STATUTORY PAY-AS-YOU-GO ACT OF 2009

Mr. SPRATT. Mr. Speaker, pursuant to House Resolution 665, I call up the bill (H.R. 2920) to reinstitute and update the Pay-As-You-Go requirement of budget neutrality on new tax and mandatory spending legislation, enforced by the threat of annual, automatic sequestration, and ask for its immediate consideration.

The Clerk read the title of the bill.

□ 1245

The SPEAKER pro tempore. Pursuant to House Resolution 665, the amendment in the nature of a substitute printed in part A of House Report 111–217, modified by the amendment printed in part B of the report, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 2920

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Statutory Pay-As-You-Go Act of 2009''.

(b) TABLE OF CONTENTS.—

SEC. 2. PURPOSE.

The purpose of this Act is to reestablish a statutory procedure to enforce a rule of budget neutrality on new revenue and direct spending legislation.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) The term ''BBEDCA'' means the Balanced Budget and Emergency Deficit Control Act of 1985.

(2) The definitions set forth in section 3 of the Congressional Budget and Impoundment Control Act of 1974 and in section 250 of BBEDCA shall apply to this Act, except to the extent that they are specifically modified as follows:

(A) The term ''outyear'' means a fiscal year that occurs one or more years after the budget year.

(B) In section 250(c)(8)(C), the reference to the food stamp program shall be deemed to be a reference to the Supplemental Nutrition Assistance Program.

(3) The term ''AMT'' means the Alternative Minimum Tax for individuals under sections 55-59 of the Internal Revenue Code of 1986, the term ''EGTRRA'' means the Economic Growth and Tax Relief Reconciliation Act of 2001 (Public Law 107–16), and the term ''JGTRRA'' means the Jobs and Growth Tax Relief and Reconciliation Act of 2003 (Public Law 108–27).

(4)(A) The term ''budgetary effects'' means the amounts by which PAYGO legislation changes direct spending or revenues relative to the baseline and shall be determined on the basis of estimates included by reference in the PAYGO Act or prepared under section 4(d)(3), as applicable. Budgetary effects that increase direct spending or decrease revenues are termed ''costs'' and budgetary effects that increase revenues or decrease direct spending are termed ''savings''.

(B) For purposes of these definitions, off-budget effects shall be counted as budgetary effects unless such changes flow directly from amendments to title II of the Social Security Act and related provisions of the Internal Revenue Code of 1986 and debt service effects shall not be counted as budgetary effects.

(C) Solely for purposes of recording entries on a PAYGO scorecard, provisions in appropriations Acts are also considered to be budgetary effects for purposes of this Act if such provisions make outyear modifications to substantive law, except that provisions for which the outlay effects net to zero over a period consisting of the current year, the budget year, and the 4 subsequent years shall not be considered budgetary effects. For purposes of this paragraph, the term, ''modifications to substantive law'' refers to changes to or restrictions on entitlement law or other mandatory spending contained in appropriations Acts, notwithstanding section 250(c)(8) of BBEDCA. Provisions in appropriations Acts that are neither outyear modifications to substantive law nor changes in revenues have no budgetary effects for purposes of this Act.

(D) If a provision is designated as an emergency requirement under this Act and is also designated as an emergency requirement under the applicable rules of the House of Representatives, CBO shall not include the cost of such a provision in its estimate of the PAYGO legislation's budgetary effects.

(5) The term ''debit'' refers to the net total amount, when positive, by which costs recorded on the PAYGO scorecards for a fiscal year exceed savings recorded on those scorecards for that year.

(6) The term ''entitlement law'' refers to a section of law which provides entitlement authority.

(7) The term ''PAYGO legislation'' or a ''PAYGO Act'' refers to a bill or joint resolution that affects direct spending or revenue relative to the baseline. The budgetary effects of changes in revenues and outyear modifications to substantive law included in appropriation Acts as defined in paragraph (4) shall be treated as if they were contained in PAYGO legislation.

(8) The term ''timing shift'' refers to a delay of the date on which direct spending would otherwise occur from the ninth outyear to the tenth outyear or an acceleration of the date on which revenues would otherwise occur from the tenth outyear to the ninth outyear.

SEC. 4. PAYGO ESTIMATES AND PAYGO SCORECARDS.

(a) PAYGO ESTIMATES.—(1) A PAYGO Act shall include by reference an estimate of its budgetary effects as determined under section 308(a)(3) of the Congressional Budget Act of 1974, if timely submitted ''for printing in the Congressional Record by the chairs of the Committees on the Budget of the House of Representatives and the Senate, as applicable, before the vote on the PAYGO legislation''. ''The Clerk of the House or the Secretary of the Senate, as applicable, shall also incorporate by reference such estimate printed in the relevant portion of the Congressional Record under section 308(a)(3) of the Congressional Budget Act of 1974 into the enrollment of a PAYGO Act.''. Budgetary effects that are not so included shall be determined under section 4(d)(3).

(2)(A) Section 308(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following new paragraph:

''(3) CBO PAYGO ESTIMATES.—Before a vote in either House on a PAYGO Act that, if determined in the affirmative, would clear such Act for enrollment, the chairs of the Committees on the Budget of the House and Senate as applicable shall request from the Director of the Congressional Budget Office an estimate of the budgetary effects of such Act under the Statutory Pay-As-You-Go Act of 2009. If such an estimate is timely provided, the chairs of the Committees on the Budget of the House of Representatives and the Senate shall post such estimate on their respective committee websites and cause it to be printed in the Congressional Record under the heading 'PAYGO ESTIMATE'. For purposes of this section, the Director of the Congressional Budget Office shall not count timing shifts in his estimates of the budgetary effects of PAYGO legislation (as defined in section 3 of the Statutory Pay-As-You-Go Act of 2009).''.

(B) The side heading of section 308(a) of the Congressional Budget Act of 1974 is amended by striking ''REPORTS ON''.

(b) Section 308 of the Congressional Budget Act of 1974 is amended by adding at the end the following new subsection:

''(d) SCOREKEEPING GUIDELINES.—The Director of the Congressional Budget Office shall provide estimates under this section in accordance with the scorekeeping guidelines determined under section 252(d)(5) of the Balanced Budget and Emergency Deficit Control Act of 1985. Upon agreement, the chairs of the Committees on the Budget of the House of Representatives and the Senate shall submit updates to such guidelines for printing in the Congressional Record.''.

(c) CURRENT POLICY ADJUSTMENTS FOR CERTAIN LEGISLATION.—For purposes of calculating budgetary effects under this Act, CBO shall adjust its estimates as described below for any provision of legislation designated as meeting the criteria in subsection (b), (c), or (d) of section 7 and which the chairman of the Committee on the Budget of the House of Representatives or the Senate, as applicable, designates as meeting those criteria. A single piece of legislation may contain provisions designated as meeting criteria in more than one of the subsections listed above. For appropriately designated provisions, CBO shall exclude from its estimates for purposes of this Act any costs of a provision to the extent that those costs, when combined with all other excluded costs of any other previously designated provisions of enacted legislation under the same subsection of section 7, do not exceed the maximum applicable current policy adjustment defined under the applicable subsection of section 7 for the applicable 10-year period, using the most recent baseline estimates supplied by the Congressional Budget Office consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 used in considering a concurrent resolution on the budget; or, after the beginning of a new calendar year and before consideration of a concurrent resolution on the budget, using the most recent baseline estimates supplied by the Congressional Budget Office consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985. CBO estimates of legislation containing a current policy designation under this subsection shall include a separate presentation of costs excluded from the calculation of budgetary effects for the legislation, as well as an updated total of all excluded costs of provisions within the same subsection of section 7.

(d) OMB PAYGO SCORECARDS.—

(1) IN GENERAL.—OMB shall maintain and make publicly available a continuously updated document containing two PAYGO scorecards displaying the budgetary effects of PAYGO legislation as determined under section 308 of the Congressional Budget Act of 1974, applying the look-back requirement

in subsection (e) and the averaging requirement in subsection (f), and a separate addendum displaying the estimates of the costs of provisions designated in statute as emergency requirements.

(2) ESTIMATES IN LEGISLATION.—Except as provided in paragraph (3), in making the calculations for the PAYGO scorecards, OMB shall use the budgetary effects included by reference in the applicable legislation.

(3) OMB ESTIMATES.—If legislation does not contain the estimate of budgetary effects under paragraph (2), then OMB shall score the budgetary effects of that legislation upon its enactment, based on the approaches to scorekeeping set forth in this Act.

(4) 5-YEAR SCORECARD.—The first scorecard shall display the budgetary effects of PAYGO legislation in each year over the 5-year period beginning in the budget year.

(5) 10-YEAR SCORECARD.—The second scorecard shall display the budgetary effects of PAYGO legislation in each year over the 10-year period beginning in the budget year.

(e) LOOK-BACK TO CAPTURE CURRENT-YEAR EFFECTS.—For purposes of this section, OMB shall treat the budgetary effects of PAYGO legislation enacted during a session of Congress that occur during the current year as though they occurred in the budget year.

(f) AVERAGING USED TO MEASURE COMPLIANCE OVER 5-YEAR AND 10-YEAR PERIODS.—OMB shall cumulate the budgetary effects of a PAYGO Act over the budget year (which includes any look-back effects under subsection (e)) and—

(1) for purposes of the 5-year scorecard referred to in subsection (d)(4), the four subsequent outyears, divide that cumulative total by five, and enter the quotient in the budget-year column and in each subsequent column of the 5-year PAYGO scorecard; and

(2) for purposes of the 10-year scorecard referred to in subsection (d)(5), the nine subsequent outyears, divide that cumulative total by ten, and enter the quotient in the budget-year column and in each subsequent column of the 10-year PAYGO scorecard.

SEC. 5. ANNUAL REPORT AND SEQUESTRATION ORDER.

(a) ANNUAL REPORT.—Not later than 14 days (excluding weekends and holidays) after Congress adjourns to end a session, OMB shall make publicly available and cause to be printed in the Federal Register an annual PAYGO report. The report shall include an up-to-date document containing the PAYGO scorecards, a description of any current policy adjustments made under section 4(c), information about emergency legislation (if any) designated under section 3(4)(D), information about any sequestration if required by subsection (b), and other data and explanations that enhance public understanding of this Act and actions taken under it.

(b) SEQUESTRATION ORDER.—If the annual report issued at the end of a session of Congress under subsection (a) shows a debit on either PAYGO scorecard for the budget year, OMB shall prepare and the President shall issue and include in that report a sequestration order that, upon issuance, shall reduce budgetary resources of direct spending programs by enough to offset that debit as prescribed in section 6. If there is a debit on both scorecards, the order shall fully offset the larger of the two debits. OMB shall include that order in the annual report and transmit it to the House of Representatives and the Senate. If the President issues a sequestration order, the annual report shall contain, for each budget account to be sequestered, estimates of the baseline level of budgetary resources subject to sequestration, the amount of budgetary resources to be sequestered, and the outlay reductions that will occur in the budget year and the subsequent fiscal year because of that sequestration.

SEC. 6. CALCULATING A SEQUESTRATION.

(a) REDUCING NONEXEMPT BUDGETARY RESOURCES BY A UNIFORM PERCENTAGE.—OMB shall calculate the uniform percentage by which the budgetary resources of nonexempt direct spending programs are to be sequestered such that the outlay savings resulting from that sequestration, as calculated under subsection (b), shall offset the budget-year debit, if any on the applicable PAYGO scorecard. If the uniform percentage calculated under the prior sentence exceeds 4 percent, the Medicare programs described in section 256(d) of BBEDCA shall be reduced by 4 percent and the uniform percentage by which the budgetary resources of all other nonexempt direct spending programs are to be sequestered shall be increased, as necessary, so that the sequestration of Medicare and of all other nonexempt direct spending programs together produce the required outlay savings.

(b) OUTLAY SAVINGS.—In determining the amount by which a sequestration offsets a budget-year debit, OMB shall count—

(1) the amount by which the sequestration in a crop year of crop support payments, pursuant to section 256(j) of BBEDCA, reduces outlays in the budget year and the subsequent fiscal year;

(2) the amount by which the sequestration of Medicare payments in the 12-month period following the sequestration order, pursuant to section 256(d) of BBEDCA, reduces outlays in the budget year and the subsequent fiscal year; and

(3) the amount by which the sequestration in the budget year of the budgetary resources of other nonexempt mandatory programs reduces outlays in the budget year and in the subsequent fiscal year.

SEC. 7. CURRENT POLICY ADJUSTMENT TO THE CBO ESTIMATES.

(a) PURPOSE.—The purpose of this section is to provide for adjustments of estimates of budgetary effects of PAYGO legislation for legislation affecting four areas of the budget—

(1) payments made under section 1848 of the Social Security Act (titled Payment for Physicians' Services);

(2) the Estate and Gift Tax under subtitle B of the Internal Revenue Code of 1986;

(3) the AMT; and

(4) provisions of EGTRRA or JGTRRA that amended the Internal Revenue Code of 1986 (or provisions in later statutes further amending the amendments made by EGTRRA or JGTRRA), other than—

(A) the provisions of those two Acts that were made permanent by the Pension Protection Act of 2006 (Public Law 109–280);

(B) amendments to the estate and gift tax referred to in paragraph (2);

(C) the AMT referred to in paragraph (3);

(D) the 35 percent bracket and that portion of the 33 percent bracket that applies to taxable income greater than $200,000 for an individual and $250,000 for a couple; and

(E) provisions in those two Acts relating to taxes rates on capital gains and dividends.

(b) MEDICARE PAYMENTS TO PHYSICIANS.—

(1) CRITERIA.—Legislation that includes provisions amending or superseding the system of payments under section 1848 of the Social Security Act shall trigger the current policy adjustment required by this Act.

(2) ADJUSTMENT.—The amount of the maximum current policy adjustment shall be the difference between—

(A) estimated net outlays attributable to the payments made to physicians under that section of the Social Security Act (as scheduled on July 15, 2009, to be in effect); and

(B) what those net outlays would have been if the nominal payment rates and related parameters in effect for 2009 had been in effect thereafter without change.

(c) ESTATE AND GIFT TAX.—

(1) CRITERIA.—Legislation that includes provisions amending the Estate and Gift Tax under subtitle B of the Internal Revenue Code of 1986 shall trigger the current policy adjustment required by this Act.

(2) ADJUSTMENT.—The amount of the maximum current policy adjustment shall be the difference between—

(A) total revenues projected to be collected under the Internal Revenue Code of 1986 (as scheduled on July 15, 2009, to be in effect); and

(B) what those revenue collections would have been if, on the date of enactment of the legislation meeting the criteria in paragraph (1), estate and gift tax law had instead been amended so that the tax rates, nominal exemption amounts, and related parameters in effect for tax year 2009 had remained in effect thereafter without change.

(d) PERMANENT EXTENSION OF MIDDLE-CLASS TAX CUTS AND AMT RELIEF.—

(1) CRITERIA.—Legislation that includes provisions extending middle-class tax cuts or AMT relief shall trigger the current policy adjustment required by this Act if those provisions extend one or more of the following provisions—

(A) AMT relief for calendar year 2010 and subsequent years in such a manner that the number of AMT taxpayers is not estimated to exceed the number of AMT taxpayers in tax year 2008 in any year through the tenth year after enactment;

(B) the 10 percent bracket as in effect for tax year 2010, as provided for under section 101(a) of the Economic Growth and Tax Relief Reconciliation Act of 2001 and any later amendments through July 15, 2009;

(C) the child tax credit as in effect for tax year 2010, as provided for under section 201 of the Economic Growth and Tax Relief Reconciliation Act and any later amendments through July 15, 2009;

(D) tax benefits for married couples as in effect for tax year 2010, as provided for under title III of the Economic Growth and Tax Relief Reconciliation Act and any later amendments through July 15, 2009;

(E) the adoption credit as in effect in tax year 2010, as provided for under section 202 of the Economic Growth and Tax Relief Reconciliation Act of 2001 and any later amendments through July 15, 2009;

(F) the dependent care credit as in effect in tax year 2010, as provided for under section 204 of the Economic Growth and Tax Relief Reconciliation Act of 2001 and any later amendments through July 15, 2009;

(G) the employer-provided child care credit as in effect in tax year 2010, as provided for under section 205 of the Economic Growth and Tax Relief Reconciliation Act of 2001 and any later amendments through July 15, 2009;

(H) the education tax benefits as in effect in tax year 2010, as provided for under title IV of the Economic Growth and Tax Relief Reconciliation Act of 2001 and any later amendments through July 15, 2009;

(I) the 25 and 28 percent brackets as in effect for tax year 2010, as provided for under section 101(a) of the Economic Growth and Tax Relief Reconciliation Act of 2001 and any later amendments through July 15, 2009; and

(J) the 33 percent brackets as in effect for tax year 2010, as provided for under section 101(a) of the Economic Growth and Tax Relief Reconciliation Act of 2001 and any later amendment affecting taxpayers with taxable income of $200,000 or less for individuals and $250,000 or less for couples in calendar year 2010 and increased in each subsequent year by an amount equal to the cost of living adjustment determined under section 1(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, determined by substituting "calendar year

2008'' for ''calendar year 1992'' in subparagraph (B) thereof.

(2) ADJUSTMENT.—The amount of the maximum current policy adjustment shall be the difference between what total revenues would have been under the Internal Revenue Code of 1986 (as scheduled on July 15, 2009, to be in effect) and what revenues would be if legislation—

(A) permanently extending the AMT exemption and brackets in effect in tax year 2009 but increased in tax year 2010 and each subsequent tax year as indicated under subsection (d)(2)(B), along with any additional amount necessary to prevent the number of taxpayers who must pay AMT from increasing; and

(B) permanently extending the provisions identified in paragraph (1),

were enacted on the same day as the legislation referred to in paragraph (1).

SEC. 8. APPLICATION OF BBEDCA.

For purposes of this Act—

(1) notwithstanding section 275 of BBEDCA, the provisions of sections 255, 256, 257, and 274 of BBEDCA, as amended by this Act, shall apply to the provisions of this Act;

(2) references in sections 255, 256, 257, and 274 to ''this part'' or ''this title'' shall be interpreted as applying to this Act;

(3) references in sections 255, 256, 257, and 274 of BBEDCA to ''section 254'' shall be interpreted as referencing section 5 of this Act;

(4) the reference in section 256(b) of BBEDCA to ''section 252 or 253'' shall be interpreted as referencing section 5 of this Act;

(5) the reference in section 256(d)(1) of BBEDCA to ''section 252 or 253'' shall be interpreted as referencing section 6 of this Act;

(6) the reference in section 256(d)(4) of BBEDCA to ''section 252 or 253'' shall be interpreted as referencing section 5 of this Act;

(7) section 256(k) of BBEDCA shall apply to a sequestration, if any, under this Act; and

(8) references in section 257(e) of BBEDCA to ''section 251, 252, or 253'' shall be interpreted as referencing section 4 of this Act.

SEC. 9. TECHNICAL CORRECTIONS.

(a) Section 250(c)(18) of BBEDCA is amended by striking ''the expenses the Federal deposit insurance agencies'' and inserting ''the expenses of the Federal deposit insurance agencies''.

(b) Section 256(k)(1) of BBEDCA is amended by striking ''in paragraph (5)'' and inserting ''in paragraph (6)''.

SEC. 10. CONFORMING AMENDMENTS.

(a) Section 256(a) of BBEDCA is repealed.

(b) Section 256(b) of BBEDCA is amended by striking ''origination fees under sections 438(c)(2) and 455(c) of that Act shall each be increased by 0.50 percentage point.'' and inserting in lieu thereof ''origination fees under sections 438(c)(2) and (6) and 455(c) and loan processing and issuance fees under section 428(f)(1)(A)(ii) of that Act shall each be increased by the uniform percentage specified in that sequestration order, and, for student loans originated during the period of the sequestration, special allowance payments under section 438(b) of that Act accruing during the period of the sequestration shall be reduced by the uniform percentage specified in that sequestration order.''.

(c) Section 256(c) of BBEDCA is repealed.

(d) Section 256(d) of BBEDCA is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (5), and (6);

(2) by amending paragraph (1) to read as follows:

''(1) CALCULATION OF REDUCTION IN PAYMENT AMOUNTS.—To achieve the total percentage reduction in those programs required by section 252 or 253, subject to paragraph (2), and notwithstanding section 710 of the Social Security Act, OMB shall determine, and the applicable Presidential order under section 254 shall implement, the percentage reduction that shall apply, with respect to the health insurance programs under title XVIII of the Social Security Act—

''(A) in the case of parts A and B of such title, to individual payments for services furnished during the one-year period beginning on the first day of the first month beginning after the date the order is issued (or, if later, the date specified in paragraph (4)); and

''(B) in the case of parts C and D, to monthly payments under contracts under such parts for the same one-year period;

such that the reduction made in payments under that order shall achieve the required total percentage reduction in those payments for that period.'';

(3) by inserting after paragraph (1) the following:

''(2) UNIFORM REDUCTION RATE; MAXIMUM PERMISSIBLE REDUCTION.—Reductions in payments for programs and activities under such title XVIII pursuant to a sequestration order under section 254 shall be at a uniform rate, which shall not exceed 4 percent, across all such programs and activities subject to such order.'';

(4) by inserting after paragraph (3), as redesignated, the following:

''(4) TIMING OF SUBSEQUENT SEQUESTRATION ORDER.—A sequestration order required by section 252 or 253 with respect to programs under such title XVIII shall not take effect until the first month beginning after the end of the effective period of any prior sequestration order with respect to such programs, as determined in accordance with paragraph (1).'';

(5) in paragraph (6), as redesignated, to read as follows:

''(6) SEQUESTRATION DISREGARDED IN COMPUTING PAYMENT AMOUNTS.—The Secretary of Health and Human Services shall not take into account any reductions in payment amounts which have been or may be effected under this part, for purposes of computing any adjustments to payment rates under such title XVIII, specifically including—

''(A) the part C growth percentage under section 1853(c)(6);

''(B) the part D annual growth rate under section 1860D–2(b)(6); and

''(C) application of risk corridors to part D payment rates under section 1860D–15(e).''; and

(6) by adding after paragraph (6), as redesignated, the following:

''(7) EXEMPTIONS FROM SEQUESTRATION.—In addition to the programs and activities specified in section 255, the following shall be exempt from sequestration under this part:

''(A) PART D LOW-INCOME SUBSIDIES.—Premium and cost-sharing subsidies under section 1860D–14 of the Social Security Act.

''(B) PART D CATASTROPHIC SUBSIDY.—Payments under section 1860D–15(b) and (e)(2)(B) of the Social Security Act.

''(C) QUALIFIED INDIVIDUAL (QI) PREMIUMS.—Payments to States for coverage of Medicare cost-sharing for certain low-income Medicare beneficiaries under section 1933 of the Social Security Act.''.

SEC. 11. EXEMPT PROGRAMS AND ACTIVITIES.

(a) DESIGNATIONS.—Section 255 of BBEDCA is amended by redesignating subsection (i) as (j) and striking ''1998'' and inserting in lieu thereof ''2010''.

(b) SOCIAL SECURITY, VETERANS PROGRAMS, NET INTEREST, AND TAX CREDITS.—Subsections (a) through (d) of section 255 of BBEDCA are amended to read as follows

''(a) SOCIAL SECURITY BENEFITS AND TIER I RAILROAD RETIREMENT BENEFITS.—Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act (title 42, United States Code, section 401 et seq.), and benefits payable under section 231b(a), 231b(f)(2), 231c(a), and 231c(f) of title 45 United States Code, shall be exempt from reduction under any order issued under this part.

''(b) VETERANS PROGRAMS.—The following program shall be exempt from reduction under any order issued under this part—

''All programs administered by the Department of Veterans Affairs.

''Special Benefits for Certain World War II Veterans (28–0401–0–1–701).

''(c) NET INTEREST.—No reduction of payments for net interest (all of major functional category 900) shall be made under any order issued under this part.

''(d) REFUNDABLE INCOME TAX CREDITS.—Payments to individuals made pursuant to provisions of the Internal Revenue Code of 1986 establishing refundable tax credits shall be exempt from reduction under any order issued under this part.''.

(c) OTHER PROGRAMS AND ACTIVITIES, LOW-INCOME PROGRAMS, AND ECONOMIC RECOVERY PROGRAMS.—Subsections (g) and (h) of section 255 of BBEDCA are amended to read as follows:

''(g) OTHER PROGRAMS AND ACTIVITIES.—

''(1)(A) The following budget accounts and activities shall be exempt from reduction under any order issued under this part:

''Activities resulting from private donations, bequests, or voluntary contributions to the Government.

