move forward in life and to make a meaningful contribution to his country. His family is hard-working and close-knit; his father is a machine worker for a manufacturing company in New Jersey. Sergeant Phillipe joined the Army in 1988, a few years after graduating from Elizabeth High School. He served admirably in both Bosnia and the Persian Gulf. He also distinguished himself by serving as an interpreter during President Clinton's trip to Haiti in 1998.

As we remember the inspirational life of this fine young man, let us offer our thanks for his service to our country. Let us also extend our deepest sympathy to his family—his father, Renisse; his stepmother, brothers and sisters, and his son, Cassidy.

DEBATING THE BUDGET

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

Mr. KINGSTON. Mr. Speaker, I wanted to say tonight rather than the usual monologue by one Member, and of course it depends on who the Member is as far as the interest level; and usually if it is your own monologue, you find it very interesting, but the rest of Congress and the American people may not agree, and so the gentleman from Texas (Mr. STENHOLM) of the infamous Blue Dog Caucus has suggested that we have a debate about the budget and spending and other matters of great importance before this House.

With that in mind, I want to yield to the gentleman from Texas and his team, and then our team will speak. Our team looks like the gentleman from Texas (Mr. BURGESS) and me, and hopefully other Members will be running down here as they see it is our turn at bat.

Mr. STENHOLM. Mr. Speaker, we thank the gentleman for yielding, and we look forward to having a discussion on the issue of our Federal debt, national debt, deficits, what is causing them. We look forward to this discussion tonight, and it will be informal and hopefully it will be productive; and to those watching, hopefully it will be interesting.

Mr. Speaker, I yield to the gentleman from Indiana (Mr. HILL) to introduce our team.

Mr. HILL. Mr. Speaker, we have assembled a team of Blue Dogs. First of all, we want to thank the gentleman from Georgia (Mr. KINGSTON) for agreeing to debate us. We think that it is good for the American people and good for this institution. Honest disagreements and spirited debates are sometimes put aside just for the sake of political bickering, and we hope tonight we can carry on a dialogue that will be fruitful for the American people.

We would like to begin our opening remarks, and I yield to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, I want to thank the gentleman from Georgia (Mr. KINGSTON) for participating in this.

We bring this issue to the Nation's attention because I think there is no greater threat to our country's future than our Nation's worsening financial situation.

On March 17, 1994, about 9 years ago, then Member of the House, the gentleman from Illinois (Mr. HASTERT), said, ''I will not stand by and watch Congress recklessly squander the future of our children and grandchildren. In light of Congress' exhibited inability to control spending and vote for fiscal responsibility, it is imperative that we have a balanced budget amendment to compel Congress to end its siege on our financial future.'' That quote comes from the CONGRESSIONAL RECORD of March 17, 1994.

It might be interesting to note that in the 1,650 days that the gentleman from Illinois (Mr. HASTERT) has been Speaker of the House, not only has the deficit gone up, but Members of this body, conservatives like the Conservative Action Team over on the Republican side, the Blue Dogs over on this side, have not been given a single opportunity to vote on a balanced budget amendment to the Constitution.

What we have had is a number of opportunities to reduce revenues to our Nation, any number of opportunities to increase spending. All told, the Bush budget that passed on May 9, 2 years ago, caused the largest decrease in Federal revenues in 50 years and the largest increase in spending in 20. I would hope that the American people would pay particular attention to that because we are always told it is those liberals, those guys from Massachusetts who are increasing spending.

I would remind the American public, since 1994 those liberals do not run the House. Guys like the gentleman from Illinois (Mr. HASTERT) do. I also remind the American public, and I am sorry this is so small and I hope the cameraman would work with me on this, but the fact of the matter is, and I hope the gentleman from Georgia (Mr. KINGSTON) is forthright in addressing this, since May 9, 2001, the Federal deficit has increased by $1,260,853,144,608. Most of my colleagues probably over the course of their life have written a thousand-dollar check for rent, a house note. If you wrote that check a thousand times more, you spent a million. If you wrote a thousand million-dollar checks, you spent a billion; and if you wrote a thousand billion-dollar checks, you have gotten up to the trillion.

You have increased the Federal debt more in 25 months than in the first 200 years of our country, and yet do you ever hear them say we are proud of running up that big deficit and squandering that much more interest on the national debt? That is why we are here tonight because I know that is not what you told your constituents when you sought this office.

As a matter of fact, the gentleman from Georgia (Mr. KINGSTON) on May 9, 2001, the day this budget became law said, ''We are going to first put our priorities on top, Social Security, Medicare, education. Then we are going to take care of the normal functions of government, our obligations for roads and bridges and for all departments, national parks, fish and wildlife. Then what we are going to do is pay down the public debt. This, Mr. Speaker, is the first budget that we have been able to pass I believe that actually does pay down the public debt to a zero level which I think is extremely important. Then we get the leftover amount.''

The gentleman did not pay down the debt. It was increased by a trillion dollars. In the course of that time, we now owe the Social Security trust fund $1.4 trillion. There is not a penny in it. This is no lockbox or account number. Ask your Congressman the account number for Social Security. There is nothing but IOUs.

We owe the Medicare trust fund, and this is direct line on people's taxes, $284 billion. There is no lockbox. There is no account. There is nothing but IOUs.

We owe the military retiree system $176 billion; and even more interesting, we owe the Federal employees who contributed to their own retirement fund $600 billion.

Now the President this week is talking about weakening the safeguards in the retirement system in the private sector. Well, heck, maybe he ought to do what Congress did and just steal it all, because there is not a penny in that account.

It gets even more frightening when we think about who we owe that money to. The gentleman from Georgia (Mr. KINGSTON), let us talk about your place in history. Just during those 2 years under the budget of President Bush, which you and your colleagues have passed, I voted against them, we have increased the national debt over $1 trillion. You have increased the debt by $544 billion in the past 12 months. In just over 2 years, you have borrowed $371 billion from Social Security to cover your deficit spending. You have borrowed $167 billion from Medicare, people's payroll taxes, military retirement, Federal employees retirement, that should have been paid into accounts that should have been saved for them. Instead, they have been used to pay for your deficits.

In 2 years you have borrowed $259 billion from foreign investors to pay for your deficits. That includes $50 billion from Communist China. We owe them. And it includes $82 billion to Japan. We now owe $1.25 trillion to foreign nations and their investors, including $119 billion total to the Communist Chinese thanks to your budget deficits. Our children have to pay back China, Japan, foreign creditors; and then they have to pay back Social Security, Medicare, and their retirement funds. They have to repay these debts, and until they repay them, they are going to continue to squander $1 billion a day on interest.

