

in Iraq with no prospect of being repaid under the leadership of President Bush.

We could also, with the same \$220 million, guarantee my coastal ports, which were zeroed out in the President's budget for continued dredging maintenance, we could dredge those ports for 5 years. We still have not spent \$220 million yet. We are working on it. This is just one district. Just imagine what this would mean across the United States of America if every Member of Congress got to take that \$220 million home instead of sending it over to this deep pit in Iraq.

We could give 1,000 students full tuition, room and board at the University of Oregon or Oregon State in my district; 10,000 community college scholarships. Instead of them having to borrow money from the Federal Government, we could have given them scholarships. This is just one congressional district. We could give thousands, more than 10,000 students full tuition, a free ride for the year. We could put thousands to work on infrastructure projects meeting Federal mandates. That is just one congressional district. Imagine if that were repeated across the United States of America. If only the President would borrow money to invest here, or even spend money like the unemployment trust fund.

Now, since this \$87 billion that was borrowed or authorized yesterday by the Senate, the President will probably sign the bill soon, following the \$79 billion that we borrowed last April which is not yet spent, we have to wonder, what is the plan? The plan was to vote on borrowing another \$87 billion before they spent the \$79 billion. And so what are we going to do to bring stability? Well, now they say what they are going to do is train Iraqis. Now, on September 5, Donald Rumsfeld said there were 55,000 Iraqis all told, including security guards, et cetera, trained. Since then the estimates of the Iraqi forces have grown at the rate that would mean they have trained 1,000 people a day. Wow. Must be some program. Unfortunately, they have not yet begun the \$1.2 billion program to train Iraqis in Jordan to become police and security. Yes, that is right. We are going to pay \$1.2 billion. The French and the Germans offered to do it for free, and they are good at training people do to that, but God forbid that we should save the American taxpayers \$1.2 billion and take something from the French and Germans that they are good at. So the Jordanians and, of course, we know they are really good at this, are going to be training the Iraqis to become police. But somehow, magically the numbers keep going on up. It is like zip, zip, zip.

Then last week Deputy Defense Secretary Paul Wolfowitz speaking in Georgetown raised that figure to 90,000. Three days later Rumsfeld said 100,000.

Now, how is this happening? Do we think this is really happening? Do we think we can believe these folks? Now remember, these are the same people

who told us, this is a country that can afford to rebuild itself and pay for its own reconstruction, and soon. That is what we were told. That is what the American people were told. They would be waving little flags, welcoming us as victors. Our kids do not have the flak jackets they need because Rummy said there would only be 30,000 Americans there by now, and we have more than 30,000 flak jackets. They have planned miserably.

I would recommend to my colleagues and everybody, Blueprint for a Mess from the New York Times on Sunday, November 2, New York Times magazine, the best compilation of the total abysmal failure to plan and, in fact, to reject planning for the postwar Iraq by this administration.

#### ECONOMY SUFFERS UNDER BUSH ADMINISTRATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from South Carolina (Mr. SPRATT) is recognized for 60 minutes as the designee of the minority leader.

Mr. SPRATT. Mr. Speaker, last week, the Commerce Department released the growth rate for the third quarter. It was good news, welcome news, the kind of news we can all cheer. According to the Commerce Department, the economy grew at a rate of 7.2 percent in the third quarter this year.

Now, we all doubt, the President and all the rest of us, that this pace can be sustained, but we all hope that it signals the start of a strong recovery because, Mr. Speaker, it has been a long time coming.

Most Americans will be surprised to hear it, but this economy officially moved out of recession 2 years ago, November 2001.

□ 2045

And yet for 3 solid years, ever since even the recovery from the recession, the official recovery, the economy has continued to creep along, to scrape bottom.

All together, we have had a net job loss in the private sector since 2001 of 3.2 million jobs; 3.2 million jobs have been lost; 2.6 to 2.7 million of those jobs have been lost in manufacturing, some of the best jobs we have got. And I am afraid some of those jobs are not coming back, even if the economy recovers.

So before anybody hangs out a "mission accomplished" banner over this economy, I think it is important we recognize tonight and henceforth that there is a lot left to be done.

Here in a nutshell is what this administration has been able to accomplish, or not accomplish, on its watch with respect to the budget and the economy since January of 2001, things that still cry out for correction, notwithstanding the growth rate that we are experiencing right now.

This chart shows that the private sector has shed 3.2 million jobs. That is the worst job record since the Hoover administration, the Great Depression. Long-term unemployment, that is, people who are unemployed for 6 months or more, has tripled. That is when it really begins to get tough. The growth in the economy over the last 3 years, it has grown, it has not been all recession, but the growth has been 2.1 percent on average for 3 straight years. There is only one administration in history who has a worse record than that, that is George Walker Herbert Bush in the 1990s, early 1990s.

Real business investment, that is investment in productive assets, business assets that generate jobs and generate profits, has fallen 6.6 percent a year, the worst rate for real business investment since the Second World War.

And our other deficit, the so-called balance-the-payments deficit, the trade gap, has also increased by \$100 billion over the last 3 years.

Let me just show you in further detail more about what has happened to the economy. Growth during this administration, 2.1 percent for the last 3 years. As I said, to find an administration with a worse record since the beginning of the Truman administration, the end of the Second World War, you only go back to the Bush administration. Every other administration has experienced better growth than that.

The unemployment rate has increased from 6 million people to 8 million people. You can see from this chart what has happened to unemployment. It has gone from 4 percent to as high as 6.5 percent and now rests at around 6.1 percent, persistent unemployment, even though we pulled out of the recession.