''Activities financed by voluntary payments to the Government for goods or services to be provided for such payments.

''Administration of Territories, Northern Mariana Islands Covenant grants (14–0412–0–1–808).

''Advances to the Unemployment Trust Fund and Other Funds (16–0327–0–1–600).

''Black Lung Disability Trust Fund Refinancing (16–0329–0–1–601).

''Bonneville Power Administration Fund and borrowing authority established pursuant to section 13 of Public Law 93–454 (1974), as amended (89–4045–0–3–271).

''Claims, Judgments, and Relief Acts (20–1895–0–1–808).

''Compact of Free Association (14–0415–0–1–808).

''Compensation of the President (11–0209–01–1–802).

''Comptroller of the Currency, Assessment Funds (20–8413–0–8–373).

''Continuing Fund, Southeastern Power Administration (89–5653–0–2–271).

''Continuing Fund, Southwestern Power Administration (89–5649–0–2–271).

''Dual Benefits Payments Account (60–0111–0–1–601).

''Emergency Fund, Western Area Power Administration (89–5069–0–2–271).

''Exchange Stabilization Fund (20–4444–0–3–155).

''Federal Deposit Insurance Corporation, Deposit Insurance Fund (51–4596–4–4–373).

''Federal Deposit Insurance Corporation, FSLIC Resolution Fund (51–4065–0–3–373).

''Federal Deposit Insurance Corporation, Noninterest Bearing Transaction Account Guarantee (51–4458–0–3–373).

''Federal Deposit Insurance Corporation, Senior Unsecured Debt Guarantee (51–4457–0–3–373).

''Federal Housing Finance Agency, Administrative Expenses (95–5532–0–2–371).

''Federal Payment to the District of Columbia Judicial Retirement and Survivors Annuity Fund (20–1713–0–1–752).

''Federal Payment to the District of Columbia Pension Fund (20–1714–0–1–601).

''Federal Payments to the Railroad Retirement Accounts (60–0113–0–1–601).

''Federal Reserve Bank Reimbursement Fund (20–1884–0–1–803).

''Financial Agent Services (20–1802–0–1–803).

''Foreign Military Sales Trust Fund (11–8242–0–7–155).

''Hazardous Waste Management, Conservation Reserve Program (12–4336–0–3–999).

''Host Nation Support Fund for Relocation (97–8337–0–7–051).

''Internal Revenue Collections for Puerto Rico (20–5737–0–2–806).

''Intragovernmental funds, including those from which the outlays are derived primarily from resources paid in from other government accounts, except to the extent such funds are augmented by direct appropriations for the fiscal year during which an order is in effect.

''Medical Facilities Guarantee and Loan Fund (75–9931–0–3–551).

''National Credit Union Administration, Central Liquidity Facility (25–4470–0–3–373).

''National Credit Union Administration, Corporate Credit Union Share Guarantee Program (25–4476–0–3–376).

''National Credit Union Administration, Credit Union Homeowners Affordability Relief Program (25–4473–0–3–371).

''National Credit Union Administration, Credit Union Share Insurance Fund (25–4468–0–3–373).

''National Credit Union Administration, Credit Union System Investment Program (25–4474–0–3–376).

''National Credit Union Administration, Operating fund (25–4056–0–3–373).

''National Credit Union Administration, Share Insurance Fund Corporate Debt Guarantee Program (25–4469–0–3–376).

''National Credit Union Administration, U.S. Central Federal Credit Union Capital Program (25–4475–0–3–376).

''Office of Thrift Supervision (20–4108–0–3–373).

''Panama Canal Commission Compensation Fund (16–5155–0–2–602).

''Payment of Vietnam and USS Pueblo prisoner-of-war claims within the Salaries and Expenses, Foreign Claims Settlement account (15–0100–0–1–153).

''Payment to Civil Service Retirement and Disability Fund (24–0200–0–1–805).

''Payment to Department of Defense Medicare-Eligible Retiree Health Care Fund (97–0850–0–1–054).

''Payment to Judiciary Trust Funds (10–0941–0–1–752).

''Payment to Military Retirement Fund (97–0040–0–1–054).

''Payment to the Foreign Service Retirement and Disability Fund (19–0540–0–1–153).

''Payments to Copyright Owners (03–5175–0–2–376).

''Payments to Health Care Trust Funds (75–0580–0–1–571).

''Payment to Radiation Exposure Compensation Trust Fund (15–0333–0–1–054).

''Payments to Social Security Trust Funds (28–0404–0–1–651).

''Payments to the United States Territories, Fiscal Assistance (14–0418–0–1–806).

''Payments to trust funds from excise taxes or other receipts properly creditable to such trust funds.

''Payments to widows and heirs of deceased Members of Congress (00–0215–0–1–801).

''Postal Service Fund (18–4020–0–3–372).

''Radiation Exposure Compensation Trust Fund (15–8116–0–1–054).

''Reimbursement to Federal Reserve Banks (20–0562–0–1–803).

''Salaries of Article III judges.

''Soldiers and Airmen's Home, payment of claims (84–8930–0–7–705).

''Tennessee Valley Authority Fund, except nonpower programs and activities (64–4110–0–3–999).

''Tribal and Indian trust accounts within the Department of the Interior which fund prior legal obligations of the Government or which are established pursuant to Acts of Congress regarding Federal management of tribal real property or other fiduciary responsibilities, including but not limited to Tribal Special Fund (14–5265–0–2–452), Tribal Trust Fund (14–8030–0–7–452), White Earth Settlement (14–2204–0–1–452), and Indian Water Rights and Habitat Acquisition (14–5505–0–2–303).

''United Mine Workers of America 1992 Benefit Plan (95–8260–0–7–551).

''United Mine Workers of America 1993 Benefit Plan (95–8535–0–7–551).

''United Mine Workers of America Combined Benefit Fund (95–8295–0–7–551).

''United States Enrichment Corporation Fund (95–4054–0–3–271).

''Universal Service Fund (27–5183–0–2–376).

''Vaccine Injury Compensation (75–0320–0–1–551).

''Vaccine Injury Compensation Program Trust Fund (20–8175–0–7–551).

''(B) The following Federal retirement and disability accounts and activities shall be exempt from reduction under any order issued under this part:

''Black Lung Disability Trust Fund (20–8144–0–7–601).

''Central Intelligence Agency Retirement and Disability System Fund (56–3400–0–1–054).

''Civil Service Retirement and Disability Fund (24–8135–0–7–602).

''Comptrollers general retirement system (05–0107–0–1–801).

''Contributions to U.S. Park Police annuity benefits, Other Permanent Appropriations (14–9924–0–2–303).

''Court of Appeals for Veterans Claims Retirement Fund (95–8290–0–7–705).

''Department of Defense Medicare-Eligible Retiree Health Care Fund (97–5472–0–2–551).

''District of Columbia Federal Pension Fund (20–5511–0–2–601).

''District of Columbia Judicial Retirement and Survivors Annuity Fund (20–8212–0–7–602).

''Energy Employees Occupational Illness Compensation Fund (16–1523–0–1–053).

''Foreign National Employees Separation Pay (97–8165–0–7–051).

''Foreign Service National Defined Contributions Retirement Fund (19–5497–0–2–602).

''Foreign Service National Separation Liability Trust Fund (19–8340–0–7–602).

''Foreign Service Retirement and Disability Fund(19–8186–0–7–602).

''Government Payment for Annuitants, Employees Health Benefits (24–0206–0–1–551).

''Government Payment for Annuitants, Employee Life Insurance (24–0500–0–1–602).

''Judicial Officers' Retirement Fund (10–8122–0–7–602).

''Judicial Survivors' Annuities Fund (10–8110–0–7–602).

''Military Retirement Fund (97–8097–0–7–602).

''National Railroad Retirement Investment Trust (60–8118–0–7–601).

''National Oceanic and Atmospheric Administration retirement (13–1450–0–1–306).

''Pensions for former Presidents (47–0105–0–1–802).

''Postal Service Retiree Health Benefits Fund (24–5391–0–2–551).

''Public Safety Officer Benefits (15–0403–0–1–754).

''Rail Industry Pension Fund (60–8011–0–7–601).

''Retired Pay, Coast Guard (70–0602–0–1–403).

''Retirement Pay and Medical Benefits for Commissioned Officers, Public Health Service (75–0379–0–1–551).

''Special Benefits for Disabled Coal Miners (16–0169–0–1–601).

''Special Benefits, Federal Employees' Compensation Act (16–1521–0–1–600).

''Special Workers Compensation Expenses (16–9971–0–7–601.)

''Tax Court Judges Survivors Annuity Fund (23–8115–0–7–602).

''United States Court of Federal Claims Judges' Retirement Fund (10–8124–0–7–602).

''United States Secret Service, DC Annuity (70–0400–0–1–751).

''Voluntary Separation Incentive Fund (97–8335–0–7–051).

''(2) Prior legal obligations of the Government in the following budget accounts and activities shall be exempt from any order issued under this part:

''Biomass Energy Development (20–0114–0–1–271).

''Check Forgery Insurance Fund (20–4109–0–3–803).

''Credit liquidating accounts.

''Credit reestimates.

''Employees Life Insurance Fund (24–8424–0–8–602).

''Federal Aviation Insurance Revolving Fund (69–4120–0–3–402).

''Federal Crop Insurance Corporation Fund (12–4085–0–3–351).

''Federal Emergency Management Agency, National Flood Insurance Fund (58–4236–0–3–453).

''Federal Home Loan Mortgage Corporation (Freddie Mac).

''Federal National Mortgage Corporation (Fannie Mae).

''Geothermal resources development fund (89–0206–0–1–271).

''Low-Rent Public Housing—Loans and Other Expenses (86–4098–0–3–604).

''Maritime Administration, War Risk Insurance Revolving Fund (69–4302–0–3–403).

''Natural Resource Damage Assessment Fund (14–1618–0–1–302).

''Overseas Private Investment Corporation, Noncredit Account (71–4184–0–3–151).

''Pension Benefit Guaranty Corporation Fund (16–4204–0–3–601).

''San Joaquin Restoration Fund (14–5537–0–2–301).

''Servicemembers' Group Life Insurance Fund (36–4009–0–3–701).

''Terrorism Insurance Program (20–0123–0–1–376).

''(h) LOW-INCOME PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

''Academic Competitiveness/Smart Grant Program (91–0205–0–1–502).

''Child Care Entitlement to States (75–1550–0–1–609).

''Child Enrollment Contingency Fund (75–5551–0–2–551).

''Child Nutrition Programs (with the exception of special milk programs) (12–3539–0–1–605).

''Children's Health Insurance Fund (75–0515–0–1–551).

''Commodity Supplemental Food Program (12–3507–0–1–605).

''Contingency Fund (75–1522–0–1–609).

''Family Support Programs (75–1501–0–1–609).

''Federal Pell Grants under section 401 Title IV of the Higher Education Act.

''Grants to States for Medicaid (75–0512–0–1–551).

''Payments for Foster Care and Permanency (75–1545–0–1–609).

''Supplemental Nutrition Assistance Program (12–3505–0–1–605).

''Supplemental Security Income Program (28–0406–0–1–609).

''Temporary Assistance for Needy Families (75–1552–0–1–609).''.

(d) ECONOMIC RECOVERY PROGRAMS.—Section 255 of BBEDCA is amended by adding the following after subsection (h):

''(i) ECONOMIC RECOVERY PROGRAMS.—The following programs shall be exempt from reduction under any order issued under this part:

''All programs enacted in, or increases in programs provided by, the American Recovery and Reinvestment Act of 2009.

''Exchange Stabilization Fund-Money Market Mutual Fund Guaranty Facility (20–4274–0–3–376).

''Financial Stabilization Reserve (20–0131–4–1–376).

''GSE Mortgage-Backed Securities Purchase Program Account (20–0126–0–1–371).

''GSE Preferred Stock Purchase Agreements (20–0125–0–1–371).

''Office of Financial Stability (20–0128–0–1–376).

''Special Inspector General for the Troubled Asset Relief Program (20–0133–0–1–376).

''Troubled Asset Relief Program Account (20–0132–0–1–376).

''Troubled Asset Relief Program Equity Purchase Program (20–0134–0–1–376).

''Troubled Asset Relief Program, Home Affordable Modification Program (20–0136–0–1–604).''.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the amendment in the nature of a substitute printed in part C of the report, if offered by the gentleman from Wisconsin (Mr. RYAN) or his designee, which shall be considered read, and shall be debatable for 30 minutes, equally divided and controlled by the proponent and an opponent.

The gentleman from South Carolina (Mr. SPRATT) and the gentleman from Wisconsin (Mr. RYAN) each will control 30 minutes.

The Chair recognizes the gentleman from South Carolina.

GENERAL LEAVE

Mr. SPRATT. Mr. Speaker, at this point I would also like to ask unanimous consent that Members have 5 legislative days to revise and extend and insert material relevant to the consideration of H.R. 2920 in the record.

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

There was no objection.

Mr. SPRATT. Mr. Speaker, I rise in strong support of the Statutory Pay-As-You-Go Act of 2009. To understand this bill, it's important and useful to understand its short history.

At the outset of the 1990s, Congress passed the Budget Enforcement Act to ensure that the Budget Summit Agreement would be carried out. Among these provisions was a rule called pay-as-you-go, PAYGO for short. At the time, critics distained and belittled our resort to budget process. They accused us of dodging the hard choices we had to make if we were going to wipe out the end of the deficit. But by the end of the 1990s, the budget was in surplus for the first time in 30 years, and it was clear that PAYGO had played an important part in our success.

In 2002, the Budget Enforcement Act was allowed to expire, and the President, President Bush, and the majority, the Republicans at that time, chose not to reinstate PAYGO. Without the process rule in place, the budget plunged from a surplus of $236 billion in the year 2000 to a deficit of $413 billion in the year 2004.

In April of 2005, in his congressional testimony, Alan Greenspan said, ''One of the real problems we had was allowing PAYGO to lapse in September of 2002, and were we to still be under a PAYGO regime, which I thought worked very well, I think we would have a lot fewer problems now.''

When Democrats took back the House, the reinstatement of PAYGO was at the top of our agenda. To expedite its passage, PAYGO was made a rule of the House the day we convened. Without support of the Bush administration, there was no prospect of getting statutory PAYGO enacted in law, but now with the support of the Obama administration, indeed, the underlying legislation we are pushing and advancing today was originally sent to us for filing by request from the President, Mr. Obama.

With the support of the Obama administration, we're in a position now to take a longer stride towards budget discipline by enacting statutory PAYGO into law. The Obama administration has inherited a colossal deficit swollen to accommodate massive recovery measures. As these measures pull us up out of the slump, we must focus attention on our longer-term fiscal fate.

By themselves, budget process rules cannot convert deficits into surpluses, but as in the 1990s, they can play a vital role. Statutory PAYGO works by reining in both new entitlement spending and new tax cuts. Both tend to be long lasting. They are easy to pass and hard to repeal. And by insisting in deficit neutrality for these new policies, PAYGO buffers the bottom line, holds it constant. Its terms are complex, but at its core, it's a commonsense rule that everybody can understand: When you are in deficit, don't make it worse. When you want to spend a dollar, save a dollar. Everybody can understand the commonsense logic of this bill.

I would add that PAYGO has not only been a commonsense idea that found its way into the rules of the House and the statute books, but it has traditionally received bipartisan report. Originally, it was enacted in 1990 under a Republican President and Democratic Congress. In 1997, it was extended under a Democratic President and a Republican Congress.

This is not a panacea—I wouldn't hold it out as that—but it is a significant step in the right direction. It was proven to work in the 1990s, and it needs to be reinstated for that purpose now.

I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, at this time I yield 4 minutes to myself.

Mr. Speaker, I wish the Budget Committee had an opportunity to mark up this bill; however, the decision was made to bypass the Budget Committee and go straight to the floor.

This bill is not a simple extension of current law. It bypasses the deliberate and transparent process, and we are rushing legislation to the floor. It's an ongoing trend of a disturbing trend, which is write legislation in the leadership offices, rush it to floor, ram it through Congress without legislators legislating. We have one of the most talented chairmen of the Budget Committee who knows more than anybody else how these laws work, Mr. SPRATT. It should have gone through his committee. Unfortunately, written in leadership, rushed to the floor, out it goes. That is a disturbing trend with how this Congress is working.

But let me talk about the need for fiscal restraint and fiscal discipline.

We concur, we agree that we have got to do some things to get our fiscal house in order. We need to equip Congress with more and better tools to get this budget under control. Unfortunately, this isn't the tool. This tool does not work. Let's look at PAYGO's track record thus far.

Since PAYGO was instituted as a rule here, the budget deficit under the last Republican budget was $161 billion. The budget today, the deficit is at $1.8 trillion, more than a tenfold increase.

Let me show you how much spending last year in increases were subject to PAYGO for this year's spending. Two percent. Two percent of the spending that has gone out the door this year was subject to PAYGO, 98 percent was not. That's $870 billion of new spending not subject to PAYGO.

Since the majority gave us this PAYGO rule, look at what has happened to deficits. $161 billion up to $1.8 trillion, deficits for as far as the eye can see never going below $600 billion, and in 10 years, above a trillion dollars. PAYGO does absolutely nothing to arrest that development, to address that.

More to the point, Mr. Speaker, PAYGO exempts, already, 40 percent of the budget, forty percent. All of the money the Federal Government spends on government agencies, and all that discretionary spending isn't even touched by PAYGO.

More to the point, Mr. Speaker, is that all of those unfunded liabilities we have, according to the General Accountability Office, $62 trillion of unfunded liabilities are already out there, due, promises made to taxpayers that the government right now doesn't have funded, to Medicare, to Medicaid, to Social Security. A mountain of debt is before us. And what does PAYGO do to address it? Absolutely nothing. PAYGO does nothing whatsoever to address the runaway entitlement problems we have today. It simply says if we're going to build new programs, new nondiscretionary, mandatory entitlement programs, then, and only then, should we pay for it.

We know the track record of something like this. Without spending caps, without reform to go after existing spending programs, this simply results in raising taxes.

So we believe that this is more or less a machine to raise taxes to pay for new and more costly government programs. It does nothing to attack the fact that we have trillions upon trillions of dollars of unfunded liabilities right now. It does nothing to attack the fact that just this year alone, discretionary spending is going up 8 percent, 11 percent for domestic discretionary spending. It ignores all of those things. It's really kind of like buying a fire extinguisher after your house has burned down. Congress is going to commit all of these fiscal crimes only to put PAYGO in place after they've been committed.

So, Mr. Speaker, this bill, as well intended as it may be, is not the solution. There are better ideas. And I only wished that we could have gone through the Budget Committee and collaborated in making this bill better.

With that, I will reserve the balance of my time.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas, a member of the committee, Mr. DOGGETT.

Mr. DOGGETT. As one economist concluded, it's easy to dodge your responsibilities but we cannot dodge the consequences of dodging our responsibilities.

For 8 long years, fiscal responsibility was abandoned by the Bush administration and its congressional enablers. When a difficult decision came along, they played a devastating game of dodgeball to the tune of, ''Don't worry, be happy.'' Well, record surpluses turned into record deficits and the economy began to collapse. This did not happen by accident.

Republican ideologues urged the irresponsible approach of fiscal deficit with more borrow-and-spend and tax cuts as the best tactic to starve government and ensure that Democrats would never be able to address the other deficits in our society: educational deficits, health care deficits, and more.

This year, with only 7 months so far to correct 8 years of failure, as we clean up the mess that we were given, we reaffirm our commitment to pay-as-you-go. And we're already making it a reality in one of the most significant challenges of our time, the health care deficit. We correct it without adding to the fiscal deficit. We're paying for long neglected health care reform by cutting costs in the system and taxing the few at the top who benefited the most from the Bush era.

Fiscal responsibility, fiscal security is national security. Today's vote signals that we are abandoning the Republicans' fiscal model, which is straight out of the Magic Kingdom. Their rule, like the first law of Disney, is that ''wishing will make it so.'' That may work well in the law of fairy tales, but it has been a budgeting disaster and an economic nightmare that we begin correcting today.

Mr. RYAN of Wisconsin. Mr. Speaker, I would like to yield 2 minutes to the distinguished gentleman from Ohio, a member of the Budget Committee, Mr. JORDAN.

Mr. JORDAN of Ohio. I thank the gentleman for yielding and for his continuing efforts to try to bring some fiscal sanity to this town and this place.

Mr. Speaker, I rise in opposition to this so-called Pay-As-You-Go bill. Most Americans, frankly, would label this tax-as-you-go.

Families and businesses across the country are tightening their belts, but this Congress keeps spending like there is no tomorrow, putting our country on a path towards bankruptcy. Now they're trying to get the American people to look the other way with the smokescreen called PAYGO.

Earlier this year, we offered a balanced budget. That's pay-as-you-go. But this bill doesn't balance the budget. For 3 years, we've been offering amendments both in committee and on this floor that would hold the line on spending. That's really pay-as-you-go. But this bill doesn't hold the line on any spending. In fact, this bill is just another facade to allow spending and spending and spending.

Just remember, last week, for the first time in American history, we hit a $1 trillion deficit, and it's slated to go higher as we have a few months left in this fiscal year. Just to reiterate a couple points that the ranking member made in his opening comments.

Last year, with the pay-as-you-go rule that the majority had put in place, we exempted $420 billion worth of legislation from that very rule, and the deficit increased by $1.7 trillion. That's over a thousand percent increase over the current pay-as-you-go policy that the majority has had in place.

We need real pay-as-you-go. Our substitute offered by our ranking member, Mr. RYAN, is the right approach. It has spending caps. It has deficit targets. It takes the right approach to balance our budget. In fact, it's going to have a supermajority requirement, something we need to override the spending limits and caps in the bill. We don't need more of the smokescreens and empty promises that we always see from Washington. What we need is real fiscal responsibility.

Let me just say this. Over the next decade, the debt is slated to reach $23 trillion. Now think about what it takes to pay that off.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield the gentleman an additional minute.

Mr. JORDAN of Ohio. So $23 trillion. To pay that off, you first have to balance the budget, then you have to run a trillion-dollar surplus for 23 years, and that doesn't count the interest which is now approaching a billion dollars a day.

We need to get serious and not have these smokescreens and facades. We need real pay-as-you-go. We need real fiscal responsibility.

One of the things that makes this country great is the idea that parents make sacrifices for their children so they can have a better life than they did, and they in turn become adults and parents and do the same thing for their kids. And it's been that cycle that has allowed the United States to become the greatest Nation in history. When you begin to reverse that process and live for the moment and leave the debt to someone else, that is a real problem. Today we can do the right thing.

Vote this pay-as-you-go legislation down and enact the substitute version offered by Mr. RYAN. If we do that, we can start to move in the right direction and do what's right for our children and grandchildren.

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Mr. SPRATT. Mr. Speaker, I yield 4 minutes to the gentleman from California, who claims paternity of this bill, having first introduced the legislation calling for the PAYGO rule, Mr. MILLER.

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, I rise in very strong support of this legislation to help restore fiscal responsibility, and I salute President Obama and Majority Leader HOYER for their leadership on this important issue. Listening to this debate might leave the American people confused about Republican values. Republicans regularly declare their fidelity to controlling Federal spending, and they claim also that they want to fix our broken health care system. And yet Republicans oppose our commonsense pay-as-you-go legislation, and Republicans oppose our historic health care reform bill.

My question to the Republicans is simple: when they controlled the House, the Senate and the White House, all of our government, for 8 long years, why didn't they control Federal spending? Why didn't you reform the health care system? But what you did when you got power for the first time was you made your highest priority your tax cut to the richest people in this country without paying for it. The rest of us have been paying for it forever.

In 2001, you did it, and in 2002 you did it, turning the budget surpluses into massive deficits. Why is it they added a record number of earmarks to the appropriations bill, running the deficit up even further? And why is it that in 8 years, they never ever made health care reform a priority? Not ever. Not ever in those 8 years.

Meanwhile, Americans' health care bills keep rising, the insurance companies continue denials of care, and the number of the uninsured have continued to grow. Eight years of all-Republican government, spending the taxpayers' money like a drunken sailor, and, as Ronald Reagan said, with full apologies to the sailor, raising deficits to historic levels and inaction on health care of any kind of reform. But they have made rhetoric a priority. And they have made politics as usual a priority.

