

great over the last 226 years. It was a system where those individuals that worked hard, that tried, that learned, that applied that learning, that saved and invested were better off than those that did not. So that kind of an incentive was what made this country great, and we have been redistributing income; so as our taxes have been more progressive and saying, well, if one is successful or if they are a young couple and they want to work another 8 hours to do better for their family, we have a system now that says we are not only going to continue to tax them at the same rate but if they go out with a second job and earn more, we are going to tax them at a higher rate. So like the 100 percent, the more we tax, the more it discourages that kind of saving, that kind of investment. It is a challenge that this country is going to have to face up to.

And the demographics are startling. As we look at the demographics, as we look at more and more people, the so-called baby boomers going out of the working, production, paying-their-taxes mode and apply for Social Security and Medicare to the taking-out position, we are faced with dramatic challenges of the survival of Social Security, Medicare, Medicaid. So the result without some real responsibility in spending is going to increase taxes on everybody else. So when I go to high school classes, I tell them, look, they are the generation at risk. They should be yelling and screaming. They should be going to these political meetings. They should be asking those candidates what they intend to do as far as holding the line on spending and therefore holding the line on taxes that they are going to have to pay, holding the line on debt that they are going to have to pay the interest on every year but eventually they are going to have to pay off that debt.

Mr. BARTLETT of Maryland. Mr. Speaker, I would like to make two observations. One is that about the time of the Reagan administration, there were a lot of bumper stickers I saw out there that said "no trillion dollar debt." Now it is more than six times that big, and we have not had any six-fold inflation since that time, and where is the outrage? Where is the outrage that we are passing this heritage on to our children and our grandchildren? I thought I had remembered that during the Eisenhower years that our government first reached a \$100 billion budget, I thought, gee, \$100 billion is a lot of money. So I had the staff go back and check, and it was a couple of years after Eisenhower actually before we spent \$100 billion. Look at America then and America now; and we are spending what now, over \$2 trillion.

Mr. SMITH of Michigan. \$2 trillion.

Mr. BARTLETT of Maryland. More than 20 times as much. And our country is not 20 times bigger. Our needs are not 20 times bigger. What has happened to us since those Eisenhower years when we were spending less than

\$100 billion and we are now spending 20 times that amount of money? We really need to stop and take a long look at where we are and where we are going, and we cannot continue to have this kind of a debt increase. We cannot continue to have this kind of an increasing debt that we are passing on to our children and our grandchildren. We are a rich country, but there is a limit to what we can do; and I really would like to see tax day moved to the day before election. There was an interesting little song several years ago, "We'll remember in November, when I go in that booth, I'm going to vote for anyone but you," and the gentleman from Michigan (Mr. SMITH) may have noted that tax day is about as far on the other side of the calendar as they can get it from election day, is it not? Not very many people remember from April 15 clear around to November, but if it was the day before election, almost everybody has a memory that long; and I think a lot more people would vote and they would vote very differently, and I think we would quickly come to grips with this budgetary problem in our country.

Mr. SMITH of Michigan. Mr. Speaker, winding this up, there are some real obligations of the Federal Government. It is the defense, it is the security, it is the health, it is education; but now we have expanded into so many social programs that in many ways take away the incentive of working hard and saving and investing and doing for themselves. We discourage investment. We say, look, if they earn some money and invest it in something and the value goes up, we are going to tax them again.

It is interesting. Our system says to a person, look, after they have earned this money, if they go to Las Vegas and live it up with wine, women, song, gambling, and spend all that money in gambling and waste and expenditures, we are not going to tax them anything; but if they give some of that money to their kids and their grandkids to help in their education, to help in their success, help their development to contribute to this economy, we are going to tax the heck out of them.

Our system of taxation needs to be reviewed, especially when we compare it to other countries, other countries that do not have a capital gains tax, other countries that encourage savings and investment more than we do. The challenge is before us, and it is not going to be an easy road. And I compliment the gentleman from Maryland (Mr. BARTLETT) for his willingness to stand up against the easy road to say, look, we are going to be okay, we are going to pay everybody's benefits, we are going to come up with all these programs that do everything they want us to do. The fact is that sometimes it is very difficult to say, look, that should not be a Federal Government responsibility, that should be a State government responsibility, a local government responsibility, or an individ-

ual's responsibility. So it is hard choices in a situation where everybody is running for political office and the tendency is to try to please everybody.

Mr. BARTLETT of Maryland. Mr. Speaker, the Bible says it is more blessed to give than to receive, and the government has largely usurped the role of philanthropist. Several years ago in our church, our kids did not go trick or treat. They would go out before and they would leave a bag; then they would go pick it up and the ladies would help them make food baskets to give to poor families on Thanksgiving. So one of our ladies called the local welfare people and said, We would like the names of some poor families that need food so that we can give them some food.

And the welfare worker was indignant. What do you mean poor families that need food? What do you think we are here for? There are not any poor families that need food. Of course that is not true. There are some who fall through the cracks. But this was just evidence of how broad the role of the Federal Government has gotten.

When I look back at those Eisenhower years, \$100 billion budget, 62 percent of that budget, 16 percent of GDP, went for defense. Today it is 15 percent of our Federal budget and less than 3 percent of GDP that goes for defense. Now relatively we are spending only one-fifth as much on defense today, but we are spending 20 times as much as that Eisenhower budget in our total government.

And the gentleman from Michigan (Mr. SMITH) is right. Here in this Congress we vote on only about one-third of all the money that is spent. The rest is called entitlements. It runs on auto pilot and every year it goes up and up, and we need to address both the entitlements and the discretionary spending, and America will not be solvent and our children will not look forward to a bright future until we have done that.