Mr. Speaker, the gentleman from Georgia (Mr. KINGSTON) used to be for a

balanced budget amendment. What happened? We have one that has been languishing for 1,650 days. We have a discharge petition sitting at the desk that I have begged you and your colleagues to sign so we can have an up-or-down vote on it so the American people can know who is really for a balanced budget.

□ 2045

Because you know what? Because now the gentleman is going to tell me we are at war. Doggone it, we had the Revolutionary War, then the War of 1812, then the Mexican-American War, the Civil War, the Spanish-American War, World War I, World War II, Korea, and Vietnam, and in all that time they borrowed less than $1 trillion. In 25 months you guys have borrowed $1 trillion.

So do not tell me it these unique challenges to our times. Americans have always had challenges, but previous Americans always rose to those challenges. Previous Americans like us who were lucky enough to be home when somebody else is fighting a war were at least willing to pay for those wars. That has changed under this administration. This administration says we are going to ask the 21- and 25-year-olds to go fight this war right now, and, by the way, when they get home, we are going to stick them and their kids with the bill.

Tell me that is right. Tell me that is why you really ran for Congress was to bankrupt the country. And under your budget, under your budget the debt will increase to $13 trillion, and interest payments will once again be the largest expenditure of our Nation, spending more money on interest on the national debt than even on national defense. Tell me that is why you came here. Tell me that is what it is all about is to stick your kids and your grandkids with bills you are not willing to pay.

I have asked before how many of the Members would buy a car and tell the dealer they don't care what it costs because their kids are going to pay for it? How many of the Members would buy a house in Savannah or in Florida or any of the States that they come from and say I do not care what it costs, I do not care what the interest payments are, I do not care what the note is because my grandkids are going to pay for it? That is precisely how you are running this Nation. If you will not do that to your kids individually, then collectively let us not do that, and that is why we are asking you tonight to sign the discharge petition for the balanced budget amendment and let us start getting this country back on the path that you promised them you would and I promised them I would. The problem is I cannot do it without your help.

Mr. KINGSTON. Mr. Speaker, let me respond on a few points that the previous speaker made. And I wanted to say that, as the gentleman knows, the passage of laws is not always perfect, and it is not always neat, particularly when we are in the majority and have to make some decisions and keep the train moving.

My preference on the budget, incidentally, was the one introduced by the gentleman from Pennsylvania (Mr. TOOMEY), H. Con. Res. 95, which actually balanced the budget in 4 years and reduced spending far more than the Republican budget that passed and far more than the Blue Dog budget that passed. And I would point out to my colleague that if we are bringing up past votes, there was not one Democrat who voted for that budget, which was the model in fiscal restraint. So rather than stand here and just point fingers, I want to talk about some of the realities that we are faced with.

I note the gentleman from Florida (Mr. BOYD) is here from the Committee on Appropriations. I think there are six things that help get spending out of control in the House that hurts all of us. One of it is that we do not go to zero-based budgeting. Every year appropriations starts out where they left off last year. This has been the case for many years in the Congress no matter which party is in charge, and I would love to see us go back to zero base when these agencies come in to justify their budgets and ask do they really need it? One of the examples is the western forest fires. When they have a forest fire disaster, and we fund firefighting at a certain level, the next year if we reduce that because we have handled the fire, we get called for cutting forestry money. And the gentleman from Florida (Mr. BOYD) and I have to battle that all the time.

The other thing that I want to mention, the second issue that helps drive up the cost is the matter of mandatory spending, and I would think that is a little bit ironic because we are the U.S. Congress, and things do not have to be mandatory when someone is the one setting the rules. But mandatory is basically the automatic spending, and here is the budget breakdown for the year 1980, and the part in green is the mandatory spending, the Medicaid, Social Security and so forth. And the discretionary, the red part, which is almost 50 percent of the pie, that is the amount that we actually can vote on and squeeze and twist and do different things, whereas this is all kind of on automatic pilot.

As the years have gone by, and that was again 20 years ago, this is fiscal year 2002, and the mandatory portion has gotten bigger and bigger. The discretionary portion, which is the part we can control far greater, it has gotten smaller. And what that means is the part where there is honest debate we control a lot better. The part where everybody is afraid to touch Social Security, except for the gentleman from Texas (Mr. STENHOLM). I want to commend him on the work that he and the gentleman from Arizona (Mr. KOLBE) have done over the years.

Veterans spending, Medicare spending and so forth, these are all issues that we tend to shy away from in terms of honest debate, but look at these charts just to show the impact of these. Here is the veterans spending since 1995. And I am not making a judgment on if the spending is worthwhile or not. I am just saying this is the reality of that big portion of the chart. Veterans.

Here is Medicaid. That is the healthcare for the poor, straight up during the period since 1995.

Here is Medicare, the healthcare for the seniors. It has gone straight up.

And I would say one of our big problems is if we are really going to get a serious handle on spending, we have got to quit using veterans and senior citizens and the poor as our partisan wedge shield that is going to scare the other party into not touching it, because if we are really serious about this stuff, we have got to get into that.

I have three other points that I wanted to make, but I wanted to introduce the gentleman from Minnesota (Mr. KENNEDY).

Does the gentleman want to react to the previous speaker, because I kind of have a track here myself.

Mr. KENNEDY of Minnesota. Mr. Speaker, I certainly would. But if the gentleman would like to continue, I would be happy to jump in later.

My concern is we are hearing a lot about the debt, and we care about the debt, but what is the goal? Is the goal to get it in balance no matter how it is, and how we get there really does not make any difference, whether it is raising taxes, as there is included in the Blue Dog budget; or is it controlling spending? And I think the real challenge we need to do is that there is a difference in terms of how we achieve that, and I believe that the way that we need to get to the balanced budget is we need to kick-start this economy, get it moving north, generate tax revenue as well as we need to control that spending, and that is where we need to have some more talking. The gentleman from Georgia (Mr. KINGSTON) is right on how do we control spending mandatory and discretionary. So I would be happy to talk about that more.

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

Mr. KINGSTON. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, when we talk about spending, this is the record on spending, and we have to remind my friends on the other side of the aisle since 1994, they have been in charge. It is not Democrats that have been in charge, but you have been in charge. And, therefore, if we are talking about spending, spending is going up. And the Blue Dogs agreed with President Bush and with you in the budget on total spending this year in the budget. We are not asking one dime more to be spent than what the gentleman is talking about spending. This is the record of spending, and it is going up.

