

Osborne	Rush	Tanner
Ose	Ryan (OH)	Tauscher
Otter	Ryan (WI)	Taylor (MS)
Owens	Ryun (KS)	Taylor (NC)
Oxley	Sabo	Terry
Pallone	Sánchez, Linda	Thomas
Pascarell	T.	Thompson (CA)
Pastor	Sanchez, Loretta	Thompson (MS)
Paul	Sanders	Thornberry
Payne	Sandlin	Tiahrt
Pelosi	Saxton	Tiberi
Pence	Schakowsky	Tierney
Peterson (MN)	Schiff	Toomey
Peterson (PA)	Schrock	Towns
Petri	Scott (GA)	Turner (OH)
Pickering	Scott (VA)	Turner (TX)
Pitts	Sensenbrenner	Udall (CO)
Platts	Serrano	Udall (NM)
Pombo	Sessions	Upton
Pomeroy	Shadegg	Van Hollen
Porter	Shaw	Velázquez
Portman	Shays	Visclosky
Price (NC)	Sherman	Vitter
Pryce (OH)	Sherwood	Walden (OR)
Putnam	Shinkus	Walsh
Quinn	Shuster	Wamp
Radanovich	Simmons	Waters
Rahall	Simpson	Watson
Ramstad	Skelton	Watt
Rangel	Slaughter	Waxman
Regula	Smith (MI)	Weiner
Rehberg	Smith (NJ)	Weldon (FL)
Renzi	Smith (TX)	Weldon (PA)
Reyes	Smith (WA)	Weller
Reynolds	Snyder	Wexler
Rodriguez	Solis	Whitfield
Rogers (AL)	Souder	Wicker
Rogers (KY)	Spratt	Wilson (NM)
Rogers (MI)	Stark	Wilson (SC)
Rohrabacher	Stearns	Wolf
Ros-Lehtinen	Stenholm	Woolsey
Ross	Strickland	Wu
Rothman	Stupak	Wynn
Roybal-Allard	Sullivan	Young (AK)
Royce	Sweeney	Young (FL)
Ruppersberger	Tancredo	

NOT VOTING—12

Brady (TX)	Gephardt	Leach
Davis (AL)	Hastings (WA)	Moran (VA)
DeMint	Hayworth	Pearce
Deutscher	Larson (CT)	Tauzin

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that there are 2 minutes remaining in this vote.

□ 1947

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON S. CON. RES. 95, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

Mr. PRICE of North Carolina. Mr. Speaker, subject to rule XXII, clause 7(c), I hereby announce my intention to offer a motion to instruct on S. Con. Res. 95, Concurrent Resolution on the Budget for Fiscal Year 2005.

The form of the motion is as follows:

Mr. Price of North Carolina moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendment to the concurrent resolution S. Con. Res. 95 be instructed to agree to the pay-as-you-go enforcement provisions within the scope of the conference regarding direct spending increases and tax cuts in the House and Sen-

ate. In complying with this instruction, such managers shall be instructed to recede to the Senate on the provisions contained in section 408 of the Senate concurrent resolution (relating to the pay-as-you-go point of order regarding all legislation increasing the deficit as a result of direct spending increases and tax cuts).

MOTION TO INSTRUCT CONFEREES ON S. CON. RES. 95, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2005

Mr. STENHOLM. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore (Mr. BONNER). The Clerk will report the motion.

The Clerk read as follows:

Mr. Stenholm of Texas moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendment to the concurrent resolution S. Con. Res. 95 be instructed, within the scope of the conference, to reject provisions that provide for an increase in the statutory debt limit.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. STENHOLM) and the gentleman from Iowa (Mr. NUSSLE) each will control 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

This instruction is pretty simple. The effect of this motion would be to call on the House and the Senate to have a full and open debate and vote on increasing the debt limit, instead of using the budget resolution to avoid a debate on increasing our Nation's debt limit.

Under House rules, passage of the budget resolution conference report would deem that the House had passed separate legislation increasing the debt limit upon passage of the budget resolution, without a separate vote or opportunity for debate or amendments on the issue. Republicans were highly critical of this rule when the House of Representatives was under Democratic control and repealed it in 1997, but have revised it now that the national debt is growing at a record pace.

As a result of the Hastert rule, passage of the budget resolution conference report in the House and Senate would automatically approve a \$700 billion increase in the debt limit to increase our Nation's debt limit to more than \$8 trillion, without a separate vote and at least discussion, which we at least will have tonight.

Last year, the Republican leadership slipped through a \$984 billion increase in the debt limit, the largest increase in the debt limit in the history of our country without an up-and-down vote. This came less than 8 months after we raised the Federal debt ceiling by a whopping \$450 billion, and now the House leadership is trying to slip through another \$700 billion increase in the debt limit without any debate.

That is wrong. In this, the people's House, the House of Representatives,

we should be discussing and debating this issue of major significance.

The national debt has increased by \$670 billion over the last 12 months and \$1.5 trillion over the last 3 years. The Congressional Budget Office projects that the national debt will exceed \$10 trillion in just over 4 years under our current budget policies, which the majority in this body say we will not change.

Congress should have a full and open debate and vote, up or down, on increasing our national debt limit above \$8 trillion. It would be irresponsible to use parliamentary maneuvers to slip an increase in the debt limit into law without addressing the fiscal problems highlighted by the need to increase the debt limit.

If my Republican colleagues honestly believe that tax cuts with borrowed money is good economic policy, if my Republican colleagues believe that three wars and three tax cuts, soon to be four, is good economic policy, then my colleagues should have the courage to stand up and vote and tell the American people. We are going to increase our credit card limit in order to make room for that economic policy.