Mr. SMITH of Michigan. A wise man once said that "if you are in debt, you are not free." So whether one is an individual or a business or the Federal Government, we have got to pay attention to debt and eventually have some kind of a plan to pay that debt off.

Again, I would thank the gentleman from Maryland (Mr. BARTLETT).

THE NEED FOR A NEW BUDGET PLAN

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

Mr. PHELPS. Mr. Speaker, I represent the 19th district of Illinois. I am honored to be here in my second term in Washington, D.C.; and, Mr. Speaker, tonight as one who is honored to be a member of the Blue Dog Democratic Coalition, we will be joined by hopefully several other members of the Blue

Dog Coalition tonight; and we want to focus our time on discussing the budget situation, the negative consequences of a return to deficits and debt, and the Blue Dog message about the need for a new budget plan.

It is one thing to have a budget plan as we started this session and this budget year and as the President outlined in his budget plan. It is one thing to head in the direction we intend to go and meant to go, but then unanticipated obstacles, unfortunate happenings and incidents, dreadful experiences deter the plans and get us off the path and the goals in which we intended when we outlined our first intentions. Part of that we know was the recession, deeper than any wanted to acknowledge or to accept; and of course September 11, the impact that it has had we are still feeling and will for some time: tax cuts, spending. All that goes together in affecting that original plan that the President set forth in the budget resolution.

So part of our job as elected people is to make sure, at least in my estimation, that we are flexible enough to adjust to situations that get us off that direction that we started. And our discussion tonight, at least from the Blue Dogs' perspective, hopefully will be to point out how far we have gotten off that path and to hopefully make suggestions as to how we can modify our direction and stay within the confines of a balanced budget, which, by the way, has not had any discussion in the 4 years I have been here, soon to be. I have not seen a balanced budget resolution brought to the floor, and I would think that we, as near a bipartisan group as one can almost get, meaning that one party does not have a super majority over another in either Chamber, that should mean that we are working together more because we have to, and the numbers dictate that. However, I have not seen that happening in the last few months, in a couple of years at least.

Mr. Speaker, to get started on our focus and discussion of the budget situation and the negative consequences of a return to deficits and debt, our message is about a new budget plan and why we need to usher in as quickly as possible to make sure we acknowledge some of the things that happened that are not necessarily the fault of anyone and we should not be pointing our fingers at each other at this time. That is for sure. We can debate and talk about what happened, but we need to acknowledge that it is a different situation now than it was September 11, 2001.

So we, as Members of Congress, try to depend and must depend on authentic numbers, sound numbers that tell us how much resources we have to work with, what is in the bank, what we owe, what we can anticipate to come in from various sources of revenue, and what we know are going to be expenses that we are obligated to pay and as we go through a budget year

in trying to reach a budget agreement before we adjourn for this session, trying to anticipate what the costs will be in this budget agreement. So we have a general outline. How we reach the end of that process depends on how much we work together and all the facts that come to us that were not there in the beginning of the presentation such as I alluded to with the President's budget resolution.

□ 2030

So we find ourselves in a new time, new day, new circumstances. Our plea as Blue Dogs is we would acknowledge this as a body which has been elected from every State in the country, and even within my own State the great diversity that we face should help us instead of prevent us in coming to a reasonable agreement.

We have fiscal reporting offices, bureaucracies, and departments to give us an idea of our situation in the past few months, what we thought we had and could depend on, what we have presently to depend on with revenues and outlook, and what our plans should embrace depending on the information we can best conjure up for the future, the short term as well as the long-term future.

So most of the discussion about the budget, the tax cuts, the receipts, the revenues and everything in the last 4 or 5 years has been about a 10-year projection, which I personally feel is a false premise to begin with. How in the world would anybody have anticipated September 11 or the recession making as much impact as it did on our economy?

So we need to weigh all those things now in a different light. So we do have the Congressional Budget Office, which confirms what we have to work with as Members of Congress so we can relate to our constituents, the voters, the taxpayers, the citizens, just exactly how we should be guided through the process that we were elected to do to arrive at a financial, sound way of managing the resources that this country produces and gives to the government sector, to give back through the process of which we decide priorities that are outlined by everyone's discussion here, the input that comes from individual Members. That is why we are in the greatest deliberative body in the world right here in the House of Representatives.

So the nonpartisan Congressional Budget Office, that is the fiscal reporting group that should not be swayed or influenced and was put in place by one party or the other, or leadership or those that are more powerful to the seniority years. Those things are very important for us to take into consideration when we receive the information from the Congressional Budget Office.

So the Congressional Budget Office confirms that the surpluses projected last year have been replaced by deficits and growing debt. The CBO, which I will refer to the Congressional Budget

Office as, has released updated economic and budget projections for the next 10 years. There again we are on this 10-year kick which I feel is shaky ground.

The report documents the continuing deterioration in the 10-year budget outlook. Last year the CBO projected that the government would run a budget surplus of \$3.4 trillion, excluding the Social Security surplus, meaning the Social Security revenue, FICA, that comes in from those who work every day, coming from their earnings to pay into the Social Security and Medicare Trust Fund.

That surplus was excluded from the \$3.4 trillion surplus. The CBO now projects that the government will run a non-Social Security, that means not counting the Social Security receipts and revenues, budget deficit of \$1.5 trillion. That is reversal of nearly \$5 trillion in a year and a half.