Let me make that point more clearly. As I said earlier, the economy pulled out of recession in November of 2001. Now, in all of the postwar recessions since the end of the Second World War, if you measure them in jobs lost and jobs recovered, from peak to peak the length of the business cycle downturn has been about 26, 27 months. And here you see that average recession plotted on this chart. You also see across the bottom the red line which indicates the path of this recession. Typically, in every other recession of nine that have occurred since the end of the Second World War at about the 13th, 14th month, you begin to see the job recovery. We begin to regain the jobs that we have lost in the first 13 months. And by the 25th or 26th month we are back to where we were a couple of years before, the jobs have been restored.

But look what has happened here. In the 13th, 14th, 15th month of this recession, this red line keeps going down. It does not turn up. And this is where we are right now today in November of 2003, barely holding our own, hardly improving at all over the dismal loss of 3.2 million jobs over the last 3 years. That is what is happening to jobs in

our economy. That is why this is a jobless recovery. That is not just a turn of phrase, that is not just some rhetorical creation. This is a jobless and a joyless recovery. That is why the people in this country have not felt the recovery even now officially when we did recover in November of 2001.

Now, one of the concerns that we all have when you look at this 7.2 percent growth rate is that it represents one quarter. You have to ask yourself what does the future hold? We hope that this means that the economy as a whole is beginning to pick up. But we have, I think, reason to be worried about the long-run future, not the next several months, not the next quarter, not the next year, but 3 years from now, 10 years from now, 15 years from now when we look at what it has cost to turn this economy around and in terms of tax cuts.

The Bush administration is sure to credit what has happened to the tax cuts that it has implemented, three different series of tax cuts over the last 3 years, totalling about \$3 trillion in all in revenue reduction. And they say that this has been the key factor in turning the economy around. Of course, it has played a significant part, I am sure. But we argued all along that this same level of stimulus could be achieved with a lot less damage to the long-term budget, that you could have short-term stimulus with the right tax cuts and still have long-term balance. And that is where the Bush administration comes up short.

Because you will see that in running the budget, running this economy, in trying to deal with the recession, in putting through ahead of everything else preemptively its series of three tax cuts we have seen here this red line here the most precipitous decline, the most drastic reversal in the fiscal fortunes of the United States since at least the Second World War, maybe since Woodrow Wilson. It has just been a tremendous decrease.

Here in a nutshell is what has happened. In the year 2000, fiscal year 2000, the Government of the United States booked a surplus of \$236 billion. That was 4 years ago. Hard to believe, but we had a surplus 4 years ago of \$236 billion. Three years ago the Bush administration came to office with an advantage that few administrations in history, none in this country, have enjoyed and that is a budget surplus, big-time surplus. And they had some major decisions to make, but they went first and foremost with their tax cuts.

Their economists looked out over the next 10 years, and they foresaw surpluses totalling \$5.6 trillion between 2002 and 2011. In 3 years they have changed that picture from a cumulative surplus of \$5.6 trillion to a cumulative deficit of nearly \$4 trillion, 3.5 to \$4 trillion if you simply assume that what we know to be on the Bush agenda is implemented and carried out over that period of time with respect to prescription drugs, with respect to the war

in Iraq, with respect to other tax cuts which it is still calling for.

And when you factor that all in, we see not a surplus of \$5.6 trillion but a deficit of 3.5 to \$4 trillion. And that is the question we would like to address tonight.

We are pleased, we are excited, we are hopeful to see the 7.8 percent growth rate that the economy racked up in the last quarter. But we have to stand back and ask ourselves at what cost have we come, what long-term damage have we done to the budget in getting here.

Let me show you one little piece of math that everybody can understand. If you take the tax cuts that have been implemented to date and look just at the cumulative cost in terms of revenues lost to date, which is about \$860 billion, and you divide that by the jobs that the Treasury Department, the Commerce Department claims have been created during this period of time so that we would have had, they say, 5.2 million jobs lost but for the tax cuts, instead of 3.2 million jobs lost we would have 5 million but for the fact that these tax cuts have actually generated a total of 2 million jobs, divide the cost of the tax cuts through this year by the jobs created, it comes to \$3,420,000 per job in terms of revenues lost to the Treasury. That is the situation we want to talk to you about tonight.

Where are we going? The budgets that have been produced here, the deficits that have been generated over the last 3 years have been generated with an attitude almost of indifference to the bottom line as if the deficits being run were not consequential, as if they will be wiped out, which we know they will not. All the forecasts of the deficits we will talk about tonight assume that the economy will be growing at 3 percent and we are still accumulating deficits of 3 to \$4 trillion despite that rate of growth. But they, nevertheless, have been incurred without any kind of sense of urgency or consequential effects.

It seems to be that those who are overseeing this budget believe that these numbers are not consequential. We believe, those of us here in this Chamber, those on this side of the aisle, and many in this House, we believe those numbers are consequential and they will affect our future and that once we get this economy up and running and on its feet again, it is going to hit hurdle after hurdle as it has to deal with the fact that these huge deficits are there, record deficits, 3, 4, \$500 billion a year.

They will have several different effects on our economy. One is the government itself will have to pay more interest every year, bigger and bigger sums in interest, so eventually we will have to raise taxes to pay just interest. That creates cynicism in the American public because they are paying taxes to their government and seeing nothing in return for it, just interest payments.

And, secondly, when the government goes into the open markets to finance its 4 or \$500 billion deficits every year, it crowds out private borrowers and runs up the costs of capital.

What are the consequences in the long run of the policies we have been pursuing for the last 3 years? That is the question we pose tonight.

Mr. Speaker, I yield 3 minutes to the gentleman from Maine (Mr. ALLEN) to respond to the issues we have just raised.