Just like credit card spending limits serve as tools to force families to examine their household budgets, the debt limit reminds Congress and the President to evaluate and sometimes reevaluate our budget policies.

It has been very frustrating for me, constantly and consistently with my majority friends, seeing no willingness to take another look at the economic policy we are under. Just borrow the money and keep on trucking and explain it away.

Any farmer or small businessman who needs an extension of their credit must work with the bank to reestablish a financial plan in order to get approval from the bank. We should be following that principle by working on putting our budget back in order before we vote to raise our credit limit.

One of the things Congress should consider as part of the full and open debate we are calling for when we increase the debt limit is reinstating budget enforcement rules which make it harder to pass legislation which puts us further into debt; and tonight, my hat is off to our fiscally responsible Senators, the "fiscal four" in the other body that are holding forth, that are saying to the Senate and to this House, who are not listening, we will not vote for a budget that does not reinstate pay-as-you-go rules.

Pay-as-you-go was good in 1990 when I worked with the then-minority in passing it. Pay-as-you-go was good in 1997 when the Republicans had taken over this body and some of us voted with my colleagues. In fact, without us, they could not have passed it. We said pay-as-you-go was a good budget enforcement tactic.

I see the chairman of the Committee on the Budget is here tonight, and I will ask him right now, what is it

about today that is different from 1997? Why does my colleague believe that putting some little persuasion into this body to, in fact, be a little bit more restrained on our fiscal policy, rather than just borrowing and spending at the rate we are going, what is it that has changed?

Again, my hat is off to our friends in the Senate, the courageous four, Senator SNOWE, Senator COLLINS, Senator MCCAIN and Senator NELSON. This is one House Member that appreciates them continuing to hold out for fiscal responsibility.

They were agreed to by a majority of this House in 1997, but for some strange reason, the leadership in this House today says, what we did in 1997 does not count. It is what we are doing today that counts.

But we hope they hold forth, and I appreciate very much the opportunity to at least discuss tonight and not trying to hide it in some budget resolution that we are going to increase our debt ceiling to \$8 trillion, almost \$100 billion. And we are going to hide it instead of discussing it and debating it, but we will tonight, we will discuss and debate it.

Mr. Speaker, I reserve the balance of my time.

Mr. NUSSLE. Mr. Speaker, I rise in opposition to the motion to instruct, and I yield myself as much time as I may consume.

Mr. Speaker, let me, through the Speaker, make it very clear to the people who are watching around the United States and around the world that maintaining the credit of the United States is one of the most important leadership and governing principles that must be adhered to.

I certainly understand why there will be Members who come to the floor who want to shake the markets, who want to suggest to people that maybe our credit is not good, who want to talk down the economy, want to provide some fear in the marketplace about what exactly will happen to our debt, but I just want to make it very clear that that will not be the principle of the governing party and the majority. There has never been a doubt that the United States will pay its debts when they are due. We have never defaulted on our loans, regardless of who was the party in control.

As a result, our creditworthiness is second to none. We have a very low borrowing cost, and as a result, we waste very little tax dollars on interest now, particularly compared to historic highs.

Without increasing the debt limit in a timely manner, the Department of Treasury would have to jump through a myriad of hoops to reallocate funds to ensure debts are paid. This is a completely unnecessary and ridiculous waste of their resources, and it is an unnecessary signal to the markets.

So there will be people who come to the floor, and they unfortunately did it all day today. I heard friends of mine

from the other side who came to the floor today with hope in their voice that the economy was going to get worse, that the marketplace was going to be shaken, that there was going to be negativity out there about the economy. They may want to talk it down. They may want to try and scare people about the future, but as I say and make it clear, our country has never defaulted. We will not at this time.

No one is trying to hide anything. I mean, my gosh, it is 8 o'clock on the East Coast. My constituents are watching, 7 o'clock in Iowa and in Texas. I believe that makes it Mountain Time; it is 6 o'clock, and 5 o'clock in California. No one is hiding. We are all here talking about the debt. So no one is hiding.

The Gephardt rule, as it is called, kind of an interesting name, does not hide anything. It makes it very clear that when we pass a budget, we extend the debt in order to cover that fiscal policy; and I want to make that sure to our marketplace and to the people that are watching. Our credit is secure; The full faith and credit of the United States is secure.

So while tonight, for approximately an hour, we will hear negativity, we will hear talking down the economy, we will hear hoping that things get worse, let me just suggest to my colleagues that things are actually getting a little better, and that is good news.

We are better off than we were 4 years ago. That will continue as we continue to climb out of the Clinton recession that was inherited in the year 2000.

We did exactly the right thing at the right time to get the economy back on its feet, and we have seen the strongest growth in our economy over 20 years as a result. People are going back to work. There are now more people working in our country than at any time in American history.

Sure, more people need to go back to work. Sure, we want to create more jobs. Yes, we want more entrepreneurs, but please do not allow those who are talking down the economy, wringing their hands, hoping people will be negative, we believe, toward the future, for probably some political purpose.

Do not allow that to shake your confidence in the United States, because what we are doing here is far more important than the unfortunate politics that seem to be taking over the floor these days as we move closer and closer to November.

So maintaining our credit has always been first and foremost for a fiscal policy, and we will do that again as a governing majority.

Mr. Speaker, I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself, again, such time as I may consume.

I am very disappointed in my friend from Iowa for once again taking the political line. I was not talking down

the economy of the United States. Nothing that I said had anything to do with what my colleague just said.