The CBO projections do not include costs of additional tax cuts or increased spending proposed by the President or being considered here in Congress. Extending the expiring provisions of the 2001 tax cut law would add more than \$600 billion to the deficit projections over the next decade, in which this Congress has chosen to choose the way to project budget, give tax cuts, obligate spending and look at debt.

The first major violation occurred in our agreements over the last several years when we broke the lock on the lockbox and raided Social Security. For the past couple of years the other side has made promises to protect Social Security. This budget is far from protecting Social Security, and I defy any Member to prove to me otherwise. Many of my constituents depend on Social Security as a means of comfort after they have worked hard all their life, over the many years that they have labored in their occupation.

This budget calls for tapping the Social Security Trust Fund to support other government programs every year for the next 10 years for a total of \$1.5 trillion. Now, I am concerned about that, and that is why I am spending my time trying to communicate the situation to the American people and those who I represent in the 19th Congressional District of Central and Southern Illinois.

Our Nation cannot afford to put our Social Security system at risk when it is depended on by so many of our citizens. Social Security and Medicare are the two crown jewels of social programs in the history of our Nation. They have been very successful, but yet we have not managed them properly, and we are about to get to that breaking point where it is going to be unmanageable.

Let me just talk about running up the national debt before I introduce my colleague. During the budget debate last year, Republicans in Congress claimed there was a danger that the government would pay off the debt held

by the public too quickly, something I laughed at and thought, my, what a great fortune that would be. Little more than 1 year later, the Congressional Budget Office now projects that the publicly held debt will increase from \$3.32 trillion at the end of fiscal year 2001 to \$3.865 trillion by the end of 2006, a \$545 billion increase in the debt.

As a former teacher, as a father and a grandfather, I have always tried my best to do what is right for the next generation, the future generations even beyond the next generation. We cannot afford to leave our children in a mess that they cannot clean up. The administration says the publicly held debt will begin to gradually decline in 2005. Even if that is true and even if the debt does start to decline and the government does its part in beginning to pay it down, we still need to remember the impact this is having on our system of Social Security. This is where our children are going to be impacted the most.

From my understanding, the total debt of our Nation is going to continue to increase. That is right. Even though the administration suggests that the publicly held debt will begin to decline, the fact is that the total debt will continue to rise due to the fact that we have not kept the commitment to save the Social Security Trust Fund surplus. We all made that commitment. We have broken that commitment. That is just fact. That is just the truth.

The statutory debt limit, which has increased by \$450 billion to \$6.4 trillion just 2 months ago, will need to be increased again next year. I would gather that is why we are probably going to find ourselves in a lame duck session because too many of these facts are too severe for some of us to want to face and to tell the American people the truth about the situation we face. So it is time to regroup. It is time to go back to the table and say let us acknowledge what has happened. Before it is too late, let us look at another plan. The Blue Dogs presented that several months ago, and we have yet to receive or be responded to in a serious nature from the other side of the aisle or from the administration or from leadership here in the House.

Mr. Speaker, let me introduce a member of the Blue Dog Coalition who came to Congress the same year I did, is a member of my same Congressional class, and is one of my closest friends, the gentleman from Indiana (Mr. HILL).

Mr. HILL. Mr. Speaker, I thank the gentleman from Illinois (Mr. PHELPS) for his leadership on this particular issue. I have come to know the gentleman from Illinois (Mr. PHELPS) now in the last 4 years, and he is in fact a dear friend of mine and we have shared a lot of stories together. I have also come to respect his honesty and integrity. When the gentleman says something, you can put it in the bank that the facts have not been massaged and it is the truth. What the gentleman said a few minutes ago is right on the

mark and I applaud the gentleman and what he does for his constituents back home in Illinois.

Mr. Speaker, I had an opportunity and challenge to get elected to the Indiana legislature back in 1982, and during that time I will never forget it, we went into a special session right away. In that special session the legislature raised taxes to overcome budget deficits that they were having in the State of Indiana.

Here in Washington during that time there was a new President who was advocating tax cuts and increased military spending. In the process of doing that, huge budget deficits occurred. It seems to me that we are in that same situation now because if we look around the Nation, all over America, State governments are increasing their taxes while Congress is cutting Federal taxes, increasing the military spending dramatically, and in many ways justified because of the war on terrorism, and we are starting to run up huge deficits all over again. It is *deja vu* all over again, just like it was in the 1980s. These are policies that have been put in place that are getting in my view undesired results because deficits are a problem.

During the 1990s, we changed course from the 1980s and we adopted new economic policies. Our emphasis was on debt reduction. We were largely successful in the 1990s for reversing those policies of the early 1980s.

□ 2045

In the late 1990s when the gentleman from Illinois and I came to Congress, we actually experienced budget surpluses for the first time in many, many years. Then there was a Presidential race, of course, in the year 2000. This Congress and this administration has returned to the policies of the 1980s which again are resulting in huge budget deficits. Some called it supply side economics. At one time it was called voodoo economics. I do not know what to call it, but all I know is we are running up huge deficits once again.

The Blue Dogs are a group of 33 Members of Congress, the gentleman from Illinois and I are two of those 33, that believe that we ought to be fiscally responsible and try to get us back on a path where we do pay our debts just like every American family does all across America.

I have been back in the district for the last several weekends, and I have discovered that people are hurting. The economy is not doing so well. The families back in the ninth district in Indiana who are not doing so well are changing their budgets to reflect the bad economic times that they are having. They know, the good folks of southern Indiana, just like the good folks in south central Illinois, that when you fall upon hard times, you have got to readjust your budgets in order to pay your bills. That is the honest way to do things. That is the forthright thing for people to do. By

and large, the good people of southern Indiana that I have the fortune to represent redo their budgets to reflect the times.