Mr. ALLEN. Mr. Speaker, I thank the gentleman from South Carolina (Mr. SPRATT) for leading this Special Order tonight to call attention to the misrepresentations and the consequences that follow on this country as a result of the disastrous economic policies pursued by this administration.

One good quarter of economic growth is something to celebrate because we have had so many bad quarters, but it is not an answer to what has gone before. The truth is that the administration of George W. Bush has done more damage to this country in a shorter period of time than any administration in my lifetime, largely because it has pursued economic policies that are reckless and irrational.

Let me call up one chart here that I think will be helpful. The line at the bottom of this chart shows the total surplus or deficit without Social Security or Medicare over the last several administrations. What you can see is how the deficit, the non-Social Security deficit exploded during the Reagan and Bush years. And then as President Clinton came to office and instilled a greater sense of fiscal discipline, we drove that deficit down every year until finally we had a surplus.

But no sooner had President Bush taken office than he immediately enacted very large tax cuts and drove us back into deficit again. That kind of record, that kind of policy has a consequence for jobs, because this President has racked up the worst private sector job growth record since World War II. Only in the second administration of Dwight D. Eisenhower has there ever been negative job growth during a Presidential term. But today, 1 year from completion of President Bush's term, we are down 3.2 million jobs in this country. And that is the worst record for any President since the Great Depression.

What we need in this country is to get back to a sense of fiscal discipline so that we are not having the Federal Government suck up all the revenues that need to go to the private sector, that need to go to investment in this particular country.

□ 2100

We had Members down here earlier from the other side of the aisle, and those Members were saying that there is waste, fraud and abuse in the Federal Government; and surely there is. But Medicare remains the most efficient deliverer of health care services

in this country. Medicare does not pay multimillion dollar salaries to its executives, and Medicare is able to hold down the price of those health care services that are so important to people here.

What we have in this country today is a neglect of basic principles of the management of the Federal budget, and it seems to me that there is a lot more going on here than simply the inability to pay attention. It seems clear that this third tax cut passed in 2003 can only be explained as an effort to drive down Federal revenues to a point where we are not able, as a country, to preserve Medicare as we know it and to preserve Social Security as we know it.

In conclusion, I would call to mind on that point what the chairman, the Republican chairman of the Committee on Ways and Means said the other day when asked on television. Someone said to him in a television interview: Will not this Medicare bill that you are working on destroy Medicare? And he said, I certainly hope so because fee-for-service Medicare is outmoded and not good for the American people.

It is the only program we have. What is going on here is, in my opinion, a systematic effort to undermine the Federal budget so that these programs that are in many ways the great achievement of the last half of the 20th century will be not able to be continued in their current form.

We need to return to fiscal discipline. We need a concentration on jobs for ordinary Americans instead of tax cuts for the wealthiest Americans, and then maybe we can get this country back on track.

Mr. SPRATT. Mr. Speaker, I yield to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I want to thank the distinguished gentleman from South Carolina (Mr. SPRATT) for the wonderful work he does as our ranking member on the Committee on the Budget. I will be followed in just a few minutes by the distinguished gentleman from Texas (Mr. STENHOLM), who has served on the Committee on the Budget. He has been a deficit hawk and a debt hawk and a very responsible person with this country's money for a long, long time, and I want to publicly acknowledge the great work that both these gentlemen have done and tell them how much the rest of us appreciate it.

I can state that to be here this evening talking about this very issue is a heartbreaking thing for me, Mr. Speaker. I came here in 1993, shortly after the historic vote when they changed the course of the economy in this country with only Democratic votes to pass the economic recovery plan of then-President Bill Clinton. I was part of the Clinton administration. I know how hard it was to reduce spending, and we did reduce spending. And we continued to reduce spending until we had the budget in balance with the help of both of these gentle-

men. I know how difficult it was to achieve that.

We reduced the number of Federal employees by 20 percent. And it was a hard thing to do. And yet, the President now says, this current President, he comes in, he squanders the surplus, and he says: We are going to stay the course. We are going to keep doing what we have already done that has been such a disaster. I guess what he means is, as near as I can tell, he is going to cut taxes on the wealthiest people in this country some more.

There is nothing in the minority we can do about it. The Republicans have the White House. They have the House. They have the Senate. They can pass whatever they want to pass. But I can tell you where I come from, Mr. Speaker, it seems to me that some people they just do not know a good deal from a bad one, and we have obviously been given a bad deal.

Let us look at the record, and it will be talked about over and over and over. We are not able to fund education. We cannot fund veterans benefits; we have to cut them. There are 3.2 million lost jobs, and we are losing more every day. There is a \$5.6 trillion surplus that was inherited by this administration that has just, simply, been squandered. Two million people that do not have health insurance. This is the plan that we are going to stay with. And it is a heartbreaking thing because we did have a surplus when this President came into office.

Now, I find the other gentlemen from across the aisle this evening, they were talking about we had wasteful spending, and they had found places where the government had not spent the taxpayers' dollars very wisely, and I do not think we ought to do that either. I agree with that. But the sad part of this story is if we did away with the whole department that they were talking about, we could not balance the budget. If we did away with an entire Department of Defense, Department of Transportation, Department of Education, and the list goes on and on, we could not balance the budget.

The budget is so far out of whack that we would not salvage anything but about 15 or 20 percent of the discretionary spending. If we tried to balance the budget, that is all we would have.

The wasteful spending they talk about is shameful, but at the same time it does not even come close to addressing the problem. We need to understand the magnitude of this problem.