Mr. KINGSTON. Mr. Speaker, actually I am glad the gentleman mentioned this, because we are the majority party, we take responsibility for governing. There is no question about that. We get the credit if it is good. We get the blame if it is bad. But let us also admit that often the forces that cause more spending and cause us to get away from the budget, which has always driven me up the wall where we passed a budget in March, but we actually passed the final spending bills in the fall of the year, and by then March is ancient history. No one is really worrying about the budget. They just want to go home and cut a deal, and often it is the other body or the White House that causes large increases.

On the topic that the gentleman is talking about, the Republican spending, let me say what the Democrat record is in claiming that nearly every single appropriation bill that we have is not enough money, and I have a copy of some of the amendments that I will get into that the gentleman from Wisconsin (Mr. OBEY) offers every single time on appropriation bills, and the gentleman knows how this business is. The gentleman wants to say we are the majority to help with the Democrats, but it is not just a matter of numbers. The gentleman has split philosophies in his party. The gentleman has some extremely liberal folks; we have some extremely conservative people. And every time they pick up a group here, they lose some votes here. So as they are trying to pass a bill, they get a net 3, but they swap around 9 or 10 votes, and that is one of the things that drives up spending that I want to talk about that.

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

Mr. KINGSTON. Mr. Speaker, I am kind of losing track of the time here, but just to keep it going, I want to yield to the gentleman from Florida, but I also want to be sure that we are not going to shortchange me at the end of the evening.

Mr. BOYD. Mr. Speaker, I thank the gentleman from Georgia for yielding. I assume that the gentleman and Mr. HILL will keep track of the time, along with the Speaker.

I know that the gentleman from Georgia (Mr. KINGSTON), my appropriator friend, has spoken about mandatory spending, which I think the American people know which is required spending by Congress unless there is a law change, and the gentleman very eloquently addressed that. Of course, that law could be changed by the majority party in the House and the Senate, which are Republicans, but they have chosen not to change that to bring in check some of this mandatory spending.

But let us talk about the discretionary spending side, because there have been some accusations made certainly by the gentleman from Minnesota (Mr. KENNEDY) about the discretionary spending and how the real answer to solving this problem is to hold down discretionary spending. I do not think I could agree more, but I want to lay the facts on line.

Here are the facts in this chart. This chart starts in 1993 over on the left side with the blue bar graphs and ends up on the right side with the red bar graphs in 2003, a 10- or 11-year period. In 1993, we had a Democrat-controlled White House, Democrat-controlled Senate and House, and we see that discretionary spending, and these are raw numbers, raw numbers, went down 8.4 percent, 10.4, 11.2, .5. This is the year that we achieved the balanced budget agreement, working together. The Republicans had taken control of the House and the Senate in 1995. So then with achieving a balanced budget agreement, discretionary spending began to go up; still a Democrat administration, but a Republican-controlled House and Senate.

Here is what happened in 2001 when the new administration came in. Look at these numbers. These are the facts, Mr. Speaker. These are the raw numbers. Discretionary spending grew at a rate of 1.6 percent, I think, during this 8-, 9-year period. During this last 3-year period, I think that growth rate is in the neighborhood of 8 to 9 percent.

So I would say to the gentleman from Minnesota (Mr. KENNEDY) that the old argument about the key is holding down spending, we agree with him. The problem is that since the Republicans have control of the White House, the House and the Senate, that the discretionary spending has began to skyrocket. So I think we ought to make sure that the public understands what the real numbers are here.

Mr. KENNEDY of Minnesota. Mr. Speaker, I would add that a big part of the difference which would make that chart look radically different is we have not felt that defense spending is discretionary spending, and all of that and more of the decreases were done on the back of reducing our preparedness to respond to emergencies. If we took defense spending, left it out of that chart, we would see, I am sure, during the Democrat-controlled periods, a fairly significant increase in the discretionary period spending. A big part of the spending that we have had to do in the last several years in response to tragedies that this country has suffered has been to rebuild our military capabilities, prepare our homeland for defense against terrorist attacks.

So I think if we smoothed out that, we would see a story that is very consistent with what I put forth, that we need to control spending. We need to do it in a way that we are not doing it on the backs of the security of the American public.

□ 2100

Mr. MARIO DIAZ-BALART of Florida. If I may, I think one of the things you cannot do is have it both ways. You cannot come to the floor of the House one day and accuse the Republicans of not spending enough, which was exactly what happened here during the Medicare bill debate, which is exactly what happened during the budget debate; and then later say we are spending too much. Which one is it? Do you believe that we are spending too little, or do you believe we are spending too much?

I happen to believe that, if anything, we are spending too much. But I think what you cannot do is have it both ways. That is what I kept hearing, since I have been here, anyway.

Mr. BOYD. If we could, the gentleman from Tennessee (Mr. TANNER), would you like to jump in on that point?

Mr. TANNER. The gentleman from Georgia (Mr. KINGSTON) referred awhile ago to mandatory spending. There is no more mandatory spending than interest on the national debt. What we are doing as Americans, not Democrats or Republicans, but as Americans who represent the American people here, all 435 of us, with the charts that the gentleman from Mississippi (Mr. TAYLOR) showed, we are building in a tax increase on the American people that is structural, because we are borrowing so much money today.

You are spending money. You are just not spending it today; you are spending it tomorrow. And you are spending it in the form of interest, additional interest, on the debt, because that is mandatory spending. The interest has to be paid. And when you talk about mandatory spending, you are building in more mandatory spending and have in the last 25 months than any of the Democratic numbers there would indicate.

So I just want to say, mandatory spending is a problem; but interest is certainly a part of that.

Mr. MARIO DIAZ-BALART of Florida. If the gentleman would yield, again, what I am saying, though, is you cannot have it both ways. Because what I have heard, and I know I am relatively new here, what I have heard consistently in the Committee on the Budget, is Republicans are not spending enough. Every single proposal, by the way, including the Blue Dog proposal, spends more. Yet my dear friend, the gentleman from Florida (Mr. BOYD), whom I respect immensely and whom I have a friendship with, now says that we are spending too much. Which one is it? Which one is it?

Mr. STENHOLM. We want to keep it based on the facts tonight, and the Blue Dog budget did not spend one dime more than the Republican budget.

Mr. BOYD. If I might respond to my friend from Florida (Mr. MARIO DIAZ-BALART), and, by the way, he and I served in the Florida legislative body for 15 years and he is my friend, I would say we are not here asking to have it both ways. We are here to set the record straight and show what the numbers are.