Congress for some reason feels like it does not have to do that. As a matter of fact, we are spending money like it is growing on trees again. The Blue Dogs are a group of 33 that thinks that we ought to sit down as Democrats and Republicans in a bipartisan fashion and try to come up with a plan to get us out of this deficit, just like families back in southern Indiana do; they come up with a plan to get us out of these deficits. Congress needs to do the same thing. The Blue Dogs have been a strong voice calling for a budget summit, for us to come down as Republicans and Democrats to figure out a way how we are going to get out of this budget crisis that we are in.

I would like to cite some statistics. Last year, CBO, the Congressional Budget Office, projected that the government would run a budget surplus of \$3.4 trillion excluding the Social Security surplus. The Congressional Budget Office now projects that the government will run a non-Social Security budget deficit of \$1.513 trillion, a reversal of nearly \$5 trillion in only a year and a half. So those huge budget surpluses that we experienced in the late 1990s are gone in a year and a half, and we are accumulating a \$1.513 trillion reversal.

The Congressional Budget Office projects the government will run a unified deficit of \$157 billion in the current fiscal year. When the Social Security surplus is excluded, CBO projects an on-budget deficit of \$314 billion, \$162 billion higher than that projected in January. For fiscal year 2003, the CBO projects a unified budget deficit of \$145 billion and an on-budget deficit of \$315 billion when Social Security is excluded. The government is projected to borrow virtually all of the Social Security surpluses to finance deficits in the rest of this budget.

The gentleman from Illinois was talking about how many of us, myself included, pledged to put a lockbox around Social Security and not spend the Social Security surpluses, to use Social Security for only what it is supposed to be used for, and that is Social Security. If you ask your people back home if that is the right thing to do, I guarantee you overwhelmingly people will say that is the right thing to do. We should not be using these Social Security surpluses to finance the debt that we are incurring. It is irresponsible. Nearly \$1 trillion, \$964 billion to be exact, over the next 5 years and more than \$2 trillion by the end of this decade will be used from Social Security surpluses. That is wrong.

During the budget debate last year, some Members of Congress actually came to this microphone and claimed that there was a danger that the government would pay off the debt held by the public too quickly. As we think about that today, that was just plain

laughable. Little more than 1 year later, CBO projects that the publicly held debt will increase from \$3.32 trillion at the end of fiscal year 2001 to \$3.865 trillion by the end of 2006, a \$545 billion increase.

I would assume that most people who are listening to these budgetary figures, their eyes have got to be glazing over now. These are numbers that nobody understands. So let me try to put it in perspective a little bit better. If this holds true, if these deficits hold true, it will be the largest increase in debt in the history of this country in one year, the largest increase in the history of this country. So we have returned to the early 1980s and those economic theories, where you cut taxes here, the States have to raise taxes back in our homes, we increase funding for military spending and we run up huge deficits again. It is *deja vu* all over again.

The real problem is that the budget is projected to continue to run on-budget deficits requiring the government to raid Social Security and Medicare trust funds even after the economy recovers and returns to strong growth. We face long-term budget problems that go far beyond the impact of the war on terrorism or the downturn in the economy. Running deficits and increasing the debt over the next decade and leaving in place long-term fiscal shortfalls will make it even harder to meet our commitments to workers who will retire in the next decade and beyond. Higher debt means higher spending on interest payments. You want a tax cut? Pay down the debt so that we can reduce interest, so that people can buy their homes and their cars and make their loans more cheaply. That is money in everybody's pocket.

The government will spend nearly \$2 trillion paying interest on the debt over the next 10 years. We will spend \$170 billion in interest payments just this year. And spending on interest will continue to increase through 2007. Spending on interest on the debt is the most wasteful use of taxpayer dollars. The amount of the budget consumed by spending on interest takes away resources that could be used for other priorities, such as defense, health care, education, et cetera.

More than \$1 trillion of the national debt, roughly one-third of the publicly held debt, is held by foreign investors. In 1998, the U.S. Government paid \$91 billion in interest payments to foreign investors. The national debt places a drag on the economy and a burden on the family budget by keeping interest rates higher than they would otherwise be. Budget deficits and a large national debt have a major negative impact on the economy and the finances of American families by keeping interest rates high. Continuing to allow the national debt to grow will impose an increasing tax burden on future generations to pay for the current consumption. The President must work with Congress to

put its fiscal house back in order, just as families back in Indiana facing financial problems must work with the bank to establish a financial plan in order to get approved to refinance their debts.

In short, we need a budget summit, as the gentleman from Illinois has already outlined. We need to reach out, Republicans and Democrats, within the Congress of the United States and to the President, to try to come up with a plan like families back in Indiana do themselves, coming up with a plan to try to get us out of the problem that we face, and it is a problem.

Mr. Speaker, our young men and women are fighting terrorism all over the world right now as I speak. Of course we need to support them. It is immoral for us to require them to fight these wars and then to come home and in the later years when they are in the Congress of the United States, be responsible for somehow figuring out how we pay this debt off that we, our generation, has incurred. It behooves me and this Congress and the people who might be listening, certainly the people of southern Indiana, to get our fiscal house in order by calling a summit, asking Republicans and Democrats to come together to figure out a way how we are going to return to fiscal responsibility.

