

credit, has stopped this practice of going to a doctor's office and buying the whole staff lunch for the day, and then leaving them with trays and trays of free prescriptions for samples. I think Eli Lilly should be commended for leading the way into a different way of marketing, and I think other drug companies should take a look at that.

I want to talk just real briefly on patents. Prozac went off patent last August, and the price of Prozac fell 70 percent. The question is, when we pay for so much of the research and development on a new drug as American taxpayers, should drug companies still be given a 17-year patent? I think that should be something that we should discuss. Maybe it should be longer. Maybe it should only be 5 years, though.

Mr. GUTKNECHT. Mr. Speaker, I think if we are paying for most of the research, and something else most Americans do not know, and that is 44 percent of all of the money spent on basic research in the world is spent by Americans and American companies.

Mr. KINGSTON. Mr. Speaker, it is something we should look at.

Finally, this approval process, sometimes it takes as long as 8 years to get FDA to approve a new drug. We should reduce that, particularly for drugs that are often being used in European countries that are already on the market, there is a track record for them, and the FDA is still holding them up. We have to ask ourselves how many people are dying or suffering or are in pain during this approval process that had they been living in another country, then they could get access to their medicine.

Mr. GUTKNECHT. Mr. Speaker, coming back to the cost of research, I think we in the United States ought to be willing to pay our fair share for research. When we look at these charts, clearly we should not be required to subsidize the starving Swiss.

Mr. KINGSTON. Again, Mr. Speaker, these drugs are things that seniors are paying too much for right now. We have a woman in our office who has a relative in El Paso. To get a prescription filled in El Paso it is \$90. To go over the border to Juarez is \$29 for Lipitor. It is such a tremendous savings. But we see some of these drug companies, their ads are slick, they are expensive, they are enticing. I have no problem with them spending that money that way; but I do have a problem with saying we can import our tomatoes, we can import all of our other groceries from Mexico or Canada or any other country; but when it comes to drugs, even FDA-approved drugs, we have special roadblocks for that, and it hurts American consumers. We have the North American Free Trade Agreement; and by golly, we ought to be able to leave Detroit and go over to Windsor, Ontario, and buy drugs.

Mr. GUTKNECHT. Mr. Speaker, in the era of the Internet, NAFTA and

world trade, the FDA should not be allowed to stand between American consumers and lower drug prices.

Mr. KINGSTON. Mr. Speaker, I appreciate the gentleman's hard work on this, and I look forward to working with him on this legislation.

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

(Mr. PAYNE 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 Georgia (Ms. MCKINNEY) is recognized for 5 minutes.

(Ms. MCKINNEY 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. WATSON) is recognized for 5 minutes.

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

BLUE DOGS HAVE THE RIGHT PLAN FOR 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, I want to compliment my colleagues, the gentleman from Minnesota (Mr. GUTKNECHT) and the gentleman from Georgia (Mr. KINGSTON), for their presentation a few moments ago regarding the high cost of prescription drugs and their support for legislation that would allow the reimportation of drugs to allow our seniors to get the prices that are now offered in Mexico, Canada, and the citizens of every other country in the world, except the United States.

I want to make it very clear that all of us on the Democratic side of the aisle have supported that legislation, and we really think we should go further and that we should provide fairness in drug pricing to all American seniors by requiring our drug manufacturers to end that practice of price discrimination that results in the very problem that they were talking about. That is to say drug manufacturers are selling the same medicine in the same bottle with the same label, on average, about half the price in every country in the world except the United States where we pay the premium.

Our senior citizens are hurting today because they cannot afford the \$400 and the \$500 and the \$600 and the \$700 prescription drug cost. That is why Demo-

crats have proposed not only fairness in drug pricing by our drug manufacturers, but we have supported a universal prescription drug benefit as a part of the Medicare program to be sure that all seniors can have their prescription medications as a part of the regular Medicare program that has worked so well in this country for our seniors for so many years.

I come to the floor today during this Special Order hour on behalf of the Blue Dog Democrat Coalition. That coalition consists of 33 fiscally conservative Democrats in this House who believe very strongly that this country is going in the wrong direction with regard to its fiscal affairs. We believe in balanced budgets and paying down our almost \$6 trillion national debt. We believe that it is time to face up to the reality that we are now robbing the Social Security trust fund to run the rest of the government, something that this Congress a year ago pledged not to do on at least four or five occasions by record votes on the floor of this House.

