

We are clearly moving back to deficit spending, to raiding Social Security, and toward reckless fiscal policies that our children will have to pay for some-

day. All we are asking of our Republican leaders and of the President is to be honest with the American people; to be sure that they are told the straight story and that they too understand that it is not just the men and women in uniform who are having to sacrifice and risk their lives in fighting this war, but that every American has a role to play and we all have to be willing to sacrifice.

Yes, we need to cut spending in areas where we can cut it. But when we sit down to draw up the Federal budget for the American family, we ought to do it just like we do at home, and that is we ought to measure our revenues and balance those against our expenses. And if we do not have enough income to cover our expenses, we need to cut our expenses and balance our budget. Washington has not learned that. Apparently, even after 3 years of returning to fiscal responsibility and having surpluses in our Federal budget, we once again are turning a blind eye to the importance of balancing our budget.

We believe that the President and the leadership of this House have a responsibility to submit to us a balanced budget and a plan to keep us on the road to fiscal responsibility. That is the only way to preserve the long-term prosperity for the American people. We want to look to the longer term, to be sure our children and grandchildren do not inherit the reckless fiscal policies of the current generation.

I thank the Blue Dog Democrats who have joined me on the floor tonight for this discussion on the importance of fiscal responsibility. I look forward to the opportunity to debate this issue in the days ahead as we continue to work to balance the budget and to pay down our debt and to protect the Social Security trust fund for the future.

In closing tonight, the Blue Dogs would like to close this hour in memory of Darlene Luther, the wife of our friend and colleague, Bill Luther. Both Bill and Darlene have been known throughout the years as public servants, a family that served their constituents, who worked hard together to make America a better place, and our hearts go out tonight to Bill and his family in the loss of Darlene.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BACA (at the request of Mr. GEPHARDT) for today on account of inclement weather and snow conditions canceling his flight.

Mr. HALL of Texas (at the request of Mr. GEPHARDT) for today on account of airport delays in Dallas.

Ms. MILLENDER-MCDONALD (at the request of Mr. GEPHARDT) for today on account of official business in the district.

Mr. UNDERWOOD (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. FRELINGHUYSEN (at the request of Mr. ARMEY) for today and February 6 on account of personal reasons.