We are here so when someone gets up and says, oh, it was those liberals over

there that had the high spending numbers, we are here to show you that is not the case. In fact, quite the opposite was the case. The discretionary spending levels increased by an average of 1.6 percent for 8 years in the previous administration, and in this administration they have increased by 8-plus percent on an average basis.

I want to make one more point on the need to pay down the debt. I want to quote. It says: ''We also feel that we need to pay down the debt. We have a debt of $5.4 trillion, which costs the American families on average for a family of four about $2,000 a year. That is $2,000 for college tuition, for house payments, for a nice vacation, for a car, for whatever the need of the family is. Now it just goes to pay interest on the debt. It does not even pay down the principal.''

That was a statement by the gentleman from Georgia (Mr. KINGSTON) on March 3, 1999. Do you know what? I agree with the gentleman from Georgia (Mr. KINGSTON) in that statement. That is the basis of the Blue Dog philosophy and theory, is that we ought to balance the budget and pay down the debt.

Mr. MARIO DIAZ-BALART of Florida. If the gentleman will yield for a second, it is nice to say those things; but on the floor we had votes on the budget, and the votes on the budget were a partisan vote. I may be wrong, but I think the Blue Dogs voted against the Republican budget, and the argument there was that we were not spending enough money.

If you look at the Blue Dog budget, here is the Blue Dog budget. In 2006 to 2011, it raises taxes by $124 billion. By the way, it would not make the tax cuts permanent. There is the vote.

So it is very nice. We can say anything and it kind of gets diffused in the air, but the facts are the facts. I am glad you said that, sir. Let us talk about the facts. The votes were there. We had two budgets: a much larger budget, the Democratic budget, and a smaller, tighter, more responsible budget, and you all did not vote for that. Those are the facts.

Mr. TURNER of Texas. If the gentleman will yield, first of all, as we said on this side, the Blue Dog budget did put us back on a course toward a balanced budget and would have balanced much quicker than the budget that the Republican majority adopted. And when you look at spending, I think what we have to acknowledge in terms of the Federal fiscal condition, the tax cuts and spending both increased the national debt.

If you look at the results since January of 2001, when President Bush came into office, 58 percent of the deterioration in the national debt, the increase in the national debt is attributable to tax cuts; 28 percent is attributable to increase in defense spending; and 22 percent attributable to the war against terror and Iraq. That is from the Congressional Budget Office. So what we believe is that it is dangerous for this country to continue down the road of increasing the national debt.

I want to read to you from an article by one of your own in the ''New Yorker,'' June 8 of this year, an article written by Peter Peterson. Mr. Peterson is the chairman and cofounder of the Blackstone Group, the chairman of the Federal Reserve Bank in New York, a former Secretary of Commerce under President Nixon; and here is what he had to say about your borrow-and-spend policies:

He said, ''Since 2001, the fiscal strategizing of the Republican Party has ascended to a new level of fiscal irresponsibility. For the first time ever, a Republican leadership in complete control of our national government is advocating a huge and virtually endless policy of debt creation. The numbers are simply breathtaking. When President Bush entered office, the 10-year budget balance was officially projected to be a surplus of $5.6 trillion, a vast boon to future generations that Republican leaders firmly promised would be committed to their benefit by, for example, pre-financing the future costs of Social Security. Those promises were quickly forgotten.''

He goes on to say: ''In just 2 years, there has been a $10 trillion swing in the deficit outlook. We are now looking at almost a $5 trillion projected debt. Coming into power,'' he says, ''the Republican leaders faced a choice between tax cuts and providing genuine financing for the future of Social Security. What a landmark reform that would have been. They chose tax cuts. After September 11, they faced a choice between tax cuts and getting serious about the extensive measures needed to protect this Nation against terrorist attacks. They chose tax cuts. After war broke out in the Middle East, they faced a choice between tax cuts and galvanizing a Nation behind a policy of future-oriented burden sharing. Again and again, they chose tax cuts. The recent $10 trillion deficit swing is the largest in American history other than during years of total war.''

This is one of your own. This is a Republican speaking here, speaking the truth.

Mr. SMITH of Michigan. If the gentleman would yield, I would strongly suggest that this kind of debate is excellent, and I compliment the Blue Dogs and certainly the gentleman from Georgia (Mr. KINGSTON). But may I suggest that maybe we are going about the debate the wrong way. Instead of trying to blame each other, let us start looking at how we might work together.

We all know that there is tremendous pressure coming from lobbyists and user groups that want more spending for their particular interests. Lobbyists in this Nation's Capital are very effective. We realize it takes a lot of money to get reelected now. I have got a chart here, but, still, we are all to blame. We all have our special interests.

The Blue Dogs said, let us increase entitlement spending and borrow $400 billion for adding prescription drugs to Medicare. That is because there is a demand out there, and there are enough people that think that it is going to be to their advantage on getting reelected or that it is a good thing to do. But the fact is, that even that kind of a program, which seems to have some merit, tremendously puts a burden on future generations.

So how do we deal with prescription drugs, which is very popular, especially with seniors? How do we deal with some of the Republican proposals for increased spending to try to come together?

There are enough Republicans and enough Democrats that, instead of arguing across the aisle, if somehow we could decide on some of the issues we agree on. The increase in the total debt held by government continues to go up, regardless of the administration.

When there is a Democrat President, we heard a lot of claims that the reason that we had balance in that couple of years was because of the leadership of the White House, and now we are hearing claims that the increased debt and spending is because of the same kind of spending leadership that we might have in this White House.

How do we come up with the kind of policy that is willing to deal with a $9 trillion unfunded liability for Social Security, an estimated $7 trillion unfunded liability if we add prescription drugs to Medicare, and the willingness to continue to spend more money?

I agree with the Blue Dogs, and the Blue Dogs have done a great service, I think, during some of the minority years that Republicans were in the minority, of adding some votes to some of the spending projects that would put some limitations on it.

So it is, of course, my frustration that we do not deal with some of the unfunded liabilities. The unfunded liabilities are just as important to the burden that we are putting on future generations as any increase in discretionary spending or in what we consider the debt subject to the debt limitation.

In fact, we should be holding this discussion based on the total obligation of our kids and our grandkids, and that includes not only the debt and the tremendous interest that we are paying on the debt; I think somebody mentioned $1 billion a day on the debt. But that is at the lowest interest rates we have seen in many years. If interest rates go back to normal, then we are going to be looking at half a trillion dollars a year in interest rates, if not more.

The solution I have might be that we just start working together, instead of blaming each other, to maybe come up with some of the resolves that we should all be working together on.