It seems that the Congress and the administration have not been candid with the American people about our fiscal affairs. But what most Americans remember is that a year ago we were talking about record surpluses in our Federal budget. We were talking about surpluses, as I remember President Clinton saying, as far as the eye can see. And when President Bush came into office with those projections of surplus, he called on this Congress to pass the largest tax cut in the history of America. I voted for that tax cut because I believe people need tax relief. But when I voted for it, we were projecting over \$5 trillion in excess funds that would flow into the Treasury of the United States over the next 10 years. The tax cut took about half of that estimated surplus.

The problem is that we stand here today 1 year after the enactment of that tax cut and the entire remaining balance of that estimated surplus is also gone. In fact, we are back at the point where we are not projecting surpluses over the next decade; we are projecting deficits. So once again, the Congress of the United States and the administration is putting the operations of our Federal Government on a credit card, a credit card that will be passed on to our children and our grandchildren.

Mr. Speaker, I have a chart that will depict what has happened. What this chart shows us is the history of the Federal budget since the last years of the administration of President Lyndon Johnson.

□ 1615

It traces the history through the Nixon years and the Ford years, the Carter years, the Reagan and Bush I years, the Clinton years, to the present administration. And what this chart shows is the history of the Federal budget deficit, and we are talking about the deficit outside of the Social

Security Trust Fund, the Medicare Trust Fund, and the other trust funds of the government that the law says shall be protected for those uses.

The American people and this Congress agreed a long time ago that when people pay their payroll taxes into the Social Security Trust Fund, that money ought to be used for people's Social Security benefits, not to run the rest of the government. Unfortunately it has not worked that way. But the general budget of the Federal Government's history is depicted here, and so what we have had over time is a history of deficits. Congress went for 30 years before 1996 with deficits every year, and those are shown on this chart. This chart shows that those deficits got really big during the Reagan and Bush I years, and in 1991 when President Clinton assumed office, we began to pull our way out of deficit spending.

Until the last year of the Clinton administration, we actually had in the Federal Government a true, genuine surplus outside of the Social Security Trust Fund and other trust funds. We had a genuine surplus for 1 year in fiscal year 2000. President Bush came into office and said that we had to give some money back to the American people as if to say it was in the bank, when it really was no more than a projection of a future surplus that has turned out to be an incorrect estimate. The surplus went away.

As I said, about half of it was taken by the tax cut, but the other half disappeared because the economy turned south on us. We actually experienced, as my colleagues know, a recession. We also had September 11, which has required a significant amount of Federal dollars in order to fight the war against terrorists and to protect the security of our homeland. So the surplus is gone, and the estimates are that we are back into deficits. And here are the projections for the next 5 years showing how deeply into debt the Federal Government is estimated to go.

So what we are seeing is that the Congressional Budget Office has told this Congress that the estimated deficits for the next 5 years will be even greater than they have ever been in the history of our Federal Government.

Blue Dog Democrats believe that this is wrong. We believe that when we send young men and women into far-off places like Afghanistan to protect our freedoms and our liberties, that the rest of us who are back here at home should be at least willing to pay the bill. Otherwise we are telling those young men and women that not only are they going to fight the war to protect our freedom, but when they get back home, during their good income-earning years when they reach midlife and full adulthood, that those young men and women will have to pay the bills for the war that they went as young people to fight, and we think that is wrong.

And this administration and the leadership in this Congress has not

been honest with the American people about our fiscal affairs because on the floor of this House once a week our Republican leadership presents another tax cut for us to vote on. There are tax cuts that will not take effect until 2011 because there are proposals to extend the tax cut that we voted for last June. So we are down here debating whether or not we should have a tax cut, to extend a tax cut that will not expire until 2010. We are down here spending valuable time debating matters that, if history holds, about half this Congress will not even be here. Somebody else will be serving in 2011.

Democrats believe it is wrong to be telling the American people that we can fight this war without making sacrifices, sacrifices that must be shared by all of us, not just the young men and women in uniform. So Blue Dog Democrats say that we ought to be paying our bills. There is no question that the bill collector is at the door.

This next chart talks about an issue that will be debated over the next few weeks by this Congress; that is, the issue of the debt ceiling. We call it the statutory debt limit. There is a law on the books that says how much debt our Congress and our President can incur for future generations, and current law says the debt limit is \$5.95 trillion, almost \$6 trillion. The law says that we cannot incur any more than that. The problem is we are bumping up against that debt ceiling.

Now, a year ago when we were debating these tax cuts, the President and the Secretary of the Treasury said, oh, we will not have to worry about the debt ceiling until 2008. In fact, they were projecting that we might even be in a situation where we will be paying off our national debt too quickly, and have to pay a premium in order to pay it off before it is really due.