All we are saying is, we ought to have a legitimate discussion as to the effect of the economic policies that we are, in fact, enforcing with the gentleman's vote time after time after time.

I am not here tonight to talk down anything. I hope the economy booms as a result of my colleague's policy, and we are seeing signs that it is making progress. That is good and I rejoice in that.

All we are suggesting, though, is, and if my colleague would agree and join with me in putting PAYGO back as he did in 1997, we could have a budget agreement, bipartisanly supported at the drop of hat. But for some strange reason, the majority is saying no, we will not do it, even less than what we did in 1997 in putting in some enforcement.

□ 2000

Because you blindly believe that we can fight three wars and have a tax cut a week and that somehow, some way, we are going to be able to borrow this money into infinity. I respect your right to believe that. I do not. I do not.

And I believe very strongly we should put some rules back that we used to have bipartisan support on, and which the chairman, the gentleman from Iowa (Mr. NUSSLE), and I used to vote together on but tonight we seem to be apart on. That is what is puzzling to me.

Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I thank the gentleman for yielding me this time.

As I said last week, when we were debating yet another unpaid-for bill here on the floor, I do not believe the people of this country realize just how bad things are financially. My friend from Iowa said things are getting better. The governing majority here in the House took credit for balancing the budget when President Clinton was in the White House, and since the time that President Bush took the oath of office, they have set out on a fiscal plan that has so far borrowed \$1.1 billion a day every day that we have had a one-party government in this country. With this debt increase, that figure is going to move to \$1.7 billion a day.

So far this fiscal year, the government, the governing majority here, has borrowed and we have paid interest on, or so far this year we have paid interest of \$100 billion in the 7 months of this fiscal year. That is \$14 billion a month, \$475 million a day, and \$20 million an hour. We will have paid interest, by the time this debate is over, of \$20 million. We, me, them, him, our children, our grandchildren are paying \$330,000 a minute in interest just now. Right now, since I started talking, we have been writing checks of almost

\$330,000, or \$5,500 a second. The United States Treasury each day prints currency with a total face value of about \$696 million. At that rate it would take 10,201 days, or 28 years, just to print enough money to pay off the national debt.

The gentleman was talking about the United States' full faith and credit. That is true. And I, to my knowledge, have, although protesting, have voted for this country not to renege on its credit. That would be a worldwide financial catastrophe. But we cannot continue on the path we are going. Most economists now say that we are in a structural deficit. This has nothing to do with recession. That is a cyclical deficit, and one that gets one by when things go bad. We are now in a structural deficit.

The reason we are in a structural deficit is because we have simply done this: we have cut revenue, increased spending, albeit most of it necessary, and borrowed it all. If it were not for the fact that this is a structural deficit, one might make an argument that this is good economic policy. But if one believes, as most reputable economists do, that we are in a situation that we are going to borrow into perpetuity, as a famous economist, Herbert Stein, said, "What can't go on forever won't."

There will be a day, and I do not know who the poor souls will be that will have to face it, but there will come a day when we cannot continue to borrow money because people will not buy our paper when they do not have the confidence in our economy and do not have the confidence in this Nation to make good on their borrowings.

Last year, we borrowed \$370 billion. That was the deficit. This year, it is expected to be \$500 billion. Nobody in this country has been asked to do anything in order to address this issue except the men and women in uniform who we sent overseas to fight for us. And what we are doing here in Congress is borrowing all the money and giving them the bill for it, plus interest. Now, if that is good financial policy, well, I have a different view.

If it was only borrowing money that we owed to each other, one, again, might make an argument that this is a matter of bookkeeping, but that is not the case. I just have the most recent figures about how much of our national deficit, how much of our borrowings are being financed by foreign interests. The Japanese, just last month, increased their holdings of our paper by \$32 billion. Said another way, we borrowed \$32 billion from the Japanese last month to finance this deficit that these young people are going to have to pay, and they are going to have to pay it with interest. The Japanese now own over \$639 billion worth of our paper.

The United Kingdom increased their holding of our debt by some \$16 billion just in 1 month. Mainland China increased their holding of our paper by \$4 billion. They now own almost \$150 billion. And you put that with Hong

Kong, another 60, they own over \$200 billion.

This list, Mr. Speaker, is mammoth. It goes on and on. We are putting this country in hock to the rest of the world by allowing these deficits to continue to run amuck.

I contend that this is a national security issue, and the reason I say that is because of something my grandfather told me many years ago when he was in the banking business. He said it is easier to foreclose on a man's house than it is to shoot your way in the front door.

We do not have to worry as much as we did because we have spent a lot of money in a bipartisan manner on our national defense. But we have to worry about our financial future, I contend, because with this unbelievable increase in the holdings of our debt by foreign countries, now 37 percent of the full \$1 trillion or so that we owe, foreign interests own 37 percent of that. Of the \$1.7 trillion that is owned by foreigners, central banks, that is governments and other public entities abroad, hold almost \$1 trillion of that.

Now, there will come a day, and again I hate to talk about this but this is a national security matter, there will come a day when they do not see things as we do in the world, and there will come a day when they will either threaten to call their note when it comes due and insist on payment of this principal amount or threaten to dump it on the market. In either case, we are faced with severe consequences as a Nation.

I contend that if this keeps going like it is going, that there will be a time in the near future, not the long-term future, that we will be unable to act in the best interest of this country if we are so beholden to a foreign government, be it an Asian government or the OPEC countries. OPEC, for example, owns \$45 billion worth of our debt. If they insisted on being paid when their notes come due, we would have to borrow that. And in order to borrow that, we will have to pay more and more interest as we continue to put the financial balance sheet of this country in less and less of a favorable light in the international financial community.