Mr. PHELPS. I thank the gentleman from Indiana. Let me just say, knowing this gentleman for the last 4 years, we came in, as I said, the same year. You would think as very enthusiastic freshmen, honored to be elected and serve in this great body, naturally we shared some of the same commitments and priorities as education and health care, those things that are basic to our well-being and our communities and our families, both of us, as well as all the Blue Dogs.

But as freshmen Members, I remember having the discussion how important Social Security and Medicare protection was to us as freshmen. As far beyond any other thing that we were concerned about, that was at the top of the list. It was not rehearsed. It was not something we conjured up. That is the way we felt when we first entered this body. Now we find ourselves in this situation, and we have seen it decline. As I said before, some of it is not our fault. It is out of our own power that things have happened, and circumstances.

But it is within our power to recognize and acknowledge a problem and say, what can we do together from here knowing this situation happened 9-11, the recession was deeper, we want to acknowledge or at least accept; and the tax cuts, how much impact did all of that have and the projections of 10 years being too rosy, painting a rosy picture, downplaying the liabilities. That is what has got us in this situation. So it is not time, even though it is right before the election, to start pointing fingers and say that it is your fault, it is your fault, but it is our fault

if we do not recognize it is time to come together and acknowledge and embrace a new plan that will reflect what has happened to us.

With that let me thank the gentleman. If he would like to interject anything from now to the end of our time allotted, feel free. We can have open discussion, but it is my honor to now introduce, I started to say the oldest Blue Dog, but I will just say the most senior of the Blue Dogs who actually was instrumental in forming this coalition which, I think, has had its impact on the Nation and someone who has been a mentor to me, even though we come from extreme distances away, from Texas to Illinois, believe me, it is scary how close our thinking is on line together, my dear friend, the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. I thank my friend from Illinois, and I thank my friend from Indiana for their discussions tonight. I want to begin by building on the major points that they made in their conclusions. We are here tonight not for fingerpointing, but in an offer to work in a bipartisan way for a solution. We offered ours last year in the budget debates and we were turned down. That is perfectly the prerogative of this body. The majority can ignore the minority anytime you would like. You passed your economic plan. We thought it was poorly conceived, but you did not. And now we have the results. Today the stock market reached the lowest point that it has been in 6 or 7 years. Unemployment is beginning to move up. We have a lot of concerned people around this country, concerned about whether or not their jobs are secure, their savings are secure; and we still have the very real concern about Social Security, because we can talk all about, we can blame all we want to, and I am a little bit perturbed with both sides regarding the Social Security arguments that are taking place today, but the one thing we cannot say is that anybody is doing anything about it.

If you are perfectly satisfied with running the largest deficit in the history of our country, then continue to come to this floor and demand to continue to follow the economic game plan that we are now under and that is a perfectly honest position to take and then assume the responsibility for what that policy brings. Because that is what is happening today. We cannot undo it, what has happened to this point; but we can make a difference in what is going to happen from this day forward.

□ 2100

That is where I think the market is crying out for some direction and leadership and for us in this body to quit the finger pointing.

We had two sense of Congress resolutions on the floor last week that were, with all due respect, ridiculous; us, we in the House of Representatives, who have only passed five appropriations

bills, blaming the Senate because they have not passed a budget, and the only thing that divides us is \$9 billion. \$9 billion is what the finger pointing is all about, and this body and the wonderful leadership we have here is saying it is all the Senate's fault.

Now, that is laughable. From where I come from in Texas and from where I think the gentlemen from Illinois and Indiana come from, if you are going to finger point, my people want me to say okay, then what would you do differently?

Well, here we have offered and we will continue to offer what we would do differently. We need a summit on the budget. We need to sit down and put everything on the table and work ourselves out of a very difficult situation this country finds itself in, very difficult. But there seems to be no interest in that.

You know, here we had some safeguards, some policy procedures, that were put into effect in the 1997 budget, even going back to the 1990 budget, in which we suggested that having caps on spending agreed to would be helpful to resolving our budget differences. Now, this year the Blue Dog Democrats said, in agreement with the majority, that the \$759 billion number is a good number and we are prepared to support our colleagues on that number, or at least some of us are.

Pay-go, we have had a pretty good little budget process in which if you are going to propose increasing spending, then pay for it. If you are going to propose additional tax cuts, pay for it. Do not borrow it on our children's and grandchildren's future. That expires September 30. I am told, and I hope I am wrong, and I would love to be proven wrong and have someone come to the floor of the House and say right now, Charlie, you are wrong; we are going to reimpose the pay-go rules. We are going to have those rules, and, by the way, instead of ignoring them, as this body has done for the last 2 years, we are going to live up to them.

It is kind of amusing to me sometimes, we are out here arguing for pay-go rules, and we waive them every time a rule comes to the floor that has something to do with sense of Congress resolutions, or with spending resolutions, or the favorite is tax cutting resolutions. If we are going to have a rule of the House, live by it.

We are prepared to back the majority party, and we will propose on the CR tomorrow, or the next day, when we have the continuing resolution, which is an indication of a failure of this body to do our work, when we cannot pass 13 appropriations bills and send them to the other body. If we passed our 13 and sent them to the other body and the other body did not act, then we would have the right to criticize the other body. But the gall of my friends on the majority side who will stand up and be critical of the other body when we have not done our work, it just defies my imagination.

Mr. Speaker, we increased the debt ceiling earlier this year, and at the rate we are borrowing money now and with the projected additional spending over and above what is in current law, the gentleman from Indiana a moment ago stated it correctly, this Congress is going to preside over the largest single increase in our Nation's debt in the history of this country, and yet the majority claims they are conservative.