The Concord Coalition says that if we were to balance a budget within the next 10 years, we would have to cut Social Security benefits by 60 percent, we would have to cut the Department of Defense by 73 percent, and those massive Draconian cuts go on and on and on. And this is what the President says that he is going to stay with, the plan. He is committed to his economic plan.

At some point, Mr. Speaker, you have got to recognize a bad deal when

you have one and deal with it in an appropriate fashion. We simply cannot afford to continue to do this as a Nation. I am sure our Founding Fathers would be horrified at this. I am horrified by it. But the most heartbreaking thing that I find, and that I feel when I see this happen, is the fact that we are passing it on to our children and grandchildren.

Why would any responsible adult do this to their children and grandchildren? We are putting a tax on our children and grandchildren that they will not have a choice about. They will have to pay exorbitant taxes just to pay the interest on the debt, not to pay the debt off. And also I cannot forget the fact that our troops are on the battlefield losing their lives, making enormous sacrifices, in some cases the greatest sacrifice; and those that are lucky enough to return will have to go to work to help pay the interest on the debt where we borrowed the money while they were in battle. And they will have to help pay off the interest and the debt that we have incurred in such an irresponsible way. I think that is a heartbreaking set of facts.

I think that it is absolutely unacceptable that we would allow this to happen to the next generations. I thank the gentleman from South Carolina (Mr. SPRATT) for his leadership in this matter.

Mr. SPRATT. Mr. Speaker, I yield to the gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Mr. Speaker, I thank my colleague for his leadership, and I wanted to just expand on what was said.

President Bush in the State of the Union address, and then later on, made a comment that I strongly agree with, in principle, but not in the way he has put it into practice. The President said, "See, I ran for office to solve problems, not to pass them onto future Presidents and future generations."

That is with merit to say that. But what has he, in fact, done?

This is the budget outlook under the current Republican policies. And I want to call your attention to a couple of things, and I know it is something that the gentleman from South Carolina (Mr. SPRATT) raised before.

Virtually every Member of this body voted to put Social Security and Medicare in a lockbox. The President said he would put it in a lockbox. But what he did not say is he would keep the key to that lockbox in his back pocket and if budget numbers look bad, he would open up to lockbox and borrow from it to make his deficit projections look smaller.

The gentleman from Arkansas (Mr. BERRY) pointed out that the deficit is so great under this administration that we could completely eliminate the Department of Education, the National Institute of Health, the National Park Service, transportation funding at the Federal level and a host of other programs, lock up the National Parks,

shut down all the research at the National Institute of Health, and we are still not out of deficit.

When the President and the leadership of the Republican party say we have a \$400 billion deficit, what they are not telling you is we are borrowing hundreds of billions more from Social Security and Medicare. That debt is going to come due at precisely the time that the tax breaks these folks have passed expand.

Our friends would have you believe that Democrats want to raise taxes. That is not true. In fact, this party offered a number of constructive and responsible tax breaks. But what we do believe is we should not pass debt onto our kids.

Let us look at the debt we are putting on. You hear about all of \$400 billion debt or \$400 billion deficit or a \$500 billion deficit, and the Republicans would have you believe, well, it is not so much. It is a percentage of gross domestic product. But the American people have more sense than that. The American people understand that even in Washington, D.C., \$400 billion is a lot of money. And they also know that it adds up year after year after year.

Look at this chart. This chart shows the cumulative effects of the Bush deficit and the Republican Congress deficit, because make no mistake about it, the fiscal policies in play in this country right now are solely, solely the responsibility of the Republican majority because they control the House of Representatives, the Senate of the United States, and the Presidency. And their deficit adds up to \$7 trillion more debt over the next 10 years. They will double, effectively double the debt in just 10 years. And that is a debt our children are going to have to pay. I would submit to you that this is not an economic policy. It is a Ponzi scheme. Ponzi schemes are outlawed because they do not work, because you promise people things that they cannot deliver, and that is what this budget does. They would have you believe it is going to recover magically. The growth fairy will come save us.

I will state that in April I gave a speech, and I said we should be aware, and we should hope that the economy is going to recover because, quite frankly, if you give me 2 percent interest rates or any President 2 percent interest rates for a period of a couple of years, and if you pump in a trillion dollars of deficit spending, just like if Disney dads whip out the credit cards and buy their kids all kinds of treats, you will think the economy has gotten better. But the long-term cost of that short-term celebration will be paid by our children and that is not responsible. That is not conservative and that is not compassionate.

The American people deserve to know the truth. I applaud the gentleman from South Carolina (Mr. SPRATT) for being able to tell them the truth and my good friend, the gentleman from Texas (Mr. STENHOLM) who has been a leader on this.

Mr. SPRATT. Mr. Speaker, how much time remains?

The SPEAKER pro tempore (Mr. BISHOP of Utah). The gentleman has approximately 30 minutes.

Mr. SPRATT. Mr. Speaker, I yield to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for yielding to me. I think it is particularly important to point out that the gentleman here is from South Carolina.

A few weeks ago we had a hurricane called Isabel that was heading in on the East Coast, and the folks from South Carolina, North Carolina and Virginia began to plan for that hurricane because through modern technology, we can see it coming through, and we followed it. And there were a lot of homes that were boarded up. There were a lot of preparations made, a lot of batteries were bought and other supplies were bought preparing for what we could see coming.

It is amazing to me that the majority party in this House refused to acknowledge the coming perfect storm. The perfect storm of fiscal deficit, now as far as the eye can see, of 400, \$500 billion, trade deficits as far as the eye can see, \$500 billion this year and growing, and these are the jobs that we are losing, the exporting of the jobs that are occurring.