Mr. KINGSTON. The gentleman from Texas wants to speak a little bit about

the issue you mentioned about the lobbying groups in town who are out fighting for their little chunk of the pie, because I think his approach to fiscal restraint in the form of tax reform makes some sense. I wanted to make sure the gentleman from Texas (Mr. BURGESS) has an opportunity to speak.

Mr. BURGESS. I thank the gentleman for yielding. Actually, the gentleman from Georgia (Mr. KINGSTON) brought it up so eloquently right at the start of his discussion, about zero-based budgeting. Of course, the gentleman from Texas (Mr. STENHOLM) and the gentleman from Texas (Mr. TURNER) know this, because in our home State of Texas, the State legislature this session faced a $9 billion deficit. They passed a budget with no tax increase by using a zero-based budgeting system.

To tell you the truth, gentlemen, my hat is off to the legislature and the Governor, both sides of the aisle, for getting that down in our home State of Texas. As we see the situation in California deteriorate, perhaps we will be able to attract some of those businesses that are looking for a more favorable tax climate in which to relocate.

The gentleman from Florida (Mr. MARIO DIAZ-BALART) said it so well, you cannot continue to say, day in and day out, and we heard it tonight here on the floor of this House, you are not spending enough on veterans, you are not spending enough on Head Start, you need to take that $400 billion for Medicare and just pay for the catastrophic coverage.

Gentlemen, you cannot have it both ways. You had an opportunity to join with the Republicans at the time the budget was passed and vote for H.Con. Resolution 95. I wish you had. I wish we could have partnered on that. But it was not to be. That was a budget that provided some real cuts, that we could have been proud of.

I am sorry the gentleman from Mississippi (Mr. TAYLOR) left, because, yes, that is why I came to Congress. But it was not to be. We had a compromise on the Republican side, and, at the end of the day, we got a budget passed.

I am a proponent for some significant tax reform in this country. I think we can tinker around the edges all we want. But until we get some type of tax reform that gives us a single rate that gives us fairness across the board, I honestly do not see that we are going to be able to get back to any type of fiscal sanity in this country.

□ 2115

I think the President is on the right path. I think he is using the incremental changes to bring us to essentially a flat tax, which I support.

I think when we look at what was happening with the economy from March of 2000, this economy was in a slide. We had Chairman Greenspan cutting interest rates hand over fist, as fast as he could, and he could not stop the slide. The slide was arrested. The deficit was much more shallow than it otherwise would have been because of the courage of George Bush and my Republican colleagues all. Because I was not here then, I cannot take credit for it. But, Mr. Speaker, the tax cuts that were passed in 2001 I think did an excellent job of stopping that slide into deficit.

Well, I will not go into all of the points that I was going to try to make tonight, but I think some excellent ones have been made on this side. I am certainly willing to work with anyone. I do not think a discharge petition solves one single problem, and I, in fact, resent the fact that it was brought up here tonight. That was not the purpose that I came to this floor, to be beaten about the head with the issue of discharge petition. We know what that is.

Mr. MARIO DIAZ-BALART of Florida. Mr. Speaker, we heard about some things where we could work together. I agree with the gentleman. My Democrat colleagues cannot have it both ways. You cannot have it both ways. You cannot on one side of your mouth say that we are not spending enough and, on the other side of your mouth, when there are no votes on the table, say that we are spending too much, which we keep hearing from our colleagues on the Democrat side.

My colleagues will recall a couple of things that the gentleman may agree with me on. The chairman of the Committee on the Budget wanted to do a 1 percent cut in waste, fraud, and abuse.

Mr. BURGESS. That is correct.

Mr. MARIO DIAZ-BALART of Florida. Does the gentleman recall if he got any Democratic support for that?

Mr. BURGESS. To the best of my knowledge, I do not recall any.

Mr. MARIO DIAZ-BALART of Florida. Again, we have to talk about the facts. Let us talk about the facts.

When our dear friends on the Democratic side just said a little while ago, kind of equating tax cuts with government spending, the thing that it really boils down to is what the differences are. There is a huge difference between more government spending and tax cuts. More government spending are Washington bureaucrats spending the taxpayers' money. Tax cuts is allowing taxpayers of this country, hard-working men and women of our country, and small businesses, to keep more of their money. So we have a huge philosophical difference when my colleagues equate tax cuts with more government.

Mr. TURNER. Mr. Speaker, my point was that we can increase the national debt by either spending or by greater tax cuts, and we are in a position right now where we are projecting a $5 trillion deficit over the decade. Ten years from now the national debt will be twice as what it is under the Republican budget. Today it stands at a little over $6 trillion. In 10 years it is going to be $12 trillion. We will be paying interest in excess of the largest category of Federal spending, and that is defense, in 10 years.

So do not say that the differences are we are against tax cuts, or we are for spending and we are against tax cuts. We would love to cut taxes just like you do, but we believe you have to be intellectually honest about it. Just as Mr. Peterson said in this article in the New Yorker, and I will quote, ''For some supply side Republicans, the pursuit of lower taxes has evolved into a religion; indeed, a tax cut theology that simply disregards any objective evidence that violates the tenets of the faith.'' He says, ''The star of the government at the source strategy is not only hypocritical, it is likely to fail with great injury to the young.''

So what we are doing is passing on a debt. We are passing on a debt to a future generation by the blind pursuit of an irresponsible fiscal policy, and the Republicans are in charge, and the Republican Party is doing it.

Mr. KINGSTON. Mr. Speaker, could you tell us how much time we have left?

The SPEAKER pro tempore (Mr. GERLACH). Fifteen minutes remaining.

Mr. KINGSTON. Total?

The SPEAKER pro tempore. Yes, total.

Mr. KINGSTON. Seven-and-a-half per side.

Why do we not go into debt a little bit and borrow some from the next group? Just a joke, guys. We need to figure out our strategy for our 7 minutes to close.

Mr. BOYD. Mr. Speaker, I think the comments of the gentleman from Michigan (Mr. SMITH) comments were great, and I think there are some things that we can agree upon. The problem is, of course, that just us agreeing upon them does not make them happen. The majority party in the House and the Senate has to help make that happen. We cannot do it just because we agree upon it.

I will tell my colleagues that the basis of those agreements, I say to the gentleman from Michigan, I think are twofold. One is the chart I had up earlier. Or here is the statement here by the gentleman from Georgia (Mr. KINGSTON). It says, I think we should preserve Social Security, we should protect it. We should put 100 percent of the surplus back where it belongs into Social Security. This was during the days of the lockbox vote, which the gentleman from Georgia (Mr. KINGSTON) and the gentleman from Michigan (Mr. SMITH) and others know a whole lot about. Probably the gentleman from Florida (Mr. MARIO DIAZ-BALART) and the gentleman from Texas (Mr. BURGESS) know less because they were not here in the days when we were talking about the lockbox.