Now, that, with all due respect, is argumentative, and I would love to see a serious debate on some of these issues, other than just the stone-wall and the blaming and the finger pointing that is going on and trying to blame the other body because of inability of this side to pass appropriations bills.

Whatever happened to the legislative process in which you have differences of opinion and you sit down and work them out together? If you have got the votes, you pass them, and, if you do not have the votes, you fail them. That is kind of what the majority is doing today, I suppose. But yet you seem to not be willing to assume the responsibility of the actions that you continually vote out of this body, and you seem to be wanting to blame the other body.

I do not understand that. I do not understand the logic of that. That is why the Blue Dogs are going to be on the floor day after day after day until we are adjourned asking the simple question, what is wrong with a budget summit? What is wrong with sending a message to the investment community, the investors of this Nation, saying we are going to sit down and actually work on some new solutions, or come to the floor and say we have the perfect solution and we want to continue and we want the results to be our responsibility.

Social Security: I have been in this body now for almost 24 years. When I was first elected in 1978, 2011 was a long time away. Today, 2011 is 9 years away. 2011 is when the baby-boomers, the greatest generation, those that we rightfully pay homage to on a regular basis for their tremendous patriotism and support in the winning of World War II, it is when the baby-boomers begin to retire, that the largest single drain on the economy of the United States in paying off the debt to the trust funds that we must honor will begin to come due.

Instead of us dealing with that as the Blue Dogs asked and pleaded last year when we were talking about a \$5.6 trillion projected surplus, we were emphasizing that is projected; do not spend money that is not there. But we were not heeded.

We suggested taking half of that projected surplus and paying down the debt, then the other half of that surplus divided equally between tax cuts targeted for purposes that will benefit the economy and the other one-fourth or half of the remaining projected surplus, increased spending in priority areas which started with defense and

then veterans and then healthcare and then education and then rural America. That was our priorities.

But we also said before we do any of that, let us sit down as a body, Democrats and Republicans, and work out the answers to the future of the Social Security system and the Medicare system and the Medicaid system. We have got a crisis out there in our nursing homes all across this Nation, in my home state and in every other state, and instead of us dealing responsibly with trying to come up with policies that will answer the nursing shortage and the tort reform and the malpractice reform and all of the things we need to be doing, what are we doing? We are going to pass a CR, a continuing resolution, and we are going to punt into the next election, and we are going to poison the well on all of these issues that will make it even more difficult to deal with it next year.

We said, let us deal with it last year, but, again, the majority said, no, we have got a better idea. And that is the prerogative, Mr. Speaker, of the majority. Many times I come to the floor and I will get a few calls that will come in and say, you Democrats are just spouting sour grapes. Well, if that is your opinion, I respect everybody's opinion. But we are sincerely here tonight, as we were last week, as we will be tomorrow, saying we have got a problem.

No one, no one in the entire United States today, argues that there is not a problem with the Social Security System, in the future. No one. We all agree. We have got different solutions. I have got mine. I worked with the gentleman from Arizona (Mr. KOLBE) for the last 6 years on a proposal. We know what we are for, or what we think we are for.

But I respect anyone that has got an opinion. If we would just spend some time in this body in the committees dealing with that problem, instead of bringing sense of the Congress resolutions to the floor of the House saying that it is really all the other body's fault, and doing that with a clear, unsmiling face.

We are this body. We are the House of Representatives. We are the people's House. We are the ones that are elected by a majority of the people within our district. And, just as my colleague from Indiana said a moment ago, the people in Indiana are asking us to come up with a solution.

Why are we not? What is it about politics today that has all been turned over to our promoters and issues, and no one ever, ever asks us to be accountable for our actions except the blame game?

Well, Social Security and the trust fund and the trust fund problem are very, very real, and I venture to say that not a single one of the 435 of us in this body tonight, both sides of the aisle, would disagree with that very calm statement. But when you are in the minority, you cannot effectuate

the direction of policy. Only the majority can determine what can come to the floor and how it comes to the floor.

Yes, we are a little bit testy on the Blue Dog side, because when we come to the Committee on Rules and ask to have some of our ideas considered and voted upon, we have been denied and denied and denied. What is it that the majority party of this body today that calls itself conservative is suddenly afraid of ideas and letting ideas come to the floor and be voted upon? What is it? I do not know. But I am a little bit frustrated. But that comes with being in the minority, I am told, and that is the way our system is supposed to work.

We are living in some very trying times, and I will predict that there is going to be tremendous support for our President when we deal with matters of tremendous importance and seriousness regarding international affairs. We certainly will find strong bipartisan support for standing with the young men and women that were mentioned a moment ago that we will send perhaps into harm's way, as we already have in Afghanistan. And, yes, there is a cost, a tremendous cost. War is not something that should ever be taken for granted or expressed in simplistic terms. It is one of the most serious matters to come before this body, and we will deal with it in this body, and I have every confidence that this is one issue that will have adequate airing and discussion in the people's House.

But tonight we talk about the lack, the lack, of allowing serious debate of a change of economic policy for this country. Again, if we are wrong and we do not need this change and we do not need a summit, then so be it. Obviously that is the answer coming from the majority side. That is obviously the answer. "We like the game plan we are under and we are perfectly willing to stand up to that game plan because it is working."