Now that they are out of power, they speak about controlling deficits and reforming health care, but they openly state that they hope our President fails. Their hope for our Nation is that our President fails. I have been a supporter for pay-as-you-go budgeting since 1982, when I introduced the first pay-as-you-go bill. When liberals and conservatives worked together with President Clinton to adopt the PAYGO rules, the Democrats reined in and erased the historic budget deficits that were left over from President Reagan and President Bush from the 1980s and the 1990s. And we recorded record budget surpluses. We ran surpluses a number of years in a row. President Bush and the Republican-controlled Congress, when they gained power, they erased it. They repealed the law.

And now what we see is the interest payments on that debt crowding out the national priorities. In 2007, Democrats made PAYGO part of our rules again. Our legislation today strengthens those rules by making it part of the law so the Senate and the House will have to abide by it. Our bill says Congress could neither cut taxes nor increase entitlement spending without first deciding how you can afford to pay for these new costs. PAYGO requires difficult decisions about national priorities and how to afford them. If we can't pay for new tax cuts or entitlement spending, we can't have them. It's simple, it's common sense, and it helps reduce the deficit.

PAYGO will strengthen the economy by helping to reduce interest payments on our debt and by helping to address health care reform, modernizing energy policy and college affordability. Our health care bill, for example, will not increase the deficit one dime. It is paid for. Our new college affordability bill is not only paid for, it returns $10 billion in deficit reduction to the American people. The Democrats are working hard to ensure that, going forward, we can exercise fiscal discipline that hard-working Americans need and expect from this Congress. I urge my colleagues to vote ''yes'' on PAYGO.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 30 seconds to simply comment on the last speaker's points.

He is right in saying the last majority did spend too much money. A number of us criticized that. A number of us, Mr. HENSARLING and I in particular, came to the floor with budget enforcement legislation. A minority of the majority at the time voted against it, and all but a few in the then-minority voted against it, supplied the votes to say ''no'' to any kind of budget enforcement. But more to the point, spending did grow by too much in the prior 8 years. But look at it now, Mr. Speaker. If you thought spending was fast then, holy cow, it is really fast now.

With that, Mr. Speaker, I would like to yield 2½ minutes to a member of the Budget Committee, Mr. MCHENRY.

Mr. MCHENRY. Mr. Speaker, I thank the ranking member for yielding. Today I rise in opposition to the Democrats' so-called PAYGO scheme. It sounds good, but the reality is far different from the sound of it. It does nothing to control out-of-control spending and reckless government spending. The proposal does nothing to hold accountable discretionary spending, which is 40 percent of the budget.

As American families face difficult decisions about every dollar they spend, the majority of this Congress believes that 40 percent of their budget should be exempt from fiscal discipline. Because Congress must show the fortitude and resolve to rein in these spending issues and to control reckless spending, I support the Republican alternative. The Republican alternative sets discretionary spending caps for the next decade. The caps would not impact defense, veterans funding or Social Security. And to adequately fulfill our obligations, discretionary spending would be allowed to grow at the rate of inflation.

Unlike the majority of this Congress, our proposal would reduce budget deficits in the years to come. It's noteworthy that this PAYGO scheme has been the rule of the House for the last 3 years. Well, what has happened in the last 3 years? Federal spending went from $2.7 trillion to $3.6 trillion. That is a 25 percent increase, Mr. Speaker. Why? Well, simple. The Democrat majority chooses to waive the rule when it is inconvenient and simply spend like drunken sailors. It is unfortunate. In order to have fiscal discipline and in order to rein in reckless spending and the debt it fuels, we need to focus on these issues and have real spending caps.

It is counterproductive for this Congress to spend so much because it will hurt our economy, and yet the folks in charge of this Congress are spending, spending, spending. I think that is going to have a negative impact on our economy, small businesses and families alike. The Nation's finances are on an unsustainable path. Everyone knows that. The majority's reckless PAYGO scheme does nothing and misses a great opportunity for us to rein in spending.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS) who has been a prime mover behind this bill and is the originator of the idea that it should not be a 5 or 10-year bill, but a permanent law.

Mr. EDWARDS of Texas. Mr. Speaker, we have a moral obligation to not drown our children in a sea of national debt, and that is why I'm strongly supporting this pay-as-you-go legislation. I believe history will show that one of the worst mistakes made by the Republican-led Congress of the past decade was to not extend the Federal PAYGO rules in 2002. The facts speak for themselves. We went from a projected 10-year Federal surplus of $5.6 trillion to a deficit of $4.5 trillion, an astounding $10 trillion fiscal u-turn. For the good of our children and our country's future, it is time to correct that mistake and to see that it never happens again.

The pay-as-you-go principle is one that American families and businesses understand. It's common sense, and they get it. Unfortunately, some of the Members of Congress who are the architects of the largest deficits in American history, those who created the deficits they now rail against on a daily basis, don't get it. In speech after speech, they sing the siren song of fiscal responsibility, yet today they will vote against the commonsense pay-as-you-go law. I'm proud to have led the fight to make this new pay-as-you-go bill a permanent law, not a temporary one.

The PAYGO principle makes sense for this Congress and for all future Congresses. Had it been made permanent in the 1990s, our national debt today would be trillions less and our children's future far brighter. We cannot correct overnight the irresponsible fiscal decisions of the past decade, but with this PAYGO bill as the permanent law of the land, we will begin the important process of reducing deficits and balancing the Federal budget. That, more than any speech, is what our children and our country deserve.

Mr. RYAN of Wisconsin. Yielding myself 10 seconds, Mr. Speaker, I will simply say that the majority just passed a budget resolution under the current PAYGO regime that doubles the national debt in 5½ years and triples it in 10½ years.

With that, Mr. Speaker, I would like to yield 2½ minutes to the gentlewoman from Wyoming (Mrs. LUMMIS).

Mrs. LUMMIS. I thank the gentleman for yielding. Our deficit will soar to $1.8 trillion this year. The President's budget will triple our debt in 10 years and still under this bill be PAYGO-compliant. That is how disingenuous this bill is. This bill is so disingenuous that they didn't even allow it to go through the Budget Committee for fear, perhaps, that the distinguished chairman of the Budget Committee might come up with something more reasonable.

Instead, it is the ranking member that had to come up with something more reasonable. Families in Wyoming and across the Nation don't have the luxury of exempting 40 percent of their budget from balancing. But this PAYGO bill does. Forty percent of the budget is off the table. It doesn't have to play the PAYGO game. This is sleight of hand. I ask my colleagues on both sides of the aisle to reject this bill, which falls woefully short of its goals. Let's slow entitlement growth. Let's control Congress' insatiable appetite for spending. Let's pass the Paul Ryan alternative.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. VAN HOLLEN).

Mr. VAN HOLLEN. Mr. Speaker, I rise in strong support of this legislation. On the day he was sworn in as President, President Obama inherited huge deficits and exploding debt in this country. The previous administration wanted to put everything on our national credit card and ask future generations to pay for it.

It's time to put an end to this, and this bill today is the beginning of the end of irresponsible spending. It's the end of sweeping our problems under the rug and saying we're going to put them off to another day. And we have seen the impact this kind of budget mechanism can have. We saw it in the 1990s, during which we had a PAYGO rule in place and we saw our deficits and debts go from record deficits to record surpluses. And when we abandon that, when we abandoned that fiscal discipline rule in 2002, we saw our Federal debt explode.

As we dig ourselves out of this economic ditch we find ourselves in, it is important that we put our economy on a long-term, sustainable basis, and this legislation is part of doing that. It will require that policies that result in revenue reduction or increased mandatory spending be offset over the next 5 and 10 years. That will require us to take a hard look at our national priorities. It will require us to look at the tradeoffs that we have to make, just like every family in America has to make those hard decisions. We say let's apply that rule to the United States Congress.

Unfortunately, as we saw from the last administration, there was a lot of talk but no action. Mr. Speaker, what this does is say this isn't just going to be a House rule. This is going to be a matter of the law of the land. And while it can never be a total substitute for our ability to muster the political will to get things done, history has been a clear guide that this helps us get the job done.

So I want to commend Leader HOYER, Mr. SPRATT and the others for bringing this important legislation to the floor. Let's finally say to our children and our grandchildren, We're going to take some responsibility. The buck stops here. Let's stop passing on our problems to the next generation.

Mr. RYAN of Wisconsin. Mr. Speaker, at this time, I would like to yield 3 minutes to the gentleman from California (Mr. DANIEL E. LUNGREN).

Mr. DANIEL E. LUNGREN of California. Mr. Speaker, I thank the gentleman for yielding. When I returned to this House Chamber in 2005, it was obvious to me that we were spending too much money on the Federal level. It was obvious to me that Uncle Sam needed a diet at that time. But at this time, it is even worse. We need what I would call a budgetary gastrointestinal bypass. And instead, what do you bring to the floor? You bring us cosmetic surgery. You give us a fiscal facelift. It looks good, but there is nothing behind the mask.

All you have to do is look at the figures. Since my friend from South Carolina has been chairman, he has been allowed to be called "chairman," since his colleagues on the Democratic side have been allowed to be called "chairmen," "chairwomen," "chairpersons," in other words, since they have been in charge of this place, what has happened with the spending in this place? It has gotten worse. You complained about overspending, and then you came in and you saw the patient and you put the patient on a diet of milkshakes.

We are in real trouble today, and everybody knows it. Now what did we do last week? We decided the fiscal situation in this country was so bad we needed to have a new program for wild horses at a cost of $700 million. Seven hundred million dollars. Millions of more acres were closed up for that purpose, but $700 million dropped on the laps of the American taxpayer. And this week you're trying to sell us a story that somehow you're concerned about overspending. The American people really are a little bit sharper than that. They understand that when you complain about overspending, and yet in the first opportunity you have to have your President in the White House to control both Houses, we pass the magic trillion-dollar mark. Yes, we had in the very same week for the first time in our dictionary "earmarks" listed as a word that is now conventional language. In that same week, we set the record $1 trillion deficit in a single fiscal year.

So after a while, you can keep looking back, you can keep pointing to the mirror, you can keep saying, Look at what those guys did. But at some point in time, you have to use an old expression, "You've got to man up." You've got to actually say you're responsible for the actions taking place right now, and those actions have given us the largest deficit in the history of the world.

□ 1315

We are going to double all of the debt that we have garnered from George Washington to George W. Bush in 5 years, and we're going to triple it in 10 years. I know that's not the intent of the gentleman from South Carolina, for whom I have great respect. I know it's a heavy burden he has to try and carry this Democratic proposal and the administration's proposal. And I understand he would rather not be in this position. But he finds himself in this position, Mr. Speaker, and all I can say to my good friend on the other side of the aisle is, I'm so sorry. I'm so sorry you have to do this.

Mr. SPRATT. Let me simply respond by saying, I'm glad to bring this to the floor. I voted for it in the past, saw it work, and I think it's going to work again. As I said, it's not a panacea, but it's a useful device to have in our arsenal of weapons to deal with the recession we're in.

By the way, the recession that we're in, which has caused us to suffer a huge swelling in the deficit, started in December of 2007, on the Bush watch. Wall Street fell apart in September of 2008. The TARP program was initiated in response to that. That too happened during the Bush watch. We're in the backwash of many fiscal policies and economic policies which happened on their watch, and we're now suffering the consequences of them.

I now yield 3 minutes to the gentleman from Vermont (Mr. WELCH).

Mr. WELCH. I thank the gentleman from South Carolina, and I thank my colleagues on the other side.

You know, Mr. Speaker, sometimes the American people don't pay attention to an awful lot of what we say here. And frequently, when they don't, they're right. If this debate is really about accusations and counteraccusations about who's responsible, we're not going to get anywhere.

The American people know we have to pay our bills. We have to, as a government, just like they have to do individually. And we have some honest debates about what should be our priorities.

I've been an admirer of the gentleman from Wisconsin (Mr. RYAN) in his persistence in talking about fiscal responsibility. I disagree with the gentleman from Wisconsin that the way to fiscal prosperity is by radical reduction of taxes for very wealthy people. That's a fair and honest debate.

On our side, there are some folks who think that the worthiness of the goal of health care for all Americans is its own justification and a way to pay for it. I disagree with that. If it is a worthy goal, we have to turn aspiration into affordable reality by paying for it.

And on the health care bill, which is a major priority for President Obama and for Members of Congress, we are going to bring to the floor a health care bill that is paid for and does not add to the budget deficit.

One of the major reasons that we should do this legislation is so that there is discipline on those of us who are advocating, either for tax cuts, because they believe that will be good for the economy, or for reform in health care, so that before we spend an extra dollar of our taxpayer money, we kick the tires of the system that we're affecting, like health care.

And we have come to the conclusion, on our side, that to achieve one of our greatest goals, and that is health care for every single American, that we've got to kick the tires of the health care system and kick them hard to squeeze out savings that we can.

This legislation, where we're accepting the burden of responsibility to pay for those programs we think are absolutely essential to the welfare of the American people, that we have the obligation of paying for it. And before we even look at taxes, we want to look at how we're wasting money. A dollar saved by cutting down waste is a dollar avoided in taxes.

So this legislation, whatever it is characterized, as a machine for spending, which, frankly, is absurd, is a machine for responsibility. And whether or not our colleagues want to characterize this politically or not, there is a reason, on our side, that we believe fiscal responsibility is a burden we should accept, and we will, with this legislation.

I thank the Budget Committee for its leadership on this.

Mr. RYAN of Wisconsin. Mr. Speaker, may I inquire as to how much time remains between the two sides?

The SPEAKER pro tempore. The gentleman from Wisconsin has 16 minutes remaining. The gentleman from South Carolina has 13½ minutes remaining.

Mr. RYAN of Wisconsin. Mr. Speaker, at this time I would like to yield 2 minutes to the senior member of the Budget Committee, Mr. GARRETT from New Jersey.

Mr. GARRETT of New Jersey. Mr. Speaker, I come to the floor today thrilled that the majority has finally decided to focus on their own recklessness, their out-of-control spending. So by bringing a statutory PAYGO bill now to the floor, we can definitely now conclude that, if they were left to their own devices, the Democrats would run this country's finances into the ground. I think it's basically an admission of guilt on their part that they simply cannot help themselves.

Frankly, I find it a little disingenuous that the majority is now raising the banner of fiscal responsibility, after hearing on this floor that the Republicans were the ones who were reckless when we were voting against their $800 billion stimulus bill. It's a little hard to listen to their calls now for spending restraint 4½ months after the Democrats passed, and the President signed, a $410 billion omnibus appropriation bill that contained over 9,000 earmarks.

So, lest we forget, earlier this year the House Democrats rammed a budget through this Congress that would double the national debt in 5 years, triple it in 10 years. This is spending that is already on the books, and PAYGO will do absolutely nothing to stop it.

Furthermore, their proposal now is seriously flawed. First of all, it only applies to increases or reductions in tax rates and any new or expanded entitlement programs. It basically does absolutely nothing, nothing to address the tidal wave of entitlement spending that we all know is coming in the very near future.

It also does absolutely nothing to address the waste, the fraud, the abuse of the taxpayer dollars that we have seen through the discretionary appropriation process.

So, basically, enacting their PAYGO at this point is really a little bit like closing the barn door after the horses have all gotten out.

Still, in conclusion, I want to come to this floor and say that I applaud the Democrats for their newfound interest in spending restraint. And if we truly want to do this and work in a bipartisan consensus on this issue, then I think we will achieve what we all seek.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Mr. Speaker, I rise to support this legislation, and I thank Leader HOYER and Chairman SPRATT and Chairman MILLER for their leadership on budget enforcement.

The issue is very simple. Congress must pay for what it spends. Pay-as-you-go budget enforcement rules in the nineties helped to balance the budget, realize consecutive surpluses, and project a 10-year, $5.6 trillion surplus, all the while tough decisions were being made by the Congress and the Clinton administration during a decade of increasing defense, health care and infrastructure costs.

In 2007, our new majority immediately renewed PAYGO, a great step towards fiscal responsibility, but not enough by itself. We need statutory authority, as this legislation and the President proposes, to guarantee PAYGO is enforced.

While the minority is quick to blame the administration and our majority for the current state of the Federal budget, it is important to remember that we didn't get here overnight or by accident. When PAYGO was allowed to expire by the Republicans in 2002, so also did budget discipline. The administration and Republican Congress made conscious decisions to enact the 2001 and 2003 tax cuts for the wealthy, while fighting two wars and expanding entitlements without paying for them, except by increasing the deficit.

These fiscally irresponsible decisions, among others, turned the surplus into the $1.3 trillion annual deficit President Obama inherited on the day he took office.

Over the last several months we have been forced to invest to arrest an economic collapse. But we must quickly return to sound fiscal discipline with PAYGO as a firm pillar of rebuilding our economy. This priority is already evident in commitments by the President and our leadership to pay for the health care reform, the highway bill, and other priorities that are currently working their way through the Congress.

Mr. Speaker, I urge my colleagues to support this legislation.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 30 seconds.

Let me simply say I misspoke earlier when I had said that a few Democrats voted for the Budget Control Act. I was wrong. No Democrats voted for the Budget Control Act when we had it here on the floor. Not a single Democrat voted in 2004 when we had the opportunity to pass real budget reform.

Unfortunately, some members of my party at the time voted ''no'' as well, and that's why it didn't pass.

Mr. Speaker, this is a fiscal facade. Nothing can change the fact that what this bill does is it basically is a situation where we commit all the fiscal crimes, then we outlaw them after they've been committed.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. RYAN of Wisconsin. I yield myself an additional 10 seconds to say we simply sweep under the rug $410 billion in spending, a $1 trillion stimulus, a new cap-and-tax system, pass this facade, and then a brand new $1 trillion health care bill.

This is a bitter pill to swallow for the American taxpayer, and we shouldn't swallow it.

Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. I thank the gentleman for yielding and for the great work that he does on the Budget Committee.

Almost every economist today will tell you that they're very much concerned about the future viability of America, primarily because of the ever increasing debt that we face in this country. I am pleased today that we are simply here discussing PAYGO though, because it is such an important concept.

I would also point out that the reason that I am not supporting the Democrats' PAYGO recommendation is primarily because it exempts 40 percent of the budget, all of the discretionary spending, from PAYGO rules and requirements.

It's also important for us to realize that in the 110th Congress, the PAYGO rule was waived 12 times, exempting $420 billion from non-offset deficit increases. I look forward to the gentleman from Wisconsin's substitute bill that will be debated later today.

But I would also like to point out that I introduced this afternoon a resolution that would change the House rules and require a point of order on any waiving of a PAYGO rule by the Rules Committee, so that if a bill comes to the floor and it has waived PAYGO, any Member could make a point of order, and it would require a vote on the House floor before that waiver could take effect.

In conclusion, I would simply like to say, I can't think of a more important subject to be debating today than PAYGO, because the major challenge that America faces today is our long-term debt and ever increasing debt that we face.

Mr. SPRATT. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. BOYD).

Mr. BOYD. Mr. Speaker, ladies and gentlemen, I rise today in favor of the legislation before the House. This PAYGO bill is a piece of legislation of which I've been an advocate for years. It brings me great satisfaction to see this bill with such broad support here in the House of Representatives.

I'm always intrigued, Mr. Speaker, by the language used here and the words and the rhetoric. And I heard the word used earlier by the gentlelady from Wyoming that some were disingenuous.

Mr. Speaker, I don't believe that my friend, Mr. RYAN, is disingenuous. I think he's a great American, and I think that he opposes this legislation because he believes it would create an automatic pay-for for tax cuts, and he just thinks that is wrong. I don't understand how we can consider paying for the great military we have, the Medicare programs, all of the issues that made this country a great place. I assume that they believe that we can go overseas and borrow that money from the Chinese, like we have for the last 6 or 8 years.

But, Mr. Speaker, sooner or later we will be buried under that mountain of debt. And when our creditors figure out that we can't pay it back, the house of cards will crumble.

My Blue Dog colleagues and I have, for years, introduced pay-as-you-go legislation that requires the government to pay for new programs that it creates. Throughout the Bush administration, however, it was difficult to get an audience. Thankfully, the very first bill that the Obama administration sent to this Congress was the PAYGO bill.

Furthermore, the leadership of this House, Speaker PELOSI and Majority Leader HOYER, have taken up this cause wholeheartedly. I also want to thank my chairman, the Budget Chairman, JOHN SPRATT, for his leadership, who worked with me during the creation of the fiscal 2010 budget that conditioned the enactment of some major policies this year on action of PAYGO in the House.

□ 1330

These leaders are responding to the deficit situation that we find ourselves in after years of reckless spending policies after the original bipartisan PAYGO was allowed to expire in 2002.

As you may have heard today, PAYGO was a tool used in the 1990s to help bring this country to record surpluses, Mr. Speaker. Given our current budgetary outlook, with the debt growing faster than our economy, we know we must act.

The President and our Democratic colleagues understand that we cannot continue business as usual the last 8 years in Washington on a number of levels, including our budget.

The enactment of this legislation is necessary to ensure our national security, our quality of life, and slow the drain on our economy. The world is watching to see if we are serious about turning this country's fiscal sinking ship around.

We did it in the 1990s, and we can do it again with this tool. The enactment of PAYGO, Mr. Speaker, in the 1990s was a bipartisan act. PAYGO should not be a partisan issue. Fiscal responsibility should not be a partisan issue. We all have a vested interest in making sure that our fiscal policies are sound.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SPRATT. I yield the gentleman 30 additional seconds.

Mr. BOYD. We know all too well that we cannot live on credit forever. This bill is the first step we need to take to ensure to restore fiscal sanity to Washington.

I believe that everyone here, Mr. Speaker, wants to leave a more prosperous country with a better standard of living for our children and grandchildren.

I urge my Republican colleagues, many of whom have stood up and supported the PAYGO concept in the past, to support this responsible legislation today. I, furthermore, challenge the Senate to share equally in our goal to balance our budget and ensure that new programs are paid for.

I urge a ''yes'' vote on this bill.

Mr. RYAN of Wisconsin. At this time, Mr. Speaker, I'd like to yield 2 minutes to the distinguished gentleman from California (Mr. CAMPBELL), a member of the Budget Committee.

Mr. CAMPBELL. I thank the gentleman from Wisconsin for yielding.

Mr. Speaker, PAYGO is a sham. Now, that's a very strong word, but the facts that support it are equally strong. In the last Congress since Democrats took control and PAYGO was enacted, $420 billion of new spending was exempted from its provisions. Over the last few weeks, this House has passed nine new spending bills. Every one of those new spending bills increased spending over the last year by as much as 22 percent, and not a single dollar of those spending increases was paid for. Every one will add to the deficit, add to the debt, and about 46 cents of every one of those dollars will be borrowed, primarily from the Chinese, Indians, and other foreigners.

The deficit has gone from $160 billion to nearly $2 trillion since PAYGO started. How does that make this a good thing? How is that an example of how this has worked to control spending and be fiscally responsible?

And in PAYGO, spending increases don't have to be paid for but tax cuts do, and there is nothing in here whatsoever to deal with our ballooning massive debt.

Mr. Speaker, PAYGO is nothing more than a public relations effort to make the most profligate Congress ever appear to be less profligate. The American people are not buying it.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE of Kansas. I thank Mr. SPRATT.

When I came to Congress in January 1999, our national debt stood at $5.6 trillion. Our country faced a very different fiscal situation than the one we have today. At that time fiscal restraint and the use of budget enforcement tools had helped turn around a dire financial situation and produce budget surpluses during the last 2 years of the Clinton administration.

Unfortunately, the PAYGO requirements that had been so effective in bringing about responsible budgeting through the 1990s were allowed to expire in 2002 by the previous majority, and the results speak for themselves. Our national debt increased and almost doubled in the past 8 years. The $5.6 trillion debt we had when I first came to office in 1999 now stands at $11.4 trillion.

Today, with H.R. 2920 we have a chance to help restore fiscal discipline in Washington and put our country back on a sustainable fiscal path. Our country should live as do most American families, within a budget. I have nine grandchildren; and it's absolutely wrong, it's immoral to mortgage their future and the future of other children and grandchildren in our country.

We should vote and pass H.R. 2920 for future generations in our country.

Mr. RYAN of Wisconsin. Mr. Speaker, at this time I yield myself 3 minutes.