I was reading the London Financial Times the other day about it, and the people in Europe are very concerned about what we are doing in America. They are concerned because they know that we, as the leading economic power in the world, or were, that we cannot continue on this course. And this business of deeming the debt increase by a budget resolution is really a sleight of hand. It is a way for us to avoid facing up to the fact that we are continuing to go in debt, we are continuing to borrow money that we do not have, and that we do not have the intestinal fortitude to either raise money by asking people to pay taxes or cut spending. One has to do one or the other.

What my friend from Texas was talking about with regard to PAYGO is nothing more than saying, look, if you

are going to spend money or reduce revenue, find some way to offset it. It is as simple as that. And all of us who have budgets in our family households know that when we get either a pay cut or our expenses are outrunning what our income is, we have to do one or the other. We have to get either more income or we have to cut our expenses, wherever we may find a place to cut them. This Congress is not facing that.

This Congress is not leveling with the American people to the extent that I believe is just not only good public policy but is the moral thing to do, and that is to tell people we cannot continue to borrow money in the name of the American people and borrow it not only from ourselves but now from foreign governments. That is a recipe for disaster. There is going to be a financial Armageddon if we do not figure out a better way to do things around here than to deem the debt ceiling raised by some budget resolution.

Nobody is talking about the economy. I am with the gentleman from Texas (Mr. STENHOLM). I hope our economy booms. But most reputable economists now say that we are borrowing money so fast, with this underlying debt that is so huge, that no matter what we do the economy cannot catch up to the amount of debt that we are piling on it. Said another way, our debt acceleration curve is going up faster than the economy can expand to catch it.

That is not a hard concept to figure. And once one gets that in one's mind, one realizes very quickly that if we were in an airplane, we would be in a death spiral. We have to do something different, or we are going to hit the ground. This is nothing more than common sense, and I just wish that the chairman of the Committee on the Budget would join us and say forthrightly to his colleagues and to anyone who will listen that we cannot continue down this path that is only going to get worse with the baby boomers coming on and with the things we know we have to face with regard to national defense and the war in Afghanistan, the war in Iraq, and the war on terrorism.

We simply cannot continue to borrow like we have been borrowing. This \$1.1 billion a day every day is going to go, if this passes, to \$1.7 billion a day, in the last 4 years. Look, let me just say that in July of 2002, the debt ceiling in this country was raised some \$400-plus billion. We ran through that in less than 1 year. On Memorial Day weekend last year, 2003, we raised the debt ceiling \$980 billion. It is estimated that we will hit that ceiling sometime in August or the September time frame.

Now, when one is borrowing \$1 trillion in a little over a year, that is an unsustainable financial course for this country. Our economy is not infinite. Our economy can only stand so much debt, just like my household can only stand so much debt for my house or my cars or for whatever I choose to buy.

And once we get past a certain point, we are unable, credit card debt, whatever, we are unable to do anything more than the minimum.

When we reach that point, and any of these foreign interests call on us for payment, then we are going to have to go to the world community and refinance it. And when we do, it is going to be a financial calamity for this country and for all of us who live in it.

□ 2015

That is why we are here tonight, not because of any politics. I was talking about this, as was the gentleman from Texas (Mr. STENHOLM), when the Democrats had the House and Senate, when the Democrats had the White House; it does not matter. There is only one financial balance sheet in this country, and that financial balance sheet is hemorrhaging every day over a billion dollars, and somebody has to face up to it. The fact of the matter is that this is a one-government town, and if they do not face up to it, it will not be addressed. Every day that goes by, it only gets worse, not better.

If we do this, we are going to go from an average borrowing of \$1.1 billion a day since 2001 to an average borrowing of \$1.7 billion a day. The interest we are paying is going to consume all of the available revenue coming in, so there will not be moneys available for health care in this country, there will not be moneys available for an investment in human capital called education, there will not be moneys available for anything except writing interable checks to people all over the world.

That is really a tragedy for this country, if it comes to that.

I would just plead tonight that using this budget, and I know it has been done before, but using that to raise the debt ceiling without an honest debate on our economic policy with respect to revenue and expenditures of the Federal Government is really a dodge. I do not think that is something we ought to be doing, I do not think, certainly, in the short term and, God forbid, the long-term interests of our country.

Mr. NUSSLE. Mr. Speaker, I yield myself such time as I may consume.

I just ask the question: What is your solution?

It is an interesting speech. So does that mean we do not increase the debt limit? I understand that the other side does not want me to comment on the fact that someone is talking down the economy or talking about fiscal calamity or things like that to scare the marketplace, but the gentleman said all those things. I assume the gentleman means, do not pass a debt limit, or maybe the gentleman has another solution.

Mr. TANNER. Mr. Speaker, will the gentleman yield?

Mr. NUSSLE. I yield to the gentleman from Tennessee.

Mr. TANNER. No, Mr. Speaker, I did not say, do not pass a debt limit. I said it would be a financial calamity if we did not.

Mr. NUSSLE. I would continue to yield to the gentleman if he has a solution as to what we should do.

Mr. TANNER. We had a Blue Dog budget.

Mr. NUSSLE. Mr. Speaker, reclaiming my time, so the Blue Dog budget is your solution?

Mr. TANNER. It is one of them. It is not "the" solution. There is not "a" solution tonight that we can do. But I can say this: What we are doing is unsustainable financially.