All that sounds really amusing in retrospect, because today the Secretary of the Treasury tells us that unless we raise the statutory debt ceiling in a matter of just a few months, or, in fact, really just a few weeks, we will default on obligations of the United States Government. We will not be able to pay people's Social Security checks, and we will not be able to pay the Federal Government's bills, because we will not have the statutory authority to incur the debt; that is, to borrow the money to pay those bills. So the administration says we need to increase the debt limit, and they want us to increase it by \$750 billion.

Now, the Blue Dog Democrats understand the reality of where we are today, and we understand that the debt ceiling will have to be raised in order to prevent default on the obligations of our government. But Blue Dog Democrats believe that when we vote for that increase, number one, it should be a modest increase, so we are not writing a blank check to the Congress and the President to keep incurring more and more debt.

It should be a modest increase, and it should be coupled with a requirement

that the President submit to the Congress a new budget to put us back into a balanced budget situation by the year 2007. We would like it to be quicker, but the reality is that we are in a position where we are projecting deficit spending at such a level that unless there are dramatic changes in our tax structure, we cannot possibly get back into a balanced budget until 2007. So we are saying to the President, yes, we will give an increase in the debt limit, but as a condition to do it, we want the President and the Congress to adopt a new budget to show the American people we can get our fiscal house in order by 2007.

We also want that increase in the debt limit to be subject to passage of legislation that would continue some budget enforcement mechanisms, we call them pay-go rules, that require this Congress to operate on a pay-as-you-go basis, and make sure that we do not increase spending unless we understand that there is a way to pay for it.

Finally, we believe that as part of any agreement to raise the debt ceiling, that we should have a responsible and reasonable limit on what we call discretionary spending. That is the spending that we vote on every year in a whole series of appropriations bills. We believe there ought to be caps agreed upon that that spending will not go over, so that we have a way of controlling the spending by this Congress.

Those three requirements we think are reasonable requests before we cast a vote to increase the statutory debt limit.

To show another chart that will depict our fiscal condition, I would like to direct Members' attention to this chart entitled "From Debt-Free to \$2.8 Trillion in Debt in 2011."

Before we passed the tax cut last June, the projections were that we would actually have a surplus over the 10-year period. That is why we were able to vote for the tax cut. What we projected was that the debt that this country owes, much of which is owed to the public, these people out there that are buying all these Treasury notes, Treasury bills, and Treasury bonds every time the Treasury has an auction, we projected a year ago that there would be no debt held by the public after 10 years. That is how rosy the picture was projected to look. In fact, we projected we would have a total elimination of the debt held by the public.

Here we are a year later, and the current projections are that by 2011 there will be \$2.799 trillion owed by our Federal Government to those people who will buy those Treasury bills, Treasury notes, and Treasury bonds. That is how dramatic the change in the Federal financial picture is over just 1 year's time.

Now, some people would like to say that, well, this is all okay, and do not get worried about this because we are in a war on terrorism, and we have had

to spend a lot of money. That is true, but the reason we are going to have \$2.8 trillion in publicly held debt in 2011 is not totally due to the war. Some estimate that maybe 20 percent of this number might be due to what we expect to spend over the next decade on protecting the homeland and fighting the war. Nobody really knows.

But the truth is that the tax cut that we passed last June took away about half of our estimated surplus, and the recession and the change in the economy took away about one-fourth of it, and maybe one-fourth of it disappeared because of what we are having to spend to fight the war.

The bottom line is this: This Congress and this administration have not told the American people that the circumstances that existed when we passed the major tax cut have dramatically changed, and this country is now headed towards some of the deepest deficits and largest debt that we have ever seen in our history.

Blue Dog Democrats believe that we have an obligation to run the Federal Government just like the Members and I try to run our households and our own personal businesses. We do not incur a debt at my house unless we know how we can repay it within a reasonable time. The Federal Government does not seem to understand that. The Federal Government, as Members know, has no requirement in law for a balanced budget, and Blue Dog Democrats wish we could change that with a constitutional amendment, because most all of us served in our State legislatures, where they have a provision in State Constitutions that says that we have to balance the budget, and we cannot incur debt unless we have a popular vote of the people to issue bonds for whatever purpose.

But in Washington there has never been such a requirement. We can spend the money all day long and do not have to pay the bill. All we do is charge it to the credit card. The only constraint that exists today is this Federal debt ceiling that we are now bumping up against that the President is asking us to increase by \$750 billion. That is the only constraint on unrestrained spending, and the only restraint on ever-increasing debt.

□ 1630

Another chart which I would like to show my colleagues is what I like to call the greatest waste in Federal spending that I believe this can point to; and I will be the first to tell my colleagues, I believe the Federal Government can save some money and cut some costs and eliminate waste, but one of the biggest categories of waste in our Federal Government is what we spend every year just on interest because the Federal Government has run up this almost \$6 trillion national debt.