Let me recap what's happening here, Mr. Speaker. This bill has good intentions. The gentleman bringing the bill to the floor has the best of intentions. He's a good man. This bill, however, Mr. Speaker, is a fiscal facade. It doesn't work. It's not like the bill that occurred back in the 1990s.

This bill has no spending caps, for example. This bill exempts 40 percent of all the spending we have in place today. How can you say that this makes the Federal Government work just like the family budget when you get to exempt 40 percent of the budget? Families don't get to do that.

If a family is already living beyond its means, if a family is spending on credit card money, if a family is spending more than it takes in, that's an unsustainable budget. This does nothing to change that.

The Federal Government is already living beyond its means. The Federal Government already is on an unsustainable fiscal course. The Federal Government already has a $1.8 trillion deficit this year. It's passing an 11 percent increase in all domestic agency spending. The Federal Government already has a $62 trillion debt unfunded liability. What does this PAYGO do about it? Nothing. Not a single thing about all of those fiscal problems.

This is not a bill to get Congress to live within its means. This is a bill to give Congress men and women an ability to put a press release out to make it look like they're being fiscally responsible in the most fiscally irresponsible Congress of all time.

Next week, Congress is going to create a new entitlement, a new unfunded entitlement that the Congressional Budget Office tells us will grow a lot faster than any spending cuts or revenue increases. We're going to create a new entitlement next week for health care on top of the other ones we already have, which are about $58 trillion in debt. We're going to do this bill after we've already spent an 11 percent increase on domestic spending programs, after we borrowed $1.1 trillion for a stimulus, after we passed a $410 billion bloated omnibus appropriations bill.

This is PR politics. This is press release. This is not fiscal conservatism, fiscal responsibility; and what's so unfortunate about this, Mr. Speaker, is I'd like to think we could have had a bipartisan agreement to fix this. If we had actually brought the Blue Dog bill to the floor, which included spending caps like we're going to be proposing, we could have had something that we could have all supported. Unfortunately, the leadership bypassed the committee, as is usual these days, ran this thing to the floor so they can get their press releases out before they create a brand-new entitlement next week.

It's sad, it's cynical, it's wrong, and the American people aren't buying it, Mr. Speaker.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentlewoman from Pennsylvania (Ms. SCHWARTZ), the vice chairman of our committee.

Ms. SCHWARTZ. Mr. Speaker, I rise today in support of the Statutory PAYGO Act that we are hopefully going to pass today.

Pay-as-you-go, or PAYGO, rules as we talk about them are fairly straightforward. Congress should pay for any new spending. There is a strong bipartisan history of support for PAYGO. In fact in the 1990s, as a result of statutory PAYGO, this country saw record deficits transformed into record surpluses.

Sadly, when those statutory PAYGO provisions expired in 2002, the former administration, with support from a Republican-controlled Congress, ignored the common sense of paying for new spending and turned our surpluses into mounting national debt, doubling the debt in 8 years.

But Democrats are serious about fiscal responsibility. In 2007, the Democratically controlled House set PAYGO rules, making a commitment. Again, any new spending would be budget neutral. And this year, we have reaffirmed this commitment to our rules, and we are determined to meet the President's goal of cutting the annual deficit in half in 4 years.

And now with the support of the current administration, we are reinforcing our commitment to fiscal responsibility by giving PAYGO the force of law.

As vice chairman of the House Budget Committee, I know how important it is to make wise, targeted investments for our future in energy independence, in health care, and economic growth; but we must do so in a deficit neutral way. To do so, we must ensure that any new spending is paid for.

And that is what we have done when we passed the energy bill. That is what we're doing as we move forward on health care reform, and it is what we're doing as we move forward, of course, on spending bills.

The statutory PAYGO is smart budgetary policy. It is common sense, and most importantly, it will guarantee our Nation's fiscal security. I urge support for fiscal responsibility for the future of our country and for our debt reduction by voting "yes" on statutory PAYGO.

Mr. RYAN of Wisconsin. Mr. Speaker, may I inquire of the chairman as to how many speakers he has remaining, as we have just one left.

Mr. SPRATT. We have one more speaker, and then I will close.

I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I thank my chairman and friend for yielding.

The proposition before the House today I think is rather direct, and here's what it is. If the House is going to vote for automatic spending for a proposition that spends the taxpayers' money every year without a separate vote, then it must offset that spending either by raising more revenue or cutting other automatic spending. If the House is going to reduce taxes on people, if the House is going to say that we're going to ask less of the American people in a given tax, then we must either raise some other source of revenue or reduce some other automatic spending in order to pay for that.

Now, I don't know why this is controversial in the sense that it seems logical if we're locking ourselves into higher spending or locking ourselves into lower revenue, whatever the purpose of that may be, that we should only borrow the money to do that under extraordinary circumstances.

The Education Committee yesterday gave a good example of how this ought to work. A lot of Members of the House want higher Pell Grant college scholarships and less expensive student loans, and so we passed a bill yesterday that does that, but we paid for the bill by reducing spending that I believe is corporate welfare to the banking system.

So here's what we did: we reduced that corporate welfare, increased Pell Grant scholarships, lowered the cost of student loans, and did some other things in education and had $10 billion left over to reduce the deficit. That's what pay-as-you-go yields. Rather than simply spending the money and borrowing to cover it, rather than simply reducing taxes and borrowing to cover it, it forces us to do what the sensible and rational thing is to do, and that's pay for it as you go.

This is not a Republican or Democratic idea. It's a commonsense idea, and I think the Members should all vote "yes."

Mr. RYAN of Wisconsin. Mr. Speaker, at this time I yield to the gentleman from Texas (Mr. HENSARLING), the vice ranking member of the committee, the rest of our time.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 6¾ minutes.

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, it is a sad, sad day yet again on the House floor. I do want to add my voice, though, in agreement with so many of my other colleagues talking about the bipartisan respect that we have for the chairman of the Budget Committee. And I suppose it was because he has bipartisan respect, as opposed to partisan respect, that the Speaker of the House decided to bypass him and the Budget Committee in bringing this legislation to the floor. Perhaps it was an opportunity to actually enact commonsense legislation.

Unfortunately, we'll never know that. We'll never know that, Mr. Speaker. And so what I've heard is speaker after speaker on the Democratic side of the aisle tell us that PAYGO just means, When you spend a dollar, you save a dollar. I believe I heard the distinguished chairman say that. And the President of the United States, in adding his support for this proposition, said, Congress can only spend a dollar if it saves a dollar elsewhere.

Now, Mr. Speaker, the use of the term "PAYGO" suggests one thing. The practice of PAYGO is something completely different.

Mr. Speaker, you can see from this chart exactly what PAYGO means in practice. These are the spending increases that were subject to so-called PAYGO in the 2009 fiscal year: 2 percent. Two percent, Mr. Speaker, of all spending was subject to PAYGO, this commonsense proposal. I'm not sure it's common sense to the American people to tell them that you're going to be fiscally responsible and then exempt 98 percent of all spending.

□ 1345

I don't believe that's common sense, Mr. Speaker. I don't believe it's common sense at all and, once again, what it tells us is we don't have a serious policy for fiscal responsibility or fiscal sanity here. What we have is fiscal flimflam.

We have a bumper sticker slogan that substitutes for a policy that needs to save our children and grandchildren from a sea of red ink, and so all of this spending is either exempt or somehow PAYGO gets magically waived.

Under this proposal, Mr. Speaker, nondefense discretionary spending is going to increase 9 percent. PAYGO is not subject to it. Overall discretionary spending increases 8 percent. PAYGO doesn't apply to it.

All our entitlement programs that are just exploding, exploding, Mr. Speaker, guess what? They're exempt as well. So Social Security grows almost 5 percent, Medicare grows almost 4.3 percent. So the slogan, the slogan doesn't match the policy.

I have the greatest amount of respect for the distinguished chairman. I have the greatest amount of respect for our President. But, Mr. Speaker, if you were a private company selling a product called PAYGO and you told the

American people that it means ''when you spend a dollar, you save a dollar,'' you'd get sued for false advertising. You would be fined. You would be fined for saying that. It is not a real policy.

Now, let's say if it was a real policy. We know it's not, but, Mr. Speaker, what if it was a real policy? What if those who brought this legislation really designed legislation that did what it said it was going to do? Well, unfortunately, under this Democratic Congress, we know that spending is out of control by any standard known in the history of mankind.

Already, since the Democrats have come to control the White House and Congress, we have seen an administration sign into law a $1.1 trillion government stimulus plan, costing every American household $9,810, including $10 million for urban canals and $100 million for a new after-school snack program.

We've seen them pass a $410 billion omnibus bill, costing every American family $3,534, including $150,000 for lobster research, $143,000 to develop and expand a comprehensive online encyclopedia.

We see them continue the cycle of bailouts: $13 billion for Chrysler, $47 billion for GM, another $30 billion for AIG, and the list goes on.

And what we have seen, Mr. Speaker, is now a budget that is going to increase, increase the Federal debt by a factor of three. It's going to triple, triple the Federal debt in the next 10 years. More Federal debt in the next 10 years than in the previous 220.

And so we see all of the spending that is out of control and so we say, Okay, if you really want to control this spending or if you really want to have pay-as-you-go and you're unwilling to control the spending, well, Mr. Speaker, that just leaves us with one other option. That is a 60 percent increase of income taxes on the American people.

So either one. Which is it is? Is it false advertising or do you really want to increase income taxes on the American people by 60 percent? Which is it?

Again, what's happened since we've had this vaunted PAYGO? What's happened to deficits?

Well, I don't know how they manage to do it, Mr. Speaker, but in just 2 years under Democratic control we've seen the deficit go from $161 billion to now over $1 trillion. The first time, the first time in our Nation's history over $1 trillion, on its way to $1.8 trillion. That's already with having PAYGO in place, before we get the statutory version. I can't imagine how much worse it's going to be once somehow this gets enshrined.

So, again, what this is is an effort to put a bumper sticker on a huge problem. It's the Democrats going to the American people and saying, Please, stop us before we spend again. We just somehow can't control ourselves. And so this is supposed to be a Band-Aid on a fiscal life-threatening wound.

The American people deserve better, Mr. Speaker. They deserve the Republican alternative that puts real caps on spending and will save the American people.

Mr. SPRATT. Let me respond to some arguments that have been made and not responded to during the course of this argument.

First of all, the sequestration base, the programs which are subject to across-the-board cuts or abatement in the event that there is a deficit on the scorecard, why is that a narrow selection of programs? Because it's a cross section of programs purposely intended to reach a number of different constituent groups so that we will not use sequestration. Neither the President nor the Congress would want to use a meat cleaver like that.

We've said, knowing that it could happen if we defaulted in doing anything else, young people, old people, farmers, miners, a huge cross section of our constituencies are represented in that sequestration base to make it certain, clear that we would never resort to that particular base for making across-the-board cuts to put PAYGO back in balance.

Secondly, there's been repeated talk about, You passed PAYGO in the last Congress and look what happened. The truth of the matter is our Republican colleagues have never wanted to vote for PAYGO because it was always double-edged the way we proposed it. Double-edged meant yes, it would apply to mandatory spending increases, but it would also apply to tax cuts, because both have an adverse impact on the deficit bottom line.

They would never vote for the second edge, the double-edged sword, and consequently they have to come up with another explanation as to why they do not support it.

So they fall back on the economy itself. Look what happened to the economy after the adoption of the PAYGO rule in the 110th Congress. But, come on. This is a case where we have a coincidence, maybe, but not a correlation. The PAYGO rule had nothing to do with what happened to the economy. The Bush administration's economic and fiscal policies had a lot to do with what happened to the economy.

The fact that the Bush administration inherited a projected surplus of $565.6 trillion and turned it into a projected deficit of $3 trillion had an impact on the economy. The addition of $5 trillion to $6 trillion to our national debt had an impact on our economy. And don't forget the recession officially started during the Bush administration, December 2007. That's when it started.

And when it really got bad, when Wall Street nearly went under in September and October of 2008, that, too, was the Bush administration. And we voted up the TARP, and that's one of the reasons—the Troubled Asset Relief Program, a $700 billion program. When we voted that up, the Bush administration was still in office.

So there's the answer to the charge that somehow or another the PAYGO rule didn't do anything to affect the economic situation we find ourselves in.

The reason we are seeing the largest deficits in the history is we're in the longest recession since the Great Depression. It's had a profound impact on us. The incubation of those conditions occurred during the Bush administration.

So, Mr. Speaker, the facts stand. All during the 1990s, when we had the budget process rules in place, they contributed mightily. We had a good budget and the convergence of a good economy, and we put the budget back in balance by the year 1998.

The facts speak for themselves, and facts are stubborn things. The budget process rules worked before. They will work again, if we vote for the statutory PAYGO.

Mr. GENE GREEN of Texas. Mr. Speaker, I rise in support of the Statutory Pay-As-You-Go Act of 2009 to write into law the principles of fiscal responsibility brought about by the Democratic Congress.

H.R. 2920 requires Congress to offset the costs of tax cuts or increases in entitlement spending with savings elsewhere in the budget.

If the net effect of all legislation enacted during a session of Congress increased the deficit because Congress has not succeeded in paying for all the new costs that it has enacted, there would be an across-the-board reduction in certain mandatory programs.

In the 1990s, the Clinton Administration turned the deficits accumulated in the two previous presidencies into record surpluses. One of the key tools in this transformation was the PAYGO rule, which required Congress to find savings for the dollars it spent.

Unfortunately, after President Clinton left office, the next Administration and Congress regularly waived PAYGO rules and ultimately allow them to expire in 2002.

After waiving and allowing these rules to expire, we saw the surplus built by the Clinton Administration vanish, and deficit spending resume—spending that will have to be repaid by our children and grandchildren.

Today, the United States has a $1.7 trillion deficit. A New York Times analysis attributes 90% of that deficit to the economic downturn, Bush Administration policies, and the extension of those policies. According to that analysis, only 7% of the deficit is attributable to the Economic Recovery Act passed earlier this year, which economists largely agree was a necessary emergency response to this recession.

Mr. Speaker, this is just good policy. For eight years, under the previous Administration, we saw deficit spending spiral out of control. Now many of those responsible for that spending are criticizing the majority and the current Administration for its spending policies, complaining that it is piling up debt for the next generation.

Today those individuals have a chance to vote for legislation that ensures any future programs are paid for, and reestablish the rules that led to control in government spending and budget surpluses in the 1990s.

I am an original cosponsor of this legislation, and I urge all my colleagues to join me in supporting H.R. 2920.

Mr. LEVIN. Mr. Speaker, I rise in support of the pay-as-you-go legislation before the House.

Across the length and breadth of this country, Americans are making some tough choices when it comes to their families' spending. They are tightening their belts and deferring major purchases. When they do buy something, consumers are increasingly choosing to pay for it with cash.

A similar choice is before the House today. Over the last eight years, Congress has dug itself a deep budget hole. The choice before us is whether to take a necessary step to stem the tide of red ink, or continue to pay lip service to the problem and dig the hole deeper.

It is disingenuous to suggest that the deficit problem began recently with the financial crisis and the recession. At the end of the 1990s, the federal government was balanced. We were actually running large budget surpluses and paying down the national debt. The pay-as-you-go rules that were in effect throughout the 1990s deserve a lot of credit. These rules simply said that Congress could only spend money for tax cuts and entitlement spending programs if they were fully paid for with savings elsewhere in the budget.

In 2002, the pay-as-you-go rules expired and the Republican-led Congress and the Bush Administration refused to extend them. Instead, the Administration and Congress went on a massive spending and tax cut spree. We all know the result. The public debt nearly doubled under the previous Administration, rising from $3.4 trillion in 2001 to $6.3 trillion on January 20, 2009.

We need to get back to commonsense budgeting. We know these rules work. Others will try and change the subject and say that runaway tax cuts are not the problem. The House needs to reject this argument and restore budget discipline where it is needed most.

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, federal government spending is out of control. Adjusted for inflation, this Majority has increased federal spending at a greater rate than during FDR's implementation of the New Deal.

It's hard to imagine that the Majority could spend so much in such a short period of time. Unfortunately, there is even more spending on the way in the form of a trillion dollar government takeover of health care. So much for controlling rising health care costs.

In fact, in recent testimony before the Senate Budget Committee, CBO Director, Douglas Elmendorf, made it clear that the federal government's budget is on an unsustainable path.

That is why I rise today, in support of increased transparency and accountability in the budget process. Sadly, the federal budget process has become a complex shell-game with dramatic and consequential long-term costs.

I believe the PAYGO legislation before the House today is a step in the right direction but it is only a step.

Unfortunately, this Majority has wavered in its commitment to PAYGO in the past, setting aside the PAYGO rule more than a dozen times since taking control of the House.

If the Majority continues to use budgeting gimmicks and adds more programs to the exclusion list, this legislation will not accomplish the goal of fiscal responsibility.

Mr. Speaker, Congress needs to make the tough choices that will put this country on the path towards fiscal responsibility and sustainability.

Mr. POSEY. Mr. Speaker, I rise in strong support of fiscal accountability and pay-go requirements. Unfortunately, the bill before us today misses the mark, will lead to higher taxes for all Americans, and it will allow federal spending and deficits to continue to grow unabated. Not only that, but this bill is totally unnecessary.

In 2007, House Democrats enacted a pay-go requirement in the House Rules. Their pay-go rules have been in place for more than two and a half years. Yet spending has grown out of control and taxes have been raised.

How could this be? Well, it's quite simple; all the majority has to do is include a provision that waives the House pay-go rules. It was done 14 times in the last Congress in order to approve $410 billion in increased spending. Not only that, but pay-go was used as the excuse for raising taxes 34 times. Somehow, pay-go has been waived time and again to increase spending, but when it comes to taxes it is the convenient excuse to raise them. Over this same period of time the federal deficit has increased from $162 billion to $1.7 trillion this year.

If Congress is really serious about pay-go all they have to do is to follow the House Rules. The House Rules already say that Congress must pay for legislation that passes the House. If they really want to have pay-go all they have to do is follow the rules they have in place and stop waiving the rules. Passing another law will not add discipline. It will simply be another law that can be waived with a one line sentence in future legislation, or they can designate the spending as ''emergency'' spending. That is what has been done in the past and there is no reason to believe it will be any different in the future.

Washington's problem is spending, yet H.R. 2920 exempts most government spending from the restrictions in this bill. The bill exempts from the pay-go requirements more than forty percent of the federal budget that is subject to annual appropriations bills, allowing discretionary spending to increase at levels exceeding the baseline level needed to simply keep up with inflation. Additionally, the bill exempts over 200 programs from the pay-go requirements including hundreds of billions of dollars in entitlement programs. When you add all these together there is very little to which pay-go applies.

So, what does this bill do? Not really much of anything. Already this year the Congress has passed a nearly $800 billion stimulus bill that even the Administration says is not working as expected, a $410 billion omnibus appropriation bill, a $350 billion TARP bailout, a $3.5 trillion federal budget, and nine appropriations bills that far exceed spending levels in last year's bills. And, somehow the American people are supposed to believe that the same ones who brought us this excessive spending are now getting serious about the budget deficit.

I am supportive of the substitute amendment that puts in place real spending discipline. Only with spending discipline will we lower the deficit. The alternative amendment sets a real cap on spending. Setting a spending cap is the only way to get spending under control. If H.R. 2920 is really about controlling the deficit, why does it not include a spending cap, at least curbing the rate of increase in spending? The alternative that I am voting for takes a serious step toward curbing spending by capping deficit spending at not more than 3 percent of Gross Domestic Product (GDP)—far below the 11 percent for the current year. Absent a real cap spending will continue to grow unabated.

Mr. THOMPSON of California. Mr. Speaker, today we are debating legislation that will establish in law the principle that our country should pay for what it buys.

I've been an advocate for Pay-as-you-go legislation, also known as PAYGO, since I was elected to Congress. It just makes sense—we shouldn't spend more money than we have.

PAYGO has a long history of success—in the 1990s it helped generate record surpluses.

However, when the Clinton administration left office, PAYGO was allowed to expire by the new administration. As a result, the record surpluses were wiped out.

We need to restore common sense to the Federal Government. While PAYGO is not a cure-all for deficits, it is a crucial first step toward reducing them. It puts our Nation on the road back to fiscal responsibility and restoring our Nation's fiscal health.

And, to make sure that future administration's can't change the PAYGO policy mid-stream, today we are enacting PAYGO into law.

Mr. DONNELLY of Indiana. Mr. Speaker, today I rise in strong support of H.R. 2920, the Statutory Pay-As-You-Go Act. As an original cosponsor of the bill, I urge all of my colleagues in the House of Representatives to vote for this legislation which I believe is crucially important to restoring our nation's fiscal health and setting us on a path to a stronger future.

Mr. Speaker, the American people are rightly troubled by Washington's failure to adhere to fiscal discipline. Under the previous administration, surpluses inherited from the Clinton administration were turned into record deficits. These deficits—which are financed by foreign investors like China—add to a growing national debt that will need to be repaid by our children and grandchildren, by no fault of their own.

As a member of the Blue Dogs, I believe that getting our fiscal house in order must be one of our Nation's top priorities. The American government must stop living beyond its means.

Mr. Speaker, the old adage holds true: when you find yourself in a hole, the first thing you need to do is stop digging. If we are to restore fiscal responsibility in Washington, we need to ''pay as we go'' so that we stop adding to the national debt. Hoosier working families do this day in and day out. They tighten their belts, make a budget, and then stick to it by making tough choices.

Since I came to Congress in 2007, we have made some important progress in restoring budget discipline, including the restoration of a Pay-As-You-Go rule in the House that requires all legislation that increases mandatory spending or creates new tax cuts to be offset by equal reductions in spending or tax increases before that bill is eligible for a vote.

The legislation under consideration today goes one important step further than the current PAYGO rule—it would give PAYGO the force of law. H.R. 2920 would instate "statutory PAYGO" requiring that new spending increases or new tax cuts passed over a two-year Congress be paid for. Statutory PAYGO alone will not solve all of our fiscal problems, but it will be an important enforcement tool to help keep spending in check.

Statutory PAYGO is not a new idea. It has been used before, and to great success. In the 1990's, President Clinton worked successfully with the Congress to use statutory Pay-As-You-Go to turn deficits into surpluses. Unfortunately, in 2002, the law was allowed to expire.

Mr. Speaker, today we mark an important day, as the House considers restoring PAYGO as the law of the land. I urge my colleagues to vote for H.R. 2920, to support stronger controls on spending, and take one more step to achieving fiscal responsibility and a stronger, more secure future.

Ms. KILPATRICK of Michigan. Mr. Speaker, I rise in opposition to H.R. 2920, the Statutory Pay-As-You-Go Act of 2009, While this legislation is well meaning, it would remove power from Congress for spending and give even more authority to the Executive Branch; it would not reduce spending or reduce the deficit; it removes the important role of the House Budget Committee and House Appropriations Committee in determining spending for the citizens and vital needs of the United States. Finally, Congress now has strong provisions ensuring that the budget is balanced. All we need to do is our job.

Why are we here? In 1990, Congress passed the bipartisan Budget Enforcement Act of 1990 as part of the Omnibus Budget Reconciliation Act of 1990. This law included a version of "pay-as-you-go" (PAYGO) requirement for new laws affecting mandatory spending and revenues, as well as annual limits on discretionary spending. This law expired in 2002. However, both the House and Senate have enforced PAYGO requirements through our own respective rules. As a member of the Appropriations Committee in both the U.S. House of Representatives and in the State of Michigan, I am used to making difficult decisions. The Appropriations Committee has to balance its budget and it has to pass its legislation on time in order for the Nation to function. Since the Democrats have been in the majority, earmarks—which account for 1 percent of the budget—have been reduced in both number and total. Discretionary spending has gone down. The Democratic leadership has mandated more disclosure, more openness and more transparency to the appropriations process.

The bill removes power from Congress for spending and gives it to the Executive Branch. The non-partisan Congressional Budget Office (CBO) states that "the legislation would shift some control over the budget process from the Congress to the executive branch in ways that could effectively require lawmakers to vote on legislation without a clear indication of the potential impact of their decisions on the triggering of a future sequestration." Congress alone has the Constitutional authority to protect and spend the people's purse—not the Executive branch.