Well, that is the kind of debate that we ought to have in a little more open way, instead of the blame game. I hope tomorrow and the day after that that we will get away from these sense of the Congress resolutions, trying to blame somebody else for the inability of this House to deal with our own problems. I will not call us a do-nothing House, because we have done something. We have passed some resolutions. We have done some good. But it is the big undone good that we have tonight that we focus on as Blue Dogs, because by not facing up to the economic problems of this country, by not facing up to the ticking time bomb of 2011, by ignoring the interests of those who cannot vote, our children and grandchildren, those who do not have a vote today, by continuing to insist that the economic plan that we are under is good and that they should be the ones to pay for the debt that we are building up today, and standing on the floor as some are tempted to do and saying the debt really has not gone up,

when we know it has gone up and will go up this year, the largest single increase in the Nation's debt in one year in the history of our country, is coming under the economic game plan that we seem unwilling or unable to make any changes in.

The gentleman from Illinois, I thank him for taking this time tonight, and I look forward to hopefully in the days ahead joining in a spirited debate. Tonight, since we cannot seem to do it in the regular hours of the day, we cannot seem to find it in our heart to be in legislative session on anything but after 6:30 on Tuesdays and going home on Thursdays, and yet we are blaming the other body for not doing their work, that maybe we could have a little time in these hours at night to have a serious discussion, and perhaps maybe some of our friends from the other side of the aisle, and we have many, and there are many more agreements in this body than there are disagreements, but it is the call of the leadership that determines the manner in which we debate it. That is my frustration.

So if we get another hour tomorrow night, I hope maybe we will be joined by some of our colleagues, and we can have a good discussion as to why it is somebody else's fault that we are not doing our job.

□ 2115

Mr. PHELPS. Mr. Speaker, there is not a more aggressive leader in terms of how we deal with the budgetary challenges in this body than the gentleman from Texas (Mr. STENHOLM). Both sides of the aisle will tell us in the corridors of this Chamber that the gentleman from Texas (Mr. STENHOLM) has provided leadership that is unique, courageous; and the greatest compliment that one can have here is when they say that someone tells the truth. Even when we are into debate openly, many will not give credit for those terms; but the gentleman from Texas has earned that right, and I thank him very much, my friend and colleague, for his input and for his leadership to those of us who are new in the Blue Dog Coalition in terms of telling us how to communicate the urgencies at hands. I thank the gentleman for his input and for allowing me this time to manage the time tonight. It is a great honor for me.

I will continue on my points that I was outlining before I turned it over to my colleagues, and the third point is that the deterioration of the budget outlook demonstrates the danger of making commitments based on uncertain budget projections, as I began my remarks tonight of how we have embraced this 10-year projected outlook of budgets, debts, obligations, priorities and everything else which I think is a false promise to begin with.

But when Congress considered the budget last year, the Blue Dogs warned then about the danger of making long-term commitments for tax cuts or new

spending programs based on projected surpluses and proposed setting aside of half of the on-budget surplus for a cushion to protect against unforeseen changes. The President and the Republicans here in Congress promised that we could afford to fund priorities such as defense, prescription drugs, agriculture, education, and many other priorities, and enact the President's tax cuts, and save the Social Security surpluses, and pay off the national debt. Well, the new budget reports indicate that the government will return to deficit spending and raid the Social Security trust fund, confirming that the warnings made by the Blue Dogs last year about the dangers of making expensive budgetary commitments based on these uncertain projections now are taking place. With the new budget outlook, any increases to fund the war on terrorism or other priorities will result in additional borrowing from the Social Security trust fund and increase the debt.

While deficits may be inevitable in the short term, the real problem is what has happened to the long-term budget outlook.

The primary source of the deterioration of the budget outlook in the short term is the economic downturn and spending for the war on terrorism. I completely understand, and united we stand behind this President on the war against terrorism and the need for spending what is necessary to win the war on terrorism and ensure the protection of our fellow Americans here at home. However, we need to work together in developing a plan that will fight the war on terrorism, but will also protect the Social Security trust fund and benefit our future generations. We really need to start thinking about our children's future.

The real problem is that the budget is projected to continue to run on budget deficits, requiring the government to raid the Social Security and Medicare trust funds, even after the economy recovers, hopefully, when it does, and returns to strong growth. We face long-term problems that go far beyond the impact of the war on terrorism or the downturn of the economy. The CBO, the Congressional Budget Office, estimated that the estimated budgetary impact of September 11 plus associated interest costs represents only about 11 percent of the more than \$5 trillion total deterioration of the surplus since last year.

Similarly, the CBO found that the economic downturn is responsible for just 10 percent of the deterioration of the budget projections and that the deficits will continue long after the economy is projected to return to strong growth. Running deficits and increasing the debt over that decade and leaving in place long-term fiscal shortfalls will make it even harder to meet our commitments to workers who will retire in the next decade and beyond.

Higher debt means higher spending on interest payments. The most wasteful spending possible is spending on interest payments on the debt. The government will spend nearly \$2 trillion paying on interest on the debt over the next 10 years. We will spend \$170 billion in interest payments this year alone, and spending on interest will continue to increase through 2007. Spending on interest on the debt is the most wasteful, as I said, use of the taxpayers' dollars. The amount of the budget consumed by spending on interest takes away resources that could be used for our priorities such as defense, health care, education, et cetera.

More than \$1.2 trillion of the national debt, roughly one-third of the publicly held debt, is held by foreign investors. In 1998, the U.S. Government paid \$91 billion in interest payments to foreign investors.