This chart shows us what the estimated interest payments on our national debt is going to be. It shows us what the estimated interest payments

were last year when we had that estimated surplus, and that was a \$709 billion interest cost over 10 years; but as I mentioned, things have changed since last June. We have had September 11. We had the war on terrorism. We have had the recession, and so the estimates now of how much interest it will cost us to service the Federal debt of \$6 trillion has increased by \$1 trillion. The estimates are that now we will spend in interest alone 1.8, almost \$1.8 trillion of our hard-earned tax money just to service the interest on the \$6 trillion national debt that we owe.

Blue Dog Democrats believe that is a terrible waste of taxpayer money, and the sooner we can get the national debt paid down and quit paying this kind of interest, the better off our children and our grandchildren are going to be. So the Blue Dog Democrats say, yes, we understand that we are bumping up against the Federal debt ceiling. We understand that we have got to do something in order not to default on all the Social Security checks and other obligations that the Federal Government owes; and we know that that debt limit is being reached within the next few weeks, but Blue Dog Democrats say no blank check on ever-increasing debt.

We say we will increase the debt in a modest amount, only if there is a commitment on the part of the President and the Congress for the President to submit a new budget that will be in balance by the year 2007, if we pass legislation ensuring that we continue our budget enforcement mechanisms that keep us on a pay-as-you-go basis and if we have reasonable caps on the various categories of spending for this year's budget. It is no more than someone would do at their home or in their business. We think we ought to do it in Washington. So that is what the Blue Dog Democrats are proposing to this Congress.

There are 33 members of the Blue Dog Coalition. They work hard every day, trying to be sure that the taxpayers are getting every bit of value out of every tax dollar that we pay. We are trying to be sure that the American people understand the finances of our Federal Government so that the pressure of the American people will be brought upon this President and this Congress to say enough is enough; and if we are not paying our bills, if we are putting all of our obligations and all of our expenditures on a credit card for our children and grandchildren, we want it to stop. That is what the Blue Dog Democrats believe, and that is what we are working hard for in this Congress.

Another way to describe our deteriorating fiscal picture is to share the recent estimates of the Congressional Budget Office with my colleagues. The Congressional Budget Office is that arm of the Congress that gives us our official numbers when we come down here and we debate tax cuts and we debate spending, we talk about debt. We

are relying on the numbers that the Congressional Budget Office gives us. That keeps us all honest. It is a bipartisan body.

The Congressional Budget Office says that for the first 8 months, the first 8 months of this fiscal year, our Federal Government has run a deficit of \$149 billion. Contrast that with what was going on during the first 8 months of the last fiscal year, 2001, where we were running a surplus of \$137 billion. So in 1 year's time we move from running a surplus in the first 8 months of the fiscal year of \$137 billion, to the current fiscal year during those first 8 months of running a deficit of \$149 billion. That is a dramatic swing in the fiscal condition of our Federal Government.

Tax receipts are running much lower than anyone anticipated. The recession has been longer and slower to turn around than we had expected, and we know now from what the Congressional Budget Office tells us that for the entire fiscal year we will likely end up with a deficit of well over \$100 billion.

So how do we go from 8 years of improving fiscal circumstances to now finding ourselves unfortunately having to look forward to record deficits once again? I am sure my colleagues can get a lot of people to give us a lot of different answers to that question; but the bottom line is, things have changed and yet this Congress seems to operate as if nothing has changed when it comes to dealing fiscally responsibly with our Federal tax dollars.

I am glad to have on the floor with me this afternoon one of the leaders of the Blue Dog Democrats, the gentleman from Arkansas (Mr. BERRY), who speaks with about as much clarity and common sense as anybody I have ever met in the Congress; and I am pleased to yield to the gentleman to talk on this very important issue.

Mr. BERRY. Mr. Speaker, I thank my distinguished friend from Texas. The gentleman has been a great leader on this issue and a great leader for the Blue Dogs and a great leader for the State of Texas and this country; and we appreciate the effort he is making here today, also.

Mr. Speaker, it is a sad day when we have to come back to this floor when only a little over a year ago we still had surpluses. We had been presented with an opportunity in this country to clear up the debt. We knew that if we were prudent, if we operated in a fiscally responsible manner, if we followed or had followed the Blue Dog plan, which said, first, take care of Social Security and Medicare and pay off the debt that we owe, and let us do that, and then let us take a little bit of the money, all of this wonderful money that had been projected, let us take a little bit of that money and do the things we know we should do for our military, do the things that we know we should do for our senior citizens, make the necessary investment to be sure that this country continues to be successful economically, make the necessary investments to be sure we are

secure, and then let us provide some tax cuts, let us take part of it and provide some tax cuts, we had a list of priorities there.