All of these guys, all of us guys voted for the lockbox, as you did. We would agree.

The other statement was one that we should pay down the debt. That is what Mr. KINGSTON said on March 3. We agree.

Now, the only thing we would ask is, you said those things, then let us figure out how to do them. And my Republican colleagues are in control, not us. Zero-based budgeting, a great idea, I say to the gentleman from Texas (Mr. BURGESS). We cannot do that. Your party has to do it, as long as it is in the majority control of the House of Representatives.

Mr. BURGESS. Mr. Speaker, if the gentleman will yield, again, we had an opportunity, you had an opportunity to partner with us on H. Con. Res. 95 and would not do it. Not a single Democratic vote, as the gentleman from Georgia (Mr. KINGSTON) so accurately pointed out, not a single Democratic voted on that budget, which would have led us to a balanced budget within 4 years' time.

Mr. BOYD. Mr. Speaker, I recall that in 1997 when the White House was controlled by a Democrat, and the Republicans were in control of the House and Senate, we sat down in a very thoughtful way, in a compromise way, everybody, and said, how do we do this? And we did it with spending caps, and we lived up to that.

So I yield.

Mr. KINGSTON. Mr. Speaker, what I wanted to do with whatever time is left on our side was give 2 minutes to the gentleman from Minnesota (Mr. KENNEDY), 2 minutes to the gentleman from Michigan (Mr. SMITH), and 2 minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART); as I understand it, the gentleman from Texas (Mr. BURGESS) does not want any more time. And since you all have about equal time, I know you have some folks that want to speak.

Mr. Speaker, would it be possible for you to tell us at 2-minute intervals? Could you just maybe tap your gavel every 2 minutes?

The SPEAKER pro tempore. The gentleman regulates the time that has been yielded under a special-order speech.

Mr. KINGSTON. The gentleman who controls the time has no watch because I went skiing with it this weekend. Does anybody have a watch over there? All right. I have a very expensive watch here. Okay.

Mr. TANNER. Mr. Speaker, you all go for 2 minutes, and then we will go for 2 minutes.

Mr. KINGSTON. Mr. Speaker, people who are watching this are saying, no wonder they cannot get their money straight.

I yield to the gentleman from Florida.

Mr. MARIO DIAZ-BALART of Florida. Mr. Speaker, again, I agree that we should look at positive ways to agree. I would like to yield 10 seconds to anybody there who will answer: Would you all agree to that 1 percent cut that we tried to do? Would you vote for it?

Mr. TANNER. Yes, I think you will find agreement over here. But I will tell my colleagues something. I think that has been pointed out here on both sides of the aisle.

Mr. MARIO DIAZ-BALART of Florida. Mr. Speaker, I do not have a lot of time, but you did not vote for it, you did not support it.

Mr. TANNER. Mr. Speaker, you did not support the Blue Dog budget either that would have resulted in $21 billion less in interest over a period of time.

Mr. MARIO DIAZ-BALART of Florida. Mr. Speaker, if I could reclaim the time, I did not support the Blue Dog budget because it increased taxes, and those are the facts. I did not support the Blue Dog budget because it raised taxes on hard-working American people to fund more bureaucracy and more bureaucrats, while ours cut taxes. I did not support the Blue Dog budget because it did not make the tax cuts permanent. You better believe I did not support it.

I am asking a specific question which I cannot get a specific answer to because we keep hearing two different sides of the solution. None of the Democrats supported the 1 percent cut on waste, fraud, and abuse. Those are the facts. That is the reality. This is the party that has got a balanced budget, that cuts taxes on the working people, that does not raise taxes, and, unfortunately, the Blue Dog budget did.

Now, when you strip that budget down, it is not a Blue Dog budget, it is just a dog budget, it is a sad dog budget because it increases taxes on the American people to fund more bureaucracy. I think, again, if you want to work together, support, for example, that 1 percent tax cut on fraud and abuse that none of you, none of you did in committee. Those are the facts.

Mr. TANNER. Mr. Speaker, the Blue Dog budget did not increase taxes. What the Blue Dog budget did was it put some of the tax cuts that were supposed to go into effect into the future off the table.

I have heard the Republicans over and over again say we need to go to a zero-based budget, and if you have a spending increase that is not as much as you want, that that is some kind of cut, that that is what the Democrats say. Well, you cannot say that a tax cut that is not yet in effect, if it does not go in effect, is a tax increase. You cannot have it both ways on that one.

But let me just point out, I agree with the gentleman from Michigan (Mr. SMITH). Let me say what I think anybody, any reasonable, sane person listening to this would have to conclude, and that is this country is on an unsustainable financial glidepath. The Republican budget that you are so proud of borrows in the next 10 years, in your budget cycle that you passed without our votes, that is true, because it borrowed another $6 trillion; the interest difference that we will pay as Americans, the mandatory spending that we have, because your budget passed and not the Blue Dog budget, amounts to $421 billion over the next year.

I will give my colleagues 2 examples that just happened in the last 2 weeks. You added $80 billion in borrowed money on the child care matter. Mr. Speaker, $80 billion at 4 percent interest is $3.2 billion a year in interest. By just that one bill, you spent $32 billion that night over the next 10 years.

Then you had the medical savings account. You borrowed $174 billion for that bill. Just that bill alone is increased mandatory spending in interest over the next 10 years of $68 billion. You are spending money, you are just not spending it tonight. You are spending it over the next 10 years. Those two bills alone are $100 billion in additional spending, mandatory spending on interest.

Now, you can talk about spending all you want, but spending is spending, whether it is on interest, which is the most wasteful spending of all, because no one gets anything. And, as the gentleman from Mississippi (Mr. TAYLOR) pointed out earlier, we are borrowing money from foreign nations who may or may not agree with us, and when they call those notes, we have a real problem.

So I am going to quit. Let us agree to do this again. We all know we have a major problem. And unless we can agree that we are on an unsustainable financial path, I do not know where we go.

Mr. KINGSTON. Mr. Speaker, I yield to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I am not sure I have a whole 2 minutes, but the Blue Dogs are probably not average for your conference, for your caucus. You are probably more conservative than the average of the total Democrats in the House. Probably this group is about average for the conservative ideas of the Republicans.