□ 2115

That is happening under current policy and then the third component of this perfect storm, the upcoming baby boom generation that will begin retiring in 2011. We know that is going to hit all 50 States. It is not going to pick out Virginia or North Carolina. It is going to hit all 50 States, and what are we doing in this body to prepare for it today? Zero. In fact, worse than nothing we are doing. We are digging the hole deeper.

Fiscal deficits now do not matter anymore, and it is amazing to me, someone who has been around here and used to vote with my friends on the other side for attempting to bring fiscal responsibility to this body, we are now told deficits do not matter anymore. Oh, they are tried to be explained away as a percent of gross domestic product. The last one we come in with was \$374 billion deficit last year; and folks say, hey, good news, it is less than the 450 we projected last July. And we are supposed to rejoice? The 374 happens to be the biggest deficit in this history of our country. Amazing.

Another little perspective perhaps that people might begin to pay attention in this body is who I am talking to. It took this country 204 years to borrow the first \$1 trillion. In the first 2½ years of this administration, we borrowed another \$1 trillion. In the next year and a half, we are going to borrow another \$1 trillion. I would hope with \$1 trillion we could get one quarter of 7.2 percent gross domestic

product increase. I would hope that because as we saw on my colleague's chart a moment ago, the math on this does not add up to being good business practices.

Oh, when we start down this line, how many times have we heard somebody say, well, if only Congress would control spending. There are still a lot of folks out there, particularly on the talk radio shows, still blaming it on Democrats. Well, we have been in the minority for 8 years in this body, and let me give my colleagues the record of the last 8 years of Republicans in the Congress.

Spending went up 6.5 percent per year compared to an average 1.6 percent in the previous 8 years. Now, I happen to agree that we have got to constrain spending. I have promised on this floor, and again, tonight, I will, to the best of my ability and knowledge, not vote for one penny more spending than President Bush asked us to spend, period; but let us stop blaming spending unless my colleagues are willing to control spending, and that means all spending. We cannot just pick out that which we like, because in the economy it is all spending.

I happen to be personally of the opinion that it is worse policy to borrow and spend than it is to tax and spend; and I say that because when we tax and spend, the voters take it out on us; but when we borrow and spend, the voters are still in diapers, and they cannot take it out on us. Therefore, it is easy to borrow and spend to get through the next election; but then somebody's got to pay the piper, and boy, the hole we are digging is getting deeper and deeper.

My friends and colleagues on both sides of the aisle and Mr. President and this administration, the perfect storm is gathering. The idea that we can borrow at the rate we are borrowing and spend at the rate we are spending and not have somebody pay the piper is redefining basic economics.

The trade deficit is the second leg of that perfect storm, and the baby boomers are going to begin retiring in 2011, guaranteed. What are we doing? Tax cut a week. Tax cut a month. New economics. Dig the hole deeper. Well, I do not know whether it was Confucius or Garfield that first uttered the words, When you find yourselves in a hole, the first rule is to quit digging.

The second observation I make in closing tonight, in listening to my colleagues on this side earlier tonight, 5-minute speeches talking about waste, fraud and abuse, it is on my colleagues' watch. If we are spending too much, Mr. President, veto some bills because they do not spend or they spend too much.

Also, I am reminded of the words of the late Will Rogers, "It ain't ignorance that bothers me so much. It's them knowing so much that ain't so is the problem."

We listened to the debate tonight, we listened to some of the statements that

were made earlier, and we look at charts that the gentleman from South Carolina (Mr. SPRATT) is showing. These are facts. What I have just said about the deficit are facts. They are not made up. They are not made up. But what are we doing about it? Not one cotton-picking thing except digging the hole deeper, until somebody starts paying attention.

I thank the gentleman tonight for attempting to cause some of us, hopefully to get 218 of us, to start paying attention again and do something about the deficit and the approaching perfect storm before it is too late. I thank the gentleman.

Mr. SPRATT. Mr. Speaker, I thank the gentleman from Texas. I yield to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Speaker, I thank the gentleman from South Carolina for his leadership as ranking member of the House Committee on the Budget, and I am here tonight joining my friend from South Carolina and the gentleman from Texas and others because I am concerned about our country and its future.

Let me preface my remarks by saying that I am one of 37 members of the fiscally conservative Democratic Blue Dog coalition. I am as sick and tired of all the partisan bickering as anyone else. I do not look at an idea and look at whether it is just a Democratic idea or Republican idea. I look at it, is it a commonsense idea? If it is, then I support it. But when it comes to the budget and when it comes to the tax cut that was passed earlier this year, the Republican leadership and this administration are dead wrong. Do not take my word for it; look at the numbers.

Under this administration, 3.2 million people have lost their jobs. We now have 9 million people out of work, unable to provide for their families. People have lost \$.6 trillion in the stock market, and much of that is retirement savings for so many working families. There are 43.6 million people in America without health insurance. Ten million of them are children. Most of the rest of them work for a living. They are working the jobs with no benefits.

Trade deficits have increased nearly \$100 billion. We had a \$5.6 trillion projected surplus when President Bush took office. That has become a \$3.5 trillion projected deficit over the same period of time. In fact, we have the largest deficit ever in our Nation's history; 374 billion is what they want my colleagues to believe it is, but when we take Social Security out of it and not count Social Security, it is really a \$535 billion deficit. Does it matter? Either way we cut it, it is the largest deficit ever in our Nation's history.

The Republicans like to say the Democrats are the ones who spend the money. This is the first time in 50 years that the Republicans have controlled the White House, the House and the Senate; and they have given us the largest deficit ever in our Nation's history.