We now have a disastrous situation facing us. In a little over a year, we are told now that we have already borrowed an additional \$300 billion in less than a year, and it is going to take, by the time we get to the end of this year, another \$450 billion to keep the country floating, to keep us solvent. That is \$750 billion we have borrowed from our children and grandchildren.

We come to this floor day after day, week after week; and all of us declare how much we love our children, how much we love our families. We talk about family values endlessly; and at the same time, we conduct our fiscal matters as a Congress as if there were no tomorrow, as if no one has to answer for this.

What we are asking for, Mr. Speaker, is for all of us to sit down, let us forget this partisan stuff. It does not get us anything. We have got a serious problem. We have got a homeland security issue and a national security issue that we must address and we will address it. We have other top-priority issues that the Nation must deal with. Prescription drugs for our senior citizens. We know how to do these things. We can set the priorities and balance this budget and protect Medicare and Social Security and not pass an enormous debt on to our children and grandchildren.

I cannot imagine a situation where anyone would intentionally pass on a debt to their next generation just because they were too irresponsible to deal with it themselves. This is something that the Blue Dogs have great concern about.

Over and over we have presented a responsible plan to this House. We put it up for a vote and we lose, and we have been presented with the plan that got the most votes, that puts us \$750 billion deeper in debt today by the end of this year than we were a year and a half ago. It puts our children and grandchildren at a tremendous disadvantage. In fact, when they are presented with the debt, the unfunded obligation of Social Security and Medicare and the other necessities that they are going to have to deal with when their time comes, I do not know how they are going to deal with it. It becomes more of a burden than they are going to be able to carry.

I think, Mr. Speaker, it is time, it is past time that both sides, the Democrats and the Republican, let us sit down. We can figure this out. We can do this right. We are willing.

I remember just a little over a year ago how excited the Blue Dogs were. We had a new administration come into town. We were looking forward to working with a new administration to craft a budget that would be responsible, that would pay off the debt, not add to it, but pay it off, take that burden off of our children, not make it greater.

I will never forget, and I have mentioned this several times, the Director of the Office of Management and Budget, Mr. Daniels, came to the Blue Dog meeting; and he very confidently told us the greatest fear we have, the thing we are most concerned about, is that we are going to pay off all of the debt, the economy is going to be doing so well that we are going to pay off all of the debt and no one will be able to buy a U.S. Treasury bond. That is almost laughable. In fact, we would laugh about it today if it was not so serious.

It is not a laughing matter when we talk about passing this horrendous debt on to our children and grandchildren. It is not a laughing matter when we talk about we are squandering the opportunity to make Social Security and Medicare permanent, make sure that Social Security and Medicare are there for the senior citizens that are going to come into the program in the next 15 to 20 years. This is not a laughing matter. It is a very serious matter.

So, Mr. Speaker, what we are asking for is let us sit down at the table together. Let us work this problem out. Let us do the right thing for America. Let us do the right thing for our children and grandchildren. Let us do the right thing for this country, and let us honor the people that founded this country, the people that fought for this country, the people that gave their lives so that this great Nation of freedom and liberty could exist. Let us not squander this opportunity that we still have to do the right thing.

Mr. TURNER. Mr. Speaker, I want to thank the gentleman from Arkansas for his comments and for his strong leadership for fiscal responsibility. He speaks with a great deal of common sense and enjoys the respect of the entire Congress.

Next, I yield to the gentleman from Utah (Mr. MATHESON), another member of the Blue Dog Coalition who has worked very, very hard trying to get this Federal Government back on a course of fiscal responsibility, who sponsored legislation to do that, who has been a real leader in this House; and it is an honor to yield to him.

□ 1645

Mr. MATHESON. Mr. Speaker, I appreciate the gentleman from Texas yielding to me, and I want to thank him for continuing to be such an articulate spokesman on this issue. Just another reason why I am real proud to be a Blue Dog.

When I came to Congress, and I am a freshman, so I am here in my first term in Congress, I had the opportunity to consider different groups to affiliate with and issues to focus on. And before I even got here as a candidate, I was talking about the notion of fiscal responsibility, about what a great opportunity we have right now to take our Federal budget and really work in a good way to reduce debt and to reduce the burden of debt on future genera-

tions. The Blue Dog message was one that was so consistent with mine, it was a great experience for me to learn about this group and be affiliated with them.

But that is only one reason why I am happy to be a Blue Dog. The other reason I am happy to be a Blue Dog is that the Blue Dogs have a reputation for being very straight up. We put the figures and facts out on the table, and we are happy to work with people. And we say that in an honest way. We are prepared to reach across the aisle and work with anybody in this House, regardless of party, regardless of ideology. We want to work with them to come up with good ideas for being fiscally responsible.