The bill would not reduce spending nor reduce the deficit. If the PAYGO system provided for by the bill was used in place of the current congressional rules, CBO projects that the legislation's enactment could lead to larger future deficits. Compared with current PAYGO rules, CBO contends that the bill could lead to higher spending or lower revenues in future years by incorporating certain increases in spending and reductions in revenues into the baseline for budget enforcement purposes. According to CBO, the legislation could increase deficits through three different budgetary mechanisms—the proposed temporary rule to score certain changes in spending and revenues relative to "current policy" rather than current law; the bill's modification of the baseline's treatment of some expiring mandatory programs; and the bill's proposed new system for scoring legislation to convert discretionary programs to mandatory ones.

The bill removes the important role of the House Budget Committee and House Appropriations Committee in determining spending for our constituents. By mandating across-the-board cuts, the bill removes the role of both the Budget Committee and Appropriations Committee to make precise, detailed revenue reductions or program changes. Mandatory across-the-board spending cuts and sequestration sounds good, but in mandating that all programs take a cut, inevitably hurts worthwhile, meaningful programs. This is the role of the authorizing and Appropriations Committees in Congress. This is the reason why members of Congress are elected—to make difficult, tough decisions. As a member of the House Appropriations Committee, this is what we do all of the time.

The bill is not as strong as current PAYGO rules in Congress today. According to the Congressional Budget Office (CBO), the bill could "enhance overall budget enforcement," but only if combined with the Congress' existing PAYGO rules. If the PAYGO system provided for by the bill was used in place of the current congressional rules, CBO projects that the legislation's enactment could lead to larger future deficits. According to the Congressional Budget Office (CBO), the bill could "enhance overall budget enforcement," but only if combined with the Congress' existing PAYGO rules. If the PAYGO system provided for by the bill was used in place of the current congressional rules, CBO projects that the legislation's enactment could lead to larger future deficits.

The bill's mandatory across-the-board spending cut mechanism that is supposed to deter deficits is impractical. CBO believes that, under the bill, the power of mandatory cuts as a deterrent would be weakened for two reasons. First, the PAYGO scorecard would be based on the average annual budgetary effects of legislation over a 10-year period rather than "year-by-year effects." Second, the sequestration mechanism would expire after FY 2014. According to CBO, those two factors would require less budgetary discipline than a requirement to fully offset increases in spending on a year-by-year basis or to continue the sequestration enforcement mechanism indefinitely.

Congress should not abdicate its role. We are all elected by the people of our congressional districts to do a tough job. Those same people can judge by our record how well we have served and represented them. I welcome the challenge that comes with balancing the budget. I refuse to balance the budget by further eliminating or reducing programs like the Low Income Home Energy Assistance Program; like Food Stamps; or like the hundreds of other domestic programs that help women, children, senior citizens and families survive. Congress needs to retain control of the people's purse and not give the executive branch even more authority. We must make the difficult decisions on both revenue and spending cuts and increases and follow Congress' current, stronger PAYGO rules.

During a time when our country and my home state of Michigan is witnessing record unemployment, business losses and home foreclosures, it is time for elected leaders to do their job—lead. This legislation, while well meaning, abdicates the role of Congress and does not protect meaningful programs for children, women and families.

Mrs. BIGGERT. Mr. Speaker, I rise in opposition to H.R. 2920.

This year, the budget deficit is projected to grow nearly ten-fold from last year, due to several costly spending measures enacted over the past two years by this Congress.

Despite this spending spree, I do believe enacting statutory PAYGO would be good policy. We need to set the tone for long-term fiscal responsibility and prevent costly tax burdens for future generations.

Unfortunately, the bill before us is not a responsible and comprehensive deficit reduction approach that will yield results.

Because H.R. 2920 includes broad exemptions for over one hundred and sixty programs, there will be no way to reform entitlement spending without enacting tax increases to make up the difference. And, there is no excuse for higher taxes.

Perhaps the most glaring error with H.R. 2920 is that discretionary spending would not be subject to PAYGO restrictions.

That's why I supported the substitute amendment offered by Mr. RYAN of Wisconsin.

Mr. RYAN's amendment sets a cap on overall spending and appropriated spending in an effort to prevent our deficit from growing faster and larger than our economy.

Restoring caps on discretionary spending is paramount to fiscal discipline. Discretionary spending represents forty percent of our budget and excluding it from PAYGO requirements, as the underlying bill does, would be fatally irresponsible.

I urge my colleagues to oppose this bill.

Ms. GINNY BROWN-WAITE of Florida. Madam Speaker, federal government spending is out of control. Adjusted for inflation, this Majority has increased federal spending at a greater rate than during FDR's implementation of the New Deal.

It's hard to imagine that the Majority could spend so much in such a short period of time. Unfortunately, there is even more spending on the way in the form of a trillion dollar government takeover of health care. So much for controlling rising health care costs.

In fact, in recent testimony before the Senate Budget Committee, CBO Director, Douglas Elmendorf, made it clear that the federal government's budget is on an unsustainable path.

That is why I rise today, in support of increased transparency and accountability in the budget process. Sadly, the federal budget process has become a complex shell-game with dramatic and consequential long-term costs.

I believe the PAYGO legislation before the House today is a step in the right direction but it is only a step.

Unfortunately, this Majority has wavered in its commitment to PAYGO in the past, setting aside the PAYGO rule more than a dozen times since taking control of the House.

If the Majority continues to use budgeting gimmicks and adds more programs to the exclusion list, this legislation will not accomplish the goal of fiscal responsibility.

Mr. Speaker, Congress needs to make the tough choices that will put this country on the path towards fiscal responsibility and sustainability.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RYAN OF WISCONSIN

Mr. RYAN of Wisconsin. Mr. Speaker, I have an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment in the nature of a substitute printed in part C of House Report 111–217 offered by Mr. RYAN of Wisconsin:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Budget Control Act of 2009''.

(b) TABLE OF CONTENTS.—

TITLE I—DISCRETIONARY SPENDING LIMITS

SEC. 101. DISCRETIONARY SPENDING LIMITS.

Section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking paragraphs (1) through (13) and inserting the following new paragraphs:

''(1) For fiscal year 2010—

''(A) for the general purpose category, $1,048,000,000,000 in new budget authority and $1,302,000,000,000 in outlays;

''(B) for the overseas contingency operations category, $130,000,000,000 in new budget authority and $67,000,000,000 in outlays;

''(2) For fiscal year 2011—

''(A) for the general purpose category, $1,058,000,000,000 in new budget authority and $1,233,000,000,000 in outlays;

''(B) for the overseas contingency operations category, $50,000,000,000 in new budget authority and $70,000,000,000 in outlays;

''(3) For fiscal year 2012—

''(A) for the general purpose category, $1,069,000,000,000 in new budget authority and $1,171,000,000,000 in outlays;

''(B) for the overseas contingency operations category, $50,000,000,000 in new budget authority and $54,000,000,000 in outlays;

''(4) For fiscal year 2013—

''(A) for the general purpose category, $1,079,000,000,000 in new budget authority and $1,161,000,000,000 in outlays;

''(B) for the overseas contingency operations category, $50,000,000,000 in new budget authority and $50,000,000,000 in outlays;

''(5) For fiscal year 2014—

''(A) for the general purpose category, $1,094,000,000,000 in new budget authority and $1,161,000,000,000 in outlays;

''(B) for the overseas contingency operations category, $50,000,000,000 in new budget authority and $50,000,000,000 in outlays;''.

SEC. 102. ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS.

Section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

''(b) ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS.—

''(1) CONCEPTS AND DEFINITIONS.—When the President submits the budget under section 1105 of title 31, United States Code, OMB shall calculate and the budget shall include adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear to reflect changes in concepts and definitions. Such changes shall equal the baseline levels of new budget authority and outlays using up-to-date concepts and definitions minus those levels using the concepts and definitions in effect before such changes. Such changes may only be made after consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate and that consultation shall include written communication to such committees that affords such committees the opportunity to comment before official action is taken for such changes.

''(2) ADJUSTMENTS.—

''(A) EMERGENCY DESIGNATION.—If appropriations for discretionary accounts are enacted that the President designates as emergency requirements and that the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements and the outlays flowing in all fiscal years from such appropriations.

''(B) OVERSEAS CONTINGENCY OPERATIONS DESIGNATION.—If appropriations for discretionary accounts are enacted that the President designates as overseas contingency operations related to the global war on terrorism that the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as overseas contingency operations and the outlays flowing in all fiscal years from such appropriations.

''(3) SPECIAL OUTLAY ALLOWANCE.—If, in any fiscal year, outlays for a category exceed the discretionary spending limit for that category but new budget authority does not exceed its limit for that category (after application of the first step of a spending reduction described in subsection (a)(2), if necessary), the adjustment in outlays for a fiscal year is the amount of the excess but not to exceed 0.5 percent of the sum of the adjusted discretionary spending limits on outlays for that fiscal year.''.

SEC. 103. CONFORMING AMENDMENTS.

(1) Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''2002'' and inserting ''2019'' and by striking ''2006'' and inserting ''2019'';

(2) Sections 254(c)(2)(A) and (f) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended by striking ''2002'' and inserting ''2014''

TITLE II—TOTAL SPENDING LIMITS

SEC. 201. TOTAL SPENDING LIMITS.

TOTAL SPENDING LIMITS.—After section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985, add the following new section:

''SEC. 253A. ENFORCING TOTAL SPENDING LIMITS.

''(a) PROJECTIONS.—

''(1) LONG-TERM PROJECTIONS.—For each of at least 10 fiscal years within the guideline period:

''(A) OMB shall prepare a report of the projected spending amount and the guideline spending amount (as defined in section 250(c)) and include such report in the budget as submitted by the President annually under section 1105(a) of title 31, United States Code.

''(B) CBO shall prepare a report of the projected spending amount and the guideline spending amount (as defined in section 250(c)) and include such report in the CBO annual baseline and reestimate of the President's budget.

''(2) INCLUSION IN SPENDING REDUCTION ORDERS.—Reports prepared pursuant to subsection (a) shall be included in the spending reduction report set forth in subsection (b).

''(b) SPENDING REDUCTION REPORT.—Within 15 calendar days after Congress adjourns to end a session and on the same day as a spending reduction order (if any) under sections 251 and 253A, but after any spending reduction required by section 251, OMB shall issue a spending reduction report to reduce an excess spending amount (if any).

''(c) SPENDING REDUCTION ORDER.—A spending reduction ordered pursuant to subsection (b) shall be implemented using the procedures set forth in section 256A.

''(d) GUIDELINE PERIOD.—The guideline period shall be as follows:

''(1) Fiscal year 2010: 24.6 percent.

''(2) Fiscal year 2011: 23.2 percent.

''(3) Fiscal year 2012: 21.7 percent.

''(4) Fiscal year 2013: 21.7 percent.

''(5) Fiscal year 2014: 21.8percent.

''(6) Fiscal year 2015: 21.8 percent.

''(7) Fiscal year 2016: 21.7 percent.

''(8) Fiscal year 2017: 21.7 percent.

''(9) Fiscal year 2018: 21.7 percent.

''(10) Fiscal year 2019: 21.7 percent.

''(11) Fiscal year 2020 and each subsequent fiscal year: 21.7 percent.''.

SEC. 202. EFFECTIVE DATE.

This title shall apply to fiscal year 2010 and subsequent fiscal years.

TITLE III—DEFICIT LIMITS

SEC. 301. DEFICIT LIMITS.

Amend section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 to read as follows:

''SEC. 253. ENFORCING DEFICIT LIMITS.

''(a) ENFORCING DEFICIT LIMITS.— In this section, the term 'deficit limit' means an amount, as estimated by OMB, that equals—

''(1) 8 percent of GDP for 2010;

''(2) 6 percent of GDP for 2011;

''(3) 4 percent of GDP for 2012;

''(4) 3 percent of GDP for 2013;

''(5) 3 percent of GDP for 2014;

''(6) 3 percent of GDP for 2015;

''(7) 3 percent of GDP for 2016;

''(8) 3 percent of GDP for 2017;

''(9) 3 percent of GDP for 2018; and

''(10) 3 percent of GDP for 2019.

''(b) SPENDING REDUCTION REPORT.—Within 15 calendar days after Congress adjourns to end a session and on the same day as a spending reduction order (if any) under sections 251 and 253A, but after any spending reduction required by section 251 and 253A, OMB shall issue a spending reduction report to reduce an excess spending amount (if any).

''(c) SPENDING REDUCTION ORDER.—A spending reduction ordered pursuant to subsection (b) shall be implemented using the procedures set forth in section 256A.''

SEC. 302. EFFECTIVE DATE.

This title shall apply to fiscal year 2010 and subsequent fiscal years through fiscal year 2019.

TITLE IV—GENERAL PROVISIONS

SEC. 401. SPENDING REDUCTION ORDERS FOR TOTAL SPENDING LIMITS AND DEFICIT LIMITS.

The Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 256 the following:

"SEC. 256A. SPENDING REDUCTION ORDERS FOR TOTAL SPENDING LIMITS AND DEFICIT LIMITS.

''(a) APPLICATION.—A spending reduction order issued pursuant to this part shall apply to eliminate breaches of the limits set forth in sections 253 (deficit limits) and 253A (total spending limits) of the Balanced Budget and Emergency Deficit Control Act of 1985.

''(b) SPENDING REDUCTION ORDERS.—

''(1) ELIMINATING A SPENDING EXCESS.—OMB shall include in its spending reduction order a requirement that each spending account shall be reduced by an amount of budget authority calculated by multiplying the baseline level of budgetary resources in that account at that time by the uniform percentage necessary to reduce outlays sufficient to eliminate an excess spending amount.

''(2) EXEMPTIONS.—The following shall be exempt from reduction under any order issued under this part:

''(A) NET INTEREST.—Payments for net interest (set forth in function 900).

''(B) SOCIAL SECURITY.—Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

''(C) VETERANS PROGRAMS.—Benefits payable by the Department of Veterans affairs and other programs providing benefits to veterans.

''(D) OBLIGATED BALANCES.—Obligated balances of budget authority carried over from prior fiscal years shall be exempt from reduction under any order issued under this part.

''(E) CONSTITUTIONAL OBLIGATIONS.—Any obligations of the Federal Government required to be paid under the U.S. Constitution or contractual obligations as determined by OMB shall be exempt from reduction under any order issued under this part.

''(F) UNEMPLOYMENT INSURANCE.—Benefits payable under unemployment insurance payments.

''(G) EMERGENCY LEGISLATION.—Provisions of spending legislation the President designates as an emergency requirement and the Congress so designates in statute.

''(H) OVERSEAS CONTINGENCY OPERATIONS DESIGNATION.—Provisions of spending legislation the President designates as overseas contingency operations related to the global war on terrorism and the Congress so designates in statute.

''(I) DISCRETIONARY SPENDING.—Discretionary spending if the discretionary spending limits set forth in section 251(c) are not exceeded.

''(3) APPLICATION TO FAST GROWING PROGRAMS.—Any program whose growth in the budget year is less than the rate of inflation as determined by OMB shall be exempt from a spending reduction issued under this title.

''(4) LIMITATION ON SPENDING REDUCTIONS.—No program shall be subject to a spending reduction of more than 1 percent of its budgetary resources.

''(5) UNIFORM PERCENTAGE.—The percentage required to produce a spending reduction, as ordered by a spending reduction order, shall be calculated by OMB by adding all budgetary resources of the Government, and reducing that amount by an amount sufficient to reduce the total amount of outlays of the Government to equal, or lower, a level of outlays than the amount set forth in the guideline period.

''(6) EFFECT OF A SPENDING REDUCTION ORDER.—Upon the issue of a spending reduction order, a spending reduction shall be ordered for all nonexempt spending accounts. The spending reduction shall be effective as follows:

''(A) Budgetary resources subject to a spending reduction to any discretionary account shall be permanently cancelled.

''(B) The same percentage spending reduction shall apply to all programs, projects, and activities within a budget account (with programs, projects, and activities as delineated in the appropriation Act or accompanying report for the relevant fiscal year covering that account, or for accounts not included in appropriation Acts, as delineated in the most recently submitted President's budget).

''(C) Administrative regulations implementing a spending reduction shall be made within 120 days of the issue of a spending reduction order.

''(D) Budgetary resources subject to a spending reduction in revolving, trust, and special fund accounts and offsetting collections subject to a spending reduction in appropriation accounts shall not be available for obligation during the fiscal year in which the spending reduction is issued, and shall be available in subsequent years only to the extent as provided by law.

''(7) INAPPLICABILITY OF SECTIONS 255 AND 256.—Sections 255 and 256 shall not apply to spending reduction orders under this section.''.

SEC. 402. ENFORCEMENT PROCEDURES UNDER THE CONGRESSIONAL BUDGET ACT.

(a) ENFORCEMENT.—Title III of the Congressional Budget Act of 1974 is amended by adding after section 315 the following new section:

"SEC. 316. ENFORCEMENT PROCEDURES.

''(a) DISCRETIONARY SPENDING LIMITS.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, or conference report that includes any provision that would cause the discretionary spending limits as set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 to be exceeded.

''(b) TOTAL SPENDING LIMITS.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, or conference report that includes any provision that would cause the total spending limits set forth in section 253A of the Balanced Budget and Emergency Deficit Control Act of 1985 to be exceeded.

''(c) DEFICIT LIMITS.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, or conference report that includes any provision that would cause the total deficit limits set forth in section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 to be exceeded.

''(d) WAIVER OR SUSPENSION.—

''(1) IN THE SENATE.—The provisions of this section may be waived or suspended in the Senate only by the affirmative vote of two-thirds of the Members, duly chosen and sworn.

''(2) IN THE HOUSE.—The provisions of this section may be waived or suspended in the House of Representatives only by a rule or order proposing only to waive such provisions by an affirmative vote of two-thirds of the Members, duly chosen and sworn.

''(e) POINT OF ORDER PROTECTION.—In the House, it shall not be in order to consider a rule or order that waives the application of paragraph (2) of subsection (c).

''(f) MOTION TO SUSPEND.—It shall not be in order for the Speaker to entertain a motion to suspend the application of this section under clause 1 of rule XV.''.

(b) TABLE OF CONTENTS.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 315 the following new item:

''Sec. 316. Enforcement procedures.''.

SEC. 403. DEFINITIONS.

Section 250(c)(4) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking paragraph (4), redesignating the succeeding paragraphs accordingly, and adding the following paragraphs:

''(19) The term 'spending reduction' refers to the cancellation of budgetary resources provided by discretionary appropriations or mandatory spending.

''(20) The term 'GDP', for any fiscal year, means the gross domestic product during such fiscal year consistent with Department of Commerce definitions.

''(21) The term 'total spending' means the total aggregate outlays of the Federal Government.

''(22) The term 'guideline period' means the period of fiscal years set forth in section 253A(d).

''(23) The term 'projected spending amount' means the amount of total outlays of the Federal Government for a fiscal year within the guideline period.

''(24) The term 'guideline spending amount' means the amount of total outlays of the Federal Government for a fiscal year as a percentage of GDP for such fiscal year within the guideline period.

''(25) The term 'excess spending amount' means the amount by which a projected spending amount exceeds the guideline spending amount for a fiscal year within the guideline period.

''(26) The term 'spending reduction order' means a spending reduction order as defined in section 253A(c).

''(27) The term 'advance appropriation' means appropriations that first become available one fiscal year or more beyond the fiscal year for which an appropriation Act making such funds available is enacted.

''(28)(A) The term 'emergency requirement' means any provision that provides new budget authority and resulting outlays for a situation that poses a threat to life, property, or national security and is—

''(i) sudden, quickly coming into being, and not building up over time;

''(ii) an urgent, pressing, and compelling need requiring immediate action;

''(iii) unforeseen, unpredictable, and unanticipated; and

''(iv) not permanent, temporary in nature.

''(B) An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.''.

The SPEAKER pro tempore. Pursuant to House Resolution 665, the gentleman from Wisconsin (Mr. RYAN) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Speaker, as we mentioned earlier in the debate, we're offering better ideas. We think it's incumbent upon us on the big issues of the day, if we don't think the majority is going in the right direction, if we don't think they're offering the right ideas, it's not just enough for us to criticize and say we're against what they're doing. We owe it to our employers, the American people, our constituents, to offer an alternative. That's what we're doing right here today.

And I want to first say thank you to the majority leader and to the chairman for making it such that we can offer this alternative. Normally, in the minority one would naturally expect to offer a substitute. Unfortunately, that is not the norm these days, and I appreciate the fact that the majority leader and the chairman were true to their word and made it so that the minority could offer a substitute so that we, too, can say we think we have a better way forward.

Let me explain what our bill does, three basic components to our substitute bill. Caps on spending. So what we think ought to happen here is let's fix the problem. Let's focus on the problem. And what is the problem, Mr. Speaker? Spending, deficits, and debt are out of control.

First off, we propose caps on discretionary spending. Yes, caps on discretionary spending. When this was combined with PAYGO in the 1990s, it worked. It helped pave the way for surpluses. It's an idea that has enjoyed bipartisan support, until now.

So if you take a look at who really controls the deficits, the deficits under our substitute or the deficits under the majority's plan, our deficits are far lower. Still higher than I would like, but our deficits take this deficit down to no more than 3 percent of gross domestic product, which is what all economists say is a minimum. If your deficits are above 3 percent, then the debt spirals out of control. Unfortunately, under the Democrats' plan, their PAYGO bill, the deficits always stay above 3 percent, spiraling out of control, according to any economists if you ask them.

Second, we think we ought to have caps on total spending. Let's keep in mind just how big the Federal Government is relative to our constituents and the economy's ability to pay it.

So we propose a cap to keep the size of the Federal Government relative to where it has been in history, and no larger, meaning don't let the government grow faster than the economy. Don't let the government grow faster than our constituents have an ability to pay for it. Don't let the Federal budget grow faster than the family budget. And so what we also do is we have a cap on Federal spending as a percentage of GDP, gross domestic product.

What we are showing here is, yes, spending not only goes down and then stays in control, we keep spending historically where it has been, slightly above 20 percent of gross domestic product.

What does the Democratic PAYGO bill do? Nothing. It allows spending to grow far in excess of where it has been before, meaning what this Democratic PAYGO plan does is it locks in place the growth of the Federal Government so that it will grow faster and higher than it ever has in the history of this Republic.

What does the future look like under their version of fiscal control versus our version of fiscal control? Here's what the Federal Government looks like. Under the Democratic PAYGO bill, the Federal Government keeps growing forever and ever and ever.

Look at the moment in the middle of this chart. That's the moment when my three children who are 4, 6, and 7 years old are my age. And what the Democrat PAYGO bill says is the government will literally be twice as big as it is today for them at that time. Under our bill, we put the Federal Government on the pathway of sustainability.

It's really about this. The question is: Are we going to fulfill the American legacy or not? Are we going to face up to the challenges confronting this generation so that we can make the next generation better off? That is, after all, the lessons we were taught as Americans. We own up to the challenges confronting us so that our children and our grandchildren can have a better tomorrow.

Unfortunately, under the Democratic PAYGO bill, that's not the case. The Democratic PAYGO bill severs that tie. It breaks the American legacy. Here's what I mean when I say that.

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Here's what I mean when I say that: For the last 40 years, the size of our government has been relatively the same in that it's been consistent. About 20 percent of GDP has gone to the government. About 20 cents out of every dollar made in America has been spent by the Federal Government to run the Federal Government. Well, by the time my kids are my age, according to the current plan that we are on, 40 cents of every single dollar made must go to the Federal Government just to keep this government going for my kids at that age.

I asked the Congressional Budget Office, what would the tax rates on my three children, who are 4, 6 and 7 years old, have to be when they are my age, in their late thirties, if they are going to have to pay taxes to pay for all of this government we're consigning them to? Here's what the Congressional Budget Office said. They said the lowest tax bracket, the low-income Americans that pay 10 percent bracket, must go up to 25 percent. They said the middle-income tax brackets that middle-income Americans pay will have to go to 66 percent. And they said the top income tax bracket in America, the one that all the small businesses pay, the one that all the job creators pay, would go to 88 percent.

If we don't fix this problem these are the tax rates that will have to occur for the next generation. These are the tax rates that will occur on the next generation if you pass the Democratic PAYGO bill. If you pass the Republican substitute, we are putting the kinds of tools, the kinds of tools in place, the kind of enforcement and discipline in place to make sure that doesn't happen, to make Congress face up and fix these problems. We have three different spending caps enforced by sequesterers to make sure it actually happens, belts and suspenders to make sure Congress actually fixes this fiscal train wreck.