The national debt places a drag on the economy and a burden on the family budget by keeping interest rates higher than they otherwise would be. Budget deficits and a large national debt have a major negative impact on the economy and the finances of American families by keeping interest rates high. Congress must also enact rules or extend rules enforcing budget discipline. Strong budget enforcement rules are important, as the gentleman from Texas (Mr. STENHOLM) said, as a component of restoring fiscal discipline and making sure that the budget remains in balance.

Mr. Speaker, having the privilege to go back to my home district every weekend since I have been a Member of Congress is one of those things that just maintains one's sanity, and I am sure the gentleman from Texas agrees; going back to the real world where the real problems are discussed. Just this weekend, where I direct the music in my home church, Sunday evening we had a church-wide groundbreaking for a new building project of a Christian life center. Less than 9 years ago, we broke ground for a new auditorium that seats nearly 500 people, the third building program we have had since I have been a member and known anything about that program, and building a church, the Star General Baptist Church there in North Eldorado, Illinois, where my grandfather was pastor way before I was born.

And at that groundbreaking, the best news that we all, as Democrats, Republicans, Independents, and we do not even know party affiliations and most do not care, all those who I grew up with and know and worship with and serve in the community with and live with, that night we celebrated the fact that we would start several \$100,000 building programs with a debt-free building program behind us. Debt-free. We even purchased a parsonage in the last couple of years, paid off, debt-free. We did not do that by fooling ourselves, knowing that the mortgages and the debts that we created were incurred and that we would not be foolish

enough to take on a new project, knowing that we could compromise our debt that we have at our local bank. That is integrity. That is about family values. We are teaching our children there. One does not start something bigger than what one already has that one has to pay for.

Now, I realize in this body it may not be quite that easy, at least it has not appeared to be. But surely, as a group of reasonable elected people, we can acknowledge the magnitude of the problem. It is funny that the gentleman from Texas mentioned the blame game, because my pastor mentioned that Sunday morning, the blame game, shirking your responsibility, side-stepping, telling someone else it is their fault what has happened. Well, I do not think so. My son just turned 21 a couple of weeks ago, and he knows by now life's hardest lessons, to accept your own destiny, make your own decisions, and live by them. That is what we are doing now.

I hope, Mr. Speaker, that we can come to grips with coming together and fashioning a Federal budget in the face of an economy that has been impacted in ways in which we did not anticipate, which is no one's fault; but let us acknowledge it is time to come to an agreement with a new plan to save Social Security and Medicare, pay down our debt, and still finance the priorities of the war on terrorism, education, health care, and those things that we have all promised, prescription drugs, and everything else that we would said that we would do.

IMPORTANT ISSUES FACING CONGRESS

The SPEAKER pro tempore (Mr. WILSON of South Carolina). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. TANCREDO) is recognized for 60 minutes.

Mr. TANCREDO. Mr. Speaker, as I was sitting here preparing my remarks, I listened to the remarks of my colleagues; and it is encouraging, to say the least, to think that there are people on both sides of the aisle who have concern about the fiscal house that we try to keep in order around here. It is discouraging to think about the fact that regardless of who happens to run this place, the Republicans or the Democrats, it appears to me, anyway, as we look over the numbers over the last couple of decades, that it really hardly matters most of the time; that we are spending certainly more than we should and that our deficits are a result of our inability as a body, not as a party, but as a body, to control our appetites, to control the willingness, the desire, the need to respond to a plethora of programs and supporters of programs throughout the Nation that constantly demand more. Nonetheless, I am glad to hear it, and I am always hopeful that we will be able to actually change the situation around here when

it comes to spending. I do not hold much hope out for it, but I have that spark of hope that does remain alive.

Mr. Speaker, before I get on to the issue that usually brings me to the floor of the House, which is, of course, immigration and immigration-related issues, I would like to just for a few moments talk about something that I am also very, very concerned about and also, I think, should be a concern of the Members of the body, and that is the situation in Sudan, a country that has experienced at least a decade, actually 2 decades of incredible internal conflict, a country that has experienced more casualties of its population, 2 million dead at the present time, more than 4 million displaced. These are numbers that are far higher and far more significant, frankly, than any other country since the Second World War.

□ 2130

Yet, little is known about the situation in Sudan. Unfortunately, relatively few people seem to care. But there are folks who do care. Since this past Wednesday, people have been gathering in Galvez Park here in Washington, D.C. to pray and stand for the people of Sudan, who are subjects of a brutal, genocidal campaign.

Saturday, September 21, high school and college students led an all-day vigil. These young people represent the best of American ideals. They are acting on behalf of the people that they have never met, but whom they know are being oppressed. We should marvel at their commitment, but more so, we should join them.

I stand here today to talk about what has brought these young people from across the country here to the Nation's capital, and to talk about how the government of the Sudan, the National Islamic Front, has for years and continues today mercilessly to drive back Christians and animists from their homes, starve them, kill them because they are not Arab Muslims.

I want to tell the Members about the bombing. The government of Sudan has converted Russian cargo planes into primitive bombers called Antonovs. These planes regularly fly over villages and towns in southern Sudan, far from the front lines of the fighting. These villages have no military value, the only people who live there are civilians; yet, still the bombers come. Sometimes they drop bombs; sometimes they do not. That is part of the terror campaign the government is waging. No one in southern Sudan knows if they will be next.

When the planes drop bombs, they are not precision weapons, like we used in Afghanistan, to avoid civilian casualties. Rather, they are crude homemade bombs, sometimes 55-gallon drums packed with explosives and nails, designed to maximize civilian casualties.

These primitive bombs are rolled out of the back of planes, falling at random