We have gone through some tough times this past year in this country, and our circumstances have changed. No question about that. We all are supporters of the fact that we have to put in significant resources in terms of this war on terrorism and efforts to increase homeland security. These are tough issues, and we have not resolved them yet. In fact, the needs for this war on terrorism and the needs associated with homeland security are going to be developed for years to come probably, in terms of us knowing where we are going to be.

So that is a significant factor, as I said, and we support committing those resources. I know the Blue Dog coalition is very supportive of defending our borders and defending our people. But with that change in circumstance, clearly, it seems to me, that calls for reassessing where we are in terms of our total Federal budget because we have just had this significant change in our requirements, and coupling that with an economic downturn and revenues being down and projected deficits coming in, those are all reasons why we need to look at this.

My concern is that while we have been talking about this, that people are not taking it seriously and looking at it. This is our opportunity now, because we are running up against our credit limit. We have not had to take a vote here in Congress on the debt limit for a number of years because we were running surpluses. Now we will have to take a vote on this. And the Blue Dogs are not trying to say we are not going to raise the debt limit. The Blue Dogs are prepared to stand up for a straight-up debt limit increase as long as it is associated with a commitment to develop a plan for how we are going to get out of this pattern of increasing debts year upon year upon year.

I do not like taxes. I do not think any of us like paying taxes. But if we want to take action to make sure future generations pay a lot of taxes, just keep running up the debt now, because those future generations are going to have to be paying the interest on that debt. We are talking about a heavy tax burden on future generations. That is certainly not a legacy that I want to leave, and I would like to think most

people in the Congress, on both sides of the aisle, do not want that to be their legacy, but I am concerned that is the direction we are going.

Now, we sit here and talk about this, I recognize there is no easy way out of that. I will admit that. This is going to take a lot of work and a lot of smart people getting together to try to work through this, to get our budget situation going from a path of increasing deficits to where we are back on the path of fiscal responsibility. Nobody has a monopoly on all the good ideas around here, not one individual, not one party, but as Blue Dogs, we are sincere in our request that people sit down with us.

We are ready to roll up our sleeves and work hard, and ready to face the tough decisions. That is why our constituents elected us. We are supposed to take on the tough issues, and this is a tough issue. My concern is that right now Congress is not willing to address where we are going. We are too concerned about short-term considerations in the next election. We need to be looking at the next generation in the way we make our decisions.

So as Blue Dogs, every week, we come out on the House floor to try to highlight this issue, because it is such an important issue to us. It is such an important issue to my constituents. I hear about it all the time when I go back home. So, as I say, we are sincere in our request. We have been out here many times. People have not taken us up on it yet, but we are getting to the point where this debt limit is going to be hit. The Senate has already passed a debt limit bill to raise the debt limit, and now it is our time. It is our time here in the House.

Now, if we turn this into a partisan situation, I suppose the majority party, if they can reach consensus, can pass a debt limit increase without Democratic votes. We, as Blue Dog Democrats, are prepared to offer a vote in favor of raising that limit, as I said earlier, as long as it includes with it some sense of a plan or a process by which we are going to come up with a plan to get us away from this path of deficit spending. That is what we are asking.

That, to me, is such a common-sense request, because if you are in the private sector, whether it be your household budget, or whether you are in the business world, if you are spending out more than you are taking in, you know you have to change something over the long run. You just cannot keep doing that over time because it does not work. And particularly if you want to borrow more money, it does not work, because nobody will lend you that money because you do not have a good story to tell how you are going to get out of that pattern. So when you go for that car loan or you go for that home mortgage, the banker will look you in the eye and say, tell me how you are going to pay me back. A very reasonable request.

I think the citizens of this country ought to be asking Congress how are you going to pay us back? How are you going to pay back this debt? That is a fair question, and it is incumbent upon us to take that on.

So here we are again today. Week after week we raise this issue. I make the request one more time. I ask Members of the House, let us get away from the rhetoric, let us sit down and let us work together on this very difficult issue. Let us do the right thing for future generations, let us do the right thing to get our budget back on track. That is what the Blue Dogs are all about, and I hope that people will take us up on this offer.

With that, Mr. Speaker, I will yield back to the gentleman from Texas.

Mr. TURNER. Mr. Speaker, I thank the gentleman from Utah, and again I thank him for his leadership on this issue. The gentleman represents a new generation of leaders in the Congress, leaders that have a conscience as well as an understanding that we have to pay the bills.