The question before us, Mr. Speaker, is: Will this generation, will the people right now elected by Americans face up to this reality? And this is the key question, Mr. Speaker. The sooner we do it, the better off everybody in America is. The sooner we tackle the spending that's out of control, the sooner we take ourselves off the reliance of debt purchases by China, India, Japan and everybody else, the sooner Americans can be in control of their own destiny and their own economy. The sooner we reform government and the entitlement programs that are presenting us with this $62 trillion unfunded liability, the more likely we can prevent those people in and near these programs, depending and counting on these programs, will not have severe disruption in their lives.

The more likely the kinds of changes that must happen can be phased in gradually. But every year we delay, every year we punt, every year we pass bills like this Democratic PAYGO bill, the more likely people will see severe disruption in their lives, the more likely you will have crushing tax increases, massive borrowing, unsustainable deficits, the more likely we will not be able to sell our bonds, the more likely our interest rates will go up, the more likely our tax rates will go up, the more likely we lose jobs and competitiveness.

Every year we delay fixing just the entitlement problem, we add about $4 trillion of debt to our children and grandchildren. So we are saying, let's fix what's broken; and what is broken is spending. What is broken is that spending is out of control. Both parties contribute to that. Let's face up to that. Both parties should come together to fix it, and that's what we are proposing to do.

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

Mr. SPRATT. Mr. Speaker, I rise in opposition to the amendment and yield myself 3 minutes.

Mr. Speaker, so that everyone will understand, what the gentleman is proposing is that we rewrite the budget resolution, which we wrote and passed in both the House and Senate months ago, to go back to square one and basically begin all over again because we will have to change 302(a) and all the work we've done to get the appropriation bills passed by the end of July. We would have to go back and take at least $48 billion out of all those bills to comply with the numbers that Mr. RYAN proposes in his alternative budget resolution today.

I will have to say that when I told Mr. RYAN we were not going to have a hearing, that we were not going to have a markup, we were going to bring this matter straight to the floor, I also told him out of a sense of fairness that he could have a substitute, that I would support a substitute. He deserves one. I had no idea that he would offer a brand-new budget resolution as a substitute. I thought it would be a substitute, maybe a cap on discretionary spending. So this came as a surprise. There is a cap on discretionary spending here; but as I read it, there is no cap, there is no PAYGO provision. He has left it out of there completely. That's the way we read over here. I can't find anything in there.

In addition, I thought ours was pretty dense; and then I read some of your draftsmanship, if I can share with everyone. Try this on: The percentage required to produce a spending reduction, as ordered by a spending reduction order, shall be calculated by OMB by adding all budgetary resources of the government, and reducing that amount by an amount sufficient to reduce the total amount of outlays of the government to equal, or lower, a level of outlays than the amount set forth in the guideline period.

If we are dense, this is turgid, I am telling you. I'm not quite sure what this says, except that it does propose a new budget resolution. It would become a statutory budget resolution if we passed it as part of this particular bill because this is——

Mr. RYAN of Wisconsin. Would the chairman yield just for a quick clarification?

Mr. SPRATT. I will.

Mr. RYAN of Wisconsin. I will just be quick and brief. Three caps: The discretionary cap is set at inflation; the percent of GDP cap brings us back to trend historical growth and the size of our government; and the deficit targets bring our deficits down to being no higher than 3 percent of GDP, and that is the result of what you are reading.

Mr. SPRATT. It is similar to the PAYGO rule here.

Mr. RYAN of Wisconsin. That's correct. We think this is better than PAYGO. We think instead of having a PAYGO system in place, which puts the bias in favor of raising taxes, we ought to have the bias in favor of controlling and cutting spending. That is just the difference we have between the two of us.

Mr. SPRATT. You set levels for all of those things and then also provide—I believe if they turn out to be wrong, if we had a downturn in the economy and wanted to change those numbers, you would have to have a two-thirds vote in each House in order to do that.

Mr. RYAN of Wisconsin. That's correct.

Mr. SPRATT. That loads some cumbersome conditions on the House or the Senate if we find ourselves faced with economic reversal.

Mr. RYAN of Wisconsin. If the gentleman will continue to yield, we believe we need to have a tough enforcement regime so that a simple majority cannot waive these kinds of spending caps.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. RYAN of Wisconsin. May I inquire as to how much time remains?

The SPEAKER pro tempore. The gentleman from Wisconsin has 22 minutes remaining. The gentleman from South Carolina has 27 minutes remaining.

Mr. RYAN of Wisconsin. Mr. Speaker, I will yield myself 1 minute just to continue this dialogue.

The reason we have a super-majority vote in Congress to break these caps is because we want to make it very difficult—you can never fully tie the hands of a future Congress. We want to make it very difficult for Congress to avoid this budget discipline. We want to make sure that we put a system in place with binding caps that are tough to circumvent, that are backed up with sequesters so that, you know what, Congress actually makes the tough choices; Congress actually prioritizes spending and that we live within our means and that we have a process in place that forces us to focus on the problem.

The problem is, spending is out of control; deficits are out of control; borrowing is out of control. We do not want a process, which we believe your PAYGO system does, to simply always go to raising taxes. The American people are taxed too much. The American people are paying more taxes than they have in the history of this country. We don't need to raise their taxes any more. We will sacrifice our economic livelihood. We will make ourselves less competitive to foreign countries if we keep raising taxes. Spending is a problem. That's why our substitute focuses on spending.

With that, Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL. I thank the gentleman from Wisconsin. Americans know they should save for their retirement, but it's tough because you've got to put money away now for later, and there are things to spend it on now. You know, there is a nice dinner to go to; there is a vacation to take, maybe a TV or a car to buy or something like that. So what do we do? I do it. Probably many people listening to this do it. Your employer takes it out of your paycheck so that you kind of never see it, and it goes straight to your retirement so you can save it so that you know it will be there when you need it.

What that is is an external discipline, making us do the thing we know is right for us to do but that, as human beings, we have a hard time doing ourselves without that external discipline.

Mr. Speaker, this bill is that external discipline. Because Members of Congress are no different than anybody else. When we have money, we spend it. When Republicans were in charge, we spent too much money. We overspent by hundreds of billions of dollars. Now the Democrats are in charge. They're overspending by trillions of dollars. But whether it's hundreds of billions or trillions, whichever majority has been in this Congress, we have spent more than we have taken in. I can't remember the exact figure; but I think that for 43 out of the last 45 years this Congress has spent more money than revenue that has come in and has run a deficit, regardless of who was in the White House or who was in charge. We can't do that.

What this bill says is you can't increase spending faster than people's incomes. It's that simple. Because if you do, if the Federal Government spends more money, increases spending by more than people's incomes have increased, there's only two ways to do it, borrow it or increase taxes. And if we continue to do it, we continue to borrow and we continue to increase taxes until we will have no economy and no growth left. Mr. Speaker, that's where we are right now.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. RYAN of Wisconsin. I yield the gentleman an additional 30 seconds.

Mr. CAMPBELL. Mr. Speaker, that is where we are right now. We don't have to wait 10 years, 15 years or 20 years. We are in that position right now. The American people are taxed too much, and we are borrowing way, way too much. This bill, this discipline, this Republican substitute will bring that to an end; and I urge us all to support it.

Mr. SPRATT. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. SCHRADER).

Mr. SCHRADER. Mr. Speaker, I am a proud original cosponsor of this statutory PAYGO legislation. The passage of statutory PAYGO will show our commitment to fiscal responsibility once again. I am a little surprised that my Republican colleagues are not interested in renewing this bipartisan work and to help stop the bleeding that's occurring in our great Nation. Respectfully, I think we've lost our way a bit there.

In January 2001, the United States had a projected 10-year budget surplus of $5.6 trillion. Eight years later the 111th Congress opened to face a national debt in excess of $10 trillion and a single-year budget deficit we inherited of $1.5 trillion. What has changed? Lack of bipartisanship. During the 1990s a Democratic President and Republican-controlled Congress worked together to balance the budget, to produce record deficit-reducing surpluses by the end of the Clinton administration. However, in 2002 the Bush administration chose to allow PAYGO to lapse and moved away from that bipartisan fiscal discipline. It's important for PAYGO to be enacted to make sure that we live up to our fiscal responsibilities.

Unlike the mere rules that we currently have, the statutory PAYGO bill now before the House does not expire, cannot lapse, and is not easily waived. I am very concerned about the alternative offered here by the good gentleman from Wisconsin because it moves away from the pay-as-you-go principles. Indeed, it gets rid of PAYGO all together, as the Chair pointed out; and frankly, it's an abrogation of our legislative responsibilities to make the tough decisions.

The alternative does establish the bipartisan PAYGO measures that gave us great results not too many years ago. The arbitrary deficits limits are a return to the failed policies of the past, the Gramm-Rudman-Hollings bill that led to the PAYGO legislation in the first place. And frankly, with the nonspecific and arbitrary spending limits, it leads to probably the Republican budget's version of what we should do to reduce spending; and that means cuts to education, health care and public safety. Frankly, it virtually eliminates all opportunity to do the health care reform, declare our energy independence and build on a 21st century education system that we so greatly campaigned on and fought here to do in the United States Congress.

Mr. Speaker, as a small business owner and father of five, I know how important it is to live within your means. As Oregon's chief budget rider, I worked hard to make sure my State spent only what it paid for. The American people expect the same responsibility from their Federal Government. While American families are tightening their belts, the message sends a strong signal that Congress plans to do the same. However, as the ranking member asserts, statutory PAYGO is not a panacea by itself for our fiscal health. Our choices remain. As our economy recovers, we must cut spending, return to budget surpluses and pay down the national debt.

I support statutory PAYGO as a critical first step towards fiscal responsibility, and I invite my colleagues, Democrats and Republicans alike, to support statutory PAYGO.

Mr. RYAN of Wisconsin. I reserve the balance of my time.

Mr. SPRATT. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana, Mr. BARON HILL.

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Mr. HILL. I thank the gentleman from South Carolina for yielding me this time on PAYGO.

Mr. Speaker, this is a proud day, especially for people like me, who is a member of the Blue Dog Coalition and who has this issue of PAYGO as a signature issue. After literally years of working towards compromise, we finally have this day before us. We are actually going to be voting on statutory PAYGO.

There are a lot of people to thank. One person I would particularly like to thank is former Congressman Charlie Stenholm. I hope he is listening today. Charlie was a member of the Blue Dog Coalition when he was a Member of this body, and he worked tirelessly day in and day out to make sure that this day would finally arrive.

Charlie, if you're listening out there, I'm sure that you have a big smile on your face right now.

I want to thank the Speaker, the majority leader and the entire leadership in the Democratic Party for embracing the concept of PAYGO as well, and I would like to thank the President of the United States, who has also embraced the concept of PAYGO.

Now, PAYGO, as has already been mentioned, is not a panacea. It is not a complete solution, but it worked one time. What we're voting on today was in place during the 1990s, and we will recall that it was those PAYGO rules that were in place that finally got us to a point where we actually had surpluses for the first time in over 40 years. So it works. It has a history of working.

To the detractors who say that this is not the solution, it was a solution back in the 1990s, and it has a history of working. If it worked then, it can work now. When we had it back in the 1990s, we also had discretionary spending caps, so PAYGO is just a start. We must finish the job.

I have a granddaughter who is a little over 30 days old, and I don't want to be passing on this debt that we've accumulated here recently and in the last 10 years to her.

When this decade began, we had a sour economy, and we've had to do some unusual things in order to try to revive this economy. It has caused spending to go up, but I, along with the President and Members of Congress, now feel like this is the first step toward getting us back on track and making sure that we get this spending under control.

I have heard from the other side. They have a different idea of what PAYGO should look like, but as I said before, this PAYGO that we have now was in place in the 1990s, and it worked. It provided surpluses for us, and it will work in this century as well.

So I applaud the authors of the bill. I applaud the people who have introduced this today. It is a happy day. Let's pass PAYGO, and let's get on with the task of making sure that we get spending under control.

Mr. RYAN of Wisconsin. May I inquire as to how much time remains between the two sides.

The SPEAKER pro tempore. The gentleman from Wisconsin has 17½ minutes remaining. The gentleman from South Carolina has 21 minutes remaining.

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

Mr. SPRATT. Mr. Speaker, it is my honor to yield to the Speaker of the House, the gentlewoman from California, Madam Speaker (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding, and I thank him for his masterful leadership of the Budget Committee. He is, indeed, a great American. He put forth earlier this year a budget which is a statement of our national values, about what is important to the American people as being manifested in our priorities in that budget. It's a budget that is designed to reduce the deficit, to create jobs, to give tax cuts to the middle class, and to have as three of its pillars to turn the economy around: education, health care and energy. And today, as part of that framework of fiscal responsibility under his leadership, this legislation is coming to the floor.

I would also like to acknowledge our distinguished majority leader, Mr. HOYER, for being relentless in his pursuit of this legislation. He has long supported it, and I don't think we would be here today without his determination. We just heard from Mr. BARON HILL, an author of the legislation, a leader of the Blue Dog Coalition in the House.

The Blue Dog Coalition came together with the organizing principle of fiscal responsibility. We all owe them a debt of gratitude because it has become the mantra of the Congress: we will not increase the deficit.

Mr. HILL spoke as a policymaker and as a new grandfather, and that is a very important perspective, a new grandfather. As a grandmother of many grandchildren for a long period of time, I know that we have a moral responsibility not to heap mountains of debt onto our grandchildren; and, today, we will be able to put this into place as a statute, not just as a rule of the House, which we did when we took control of the House as Democrats, but now as a statute.

I want to pay, also, homage to Mr. GEORGE MILLER, a Progressive Democrat, a leader in the Congress for many years. Long before I came to Congress, I was reading about Mr. MILLER introducing PAYGO legislation in the Congress. Now I'm talking about 30 years ago.

And I do remember going in 1982, not as a Member of Congress, to the Democratic Convention in Philadelphia. This was a midterm conference in between nominating conventions for President; and Mr. MILLER at that 1982 convention introduced as a resolution a PAYGO resolution, which succeeded at that convention. It became part of the Democratic platform, and then again, as I say, he introduced that legislation into the Congress. It wasn't until a number of years later that it was implemented.

During the Clinton years, that PAYGO formula was what took us out of the debts of the Reagan-Bush years and into a trajectory of surplus into the future. The last four Clinton budgets were in surplus. Now we're back in deficit from the excesses of the reckless economic policies of the Bush years. We must dig our way out again; we must sweep up behind, and this is a way. Statutory PAYGO legislation is a way to get that done.

I reiterate: when the Democrats took control of the Congress, we made it a rule of the House that we had to abide by pay-as-you-go. Now we have a President of the United States committed to signing this legislation, and we are able to pass it, not as a rule of the House but as a statute, as a law of the land.

I thank Mr. HILL, Mr. BARON HILL; Mr. GEORGE MILLER; STENY HOYER; and you, Mr. Chairman, for making all of this possible.

It's a very important day for our country because it is a day when the Congress of the United States says to the American people: we will be accountable. We have said it. We have done it, and now we will make it a statute of the law of the land.

So, again, I urge our colleagues. I hope we have a good, strong vote across the political spectrum, in the Democratic Party from right to left and, hopefully, across the aisle, so that we can have all of those who claim to support fiscal responsibility placing their vote behind this important legislation.

If the idea is that you want to persuade the Nation that cutting taxes is a way to grow our economy, those tax cuts must be paid for. If we want to say that we want to increase entitlement spending, we must pay for that, and if we do not, there are consequences. There are consequences, and that is what is important about this legislation. We either pay as we go or, as we say, go into sequestration, have across-the-board cuts, a draconian measure that must be avoided, and here is the way to do it.

So I urge all of my colleagues on the other side of the aisle to support statutory PAYGO and as a tribute to those who fought the fight for so many years and as an obligation to our children and our grandchildren.

Mr. RYAN of Wisconsin. At this time, Mr. Speaker, I would like to yield 2 minutes to the gentleman from Texas (Mr. BURGESS).

Mr. BURGESS. I thank the gentleman for yielding.

Mr. Speaker, I rise this afternoon to speak in support of the Ryan substitute and against the underlying bill, the Statutory Pay-As-You-Go Act of 2009. The actual name of the underlying bill should be ''how to give cover for spending like a teenager with an unlimited credit card.''

Now, Congress receives a lot of criticism for not reading the bills before we vote on them. This isn't a very heavy list. This bill is 23 pages. You can print it off and have a read through it. In fact, the first two pages are just a list of cosponsors and the table of contents. Then, in the underlying bill, you've got about eight pages of actual regulation. Then the last half of the bill, over 10 pages, are exceptions to this statutory law that the Speaker just described to us—yes, a statutory law.

In the statutory law are statutory exceptions. The long list of exceptions in the underlying bill gives the Democrats a talking point of saying they're going to address the wild spending of Congress without actually having to make any choices, not just the hard choices. They don't have to make any choices at all.

Now, some of the exceptions are necessary. Some of them are acceptable. We should be concerned about our veterans; we should be concerned about our seniors; we should be concerned about our children. There are exceptions to PAYGO to ensure that our veterans get the health care they need, that the seniors get the long-term care they have earned, that our children are healthy and educated and are not going hungry should be protected and should not be subject to politics.

For those Members who grew tired of reading the bill, on the last page of those exceptions, the second to the last third of the sentence are exceptions to PAYGO for TARP. Now, we all remember TARP. It failed last September, and it passed last October under a Democratic Congress, I might add.

We're going to validate that vote for TARP today by now elevating TARP to the same level of protection as Medicare, Medicaid, Social Security, veterans, and child hunger.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. RYAN of Wisconsin. I yield the gentleman an additional minute.

Mr. BURGESS. Yesterday, Neil Barofsky, the Special Inspector General of TARP, testified before a committee that TARP could ultimately cost the American taxpayer $23 trillion. Most of us can't even begin to fathom that number. TARP was authorized by Congress for $700 million. As of yesterday, the cost to the American taxpayer from TARP was $2 trillion, $2 trillion that we don't have and which we borrowed from China and from foreign countries that don't have America's best interests at heart. We gave it to banks that have recently recorded record profits. Goldman Sachs is going to take out $2 billion in bonuses this quarter after taking nearly $10 billion of the TARP money. Mr. Speaker, they don't need to be protected in this PAYGO statute.

In the past few weeks, I've been involved in the greatest debate of my elected career. I've been working on a commonsense approach to health care to lower costs and to reform medical liability laws in this country. We've spent exactly 1½ days marking that bill up in my committee. The health care bill has been scored to cost $2.3 trillion, and that's about what we've given TARP, $2 trillion.

Mr. SPRATT. Mr. Speaker, I yield 3 minutes to the gentleman from Rhode Island (Mr. LANGEVIN).

Mr. LANGEVIN. I thank the gentleman for yielding.

Mr. Speaker, I am proud to be here today to associate myself with the comments of Speaker PELOSI, who spoke just a few moments ago in strong support of this pay-as-you-go legislation.

I do rise in opposition to the Republican substitute that's offered by my colleague, Mr. RYAN, which I see completely abolishes the pay-as-you-go rules contained in the base bill, and it replaces them with unrealistic and infeasible restrictions that do nothing to address the long-term budgetary challenges that we face.

The Statutory Pay-As-You-Go Act, offered by Majority Leader HOYER, will restore fiscal discipline through the most basic principle of responsible accounting. Every dollar spent must be offset by a dollar earned or saved. This is the way that American families balance their checkbooks, and it's the way that we should balance the Federal budget.

Statutory pay-as-you-go governed our budgetary policies in the 1990s. As we saw, it helped turn deficits into record surpluses. Unfortunately, when the Republican majority allowed the law to expire in 2002, our fiscal accountability went with it.

Well, today, we have a chance to turn that around. We saw what happened when we had these kinds of fiscal disciplines in place. The country was on much more sound fiscal footing. This bill is not a panacea, of course, for our budgetary challenges. The fiscal health of our Nation will ultimately depend on a thriving economy. However, this is an important step to restoring budgetary discipline, to forcing tough choices on taxes, on spending, and on bringing down the deep deficits that we face.

We have a moral obligation to pass this legislation, and instill the kind of fiscal discipline that we need to see, not only for now but for the future. We have an obligation to do this, not only for our children today but for the children of tomorrow. Without reducing the deficit, we cannot invest in vital priorities like health care, education and clean energy, which are critical to our economic future. Mr. Speaker, it's time to get our fiscal house in order.

I would like to thank Leader HOYER, Chairman SPRATT, and my colleagues on the Budget Committee for their exceptionally hard work on this legislation.

I urge my colleagues to reject the Ryan substitute and to support the passage of the Statutory Pay-As-You-Go Act in its current form. It's the right thing to do, and its time has come.

□ 1430

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

Mr. SPRATT. Mr. Speaker, I yield 3 minutes to the gentlelady from Massachusetts (Ms. TSONGAS).

Ms. TSONGAS. Thank you, Mr. Chairman, for yielding to me.

As a member of the Budget Committee, I know that PAYGO is critical to putting us back on the path to fiscal responsibility.

I cosponsored the President's PAYGO bill in June and am happy to say that the bill before us today is even stronger. Instead of sunsetting in 5 years, our bill is permanent. It closes certain loopholes making it harder to use budget gimmicks to hide true costs. It also prioritizes tax relief for the middle class.

Unfortunately, instead of attempting to further strengthen the bill, the Republican substitute would gut it.

While the underlying PAYGO bill addresses both sides of the equation, spending and taxes, the Republican substitute takes a dangerously lopsided approach focusing only on one part of the problem. While our bill makes a permanent change for fiscal responsibility, the public substitute makes a temporary show of responsibility without limiting Congress' ability to pass reckless tax cuts in the future.

With the recent economic downturn, cities in my district have been devastated by high unemployment. The communities of Lowell and Methuen have unemployment in the double digits, while in Lawrence, the unemployment is over 17 percent, almost twice the national average.

Yet in the middle of a deep and painful recession in which families are struggling to make ends meet and many are dependent on the social safety network to survive, the Republican substitute employs a freeze guaranteed to stall the economic recovery in its tracks. But the Republican substitute does more than undermine our economic security, it threatens our national security as well.

As a member of the Armed Services Committee, I have strong concerns that the Republican substitute, if enacted, would create large gaps in our defense budget at a crucial time when we face numerous threats to our security from around the world. Some critics have argued that PAYGO doesn't go far enough, and they're right. It does not. PAYGO alone won't balance the budget and restore responsible government, but it is a critical first step towards fiscal responsibility.

Gutting PAYGO and replacing it with a short-term, one-sided approach offered by the Republican substitute is a step backwards. During one of the worst economic crises in our Nation's history, we must take the needed steps to put our financial house in order.

I urge a ''no'' vote on the Ryan substitute.

Mr. RYAN of Wisconsin. At this time, Mr. Speaker, I would like to yield 3 minutes to the House Republican Conference chairman, the gentleman from Indiana (Mr. PENCE).

(Mr. PENCE asked and was given permission to revise and extend his remarks.)

Mr. PENCE. I'm sorry I missed Speaker PELOSI's remarks on this PAYGO debate, but I do have a copy of what she said in January of 2007. She said, ''After years of historic deficits, this new Congress will commit itself to a higher standard: pay-as-you-go, no new deficit spending. Our new America,'' da-da-da-da-da. I quote with great respect.

Under the Democrat majority, we have seen a Congress that has presided over the most unprecedented spending spree in American history. Since Democrats took over, the Nation's deficit has exploded by a factor of 10: $162 billion in fiscal year 2007, we're at a trillion now, and we're headed for $1.8 trillion in fiscal year 2009. Public debt has doubled from $4.8 trillion in 2006. The national debt is set to triple by 2019 under the Democrats' budget, including PAYGO, I understand.

You know, I heard the President had to move his press conference from 9 o'clock to 8 o'clock tonight because the popular television show America's Got Talent is on at 9, so the President is going to have his press conference tonight at 8. So the TV lineup tonight should be America's Got Talent at 9, and America's Going Broke at 8. And there is nothing in this PAYGO rule that's going to do anything about it.

The truth is, under this PAYGO deal, discretionary spending, which amounts for 40 percent of all of the spending, is being increased at 8 percent in this year. It's completely excluded from this. Emergency legislation, mandatory spending is not subjected. Hundreds of mandatory programs are not subjected.

We're hearing a lot about fiscal discipline, putting our fiscal house in order. When Democrats say PAYGO, they mean you pay and they go on spending. Well, as usual, Republicans have a better plan to restore fiscal sanity to Washington, D.C., thanks to the great leadership of Congressman PAUL RYAN of Wisconsin.