But we have 20 Republicans that are very concerned about some issues that maybe increase spending in particular areas. So if we are going to end up accomplishing anything, we have to maybe work together. If the rest of your conference thought the Blue Dog budget was going to pass, my guess is they would not have voted for it. So maybe we need to sneak up on this side and sometimes give you enough votes to pass that Blue Dog budget if we can agree on, ahead of time, with this side of the aisle on what is the reasonable budget.

But we do not like taxes because taxes sort of depress economic expansion. But on the other side of that story, we have to have enough intestinal fortitude, we have to have enough guts, to say that if we are going to spend the money today, we should pay for it.

What we have to do also is live up to coming up with legislation that is going to deal with Social Security, to keep Social Security solvent. Most of my colleagues have not signed any Social Security bill. The gentleman from Texas (Mr. STENHOLM) has gone and walked the tight wire on Social Security, as I and some others have, and

that is what we are going to have to do. My guess is this next campaign is going to say, let us try to get together and work with Social Security. We should do it ahead of time.

But in conclusion, I agree. Let us do this again, and let us try to limit the blame from each side and try to work together for some conclusions of how we might work together to accomplish our goals and what my Democrat colleagues suggest are their goals.

□ 2130

Mr. STENHOLM. Let me just try to end it on the same positive note, and I appreciate the gentleman from Michigan's (Mr. SMITH) contribution to this tonight and the major points they made. We are not here to blame. That is not the point. We were here to point out we have got a problem. Now, you can explain it away all you want to about the various, and we can have our political stump speeches which we heard from the gentleman from Florida (Mr. MARIO DIAZ-BALART) a moment ago on that line. And that is great, but that does not change the fact that where we started with the gentleman from Mississippi (Mr. TAYLOR) is we are going to owe $13 trillion at the end of the 10-year period following the budget that you passed. Yes, we did not support it. I do not support it tonight.

When you talk about spending our budget, the Blue Dog budget spent $400 billion less than the budget that you passed that you are so proud of, $400 billion on interest. Yes, we did not cut taxes as much as you did because we said, let us not cut them until we see whether there is money to cut them with. And that was before the war. After the war we said, we ought to be fiscally responsible and not borrow additional money. It will be the first time since 1812 that the United States Congress did not raise taxes in order to pay for a war. First time. But we are saying we ought to be conservative. And it is not conservative to move ahead as the direction you are moving.

Now, there are some things we can agree on. I do not know why we eliminate the pay-go provisions. I do not know why we said that if you bring a tax cut or a spending increase, you do not have to come in with offsetting revenue or expenditure. I do not know why you dropped that, because we agree with that. You can put together a pretty good majority of people to do that. These are things that I would like to see us discuss next week when we do this again.

But let us end it on the same note that the gentleman from Michigan (Mr. SMITH) put out. We are not here to blame, but by the same token we are here to set the record straight. And there were some statements made here about the Blue Dog statements that are not factual. If you are going to come to the floor and speak about what we do or do not do, then keep it on the facts. Then we will take our share of the blame.

Mr. KENNEDY of Minnesota. I would just say we are for reducing the debt. We did pay down $453 billion of debt from 1998 to 2001. We are for having that deficit come down. How did it get there? Eighty percent of the change from where we were when we had surplus and where we find ourselves with the projections now is driven by the economy. So are we just going to assume that we do not have an ability to get that economy rolling forward, again? We could, we believed, by spurring the economy through tax relief.

We spend a lot of time talking about the government's budget today, and we have not talked about the families' budget and the aggregate of the families' budget in terms of national economy. And when you look at Reagan tax relief after he passed that tax relief, we had a 60 percent increase in tax revenue. If we get the economy picking up like we are hoping to with 25 percent increase in the stock market in the recent past, that can get that deficit paid off sooner rather than later.

As a person who spent a lot of time balancing budgets, a person who was on the finance side of business for 20 years, as a retailer, when we face a tough economy, what did we do? Did we raise prices?

Yes, this may be the first time since 1812 or whatever, but the last time anybody tried to raised taxes during a depression was Calvin Coolidge, and I do not think we necessarily want to follow that example.

We need to, as a retailer would, say how can we lower the costs in the economy? That is what we have done. We need to say, how can we cut back on spending? And we need to join together to take a good, hard look. Yes, the gentleman from Texas (Mr. STENHOLM) says you reduce spending on interest by $400 billion, but you are spending on other categories, all but 110 billion of that.

I think those are the healthy discussions we need to say we need to not just have the tax relief the economy needs to spur, but we need to take a good hard look, working together to get control of this spending, to get our budgets back in line, not just for our governments, but for the burden on the American family and the burden on the economy. And I look forward to continuing this discussion and debate.

Mr. TURNER of Texas. I think what this all really comes down to is whether you believe that it is important for the future of this country to try to have a balanced budget. Every State in the Union has it, every city council, every school board, and every family certainly tries to. And if you incur debt, you figure out how to pay it back within a reasonable period of time. Your budget does not do that. In fact, the chart to my right shows the Republican budget in action. It shows it in fiscal year 2004 we will be paying in the red $338 billion in interest.

The SPEAKER pro tempore (Mr. GERLACH). The gentleman's time has expired.

Mr. TURNER of Texas. Mr. Speaker, I request unanimous consent for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TURNER of Texas. But as the charts shows, under your budget in 2013, the interest on debt we will be paying, the most wasteful government spending, is $656 billion in 2013. That is more than we will be spending under our budget on all of national defense, which is shown in the blue, which is $529 billion in fiscal year 2013.

So the reality is that those of us on the Blue Dog side tonight believe that deficits do matter, and that it is wrong to pass on this kind of debt burden and this kind of interest payment to the next generations. And as the gentleman from Michigan (Mr. SMITH) said, it is important for us to work together. But to work together we have got to have an agreement that there are two ways that this debt continues to rise, and that is by spending or by continual pursuit of tax cuts that we cannot pay for. And I am one who believes it is wrong to ask those young men and women to go over there and fight for us in Iraq and tell them when they come home and get in their good years of earnings that they are going to have to pay the costs of that war because we charged it.

So I really think that we have got a philosophical difference here with your side of the aisle saying that I have never seen a tax cut that I do not like, and we will cut taxes no matter how much we can afford to cut them.

We Blue Dogs love tax cuts, and we want every tax cut we can afford. And back when we had a projected $5 trillion surplus, I voted with you for that tax cut. But it is different now. We are projecting a $5 trillion deficit over the decade.