That reminds me of the diversity of the Blue Dog coalition. We have Members from all over the country now, from Texas to Florida, New York to California, to Utah. We have Anglos, Hispanics, African Americans. We have Congressmen and Congresswomen all committed to the central principle of the Blue Dogs, and that is we need to balance the Federal budget, pay down this \$6 trillion national debt, and ensure that we do not pass that on to our children and to our grandchildren.

One other Member of the Blue Dog coalition that has joined us on the floor here today is the gentleman from California (Mr. SCHIFF). He is an outstanding member; has been a leader on many issues of fiscal responsibility. He came to the Congress after a distinguished career in the California Assembly, and I am very pleased to yield to him.

Mr. SCHIFF. I thank the gentleman for yielding to me and for his sustained leadership in dealing with the country's fiscal situation.

Mr. Speaker, it was not so long ago, in fact it was just last year, that the administration was warning Congress of the dangers of paying down the debt too fast. We were entertaining scenarios where the Nation would have no debt, and what would the consequences of that be. These were the discussions that were going on in this very Capitol just a year ago. Well, would that these dire prophecies had come true and that we were today faced with that dangerous prospect of a Nation without debt.

In fact, we are very far from being a Nation without debt. Our debt has only increased since last year. Our deficits have only spiraled since then, because not long after those warnings of those dire predictions of a debt-free America, war and recession intervened, and now we are in a situation where this Nation faces deficits as far as the eye can see.

Some are proposing, in fact, to aggravate the deficits we have now. Some are proposing that we pass tax cuts not that are effective today or tomorrow, but that will not take effect for 10 years. We had a vote last week on one such proposal. We had a vote the week before on yet another. And at the same time we are proposing further tax cuts that will not take effect until more than a decade from now, the leadership is proposing that we increase the national debt by three-quarters of a trillion dollars.

Now, these votes do not take place on the same day. It would be very difficult, I think, to schedule a vote to cut taxes 10 years from now on the one hand and to raise the national debt on the other and have the votes back to back. That would be very difficult to justify. But, in fact, that is exactly what is taking place on the House floor.

We recently had a vote on the wartime supplemental appropriations bill. That is a measure that every Member of Congress supports. It provides necessary supplemental funding for the war effort. But buried in that bill of a couple weeks ago was a provision to allow the national debt to increase \$750 billion. Now, why was that buried in that bill? It was buried there because Members did not want to have to justify or explain how it is we could be voting to extend tax cuts beyond 10 years from now when at the same time we are raising our national debt. We are, in fact, borrowing the money to provide some of these cuts.

That is not any way to run a Nation. That is not how we run our budgets at home; that is not how we ought to run our budgets here. What we have to do is recognize that the prosperity that we enjoyed in the last 10 years was contributed to by the fact that we had our budget in balance; that, in fact, we were running a surplus for the first time in many, many years, and keeping our budget in balance had the effect of keeping interest rates low, making the dream of home ownership possible for so many American families.

Have we forgotten already the benefits of having a budget that is in balance, of paying down the national debt, the confidence that that inspires in American markets, the impact it has on the lower interest rates we pay on our mortgages or on our credit card debt? That is a real tax on the American people. You are taxed every time you pay your mortgage. You are paying for the cost of borrowing money. And we are making that more expensive for you because, in effect, the Federal Government is competing with you to borrow money whenever we run a deficit, whenever we are in debt.

So the action we take in raising the national debt by \$750 billion means that your mortgages are going to be more expensive, that you are going to be paying more in interest rates, that your children are going to pay more, that a prescription drug benefit may be

placed out of reach because we simply do not have the resources to pay a billion dollars a day in interest and try to provide prescription drug benefits for seniors that cannot afford to pay for their medicine and pay their rent and buy their groceries at the same time.

So what do we do? The administration says we need to raise the debt limit; that we need to borrow, or we are going to default. Are we in the Blue Dogs advocating that we go into default? Of course not. No one in the House is advocating that we default on our fiscal obligations. But what we are advocating, what we are asking of the leadership of this House is to work with us on a more modest increase in the national debt and, at the same time, work with us on a plan to get this country back to a balanced budget. They have to go hand in hand.

American taxpayers would not want to increase the debt limit on a credit card without any plan for how they were going to pay off their credit card debt. That would not be a smart investment. The same is true for the Nation. Before we extend the limit of what this country can borrow, we ought to require of this Congress and this administration that we come up with a plan to balance the budget over the intermediate term and the long term, recognizing that in the face of the war on terrorism, in the face of our efforts to pull ourselves up from this economic downturn, that we may have to endure deficits in the short term. Still, in the midterm and in the long term, we must get back to putting our fiscal house in order.

And all of this begs a question, Mr. Speaker: Where have all the budget hawks gone? Where have all the advocates of a balanced budget gone? There used to be some great voices in this Chamber for balancing the budget, for paying down the debt. Many of my colleagues on this side of the aisle won their seats in the House 15 years ago and 20 years ago by campaigning against the spiraling national debt.