The Republican substitute will focus on spending. The fundamental problem of the government's fiscal policy is spending and deficit. It targets problem areas by sequestering certain discretionary spending that grows faster than inflation, protects retirees, troops and veterans, no automatic tax increases. It actually reduces the deficit, takes a very straightforward approach, and I commend my colleague for bringing it forward.

I urge my colleagues to get real. No more slogans. No more prepackaged bumper sticker talk about fiscal discipline and reform. The American people want us to come together in real and meaningful and bipartisan ways to get spending under control here in Washington, D.C., and the Ryan substitute is a powerful and important step in that direction, and I urge its support.

Mr. SPRATT. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank my friend from South Carolina for yielding me this time.

Mr. Speaker, as a former member of the Budget Committee, I rise in proud support of the statutory pay-as-you-go rule. It is time to get real, as my colleague before me just stated, and it's time to get real with the realities we face today. We can argue all day long and point accusatory fingers back and forth about who caused what, but the fact remains that we face a huge American challenge that's going to require a unique American solution to pull ourselves out of the fiscal hole that we find ourselves in today.

This legislation that we have before us today has history on our side. When we had pay-as-you-go budgeting rules in effect in the 1990s, it helped instill fiscal discipline. And then with the help of the American people by growing the economy, it led to 4 years of budget surpluses. We were actually paying down the national debt. We were having a conversation about a lockbox for Social Security trust funds. And then for whatever reason, in 2001 it expired, and the discussion then was whether to reinstitute it—and the fear at that time was that we may end up paying down our national debt too fast, which would be destabilizing. Oh, how I would love to see a return of those days. But instead, it led to a fiscal course of action that doubled the national debt in 8 short years.

Now, this legislation isn't going to be the cure-all. We have a lot of serious work to do. We have an opportunity before us today to reform the health care system, to deliver system reform that will rein in rising costs, which, if it goes unchecked, will bankrupt everyone from families to businesses to public budgets. The fastest growing area of Federal spending today, rising health care costs. We have work to do to make that change.

I also still believe in the merits of an outside independent commission on entitlement reform that would report back with recommended changes so we can address the rising costs of entitlement.

But today let's go back to what works to address the fiscal crisis that we face. The 1990s shows us the way to do that, with 4 years of surpluses where we were able to turn the corner and provide a more stable financial system for our country. That was squandered over the last 8 years, unfortunately.

So I would encourage my colleagues to reject the proposed amendment, to support the underlying bill, and let's get to work making some tough but necessary decisions for future generations so we don't end up leaving a legacy of debt for my two little boys or to future generations.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield at this time 3 minutes to the vice ranking member of the Budget Committee, Mr. HENSARLING of Texas.

Mr. HENSARLING. I thank the gentleman for yielding.

Mr. Speaker, we were certainly honored earlier when the Speaker of the House came to speak on this legislation. I tried to listen to her very carefully. I think I heard, ''We will not increase the deficit is now the congressional mantra.''

That's interesting. I really haven't studied mantras in the past, but what I do note is that since the Democratic majority has been the majority in this institution, the Federal deficit has gone from $161 billion to over $1 trillion for the first time in our Nation's history, on the way, according to the Congressional Budget Office, to a $1.8 trillion deficit, a tenfold increase in just 2 years. So I would say, with all due respect to the Speaker of the House, apparently the mantra is not working very well.

I also believe I heard the Speaker of the House say, ''We have a moral responsibility not to heap deficits on our children.'' Well, I take that very seriously. As a father of a 7-year-old girl and a 5-year-old boy, I think every single day about the deficits that are being heaped on our children and grandchildren.

So I guess I would ask the Speaker of the House, who is no longer present on the floor, if we have a moral responsibility not to do it, why did you do it? Why have you increased the deficit tenfold? Why is it that you brought a budget to the floor and passed it with the Democratic majority that will triple the national debt in the next 10 years and create more debt in the next 10 years than the previous 220? I would say, Madam Speaker, why did you do it?

Now, I know she also spoke with great pride of reinstituting the PAYGO rule when the Democrats became the majority. Well, it sounds nice. Again, it makes for a very good bumper sticker slogan, but, Mr. Speaker, facts are kind of pesky things. So when we look at when the Democrats came into Congress and reinstituted the PAYGO rule, all we see is a sea of red ink for as far as the eye can see. Deficit upon deficit upon deficit. Trillions of dollars of deficits. It's not exactly a plan, Mr. Speaker, I would take great pride in.

I must observe that the only thing that exceeds the Federal deficit is the credibility deficit that Democrats have on the issue of fiscal responsibility.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. I follow a member of the Republican Party who just said that the Democrats have a credibility problem on budget. I would remind the gentleman that it was indeed under Republican control of this Chamber and the Senate Chamber and the executive branch that pay-as-you-go discipline on budget deficits was ended. Why did they end? Because they had no intention of living within their means. Don't take my word for it. Look at the record.

The national debt tripled. Percentage of the national debt we had to borrow from other countries tripled. I earlier meant national debt doubled. Percentage financed by other countries tripled. That's the record of the minority party. In fact, I believe it's that record that got them from the majority to the minority.

You might think that given the economic crisis that their very fiscal policies brought about, we would have an opportunity today to work together in a bipartisan fashion to put in place this foundation of fiscal stability, pay-as-you-go. It has happened before.

In 1991, President George H.W. Bush convened a budget summit, he was so alarmed at budget deficits, Deficits much smaller than what President Obama inherited from his predecessor. They agreed that across the party aisle to install pay-as-you-go.

In 1993, I was a Member of this body when we passed it on a party-line vote. But in 1997, that pay-as-you-go budget discipline was enshrined in a bipartisan budget agreement and continued for another 5 years.

It's time for us to work together. It's time for us to rein in these out-of-control deficits.

□ 1445

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, our distinguished Speaker of the House came to the floor 1 minute ago and gave a nice speech and said with passage of this PAYGO bill, the deficit won't go up any more. Wow. Let me just simply say that is not true. Here is what the deficit path is by the Democratic budget that passed earlier. It is up to $1.8 trillion now, and that admittedly is for some unforeseen circumstances, the TARP and the financial crisis and other things. It goes back down, and then just like a rubber band, it springs right back up. And under the deficit path that the majority passed with their own budget resolution, the deficit goes right back up to over $1 trillion, a huge, huge increase in the deficit, to the point where the deficit stays above 3 percent of our economy the entire time, above $600 billion.

Unsustainable deficits, unsustainable borrowing. Here is the problem, Mr. Speaker. One of these days, we are not going to be able to keep borrowing all this money. One of these days, our bond financiers, 48 percent of whom, these days, are foreign governments, China, Japan and India, one of these days they are not going to keep lending us all this money because we are not getting our fiscal house in order. We already have a $62 trillion unfunded liability. That means we are making promises to spend $62 trillion for people in this country today that we don't have.

And so when people lend us money—this year, we are borrowing half of our budget. Borrowing. I went to the Bureau of Public Debt last week, and I watched a bond auction. I watched the Treasury Department borrow $40 billion in about 4 minutes. We had very talented people sitting around a room of flat-screened TVs and laptop computers sipping coffee as if it were just another day at the office. Forty billion dollars, forty minutes.

We are doing something like this every day these days. Two trillion dollars of our $4 trillion budget, effectively, is being borrowed just this year. There is going to come a moment when they are not going to keep lending us all this money. There is going to come a moment when we may not be able to have an auction succeed. There is going to come a moment when we are going to have to pay these people, these governments, a lot more money to lend us their money. That moment is a fiscal day of reckoning for America. That moment is a moment when our interest rates go up. That moment will happen faster, sooner, rather than later, if we don't fix these problems.

What is the problem? Spending is the problem. Spending in excess of what we tax is what creates deficits. It is what is creating this unprecedented level of debt. And so what does this PAYGO bill do? It just says raise taxes, effectively, if we want to build more programs, if we want to spend more money. What are we proposing? Let's cut spending. Let's control spending. Let's cap spending. Let's make the American Federal budget work like a family budget so that we actually control and cap how much money we spend. I know around here that sounds like a novel idea, but it isn't. Every American family inevitably must do this.

If you live beyond your means, sooner or later you are going to have to make up for that fact. The question is whether this Congress will do that so that the next generation doesn't get hit with this tab, so that the next generation doesn't have this inferior standard of living that we know quantifiably, irrefutably and demonstrably we are consigning to the next generation.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. RYAN of Wisconsin. I yield myself 1 additional minute only to say, Mr. Speaker, we have real solutions here that have real spending control so we get to real deficit reduction, so we really get on to the process of paying off our debt by reforming how much money we spend.

That is not what the Democrats are doing. They are passing a fiscal facade so that they can do so with the right hand while in the left hand they pass more spending out the door. A trillion-dollar cap-and-trade bill a couple of weeks ago, a $410 billion omnibus appropriations bill, a trillion-dollar stimulus package, next week a $1 trillion new health care entitlement, which even the Congressional Budget Office is telling us is going to grow at unsustainable rates, faster than even Medicare and Medicaid.

Let's stop this fiscal insanity. Let's pass real spending control. Let's pass the Republican substitute that actually controls and caps spending.

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

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. HIMES).

Mr. HIMES. Mr. Speaker, as I listened to this debate, two words echo in my mind, and those words are ''history'' and ''chutzpah.'' Let's talk history for a moment in this historic Chamber. As I listened to the minority talk about cutting spending and it being a novel idea, darn right it's a novel idea—because they've never done it. In the last 10 years when they controlled the White House and they controlled this Chamber, they did three big things. They put in place one of the largest entitlement programs ever with the pharmaceutical benefit in Medicare, they fought two wars at the cost of hundreds of billions of dollars, and they cut taxes on the very wealthiest people in this country.

Two massive increases in spending and a severe reduction in revenue. Guess what? Structural deficits. Facts are stubborn things. The fact is the minority took a $5.6 trillion surplus, and while they controlled this Chamber, they turned it into a $1.3 trillion deficit. And now they have the chutzpah to look to this side of the room and to criticize our efforts to bring that under control.

The PAYGO legislation we're talking about today is a restoration. It is a restoration of the discipline that prevailed when Bill Clinton was in the White House, and we had real statutory PAYGO and we created those surpluses. And we're trying again. Is it perfect? No, it's not perfect. Does it have some exceptions I would rather not see as exceptions? Yes, it does. But it is a very, very constructive step in the right direction. And it will take us back to where we were in the 1990s when we actually got the budget deficit under control. It's a step in the right direction.

The amendment that they are proposing that we support is not a serious effort. It would impact severely our armed services and many of the people who rely on this government for their education, for their housing and for all the things that, as a decent society, we feel the obligation to provide. I'm proud to be one of the cosponsors of this bill and to say it is imperative that we pass this legislation today.

Mr. RYAN of Wisconsin. Mr. Speaker, may I inquire of the chairman how many more speakers he has remaining?

Mr. SPRATT. I plan to use the time left, and Mr. HOYER will speak as well and share part of the time.

Mr. RYAN of Wisconsin. So the chairman and the majority leader are remaining?

Mr. SPRATT. If I may inquire of the Chair, how much time is remaining?

The SPEAKER pro tempore. The gentleman from South Carolina has 8½ minutes remaining. The gentleman from Wisconsin has 4 minutes remaining

Mr. RYAN of Wisconsin. I will reserve the balance of my time.

Mr. SPRATT. I yield myself 6 minutes. Mr. Speaker, let me make everyone aware of what is at stake here. What the minority has proposed is to take this resolution, this bill, and add to it a budget resolution for 2010 and years thereafter, way outside of the established procedure of the House to do at this point in time. We have strived mightily to finish up all of the appropriations bills by the time we adjourn for the August vacation. And it looks as though we are going to be successful in our pursuit. And I think we all deserve credit for having accomplished that.

Were we to adopt this resolution, we would have a completely different set of numbers. At least $48 billion would have to be reallocated within section 302(a), because there is a cut immediately in discretionary spending. If you hold constant and inflate the amount of money provided for overseas contingency operations, military operations, the amount of money that would have to be extracted from other programs that has basically already been distributed, already been allocated, already been cut, would be around $70 billion.

That is a lot of work that would have to be done again. We would have to basically go back to square one and start over again. So that is the first problem we have with this bill. And that basically is enough reason for anyone who is concerned with finishing timely business here in the House for the summer before adjourning, that is enough to vote against the substitute that the gentleman is offering.

But if that's not enough for you, read onward. Get a copy of this resolution and read the language to see what is being proposed here, because what the gentleman proposes to do is to fix spending, total spending, discretionary spending and deficit as a percentage of gross domestic product for a period of 5 years, after which it will be fixed at the levels it reaches at the end of the 5-year period of time. This would have profound consequences for the budget. We have never budgeted like that, not over that period of time.

Furthermore, the gentleman says we are going to put these in place—this is a resolution that he understandably, under the circumstances, has cobbled together in a few days—he is going to impose something that would be binding for 5 years. And if there were a reversal in the economy for the worse, and we needed to engage in countercyclical economic intervention, this would be a huge stumbling block, because two-thirds of the House would have to agree to any deviation from the spending limits that this resolution or this substitute would impose, two-thirds of the House. A determined minority of one-third could block any kind of salutary action we wanted to take.

That's not good policy. It's not good policymaking. We have never done it before. It would be a mistake to do it now. So for those reasons, I would say to all of my colleagues on both sides of the aisle, read the resolution, read the substitute, and I think you will see this is something we do not want to do at this particular point in time. We don't want to go back to square one and do the appropriations bills all over again. We don't want to cast a rigid cast around the budget resolution so that if we do have a downturn in the economy the budget resolution itself would actually be, the budget would actually be procyclical. We try to have countercyclical economic policies built into our budget. This budget resolution, this budget substitute would actually be procyclical. It would worsen the downturn in the economy if it were to take that turn at this point in time.

So for all of these reasons, I would urge Members on both sides of the aisle, mine particularly, but the other side as well, to look carefully before you cast this vote and vote ''no'' on the substitute that has been offered by Mr. RYAN.

I reserve the balance of my time.

Mr. RYAN of Wisconsin. How much time do I have remaining, Mr. Speaker?

The SPEAKER pro tempore. The gentleman from Wisconsin has 4 minutes remaining.

Mr. RYAN of Wisconsin. I yield myself the remainder of our time. The gentleman from South Carolina rightfully says that our substitute would involve rewriting the budget resolution. Yes. We think we should rewrite the budget resolution. What does the incumbent budget resolution the majority passed do? It doubles the national debt held by the public in 5½ years, triples it in 10½ years. It raises taxes by $1.5 trillion. It chases ever-higher spending with ever-higher taxes, and those tax increases never catch up with the spending increases, thus an unprecedented level in debt increases.

So, yes, we think we should go do something else and go a different path. What are we proposing? We're proposing instead of the system in place that ignores discretionary spending, instead of putting a system in place that ignores the current unsustainable trajectory of entitlement spending, instead of putting a system in place that will inevitably lead to higher taxes, we want spending discipline. We want to cap spending.

And here is what our bill accomplishes that the majority bill does not. Under our bill, the deficits go down. Under the majority's bill, the deficits go up. Under our bill, for future generations, we keep the size of our government in check so that we can give the next generation a higher standard of living so that we don't send to them an unsustainable burden of debt and taxes.

□ 1500

Under the majority's bill they don't do that. They increase debt. They increase taxes. They increase spending. They decrease the standard of living for the next generation.

Now, I find it fairly ironic, and almost comical that the gentleman from Massachusetts just came through here and filed an appropriations bill. The appropriations bill, TTHUD, increases this year, this year, by 25.1 percent. So during this debate on PAYGO, during this debate on fiscal responsibility, this fiscal facade press release debate we're having right now, they just filed a bill to increase discretionary spending on one bill for just 1 year by 25 percent. You know what? PAYGO doesn't apply to that. PAYGO has nothing to do with that. So we can bring a bill here to increase spending on these few government agencies in this bill by 25 percent, and this PAYGO has nothing to do with it. You know why, Mr. Speaker? Because 40 percent of the budget, including where this spending comes from, is exempt from PAYGO. We just don't think that's the right way to go.

And I've heard all these talks about the 1990s and how successful they were, and yes, there were absolutely periods of success. You know why? Because we had spending caps. We had discretionary caps in place that the Blue Dogs themselves have been advocating, time and again, which we agree with, which we're going to be advocating later in this debate that were part of the reason for that success. Success in 1997 was because Republicans and Democrats came together and put together a budget agreement which led to those surpluses. Wouldn't it be nice to get back to those kinds of days where we come together, not bypassing committees, rushing bills to the floor, cramming things through Congress and actually came together for real fiscal discipline? Unfortunately, the PAYGO bill the majority is offering is a fig leaf. It's not true. It's not real. It doesn't work. It doesn't even affect discretionary spending. It doesn't even deal with the unsustainable pathway of our current entitlement programs which, right now, give us a $62 trillion unfunded liability. We say, let's tackle those problems. You need to have, unfortunately, artificial budget enforcement on Congress. I would love to see that Congress, under our own discipline, would be able to control spending, but you know what? We can't. Both parties can't. That's why you need artificial discipline. That's why you need spending caps. That's why you should pass the Republican substitute.

Mr. SPRATT. Mr. Speaker, one question to the distinguished ranking member. Where were you when we had, first, Iraq and then Afghanistan, and it came to paying for those endeavors which account for by far the biggest growth in spending in the discretionary accounts. There were no spending caps at that particular point in time.

I yield for a brief response.

Mr. RYAN of Wisconsin. Working in the Budget Committee to make sure that the war was inside of the budget, not outside of the budget, as the Bush OMB was proposing. We were proposing that that funding be done within the budget, not outside the budget.

Mr. SPRATT. I now yield 1 minute to the distinguished majority leader, the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. I thank the chairman for yielding. I also want to thank the gentleman from Wisconsin (Mr. RYAN) for whom I have a great deal of respect. I said the other night that he was my friend, but friends have disagreements. And on this, on fiscal policy, we clearly have had a very significant disagreement.

I've heard a lot of speakers on this floor talk about how this bill doesn't get us to where we want to get. I've heard a lot of people talk about how we have four exceptions in this bill. Most of the people that have talked about the four exceptions in this bill have repeatedly talked, over the last 4 or 5 years, as to how this was current baseline spending, and certainly we didn't have to pay for current baseline spending, i.e., continuing tax cuts that were in place. Your side of the aisle has argued strenuously that that was current baseline funding and we didn't need to pay for it. We have taken the position that we needed to pay for it. In fact, we paid for the AMT through the House. We paid for the tax extenders through the House. Unfortunately, our brethren on the other side of the Capitol did not pay for them, sent them back. I voted against the AMT extension. I voted against the AMT extension, I was one of a small minority in the House, because it wasn't paid for. If we're going to have discipline, we need extrinsic discipline.

There's only one real discipline—having to pay for what you buy. During the nineties, we paid for what we bought. During the eighties we didn't. And during the 2000s we didn't. And there was an inevitable result; deficits exploded for the 20 years that Republican Presidents were in office, and we didn't pay for things. In fact, the gentleman talks about spending, and he talks about caps in his substitute. The gentleman knows full well that during the Clinton years, spending rose at about 3½ percent per year, on average, discretionary spending. The gentleman knows full well that for the 8 years of the Bush administration, it rose at the average of about 7 percent, or twice as high as it rose during the nineties. So, in terms of caps, spending, which are in the budget, we ought to have budget caps. We ought to stick with those budget caps. And, in fact, the Democrats, under the rule that he said we adopted, stuck with that rule, even when it had consequences that were tough for us. He remembers the District of Columbia vote. By adding a Member, it cost a little over $1 million; we had to pay for it, even though it caused us a problem, then opened it up for an MTR that was a problem.

But, let me speak to the substance of this bill. The gentleman is correct. Other Republicans are correct. We've incurred extraordinary debt during the first 6 months. Why? Because the economic program and the fiscal policies that were argued for by the Republicans and put in place by the Republicans, with little, if any, Democratic support—but they had the Presidency, they had the House, and they had the Senate—led to the worst economy that this country has seen in 75 years. So, according to Mr. Bernanke and others, we had an economic crisis confronting our country; and if we did not act, we could possibly be in a depression, not just a severe recession. So, we inherited the worst recession in 75 years when we took office, having been urged by the Republican administration to put $700 billion on the fiscal tab in the last Congress, urged by the President, by Secretary Paulson and by Ben Bernanke. The gentleman and I voted together on that bill. It was a tough bill. Nobody wanted to vote for it. But we believed that there was a crisis and it was necessary.

So we find ourselves having passed, because we were still, and frankly, falling into a deeper recession in January and February of this year, and responding to that with the Recovery and Reinvestment Act, and we borrowed $787 billion to do that. I believe it's been helpful. The stock market's up 1,000 points since the start of this administration. Housing starts have now been higher for the last 3 months. The Dow is up. NASDAQ is up very substantially. In addition, we've lost 200,000 less jobs per month, on average, over the last 3 months than we lost during the last 3 months of the Bush administration. Is that what we want? No. Is it progress? I suggest to you it is. It's 33 percent less loss of jobs than we had in the last 3 months of the Bush administration. Now, that's not where we want to be. We want to be at zero and growing.

The economic policies that were pursued by my friend and on the Republican side of the aisle created 4,240 jobs per month over a 96-month administration of the policies pursued by my friends on the other side of the aisle. The economic policies that were pursued in the nineties, with the opposition, to a person, of the Republicans, created an average of 216,000 jobs per month. That's a pretty stark difference. As a matter of fact, 2 million jobs created during the last year of the Clinton administration and 3 million jobs lost during the last year of the Bush administration. That's a 5 million turn around. Is there any wonder why there's so much stress among families and individuals?

Now, ladies and gentlemen, maybe you've heard the first rule of holes. When you're in one, stop digging. That's what this bill does. It says stop digging. The fact is that our Nation is in a deep hole. The deficit for this fiscal year is $1.7 trillion. That ought to be of great concern to every one of us. We differ on why we have that deficit. We believe we have it because the economic program supported by the Republicans was such a failure, demonstrably, factually, in terms of every indication. Our debt has never been higher. Unless we do something to remove ourselves from this hole, the future of our children and grandchildren will be severely constrained, and interest payments will crowd out nearly all of the investment Americans know are vital to their future, from education to clean energy to health care.

The energy bill. There's no tax in the energy bill. There is no tax in the energy bill. But so many of you come and say there's a tax in this bill. That's not honest. You ought to know that. There's one thing to make a mistake. There's another thing to not tell the truth.

Mr. RYAN of Wisconsin. Would the gentleman like me to respond?

Mr. HOYER. No. But I will yield to you if you want. But I am not particularly interested in your responding. If you, on your own time, want to say at some point in time that there is a tax in the bill, you can point it out to me. Are there consequential costs in actions we take? There are. The worst-case scenario, a fiscal meltdown, has a nightmare to offer both parties. For Republicans, the prospect that taxes will be forced through the roof, I understand that concern. I suggest to you there's a constraint on that: Voters throwing people out of office who do that to them. Hopefully, voters will return to office, however, people who have the honesty to say, you want us to buy something, then we will pay for it. You didn't do that. You didn't do it for the war. I understand that. I voted for that funding. For Democrats, the prospect that the programs we value will be slashed and that the weakest and least powerful will suffer most. But there is a way out, reclaiming the principles of responsibility that have served our country so well.

I fully believe that we are in this hole because the last administration set responsibility by the wayside. They waived PAYGO. It was inconvenient to pay for things, and you couldn't do your tax cut and pay for them. That's why we waived PAYGO, because you wanted to do something that you could not and would not and did not pay for. In fact, a recent New York Times analysis tells us that 90 percent of our deficit can be attributed to Bush administration policies, the extensions of those policies, and the economic crisis that the administration left behind.

But whatever we think brought us to this point, I'm confident that we can agree on a tried and tested plan for a new beginning. It is a simple one; the principle that from here on out, this country will pay for what it buys. It's called pay-as-you-go or PAYGO for short. It was a key part of turning deficits into surpluses once, and it can be a part of that objective again. Essentially, this PAYGO bill requires Congress to find savings, to balance out the dollars it spends so that all new policies that reduce revenues or expand entitlement spending are fully offset over five and 10 years, an improvement over the President's bill.