The first bill I wrote as a Member of Congress was a bill to tell the politicians in Washington to keep their hands off the Social Security trust fund. The Republican leadership refused to give us a hearing or a vote on that bill, and now we know why. Because they were borrowing \$374 billion from the Social Security trust fund to help fund this budget, the largest deficit ever in our Nation's history.

Let us think back a moment from 1997 to 2001. We had a balanced budget. We were beginning to pay the debt down. Now we have a \$7 trillion debt. This country is spending \$1 billion a day, \$1 billion a day simply paying interest on the national debt. How much is \$1 billion? I put that number to a calculator and get a little E at the end.

I will tell my colleagues how much \$1 billion is. We could build 200 brand-new elementary schools every single day in America just for the interest we are paying on the national debt. Better yet, we could provide 1 million senior citizens on Medicare prescription drug coverage for a year just with the interest that we are paying in 1 day on the national debt, \$1 billion a day in interest payments on this \$7 trillion debt. We are not talking about principal payment; we are talking simply interest payments.

What are we seeing from this administration? We are seeing cuts in education. It was President Bush who said his top priority was education reform in this No Child Left Behind business, and he is the one who told us how much it would take to implement this program. My colleagues know how it works in this body. If it had been my program and he was cutting it, that makes sense. We are talking about he cut his own program. Arkansas's cut, \$87 million for next year. What does that say about our commitment to our children and their future?

Veterans benefits are being cut left and right. What kind of message are we sending to the men and women in uniform serving us today in Iraq and Afghanistan and around the world when we are cutting the benefits for the veterans who came and served before them?

These may be Republican priorities, but they are not American priorities. These may be Republican values, but these are not America's values. I believe it is time for us to get our fiscal house back in order, to restore common sense and fiscal discipline to our Nation's government.

Finally, let me say that I raise these issues because I believe our priorities and values should be centered around our children ensuring they get the very best education possible, Head Start, after-school programs, providing our veterans with the help that they so desperately need. We need to be investing in infrastructure. That is how President Roosevelt got us out of the Depression, with the WPA program. I drove over bridges yesterday that were built as part of the WPA program. We

are there folks. We are there. All 50 States collectively are faced with the largest shortfall they have seen since the Great Depression. We should be investing in our infrastructure, and we need to be investing in jobs.

I raise these issues because my grandparents left this country better off than they found it for my parents, and my parents left this country better off than they found it for our generation, and I think we have got a duty and an obligation to leave this country a little better off than we found it for our children and grandchildren.

I thank the gentleman from South Carolina for yielding.

Mr. SPRATT. Mr. Speaker, I yield to the gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. Mr. Speaker, I thank my friend from South Carolina (Mr. SPRATT) for leading this Special Order. It is timely and so important, and it is really about the failure of the Republican regime here in Washington on the budget, at a time when the other side in the budget debate is engaging in, I think, deception and misinformation and sometimes down right dishonest figures.

The gentleman from South Carolina (Mr. SPRATT) is not only an expert on the Federal budget, but he is engaging as a lone voice of truth and really what the facts are and I thank him for that. The American people need to know that.

The truth of the matter is that the Republican economic record is in shambles and is leading this country in the wrong direction. This failed economic record has three main features: huge budget deficits, massive job losses, and festering domestic problems. The Bush administration and the congressional Republicans have sought to deny their budget calamity of the blown surplus and the return to huge deficits, and they are going to be there as far as the eye can see; but the Congressional Budget Office has determined that the budget would be balanced, as we have already heard, by 2006 if it were not for the administration's tax policies.

□ 2130

As bad as the budget situation is, as has been shared by my colleagues, the administration and the leadership in this Congress will not stop digging. The first thing to do, as our colleague from Texas said when you get in a hole, the first thing to do is stop digging. Well, they are going to bring more programs out that will dig the hole deeper.

The economy has lost roughly 3.2 million private sector jobs, the worst record of any administration since Herbert Hoover and the Great Depression. My home State of North Carolina has seen devastating job losses. We are the second largest State with manufacturing job losses in the country. The national unemployment rate has gone from 4.1 percent to 6.1 percent. North Carolina Statewide unemployment is

roughly 6.6 percent, and I have counties in my congressional district where the unemployment rate is approaching 15 percent.

For all their talk about appealing to the investor class, as we have heard this evening, Republicans have presided over the loss of \$4.6 trillion in stock market wealth, and a lot of that is income of retirees.

The problem is made worse by the record deficits and massive national debt that is going to make it impossible for us to make the investments that we need to make in America's long-term economic prosperity. As has been shared this evening, we need to be investing right now, for example, just in education, the administration is proposing to shortchange its Leave No Child Behind by roughly \$20 billion over 3 years. I met on Monday with international business officers of this country, they know already because they are seeing the cuts, what this is going to be about is it is going to be unfunded mandates to local governments at a time when they are hurting. Critical needs at the local level are going unmet in a whole lot of areas, and problems are festering because the national debt crisis is getting worst.

Just last week, WRAL-TV, the largest television station in the Raleigh market, talked about a school in North Carolina that is bursting at the seams with overcrowding; specifically, New Hope Elementary School in Wilson, where 135 students are going to classes in closets, literally in closets. That is wrong at a time when we could be doing better if we were doing the right thing about our budget.

The Democrats had a plan to do it. We could get the economy going without massive debts. We have sponsored legislation to fund school construction, but my colleagues on the other side of the aisle will not let it happen. The administration and the Republican leadership in Congress refused to act because they have blown the budget surplus, so there is no money left.

In conclusion, Mr. Speaker, Democrats have a better idea to return to a balanced budget and return sanity and honesty to the Federal budget. I thank the gentleman from South Carolina (Mr. SPRATT) for leading this Special Order.