It does not do any good to question me. I do not have any votes. When the gentleman talks about spending, the Democrats have not spent any money in this place for 10 years because we do not have any votes.

Mr. NUSSLE. Mr. Speaker, reclaiming my time, and to correct the record, I would just get the CONGRESSIONAL RECORD out and show all of the votes and show the bipartisan support for a number of spending bills over the last 10 years, huge bipartisan support for all 13 appropriations bills, for the emergency supplementals, for the war with Iraq, to support our troops, which press release after press release after press release goes out claiming credit for the spending on the other side.

My guess is even the gentleman from Tennessee (Mr. TANNER) probably has put out one or two of those press releases, as most Members do.

Having said that, this is not the same as a family budget during periods of relative calm where dad and mom are working and there is no particular problem within the family. What we have here is a situation where the roof collapsed and where dad lost his job, and what you are telling that family is they cannot go borrow money?

Everybody knows in an emergency situation like that, when a family faces that kind of financial difficulty, one of their options has to be to be able to go borrow money.

Let us review the bidding here. We had a balanced budget on September 10, 2001. Remember those good old days. We had a balanced budget. Everybody took credit for it. Trust me, it was not just the Republican side of the aisle that took credit for it. I remember all sorts of credit that was being taken.

But what did that balanced budget get us? Did it protect our country that day? Did it keep us out of a recession? Did it make sure that we had good intelligence about what was coming the very next day? No, it did not. We had a deficit for our defense, we had a deficit for our intelligence, we had a deficit in homeland security, we had a deficit for growth in our economy. And, yes, we had a balanced budget, but we were running deficits all across the board in a number of areas. That was the legacy that Bill Clinton, the President, left us after he left office. That was the legacy of deficits even though, yes, the books balanced.

Well, the Soviet Union had a balanced budget, and it did not mean they were doing very well with regard to their future.

A balanced budget is an important indicator, and it is one that the gentleman and I support, but it is not the only indicator, particularly when we know within 24 hours of celebrating a balanced budget on September 10, we were hit with one of the worst attacks this country has ever seen, and where that was a gut punch to the economy that took us just till now to recover, and we are still recovering and hope to continue to recover.

That is the exact wrong time to ask those people who are working hard for more tax money. Instead, it is time to limit spending, which is exactly what our budget did. Unfortunately, the other side, in a number of budgets, offered a different approach. Most of them offered spending increases. Yours did not, but all of them offered major tax increases at a time that we felt was not the right time for our economic situation.

It was not the time to ask those families, those small businesses, those parents with children, those married couples, to dig deeper in their pockets, but rather we should find the fortitude here to freeze the budget; and that is exactly what we are going to propose in the budget as it comes to the floor. We believe that it takes more than just rhetoric to solve this problem.

I understand the other side of the aisle has the right to come to the floor and to offer motions to instruct. But again the solution is not found within this motion. The solution is found within a budget that gets majority support and actually does the job of controlling spending, growing the economy, and protecting our country. That is the reason we have chosen the budget that we have; and we believe, as a result, we will get back on good footing and get back to a balanced budget in near time.

Mr. STENHOLM. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. TANNER) for purposes of a response.

Mr. TANNER. Mr. Speaker, maybe I did not make myself clear. What the gentleman from Iowa (Mr. NUSSLE) is talking about is a situational budget deficit. What most economists are saying now is we are in a structural deficit. That is a huge difference.

If the roof falls in, sure you have to borrow money, but that is a temporary thing. We are not in a temporary deficit situation. We are in a perpetual deficit situation, a structural deficit situation.

I might tell the gentleman, after September 11, there has not been one single adjustment, as far as I know, in your economic game plan that you put in place in April of 2001. In fact, you made it worse. You started in April 2001, because we had a surplus, with, Let us give the people their money back. That was fine, except it was all based on a projection of surplus, and the money was not yet here. And you have not changed anything.

Circumstances have changed dramatically. We are spending money now

that we had no idea we were going to have to spend on September 10, but we have to spend it now because circumstances are changed. What you are talking about is, you have not changed your economic plan to adjust to a change of circumstances, and God knows, there was one.

We are saying we need to adjust our game plan to circumstances that have changed dramatically since September 10.

Mr. NUSSLE. Mr. Speaker, I yield myself 30 seconds to respond to the gentleman.

I would say, yes, we did adjust our plan and the gentleman voted for it. We had a stimulus plan in 2002 that was bipartisan that the gentleman joined in. We did adjust in order to not only deal with September 11, but to deal with the economic gut punch that the already inherited recession that we received took as a result of the downturn in the economy caused by September 11.

There have been adjustments in the game plan throughout these budgets, and the gentleman has supported some of those.

Mr. Speaker, I yield 8 minutes to the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

I would say to the gentleman from Tennessee (Mr. TANNER), I appreciate the fact that over the years the gentleman has been willing to stand in this well and support fiscal discipline in the area of spending restraint; and you have done it frankly against your own party's wishes many times.

The difference that I have with the presentation, at least of the Blue Dog budget this year and I think what you are saying ought to be our economic plan, is that we believe that tax cuts, the right tax cuts, lead to economic growth. The fiscal condition you talk about, either the short-term budget deficit or the long-term structural deficit, can be handled by only one thing, and that is restraining spending and growing the economy through smart policy.

That is why we are for tax relief. Since the gentleman from Iowa (Mr. NUSSLE), chairman of the Committee on the Budget, has put together some incredible charts that have not been used yet tonight, I would like to go through the charts and talk about how we differ on this.