In 1990, a similar PAYGO rule was enacted as part of a budget agreement between a Republican President and a Democratic Congress. In other words, in a bipartisan agreement, we reached a consensus on paying as we go. What was the result? The result was an administration that, for the first time and only time in the lifetime of anybody in this Chamber, we had 4 years of surplus. Now, it wasn't the President alone. It wasn't Democrats alone, because in 1997, we reached another bipartisan agreement to extend this principle of PAYGO when Speaker Gingrich and President Clinton, which I voted for, reached agreement. And by forcing Congress to make difficult choices between taxes and spending, to scrutinize wasteful subsidies and loopholes, and to fully weigh the real cost of tax cuts, PAYGO was instrumental in creating a projected 10-year surplus of $5.6 trillion.

□ 1515

That was squandered. The economy that was supposed to grow so well under your economic policies didn't do so. It created less than 2 million jobs, less than 10 percent of what was created during the 1990s. Its repeal in 2002 paved the way for the fiscal excesses of the last administration.

On winning the congressional majority in 2006, as the ranking member has pointed out, Democrats made it part of the House rules; and today we have the chance to give PAYGO the force of law.

With this law in place, advocates of spending will have to find ways to offset the new costs. That's the discipline. That's the extrinsic constraint. Advocates of tax cuts will no longer be able to finance them with debt. Instead, they will have to tell us which programs they would cut. I make that statement knowing full well that if there's a crisis, if there's an emergency, if there's a war, if there's a Katrina, if there's an economic meltdown, yes, we will waive this, and we will borrow money to try to stem the existing crisis. However, generally speaking, we won't do that.

PAYGO won't make those debates go away and won't make those decisions for us. It means hard choices for all of us and for the citizens whom we represent, but continuing to shun hard choices is the road to fiscal ruin.

Exempted from this bill's PAYGO requirements are extensions of current policy on the alternative minimum tax, estate and middle class income tax cuts passed in 2001 and 2002, and Medicare payments to doctors. As a result, some have criticized this bill for not going far enough; but supporters of PAYGO, including President Obama, see exemption as a crucial concession to political reality and to the votes on your side of the aisle, by the way, who on at least three of those instances don't want to pay for them because they are current policy. You've made that argument over and over and over again. I've disagreed with it, but it is reality.

It is clear that there is bipartisan support in Congress for extending those current policies without offsetting savings. I've told my friend Senator CONRAD that if he sends back from the Senate any one of those four bills paid for, I will fight for them. I will advocate for them being paid for. I hope he can do that.

That gives us two choices. On the one hand, we can pass an all-encompassing bill that is waived again and again, one that turns into what the nonpartisan Center on Budget Priorities calls ''a transparently phony fiscal responsibility promise,'' because we've waived them. I think that's unfortunate, but that's what we do. That's what we have done. A promise, I would add, that would weaken the cause of responsibility as a whole.

On the other hand, we can make a promise we are prepared to keep, and we're prepared to keep that to the extent that the Speaker and I have both indicated we will not put a bill on this floor coming out of conference on health care or any other issue dealing with those four unless statutory PAYGO is in the bill, statutory PAYGO has been passed, or it is paid for. The Speaker and I have both indicated we will not put a bill on this floor coming out of conference unless one of those three criteria is met.

In other words, we have the choice between a satisfying, but weak, statement of ideals or of action in the real world of politics. This bill takes the latter path. It draws a line before future budget busting plans, this far but no further.

Is that enough? No, Mr. Speaker, it is not nearly enough. Even if this bill is passed and signed, we will still be in our hole. There will still be years of hard work ahead of us. Hopefully, we can do that on a bipartisan basis. Before our heads can be above ground, we need to deal with entitlements further. We need to deal with spending further. We need to make sure that we have vigorous efforts to rid ourselves of waste, fraud and abuse in the Federal Government on spending and other efforts that we can take to put us on the path, again, of fiscal responsibility to once again get back to an era where we had Clinton surpluses and Clinton 216,000 job-per-month creation.

That's where we want to go. Does this bill get us there? It does not. Does this bill take a critical step towards that end? It does.

I urge my colleagues to reject the substitute, to pass this bill, and to put us once again on the road to fiscal responsibility.

I congratulate Mr. SPRATT for his leadership. I want to thank Mr. WELCH and Mr. MILLER, who is one of the early leaders on PAYGO, and Mr. BARON HILL of the Blue Dogs for cosponsoring this, along with literally 180 or more Democrats supporting this important step.

I will tell my friends, I would hope this was bipartisan, but the economic program we adopted in 1993 was not bipartisan either, and it led to the best economy I have seen in my lifetime in this country. The principal reason for that economic well-being in America was the chip, not government, the chip where the information technology age exploded and provided extraordinary revenues for our country.

It is the private sector that drives our economy. It is the private sector that will give us wealth and that creates jobs, not the government; but the government can create policies within which the private sector and particularly venture capitalists can have the confidence that we are managing our finances responsibly. That's what this bill does.

Vote for this important piece of legislation.

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. SPRATT) has 3 minutes remaining. The time of the gentleman from Wisconsin (Mr. RYAN) has expired.

Mr. SPRATT. I would say once again, Mr. Speaker, using the balance of my time, that every Member in voting on this substitute should understand its consequences. Its consequences would be to undo completely the bill that we're trying to move now that a lot of us believe is a useful measure, useful tool in disciplining our budget. It will be a shame to see us come this far only to falter on a resolution like the substitute offered by the gentleman from Wisconsin. It will not be consistent at all.

And it's interesting to note that while he makes elaborate provisions for limiting spending and limiting deficits, there's no provision whatsoever made for incorporation of the PAYGO rule, which has proved itself in the past to be successful.

So I say vote for the resolution, but vote first against the substitute that is being offered by the gentleman from Wisconsin because, if it is adopted, it will not adapt to, will not fit into the base bill before the House. Instead, it would undo its effectiveness altogether.

I yield back the balance of my time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. As a general matter, all Members are reminded to direct their remarks to the Chair and not to others in the second person.

Pursuant to House Resolution 665, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute printed in part C of House Report 111–217 offered by the gentleman from Wisconsin (Mr. RYAN).

The question is on the amendment offered by the gentleman from Wisconsin (Mr. RYAN).

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

RECORDED VOTE

Mr. SPRATT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 169, noes 259, not voting 5, as follows:

[Roll No. 610]

AYES—169

Aderholt
Adler (NJ)
Akin
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Cassidy
Castle
Chaffetz
Clay
Coble
Coffman (CO)
Conaway
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Ehlers
Fallin
Flake
Fleming
Forbes
Fortenberry
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gerlach
Gingrey (GA)
Gohmert
Goodlatte
Graves
Guthrie
Hall (TX)
Harper
Hastings (WA)
Hensarling
Herger
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
King (IA)
King (NY)
Kirk
Kline (MN)
Lamborn
Lance
Latta
Lee (NY)
Linder
LoBiondo
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McKeon
McMahon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Myrick
Neugebauer
Nunes
Olson
Paul
Paulsen
Pence
Perriello
Petri
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Radanovich
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Taylor
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden
Wamp
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Young (AK)
Young (FL)

NOES—259

Abercrombie
Ackerman
Alexander
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boucher
Boyd
Brady (PA)
Braley (IA)
Bright
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Castor (FL)
Chandler
Childers
Chu
Clarke
Cleaver
Clyburn
Cohen
Cole
Connolly (VA)
Cooper
Costa
Costello
Courtney
Crenshaw
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Emerson
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Frelinghuysen
Fudge
Giffords
Gonzalez
Gordon (TN)
Granger
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Heinrich
Heller
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee (CA)
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCollum
McDermott
McGovern
McIntyre
McNerney
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Nye
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Payne
Perlmutter
Peters
Peterson
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Space
Speier
Spratt
Stark
Stupak
Sutton
Tanner
Teague
Thompson (CA)
Tierney
Titus
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

NOT VOTING—5

Conyers
Kingston
McCarthy (NY)
McHugh
Thompson (MS)

□ 1548

Messrs. LARSON of Connecticut, DRIEHAUS, RANGEL, CARTER, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. TITUS, Ms. WOOLSEY, Messrs. YARMUTH, ALEXANDER, ISRAEL and Ms. CLARKE changed their vote from ''aye'' to ''no.''

Messrs. ROSKAM and ROHRABACHER changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. RYAN of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. RYAN of Wisconsin. I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Ryan of Wisconsin moves to recommit the bill H.R. 2920 to the Committee on the

Budget with instructions to report the same back to the House forthwith, with the following amendment:

At the end of the bill add the following new sections:

SEC. 12. EXTENSION OF THE DISCRETIONARY SPENDING CAPS.

(a) IN GENERAL.—Paragraphs (1) through (13) of section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended to read as follows:

''(1) with respect to fiscal year 2011 for the discretionary category: $1,126,000,000,000 in new budget authority and $1,189,000,000,000 in outlays;

''(2) with respect to fiscal year 2012 for the discretionary category: $1,150,000,000,000 in new budget authority and $1,193,000,000,000 in outlays;

''(3) with respect to fiscal year 2013 for the discretionary category: $1,177,000,000,000 in new budget authority and $1,220,000,000,000 in outlays;''.

(b) EXPIRATION.—(1) Section 275 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 note) is amended by striking subsection (b).

(2) Sections 254(c)(2)(A) and (f) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended by striking ''2002'' and inserting ''2013''.

SEC. 13. DISCLOSURE OF INTEREST COSTS.

Section 308(a)(1) of the Congressional Budget Act of 1974 (2 U.S.C. 639(a)(1)) is amended—

(1) in subparagraph (B), by striking ''and'' after the semicolon;

(2) in subparagraph (C), by striking the period and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(D) containing a projection by the Congressional Budget Office of the cost of the debt servicing that would be caused by such measure for such fiscal year (or fiscal years) and each of the four ensuing fiscal years.''.

SEC. 14. CBO SCORING OF CONFERENCE REPORTS.

(a) The first sentence of section 402 of the Congressional Budget Act of 1974 is amended as follows:

(1) Insert ''or conference report thereon,'' before ''and submit''.

(2) In paragraph (1), strike ''bill or resolution'' and insert ''bill, joint resolution, or conference report''.

(3) At the end of paragraph (2) strike ''and'', at the end of paragraph (3) strike the period and insert ''; and'', and after such paragraph (3) add the following new paragraph:

''(4) A determination of whether such bill, joint resolution, or conference report provides direct spending.''.

(4) At the end, add the following new sentence: ''The Director shall also prepare such estimates for any bill or resolution of a public character that has not been reported by a committee before it may be considered in the House of Representatives or Senate.''

(b) The second sentence of section 402 of the Congressional Budget Act of 1974 is amended by inserting before the period the following: '', or in the case of a conference report, shall be included in the joint explanatory statement of managers accompanying such conference report if timely submitted before such report is filed''.

Mr. RYAN of Wisconsin (during the reading). Mr. Speaker, I ask unanimous consent that the reading be dispensed with.

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

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. RYAN) is recognized for 5 minutes in support of his motion.

Mr. RYAN of Wisconsin. Mr. Speaker, the Republican motion to recommit adds three germane provisions from the Fiscal Honesty and Accountability Act of 2009, which is the Blue Dog PAYGO bill introduced by Mr. HILL and 53 Democratic cosponsors. It adds this to the underlying bill. This motion to recommit does not strike or amend any provision in the underlying bill. The three provisions taken verbatim from the House Blue Dog bill and added to the underlying PAYGO bill are: Number one, discretionary caps from FY 2011 through FY 2013 at the very levels the Blue Dogs set out in their bill; number two, a requirement that CBO report the interest costs of legislation; number three, a requirement that CBO score conference reports.

Let me read from the minority views of the Spending Control Act of 2004 presented by then the minority ranking member Mr. SPRATT on behalf of House Democrats with respect to discretionary spending caps: ''Democrats believe that a set of discretionary spending caps arrived through bipartisan negotiation is an important part of an effective budget enforcement.''

''If discretionary spending caps are to work effectively, they must be established as part of a bipartisan negotiation that also includes a balanced PAYGO provision encompassing both mandatory spending levels and revenues. This balanced approach worked in the 1990s, and it should serve as a model for efforts to reform the budget process today.''

Well, we agree. We agree that this bill will be far more effective if discretionary spending caps were added to it. So given that this bill was bypassed from committee, we want to offer our colleagues yet one more chance at bipartisan success here. We are saying to those who are here who call themselves Blue Dogs, we want to work with you. You hold the keys. You control the fate of not only this provision, but you will also hold the keys of next week's provision, which will create a new unfunded liability in health care. Messrs. ADLER, ARCURI, BARROW, BISHOP, BOSWELL, BRIGHT, CARNEY, CHILDERS, COOPER, CUELLAR, DONNELLY, FATTAH, GORDON, Ms. HARMAN, Messrs. HOLDEN, MARSHALL, MCINTYRE, MICHAUD, MITCHELL, MURPHY, PETERSON, ROSS, Ms. SANCHEZ, Messrs. SCOTT, SPACE, TAYLOR, WILSON, ALTMIRE, BACA, BERRY, BOREN, BOYD, CARDOZA, CHANDLER, CONNOLLY, COSTA, DAVIS, ELLSWORTH, Ms. GIFFORDS, Mr. GRIFFITH, Ms. HERSETH-SANDLIN, Messrs. KRATOVIL, MATHESON, MELANCON, MINNICK, MOORE, NYE, POMEROY, SALAZAR, SCHIFF, SHULER, TANNER and THOMPSON.

All we're asking you to do is to vote for the bill you cosponsored. That's all this does. Vote for what you've cosponsored. Put your votes where your cosponsors are. We can make this bill better. We can make it bipartisan. We will help you deliver the margin of victory. Let's do this together. Let's have that vote.

I yield back the balance of my time.

Mr. SPRATT. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from South Carolina is recognized for 5 minutes.

Mr. SPRATT. This resolution is too clever by half. Our colleagues across the aisle have not had some sudden epiphany and decided this bill, after all, was something they could embrace. This is an effort not to push the bill across the finish line, but to kill it before it finally gets passed here from the House. We have worked for months to get statutory PAYGO to the point where we can now put it over the top and put it in the statute books of the United States of America. If we vote for the resolution, if we vote for the motion to recommit, we will put that at jeopardy because this is a procedural device to defeat a bill that they cannot defeat on the substance of the merits of the bill itself. We won the argument on the substantive merits. They want to take it back now by a procedural device. Their aim is to insert in this bill numbers that were inserted and used in a Blue Dog publication that was issued last January, 7 or 8 months ago. The numbers have changed. They're dramatically different from what they are in the conference report, the concurrent resolution we finally adopted.

As I said, we've been through an arduous budget process to determine these details. If we now begin undoing those details, everything will come unraveled, including the bill before us. So I would urge every Member on this side to stick together. We're on the verge of passing it.

I yield to the gentleman from Indiana (Mr. HILL), who is one of the authors of the bill.

Mr. HILL. I want to award an ''A'' to the Republicans over here for cleverness because this is a very clever thing to do, but it's not the right thing to do based upon what Mr. SPRATT has already talked about. These are old January numbers. This bill is now outdated. The practical thing to do is to do what we were just about to do with Mr. SPRATT in that bill. Now look, we finally are to a point where we can have PAYGO. There has been a very delicate balance to get to where we are right now, including some negotiations with people over in the Senate.

So I urge my colleagues to vote ''no'' on an outdated motion to recommit and vote ''yes'' for Mr. SPRATT.

Mr. SPRATT. Mr. Speaker, I yield the balance of my time to the distinguished majority leader, the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. I thank the gentleman from South Carolina. I rise in opposition to the motion to recommit. This motion is designed, obviously, to kill the bill. Generally speaking, my friends on that side of the aisle don't support the underlying bill. I understand that. It constrains you in cutting taxes because it makes you pay for that, just as it makes us pay for any increases. That's why this is so good, because it affects both sides of the proposition—the spending side and the revenue side. This constrains all of us. None of us like constraints; but if we don't have constraints, our grandchildren will look to us and say that we did not do a good job.

I want to say to Ed Lorenzen, who has worked with Charlie Stenholm on this proposition for over a decade, thank you for the work that you have done. I want to say to my Blue Dog friends, thank you for your leadership. And I want to say to my progressive friends, who understand the ramifications of spending deficits that adversely affect the most vulnerable in our country, vote against this MTR. Vote for this statutory PAYGO. Let us get back on the road of fiscal responsibility.

Mr. SPRATT. I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

RECORDED VOTE

Mr. RYAN of Wisconsin. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on passage of the bill, if ordered; motions to suspend the rules on H.R. 3119; H. Res. 534; and H.R. 2972.

The vote was taken by electronic device, and there were—ayes 196, noes 234, not voting 3, as follows:

[Roll No. 611]

AYES—196

Aderholt
Adler (NJ)
Akin
Alexander
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Castle
Chaffetz
Childers
Clay
Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Ehlers
Emerson
Fallin
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gingrey (GA)
Gohmert
Goodlatte
Granger
Graves
Griffith
Guthrie
Hall (TX)
Harper
Hastings (WA)
Heller
Hensarling
Herger
Hodes
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kline (MN)
Kosmas
Lamborn
Lance
Latham
LaTourette
Latta
Lee (NY)
Lewis (CA)
Linder
LoBiondo
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Maffei
Manzullo
Marchant
Matheson
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McKeon
McMahon
McMorris Rodgers
Mica
Michaud
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)
Murphy (NY)
Murphy, Tim
Myrick
Neugebauer
Nunes
Nye
Olson
Paul
Paulsen
Pence
Perriello
Peters
Petri
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Radanovich
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Taylor
Teague
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden
Wamp
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Young (AK)
Young (FL)

NOES—234

Abercrombie
Ackerman
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boucher
Boyd
Brady (PA)
Braley (IA)
Bright
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castor (FL)
Chandler
Chu
Clarke
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Fudge
Giffords
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Heinrich
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kissell
Klein (FL)
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maloney
Markey (CO)
Markey (MA)
Marshall
Massa
Matsui
McCollum
McDermott
McGovern
McIntyre
McNerney
Meek (FL)
Meeks (NY)
Melancon
Miller (NC)
Miller, George
Minnick
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Payne
Perlmutter
Peterson
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Space
Speier
Spratt
Stark
Stupak
Sutton
Tanner
Thompson (CA)
Tierney
Titus
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

NOT VOTING—3

McCarthy (NY)
McHugh
Thompson (MS)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Two minutes remaining in this vote.

□ 1619

Mr. JOHNSON of Georgia changed his vote from ''aye'' to ''no.''

Mrs. KIRKPATRICK of Arizona, Messrs. MURPHY of New York and NYE changed their vote from ''no'' to ''aye.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

RECORDED VOTE

Mr. SPRATT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 265, noes 166, not voting 3, as follows:

[Roll No. 612]

AYES—265

Abercrombie
Ackerman
Adler (NJ)
Altmire
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boccieri
Boren
Boswell
Boucher
Boyd
Brady (PA)
Braley (IA)
Bright
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Castle
Castor (FL)
Chandler
Childers
Chu
Clarke
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Ellsworth
Emerson
Engel
Eshoo
Etheridge
Farr
Fattah
Foster
Frank (MA)
Fudge
Giffords
Gohmert
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Griffith
Gutierrez
Hall (NY)
Hall (TX)
Halvorson
Hare
Harman
Hastings (FL)

Heinrich
Herseth Sandlin
Higgins
Hill
Himes
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilroy
Kind
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCollum
McCotter
McGovern
McIntyre
McMahon
McNerney
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler (NY)
Napolitano
Neal (MA)
Nye
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Payne
Pelosi
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Rohrabacher
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Space
Speier
Spratt
Sutton
Tanner
Taylor
Teague
Terry
Thompson (CA)
Tiberi
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Watson
Watt
Waxman
Welch
Wexler
Whitfield
Wilson (OH)
Wolf
Woolsey
Wu
Yarmuth
Young (FL)

NOES—166

Aderholt
Akin
Alexander
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Chaffetz
Clay
Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Fallin
Filner
Flake
Fleming
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gingrey (GA)
Goodlatte
Granger
Graves
Grijalva
Guthrie
Harper
Hastings (WA)
Heller
Hensarling
Herger
Hinchey
Hoekstra
Hunter
Inglis
Issa
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
Kilpatrick (MI)
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Kucinich
Lamborn
Lance
Latta
Lee (CA)
Lee (NY)
Lewis (CA)
Linder
LoBiondo
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul
McClintock
McDermott
McHenry
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller, Gary
Myrick
Neugebauer
Nunes
Olson
Pastor (AZ)
Paul
Paulsen
Pence
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Radanovich
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Scalise
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stark
Stearns
Stupak
Sullivan
Thompson (PA)
Thornberry
Tiahrt
Walden
Wamp
Waters
Weiner
Westmoreland
Wilson (SC)
Wittman
Young (AK)

NOT VOTING—3

McCarthy (NY)
McHugh
Thompson (MS)

□ 1627

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LIM POON LEE POST OFFICE

The SPEAKER. The unfinished business is the vote on the motion to suspend the rules and pass the bill, H.R. 3119, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts (Mr. LYNCH) that the House suspend the rules and pass the bill, H.R. 3119.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 426, nays 0, not voting 8, as follows:

[Roll No. 613]

YEAS—426

Abercrombie
Ackerman
Aderholt
Adler (NJ)
Akin
Alexander
Altmire
Andrews
Arcuri
Austria
Baca
Bachmann
Bachus
Baird
Baldwin
Barrett (SC)
Barrow
Bartlett
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boccieri
Boehner
Bonner
Bono Mack
Boozman
Boren
Boswell
Boucher
Boustany
Boyd
Brady (PA)
Brady (TX)
Braley (IA)
Bright
Broun (GA)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson (IN)
Carter
Cassidy
Castle
Castor (FL)
Chaffetz
Chandler
Childers
Chu
Clarke
Clay
Clyburn
Coble
Coffman (CO)
Cohen
Cole
Conaway
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis (TN)
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Dreier
Driehaus
Duncan
Edwards (MD)
Edwards (TX)
Ehlers
Ellison
Ellsworth
Emerson
Engel
Eshoo
Etheridge
Fallin
Farr
Fattah
Filner
Flake
Fleming
Forbes
Fortenberry
Foster
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Fudge
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gingrey (GA)
Gohmert
Gonzalez
Goodlatte
Granger
Graves
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Guthrie
Gutierrez
Hall (NY)
Hall (TX)
Halvorson
Hare
Harman
Harper
Hastings (FL)
Hastings (WA)
Heinrich
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Himes
Hinchey
Hinojosa
Hirono
Hodes
Hoekstra
Holden
Holt
Honda
Hoyer
Hunter
Inglis
Inslee
Israel
Issa
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones
Jordan (OH)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
King (IA)
King (NY)
Kingston
Kirk
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kline (MN)
Kosmas
Kratovil
Kucinich
Lamborn
Lance
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Latta
Lee (CA)
Lee (NY)
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Luetkemeyer
Luján
Lummis
Lungren, Daniel E.
Lynch
Mack
Maffei
Maloney
Manzullo
Marchant
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (CA)
McCaul
McClintock
McCollum
McCotter
McDermott
McGovern
McHenry
McHugh
McIntyre
McKeon
McMahon
McMorris Rodgers
McNerney
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murphy, Tim
Murtha
Myrick
Nadler (NY)
Napolitano
Neal (MA)
Neugebauer
Nunes
Nye
Oberstar
Obey
Olson
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Paul
Paulsen
Payne
Pelosi
Pence
Perlmutter
Perriello
Peters
Peterson
Petri
Pingree (ME)
Pitts
Platts
Poe (TX)
Polis (CO)
Pomeroy
Posey
Price (GA)
Price (NC)
Putnam
Quigley
Radanovich
Rahall
Rangel
Rehberg
Reichert
Reyes
Richardson
Rodriguez
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Ross
Rothman (NJ)
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Scalise
Schauer
Schiff
Schmidt
Schock
Schrader
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Space
Speier
Spratt
Stark
Stearns
Stupak
Sullivan
Sutton
Tanner
Taylor
Teague
Terry
Thompson (CA)
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Tierney
Titus
Tonko
Towns
Tsongas
Turner
Upton
Van Hollen
Velázquez
Visclosky
Walden
Walz
Wamp
Wasserman Schultz
Waters
Watson
Watt
Weiner
Welch
Westmoreland
Wexler
Whitfield
Wilson (OH)
Wilson (SC)
Wittman
Wolf
Woolsey
Wu
Yarmuth
Young (AK)
Young (FL)