Mr. SPRATT. Mr. Speaker, I yield to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Speaker, I thank the gentleman from South Carolina (Mr. SPRATT) for his leadership in this budget issue. We have seen a lot of charts, and I would like to remind the public of this chart right here which shows the deficit from the Johnson administration, Nixon, Ford, Carter, the deficit created during the Reagan and Bush years. And then when President Clinton came in, as noted, we passed a budget without a single Republican vote that created the momentum carrying up towards an actual surplus. We got ourselves out of the ditch into a surplus.

Some have suggested that since the Republicans used this vote and took over the House and the Senate, that they ought to get some credit for this improvement. Unfortunately, they should not get the credit because as soon as they took over, they passed trillions of dollars in tax cuts, and President Clinton vetoed those tax cuts. They threatened to shut the government down, he vetoed them again. They shut the government down, President Clinton stuck to his guns, vetoed it again, and as a result, this line continued up.

Unfortunately, when President Bush came in, he signed those trillion dollar tax cuts, and we see what would have happened a long time ago had President Clinton not vetoed those budgets.

Now, this goes down to an on-budget deficit of almost \$700 billion. We have to put that into perspective and the fact of the line item individual income tax, how much revenue we get from individual income tax in the United States, less than \$800 billion. In a couple of years, we are going to be almost \$700 billion in on-budget deficit, spending almost \$150-\$200 billion in Social Security and Medicare, and then almost \$700 billion in on-budget deficit.

We cannot sustain this for very long. Let us see what this next chart shows, the height of fiscal irresponsibility, because this shows how much of their budget was paid for with borrowed money. Back in the depression in World War II, obviously, a substantial amount was paid for with borrowed money, but we are getting to numbers now, and this goes to 2010, we are getting to numbers now that we have not seen on a sustained basis since World War II. This year we are breaking the record. Since World War II, we have not seen almost a third of the budget being paid for with borrowed money. Of course, during the Clinton years, the amount paid for with borrowed money went down due to the fact that it was actually a surplus. And as soon as President Bush came in, we started paying for the budget with borrowed money, and we are up in a couple of years with almost a third of the budget being paid off in borrowed money, and it looks like it is not going to get any better in the future.

How did we get there, we got there with tax cuts. And who got the tax cuts, the top 20 percent got most of the tax cuts. In fact, half of the tax cuts went to the upper 1 percent. Most people do not know how big the tax cut was because most people did not get very much. As we can see from the chart, the middle 20 percent did not get very much, and on down. By income, if the taxpayer made more than a million dollars, they would be off the chart, a \$90,000 tax cut in 1 year. If all they made was \$500,000 to \$1 million, you got \$13,000 in 2003. \$200,000 to \$500,000 on average got \$2,000. And as we get down to \$50,000 to \$75,000 on average, the taxpayer hardly noticed what they got. Going down, we do not even need any

red ink to show what they got. Most Americans do not know how big this tax cut was.

But we were told we had to cut taxes to create jobs, and the gentleman from South Carolina (Mr. SPRATT) told us how many jobs have been created. We, in fact, lost jobs. On a 4-year basis back to Truman, everybody is gaining jobs. Eisenhower in his two terms, almost two million jobs. Everybody is creating jobs until we get to this administration. We have lost 3.1, 3.2 million jobs already lost in this administration.

We cannot blame this on 9/11 because going back to the Truman administration, and that includes the Korean War, coming forward it includes the Vietnam War, the hostages in Iran, Somalia, Grenada, the Cold War, everybody is still creating jobs, until we get to this administration.

This is a complicated chart, but it shows what the Republican-led Joint Committee on Taxation thought about the tax cuts. Since they are done with borrowed money, there might be a short-term spike in jobs that we should expect, but depending on which model we use, we will be losing jobs, at best, and end up where we started in the fullness of time. So the Joint Committee on Taxation told us this was a job killer.

When we run up deficits, we run up debt and interest on the national debt. This shows the interest on the national debt that has to be paid in cash. More actually has to be paid, because we have to pay interest on trust funds, but that is internal. This is what we need to come up with every year in terms of cash. By 2010, \$300 billion every year just to pay interest on the national debt. This line here shows what we would have been paying had we not messed up the budget in 2001. The projection was that we would be paying no interest on the national debt by 2008, but instead because we messed up the budget, \$300 billion a year.

This is happening at a time when the Social Security trust fund becomes a challenge. We see in this chart the Social Security trust fund. The blue is the surplus that we are running now. We are bringing in more in Social Security than we are paying out. We ought to keep it in the lockbox which has been referenced because, obviously, we are going to need it shortly. But unfortunately, we are spending it all. This shows the deficit. By 2030, it is almost \$900 billion a year in shortfall that we are going to have to come up with every year to pay Social Security as promised.

Members may look at this chart and conclude maybe it was a lost cause, maybe we just could not pay Social Security, maybe it was just a matter of time before the thing went broke, but there is one little interesting fact. When we go back to this tax cut in 2001, this tax cut was so large that if we had taken what the top 1 percent got and instead of giving a tax cut to

the upper 1 percent, if we put that money into the Social Security trust fund, just what the top 1 percent got, everybody else gets what they got, just the top 1 percent, put that into the Social Security trust fund, we would have built up the surplus enough to have paid benefits under Social Security without reducing benefits for 75 years. For 75 years, Social Security would have been secure, or tax cut for the upper 1 percent. Those are the kinds of choices we have been making and the reason we have been fighting for fiscal sanity. If we do not get this straight, we are going to lose Social Security.