Again, to give you credit for being able in the past to stand up against your own party on spending, to be able to talk about fiscal discipline in those ways, but to focus on the fact that after September 11, and indeed as you say before September 11, we were focused not just on spending, but on growing the economy and being sure that we had the opportunity out there to increase revenues and give people that slice of the American dream which we are now seeing.

The first slide has to do with how we got into the deficits in the first place.

Tonight and through the process here, and I would say to the gentleman from Texas (Mr. STENHOLM) and the gentleman from Tennessee (Mr. TANNER), we have had this debate for the last 6 months. We have had it over the economic policy in the context of the budget. We had it in the committee, on the floor, but I have heard time and time again, and again tonight, if we did not have those tax cuts, we would not have these deficits. Here are the numbers.

The reason we got into a deficit was twofold. One, as the chairman of the Committee on the Budget said, we had a poor economy. President Bush inherited that economy. The economy started to weaken back to 2000, and in March 2001, we went into a recession, technically into a recession. The shallowest recession we have had in our Nation's history, we believe, and I think that is because of the tax relief we put through in 2001, but the fact is that the economy was spiraling into a recession.

The weak economy in 2002 and 2003 was 68 percent and 50 percent of our deficit. Right there is the single biggest reason.

The second reason, the second biggest reason was spending. As the gentleman from Tennessee (Mr. TANNER) say earlier, we had some spending needs including, as he said, increases in our defense spending, which he supported; including being able to respond to the terrorist threat here at home, homeland security spending; and including just responding to September 11. Over \$100 billion alone was in responding to September 11, although that pales in comparison to loss of capital gains revenue and income tax revenue because of the worsening economy.

So what do we do in response to that? We put tax cuts in place in 2001 and 2002 and 2003. To say we did not change our economic game plan, my gosh, in 2002 we specifically put a stimulus package together because of the weakening economy that was further hit by September 11, and in 2003 did the same thing. Again, tax cuts did not cause the deficit, tax cuts grew the economy.

This is another way to look at an earlier chart showing with a combination of the weaker economy and spending increases, we got ourselves into a deficit situation.

On the spending side, we have to recognize again, as some of my Blue Dog friends have recognized through the years, that if we do not get control of spending, we are never going to get out of these deficits and into a strong financial situation because we will continue to spend and spend and spend.

This chart shows between 1990 and 1996, we actually had some improvements in terms of the spending picture, but look at 2003, up and up and up. Noninterest outlays increased 3.6 percent faster than inflation each year since 1997. Again, some of spending was necessary and the roof did cave in and

we had to fix the roof. Frankly, we had to pick up, as the chairman said, a defense deficit. In other words we had not invested in our defense as we should have over the previous 8 years, and we had to do that, as well as responding to the war on terrorism.

□ 2030

Another part of spending in terms of the long-term structural deficit of course and the concerns that have been talked about tonight is on the mandatory side, the so-called entitlement spending, a bigger and bigger part of our budget. And the reason we put in our budget the PAYGO provision, yes, pay-as-you-go provision, on mandatory spending and entitlement spending is if we do not do that, we will never be able to get our spending under control. It has averaged 5.4 percent each year despite declines in net interest costs. So interest costs have gone down, and yet our entitlement spending has gone up and up.

So back to the tax cuts and why we did them. Here is an analysis that I find really interesting. We had job loss over the last few years. If we had not put the tax cuts in place, this is what would have happened: two million additional jobs would have been lost over the last 3 years.

Finally, what have the tax cuts resulted in? Only the best economy in 20 years. I mean, we are pulling ourselves out of the deficit because the economy is growing. This year, as a percentage of our economy, our deficit will be 4.2 percent. The year I ran for Congress, 1992, it was 4.7 percent; 4.2 percent is nothing to be proud of, but it has been worse. In fact, in 1983 it was 6 percent. And it is the percentage of our GDP, all the economists agree, which is the appropriate measurement of our deficit and its impact on our economy.

But here is what is interesting. If the Members will look at our budget, because we restrain spending, because we put the tax cuts in place that are causing this growth, that will go down to 3.1 percent, 2.1 percent, 1.8 percent, 1.7 percent, and 1.6 percent over the next 5 and 6 years.

That is the point. We are doing the right thing. The economic policy is working. Faster economic growth than we have had in 20 years, over 1 million new jobs added in the last 8 months. Last month alone 288,000 new jobs were added to our economy; the month previous, over 300,000 new jobs. We are not only turning the economy around in terms of higher productivity, keeping interest rates in check, low inflation, but we are actually adding jobs with higher productivity.

We are the envy of every industrialized economy in the world. We have the best economy in the world of any of the industrialized countries. This notion that Japan or other countries will not believe in the U.S. economy, my gosh, we have turned the corner. And at this point, as we are getting jobs back, as we are getting the economy on

track, as we have turned the corner, to increase taxes would be exactly the wrong thing to do.

And, again, this is where we disagree. We do not disagree on the need to restrain spending, but we do disagree on the impact of tax relief and the need to grow the economy rather than put new taxes in place, which will hurt exactly what we are trying to do, which is to get the economy moving, get jobs back, and begin to increase those revenues.

Those income tax revenues, capital gains revenues are going up. Guess what, the Congressional Budget Office has already told us they will be up, they think, 30 or \$40 billion this year alone, and that is just after a month or two.