□ 1700

Where have they gone? Why have we forgotten so readily the value of the importance to our future of having a balanced budget?

So today we urge our colleagues to work with us. Let us have a modest increase in the debt in light of the present difficulties, in light of the demand for resources for the war on terrorism. Let us have a modest increase in the debt. But let us accompany that increase with a plan that gets us to a balanced budget once again. Let us not dramatically expand our national debt with no plan whatsoever. That simply is not being a good trustee for the American people. And that is the challenge ahead of us today, to work together, with this House, Democrats and Republicans, with our colleagues in the Senate, with the administration. We can do this. We can do this. We have done this before. It is not easy.

There are many things that we would like to do that are competing for the same resources, but we have to recognize that if we do work together and we do take down this national debt, pay it off, reduce our deficits, that means that the billion dollars a day that we are spending in interest we can spend one day's worth of that interest on building new schools in your neighborhoods. We can spend another day of that interest providing prescription drug benefits to seniors. We can spend another day of that interest on fixing potholes in the roads. We can spend another day of that interest in making sure that we expand health care access to children. We can give another day of that interest back to the taxpayer and help them pay their personal debts and their personal obligations. And this is just with a week's worth of interest, \$7 billion that can be provided in the form of additional tax cuts or that can be provided in the form of additional services for the American people if we do not saddle ourselves with nonproductive debt, and that is the challenge.

And I want to applaud my colleagues who have worked so hard and for many years to bring about a sense of fiscal discipline in this body, to restore the commitment that we have made, both parties, to provide valuable services to the people we represent, to not encumber the future of this country and our children's future in a debt they cannot climb out from under. This is our time, this is our challenge, and I think we are up to it.

Mr. TURNER. Mr. Speaker, I thank the gentleman from California (Mr. SCHIFF) for his comments. And I think the reality of our current fiscal condition is certainly as he stated, and I think every Blue Dog Democrat believes we need to give the American people as much tax relief as we can afford to give them. But he is exactly right that when there are tax cuts proposed on the floor of this House week after week, the reality is whatever tax cuts are approved today over and above what we have already done for the American people in the largest tax cut in our history that was passed last June, those additional tax cuts will just be paid for with borrowed money. So we are going to take money out of the Social Security trust fund or borrow money from the public so we can run the government and give these additional tax cuts.

That is not fiscally responsible, and I certainly appreciate the fact that all of us want to be able some day to vote for additional tax cuts. I certainly do. But I think that what the Blue Dog Democrats stand for is first making sure that we are paying the obligations of the United States Government, whatever they may be; and it is a tragedy to think that the course that we are now following will result over the next decade of an additional trillion dollars in interest costs to the American taxpayer, wasted money just paid out on interest just because of the course of

fiscal irresponsibility that we are now embarked upon.

I pointed out this chart early in our hour, and I want to point it out as we close. Just 1 year ago when the President submitted his budget, it was estimated that we would not reach the statutory debt limit set by this Congress until the year 2008.

Mr. Speaker, we now know that we are bumping up against that debt limit, too. If we continue along the path of the President's budget submitted to us in January/February of this year, we will see record increases in the debt owed by the taxpayers of this country to the extent of an increase of over \$2 billion over the next decade. That is a course that we should not follow.

That means that the young men and women fighting for our freedom today in Afghanistan and other far-off places will not only sacrifice in the battles that they fight for our freedom today, but when they come home someday, when they are in their middle years, their highest income earning years, they will have to pay the bill for the very war that they went today to fight.

The sacrifices that will be required of the people of this country to win this war on terrorism are indeed great, and they are sacrifices that all of us must be ready to share in. The Blue Dog Democrats are here to remind Congress and the President that somebody has got to be willing to pay the bills. Today the debt collector is at the door, and he is knocking. He is telling us that we are running this government off the Social Security trust fund at a time when Social Security will be under the greatest stress in its entire history. As the baby boom generation retires and becomes eligible for Social Security is just the time that we see the projections of an ever-increasing Federal debt and growing deficits in our annual Federal budgets.

We need to be honest with the American people. We need to be willing to tell them the truth, and we need to be able to act in a bipartisan way recognizing the reality of our current fiscal situation and recognizing that every one of us is going to have to do everything necessary to win the war on terrorism to protect the security of this country, and together we must be willing to pay the bill.

So we have come here today and shared together in this hour of time on this floor to simply say to this Congress and this President, let us work together to balance our budget, to pay our bills, and to be sure that we do not pass the costs of today's government and today's war on to our children and our grandchildren.