We cannot pay increasing interest on the national debt and this increasing deficit in Social Security without something having to go. By all likelihood, it is going to be the Social Security program unless we get things under control.

So I would hope we can get the budget under control and people will follow the leadership of the gentleman from South Carolina (Mr. SPRATT) in maintaining fiscal discipline so we can have Social Security in the future for us and the next generation.

This is a very challenging chart, but as I said, if we had allocated the same amount of money as we had for the upper 1 percent in tax cuts, just 2001, we could have had a secure Social Security program for 75 years. Those are not the kinds of decisions we ought to be making. We have to reverse that direction, and that is why I am delighted to participate with the gentleman from South Carolina (Mr. SPRATT) in this Special Order.

Mr. SPRATT. Mr. Speaker, I thank the gentleman for his contribution.

#### RULING CLASS HAS COMPLETELY PACIFIED SWINDLED CLASS

The SPEAKER pro tempore (Mr. BISHOP of Utah). Under the Speaker's announced policy of January 7, 2003, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, it is near the end of the session, and I have listened closely to the comments of my colleagues just leaving the floor, and I think they were all appropriate at this time for us to take a hard look at money matters most. I would like to discuss a number of issues which relate to resources and money.

I have chosen to sort of use a theme of class warfare. There is no class warfare in America. When we raise that issue, people get excited. I agree with everybody who says there is no class warfare. The problem is the ruling class has completely pacified the swindled classes. The swindled class includes more than the working class, I assure you. The simple-minded notion of the communist, that there is a war of working-class folks against the rich, et cetera, that is very simple-minded. It is much more complicated than that. There are swindled classes in our democracy, and they are not fighting

back so there is no war. One of the duties of the Congress should be to make certain that we stir our people up and start a war, an overt war. That is what democracy ought to be all about, a war of ideas and a war of confrontations with policies and principles that guide the way we live.

□ 2145

The whole system of checks and balances built into our Constitution and our government in a very formal way is very important. Those checks and balances have kept the Nation going in some critical times. They have stopped the hysterical from overriding and overruling the logical and the reasonable. They have done a number of things, the formal checks and balances. But beyond the formal checks and balances, democracy has to have a whole lot of informal checks and balances. The labor unions, the town meeting maverick who gets up and challenges the school board. There is a whole set of people who are a part of a checks and balances system. The newspapers, the magazines, the media. All that is part of the checks and balances.

When some part of that checks and balances system goes silent or becomes dormant, then we are in trouble. I think that we have large numbers of people in classes who are silent and dormant, pacified at this point, and that is the problem.

This is my prevailing and my overwhelming thought as we near the end of the first session of the 108th Congress, that we are a Nation that has no class warfare because the ruling class has completely pacified the swindled classes. I think it is important to note that today is election day. In a democracy we should not ever minimize or trivialize any election day. But the Republican majority that runs this House has chosen to bring us back to Washington here on election day when every public official ought to be close to his constituency. If we think voting is important, then any election, whether it is a local election, a State election, it is important. It is ridiculous that we are here today. It is symptomatic of what is wrong in terms of a handful of people making stupid decisions. I think that the leadership of this House has done that in bringing us back here to deal with two ceremonial bills. We did not have to come back because the Nation needed some basic decision to govern, some decision related to the budget or some decision related to the war. We came back for two ceremonial bills. That is part of the problem, the way this House has been run.

As we approach the end of this session, we should reflect on that. In this session, Democrats have been shut out of any kind of meaningful participation. It is amazing how the Constitution is one thing, but the rules of the House are another. There is no check and balance built into the rules. In other words, the rules of the House are established, and there is nowhere you

can go to appeal the way the rules are established or the way they are executed. In our checks and balances, we have a problem because the legislative body, the executive body and the Supreme Court, the judicial, are three separate bodies. There are checks on the executive body. There are definitely checks. Both the legislative body and the judicial body can check the executive section of our government. But there is no check on the rules of the House. There is nowhere to go. So we have had totalitarian rule in this House during this session. We have had the least amount of participation and the least productivity and the most totalitarian set of rules here in this first session of the 108th Congress.

As we come to the end, part of the process of swindling all the classes is certainly carried out by the ruling class of the majority Republicans here in this House. It is not a pleasant thing to stand here and say this and admit that we are the greatest and most powerful legislative body anywhere in the world at this point, but the Members of this body are treated in a very trivial manner. We are like ants. Certainly if you are a Democratic Member here, you are like an ant shoved aside.

Recent outrage was expressed by the gentleman from New York (Mr. RANGEL), who stormed into a meeting, a conference meeting. He felt he belonged there. The school books and the textbooks still say that legislation is made in a certain way. Both Houses of Congress vote separately, the House votes, the Senate votes, and they come together in a conference committee to iron out the differences. That is what the civic book says. That is the way the Founding Fathers meant for it to happen. But with Republicans in charge of both the House and the Senate, they have chosen to just shut out the Democrats in the conference process, as they have chosen in many cases to bring legislation to the floor on very short notice, with no participation, and on and on it goes.

I am not going to waste anybody's time with a litany of the things that have gone wrong here. But I think the American people, and our colleagues, I am addressing the House, my colleagues, wake up. We are part of the process of allowing the ruling class to continue to overwhelm, pacify, and exploit the swindled classes.

I think it is important to look at the end of this session in terms of unfinished business, and some of that was discussed by my colleagues who preceded me. It all fits together. What is happening and not happening in one area flows into another, just as all the elections that are taking place at the various levels, State and municipal today, are interwoven with what we do and what we can accomplish here. Local governments are very important. They have an impact on people, probably greater than any other level of government.

I have served in every level of government. I served as a commissioner in