I guess the final thing I will say is that I am glad we are having this debate tonight, and it is about economic policy, and it is in the context of whether we raise the debt limit or not. And as the gentleman said, we need to raise the debt limit. We do not want to have the credit of the United States be questioned. And we will. We will do the right thing. But in doing so, we also have to recognize that the economic picture is brighter. We have turned the corner. We are doing better. We have made strides in this budget in terms of keeping the spending under control. Basically flat spending in domestic discretionary spending except for homeland security and defense. Everything else is pretty much flat. The tax relief is working to grow the economy. That is the combination that we know works. That is time-honored. Historically that is how we have been able to get out of our deficits. That is how we deal with the long-term structural deficit the gentleman talked about earlier.

And I applaud the chairman for being here tonight to talk about that economic policy, and I applaud the gentleman for raising his motion tonight.

Mr. NUSSLE. Mr. Speaker, I yield myself such time as I may consume.

Let me just say to the gentleman from Texas, and we have, as the gentleman from Ohio said, been on the same side of the issues over the years often, thankfully more often than it appears sometimes we have been against each other of late. And I am not sure it is necessarily against each other as much as it is a difference of opinion, particularly with regard to the benefit of taxes at this point in time in our economic situation.

And I want to provide some information at this point. We really do believe that the tax relief that we have passed is beginning to work, and certainly it is in combination with a good fiscal policy, with a good Fed policy, low interest rates, a number of things that are helping us. But let me just go through these.

I think it is important to understand that the tax cuts are working. They are working. Allowing people to keep their money and to spend that money on their own behalf we believe is a much

wiser way of proceeding than to take that money to spend it in Washington, and the result of that we believe are some of these numbers: real gross domestic product growth is at its highest pace in 20 years, 20 years since we have seen this high a growth in the gross domestic product. Over the last 6 months of 2000, real GDP growth was at a rate less than 1 percent. So that is why we talk about the fact that we had a growth deficit. The economy was not growing. We had to get that moving. Even before September 11, we recognized that. And after September 11, we made adjustments because we knew the gut punch the economy took was something that no one was prepared for and we had to make fiscal adjustments, which we did and even received bipartisan support for.

Net household income reached a record high at the end of 2003, which was \$2.5 trillion higher than at the end of 2000. Housing markets are the strongest in 20 years. The unemployment rate is now falling down .7 percentage points from June of last year to April of this year. In contrast, 4 years ago, January 2000 to 2001, the unemployment rate rose during that period of time by three-tenths of a percentage point. Payroll unemployment is growing strongly now, over 1.1 million jobs just over the last 8 months, up by 867,000 over the first 4 months of this year. And as I said, we have the most people working in this country that we have ever had in our history.

Manufacturing jobs are increasing. Manufacturing industrial production is growing strongly. Real disposable income. Unemployment insurance claims are falling. All of the signals are there to suggest that not only is the tax relief package working, that Americans are going back to work, that their economy that they have to deal with around their kitchen table is finally working, and when their budgets work, when their economies work, when their families are prosperous, when they are working, when they are making an income, when they are paying taxes as a result of that growth in their income and having a job, it impacts the receipts that are coming in here. And we know that that is happening because we have already heard Treasury suggest that the receipts that are coming in are making our fiscal situation much better.

Will that in and of itself be enough? No. We are not betting that growth alone will balance the budget. No one is ever suggesting that, and that is why we believe we have to protect the country. That is going to cost money. And, thankfully, I believe we stand in a bipartisan support most of the time for those kinds of prospects and projects in homeland security and national defense. But it also means holding the line in those other areas; and that is why, as the gentleman from Ohio said, we do believe in pay-as-you-go, particularly for those new entitlements, particularly for those automatic spend-

ing programs that have not had the kind of oversight that they have needed over the years.

Our budget is going to provide that. We are not only going to do this without a tax increase, but we are going to start to go through and weed the garden, looking for waste, fraud, and abuse in those areas of mandatory spending. We are going to go through and look for ways for us to cut out wasteful programs within our appropriation accounts and freeze those non-defense and nonhomeland security accounts. We are going to do the tough work that that requires.

We hope that Members on the other side will join us; but my guess, different than the chorus that we have heard tonight, which I commend my friend from Texas for bringing to our attention, but different than the chorus we are hearing tonight, which is concern about that spending; it will be different. My guess is most of the amendments that we hear about during the appropriation season coming up in June and July will be about increasing spending. My guess is that we will hear about the fact that children are not getting enough money and that seniors are not getting enough money and that States are not getting enough money and that health programs are not getting enough money. My guess is that that is the chorus that we will hear. It will be the unfortunate and consistent wringing of hands that Washington is not spending enough money.

And when we see more discipline from both sides, but particularly from my friends on the other side, with all my friends, not just the gentleman from Texas, who usually joins us with that kind of fiscal restraint, but when I see that kind of restraint from all my friends on the other side of the aisle, it will be easier for us to come to bipartisan agreement with regard to the budget. If all we ever hang our hats on do not allow the tax cuts to be made permanent, do not allow for the predictability of these tax relief packages, do not allow this fiscal policy to work, do not allow for these jobs to be created, then I think it is going to be much more difficult for the two sides to come together and to come to an agreement. And with that we will have to have a vote. We will have to have a budget. The majority will rule. Sometimes we will win; sometimes we will not. But right now we have the votes, we believe, in order to continue to steer a course back toward a balanced budget, but to do it in a way that respects the need to protect our country, to make sure that we are able to prosecute successfully the wars that we are involved in, to make sure that we can get our economy back on its feet and growing again, and that we can create opportunities far into the future for our kids and our grandkids. Those are things that we hope to be able to accomplish in this budget.