So I say to you that deficits do matter. They are morally wrong because it is charging the cost of government to our children, and it, according to the economists, will result in higher interest rates in the years ahead. And for the average family who is trying to borrow money to buy a home, borrow money to buy a car, borrow money to send their kids to college, just a 1 percent increase in interest over the next decade can literally means thousands of dollars in costs to that family. So we just ask you to work with us and try our best to end up reducing our debt.

I yield to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. I want to respond real quickly on the tax cuts thing because, as you know, one of big problems we have is controlling spending on a bipartisan basis, and there is a lot of pressure, no matter what it is, there is not enough for education, not enough for seniors, not enough for the poor, not enough for the farmers. You name the group, this town is geared up in that direction.

One great advantage of tax reductions, it is not just a matter of stimulating the economy, we do believe in economic growth and jobs. I think the more money that the people have, and it is not a matter of us affording the tax cuts, it is a matter of can the working folks pay for all the government we are giving them. The more you look at what tax cuts do for the economy, the more jobs that are created.

This is just the Standard and Poor's increase since we passed the latest round of tax reductions. Here is the Dow Jones increase. All these mean more jobs out there, more people paying into the system, and revenues will go up. But the best part is the money does not come to Washington, so we do not spend it.

I think that is something that we will continue to debate about, and I want to say this has made some progress tonight.

I did not know that we had abandoned the pay-go system that the gentleman from Texas (Mr. STENHOLM) had mentioned. I want to work with you on that.

The balanced budget amendment, it would be an awkward position for me to sign the discharge petition, but philosophically I do support it. I want to help you get that bill to the floor, and I want to pledge that.

I am glad we are all mutually interested in zero-based budgeting. Let us move in that direction.

Another issue, if we could get away from just the terminology ''mandatory spending'' and say, hey, that is automatic, we are too lazy to debate it year in and year out, nothing is mandatory for the U.S. Congress. That might be something that we can work together on.

The gentleman extended this debate invitation originally. Let me right here extend one to you, and let us schedule for next week or whenever we can do it.

With that, I yield back and thank the gentlemen for all participating.

Mr. TURNER of Texas. We thank the gentleman from Georgia (Mr. KINGSTON).

BLUE DOG ECONOMY

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

Mr. STENHOLM. Mr. Speaker, I will be happy to yield some of my time to anyone, but just a summary, and I appreciate the return gesture from the gentleman from Georgia (Mr. KINGSTON) regarding doing this again.

I wish we could do it every week, find a time to talk about not just perhaps this issue, but some of the other issues in which we have found ourselves in some very, very strict partisan differences.

Just a few clarifying comments. The first one is when I hear mandatory spending being out of control, since when? Since when can 218 Members of the House of Representatives not control any spending that we wish to control?

I commend the gentleman from Michigan (Mr. SMITH). He is one of the few Members on either side of the aisle that has been willing to talk about Social Security and making some of the hard choices that have to go into eventually saving Social Security for my grandchildren. And I look forward to working with him on that endeavor. I wish we had had that on the floor last year. I wish we had it on the floor this year. I hope we have it on the floor next year. I get disturbed when we say we cannot do that again until after the 2004 elections. That bothers me because 2011 is getting awfully close to where we need to be.

Now, when my friends on the other side of the aisle come in and say that the Blue Dog budget raised taxes, that is not speaking the truth. Now, I want to be very careful on this. I like to quote Will Rogers when I hear some of these quotes. ''It is not people's ignorance that bothers me so much. It is them knowing so much that ain't so—that is the problem.''

And there were some statements that were made tonight that were just not true, and to stand here on the floor as we do in debate after debate and say the Blue Dogs raised taxes, we did not. We cut taxes. And to say that Blue Dogs spent more, we did not. We adopted the exact same spending levels that the gentleman from Iowa (Mr. NUSSLE) had in H.R. 95. And to say that we spent more, we spent less because we spent $400 billion less on interest because we did not borrow that additional money to give it back to the people. Since when can we give back something we do not have?

Discretionary spending this year will hit the lowest level since I have been in the Congress. In fact, it will be the lowest level of discretionary spending since 1958. Now, that is a pretty good record if you want to control spending. But our point was that you cannot have it both ways. We have heard it that we want to have it both ways. I would say you want to have it both ways because you want to ignore the debt going up, but you want to talk about controlling spending. Well, if you are going to talk about that, then do it. But you do not have the votes to do it or you would have done it.

The enforcement is something that I know the gentleman from Iowa (Mr. NUSSLE) is not for. I know the gentleman from Texas (Mr. BARTON) is for it. And pay-go worked when we had it. When you came to the floor and you talked about increasing spending, you had to find someplace to find the money.

Well, the bottom line is this: We are in a direction of a train wreck; the perfect storm, as some have described it. How long can America keep buying $500 billion from the rest of the world, more than the rest of the world is buying from us, without the law of economics taking over? How long can we borrow $400 or $500 billion a year, which under the budget that we are now under that we did not vote for, that we object to, how long can we borrow $300 billion without something happening to the economy of this country?

Now, everything is on track for November of 2004, but there is a lot of folks worrying about 2005. And I think we have a consensus here tonight from most of those that participated on both sides that we would like to work together to change the direction.

□ 2145

The old rule of Confucius, of Garfield, or whoever it was that I like to give credit to, when you find yourself in a hole, the first rule is to quit digging; and it is very disturbing when week after week we continue to dig the deficit hole deeper, yes with tax cuts, yes with tax cuts, from money we do not have, and if you believe that that is any different in creating the deficit, then you are a supply-sider and you are a true supply-sider; but when we start talking to solve this problem, we have reached out the hand many times, but it has never been taken in the last 8 years, unless we happen to agree with a narrow band of thought that says supply side economics is the way to go and that the theory, the theory is if we just reduce the revenue we will starve government.

Spending on defense is spending. Spending on agriculture is spending. Spending on anything is spending, and total spending is going up more than our revenue.

A MEDICARE PRESCRIPTION DRUG PLAN IS NEEDED

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

Mr. PALLONE. Mr. Speaker, I do not expect to use all the time unless I am joined by some of my Democratic colleagues, but the purpose of my being here this evening is to talk about the need for a Medicare prescription drug plan; and as my colleagues know, just before the break, before the July 4 break, we did here in the House pass a Republican Medicare prescription drug proposal and another bill was passed in the other body that was sponsored by the Republican leadership, and I just wanted to say as emphatically as I could this evening that I believe very strongly that neither of these proposals, which would now go to conference, that neither of these proposals accomplish the goal of providing America's seniors with a prescription drug benefit that is worth having.

I say that because I think it has to be understood that the effort to provide a prescription drug benefit is basically an effort to, in my opinion, or at least