The interesting thing I would just say in closing is that the Blue Dog

budget that the gentleman from Tennessee is advocating raises the debt ceiling. It is kind of interesting that it is not without its flaws. It raises the debt ceiling. In fact, over the period of time of the budget, almost as much, not quite as much, but almost as much as the budget that we will be presenting here on the floor hopefully by the end of this week, the interesting thing about it is that the debt ceiling will go up under the exact budget that the gentleman from Tennessee was advocating.

I respect the fact that the budget came forward, but it is one thing to say that our budget will require the debt ceiling to be increased. It is another thing to look inward and to say, guess what, we are doing the exact same thing. And why? Because the choices are pretty tough at this particular time. We have got to make sure that we fund our defense and homeland security. We have to make sure that we fund those important programs such as making sure that our seniors have a prescription drug benefit. And we have to make sure that at that same time we are able to keep the economy growing and providing opportunities for the future. If we assume those few things, there are very few choices left except to raise taxes; and as I say, that is where there is a departure on both sides.

We will not raise taxes. That is not what we are going to do in this budget. That is not what we are advocating at this time in our economic history. And that is the reason that we oppose this particular motion to instruct. We believe that we should manage our economy, which includes our debt ceiling, in a responsible way. And we believe our budget does that.

Mr. Speaker, I yield back the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself the balance of my time.

I think it is important, in light of the chairman's closing comments, to restate that I will vote to increase the debt ceiling because to do otherwise would be irresponsible. But I think it is critical for us to seriously consider changing a little bit the game plan that we are under and that is reinstate pay-as-you-go. The chairman and the gentleman from Ohio made eloquent defenses of their economic game plan, and that is all past. I am worried about today forward. We keep talking about everything we have done in the past. We keep talking about 9-11-01. And, yes, this country was thrown into a crisis and, yes, we had to make some additional investments, all of which are very true. But what about today forward? Why continue blindly because of a philosophical belief that the perfect plan that we put into effect 3 years ago, 2 years ago, 1 year ago is still good, when, in spite of the gentlemen's eloquent arguments, the structural deficit of this country is a major problem that will not be cured by growth, will not, based on an overwhelming consensus of economists?

□ 2045

Mr. Speaker, the gentleman tonight has made an eloquent argument for his philosophy. But it is interesting when you look at the last 44 years, under Democrats, the economy grew 5.7 percent faster than debt. For 24 years of Republican leadership, the debt grew 6.8 percent faster than the economy. And when we look at the current 4 years, the debt is going to increase 10 percent greater than the economy.

Yes, we rejoice at the good things that are happening in jobs, and we hope they continue. But should we get that kind of economic recovery by borrowing \$2.3 trillion on the future of this country?

The gentleman continues to want to talk about tax cuts, and the Blue Dog budget supported tax cuts for purposes of getting the economy going again. But we also believe in pay-as-you-go.

We are fighting three wars. I would defy anyone in this body to find any time in the history of our country in which we have fought a war by cutting the amount of revenue available to fight the war. With all due respect, that does not make sense to me, and I believe, as the gentleman from Tennessee said, that is morally wrong. That is not a philosophical difference. That is not something we come out here and vote about. That is passing on a debt to our children and grandchildren that we should not be doing today.

Now, I appreciate the opportunity tonight to debate, and all we are saying is, we should have a vote on it. I will vote to increase the debt ceiling. I will vote for it tomorrow, provided we put pay-as-you-go back into place so that it forces this body to make tough decisions on spending and on revenues.

The gentleman from Iowa voted with us in 1997 when we had a tougher pay-as-you-go rule. We said we would sequester if the revenue did not magically appear. I do not want to get into these chart arguments, but revenue has collapsed under the economic program the gentleman is defending here tonight. It has collapsed. We have less revenue to spend and we are fighting a war.

So what are we doing? We are borrowing on our children's future.

Let me remind everyone, the baby boomers are about to begin retiring, and I suspect that the people of America pretty soon are going to be wondering, what the heck are we doing here having the philosophical arguments we are talking about tonight and ignoring the pressure on the economy of the United States that is going to occur when the baby boomers begin to retire in 2011?

The largest single economic pressure on this country is going to occur, and all we are doing tonight is digging the hole deeper and deeper and deeper, and it is structurally going down. No matter how eloquently my friends on the other side come on the floor and talk about it, the deficits are going to con-

tinue to go up, because the economic game plan we are under cannot work.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KLINE). All time for debate has expired.

Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Texas (Mr. STENHOLM).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. NUSSLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

KEEP ROOSEVELT ON THE DIME AND HAVE A NATIONAL HEALTH CARE SYSTEM

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I received a letter in the mail from a young friend.

"Dear Congressman BROWN:

"I'm happy to be writing to you.

"I have an issue I think is important.

I don't want the FDR dime to be changed to the Reagan dime because FDR has a real story. The story is when FDR tried to find a cure for polio, he asked children and grown-ups all over the United States to send dimes to the White House. By the end of the year, they had collected more than \$1,000 in dimes.

"There would be no particular reason to have Mr. Reagan on the dime, but there is a reason that FDR should be on the dime. It is almost like having a monument to FDR in your pocket.

"I think another very important issue is health care. I believe we should have a national health care system. If people don't have health care and they get sick, they could die. If I get a very bad disease, I might get very good antibiotics and live. I would get those antibiotics because I have health care. But other people couldn't get antibiotics if they didn't have health care and couldn't afford them.

"Thank you for letting me write to you."

It is signed Alex Friedman.

"P.S. I am an 8-year-old in the third grade."

SPECIAL ORDERS

The SPEAKER pro tempore Under the Speaker's announced policy of January 7, 2003, and under a previous order