in Congress and say that one of the first acts that we did when I entered the Congress was something that set this country back on the path of deficit spending, increased national debt, that we did the fiscally irresponsible thing. Let us have a budget first.

Mr. BOYD. Mr. Speaker, today we are going to set the course for the nation for the next decade. The President is betting the farm on a two trillion tax cut based on ten year economic projections. I would like to talk to my colleagues a little bit about these projections. As we all know, these projections are prepared twice a year by the Congressional Budget Office, once in January and once in July. In six short months the Congressional Budget Office changed its ten year estimate of the surplus by one trillion dollars.

While this is very good news for those who want the largest possible tax cuts or new spending programs based on the surplus, it troubles me greatly that we are prepared to risk the balanced budgets we have enjoyed over the last four years on estimates which can change so drastically in a six month time frame. My concern is that what the Congressional Budget Office gives today, it can take away tomorrow.

If you look closer at the projections, it becomes even more problematic. Almost 70% of the 5.6 trillion dollar surplus does not materialize until after 2006. What will the economy look like in 2006? What problems will face our nation in 2006 that need to be addressed? Will the 505 billion dollar surplus that is estimated for 2006 really be there? Saying this is a certainty is like predicting what the weather will be like five years from now. Allocating the vast majority of the non Social Security surplus for a tax cut in this situation is like betting the family farm on a roll of the dice.

Even the Congressional Budget Office warns about using its estimates, the same report that projects a 5.6 trillion dollar budget surplus also states, ''The longer-term outlook is also unusually hard to discern at present. Many commentators believe that major structural changes have created a ''new economy,'' and that belief influences the economic projections described in Chapter 2. However, CBO's projections, like those of other forecasters, are based on very limited information about just a few years' increased growth of productivity and strong investment in information technology. Projections of those recent changes as far as five or 10 years into the future are highly uncertain.''

This is why I believe it is important that we treat the projected surplus as a projection, not reality. A possibility, not a guarantee. Because of the uncertainty surrounding the projected surplus, I have promoted a responsible plan developed by the Blue Dog Coalition. Under our budget proposal, 50% of the projected non-Social Security surplus is set aside for debt reduction, 25% is set aside for tax cuts, and 25% is set aside for priority spending like education reform, strengthening our national defense, and a medicare prescription drug plan.

This plan puts the emphasis where it should be—on paying down our nation's 5.7 trillion dollar national debt. It also has the added advantage of a cushion if the surpluses do not materialize. 50% of the projected surplus is not allocated to new spending programs or tax cuts, if the Congressional Budget Office is wrong, then the worse thing that can happen is that we would have not reduced the debt by the amount expected. In contrast, under the President's and Republican Leadership's plan, if the Congressional Budget Office is wrong, then we will very quickly have to use the Social Security and Medicare surplus to pay for the tax cuts we enact today.

My colleagues, we are gambling with our future and our children's future today. What the Republican leadership is forcing upon us is wrong. No family or small business owner that I know would spend a huge chunk of his money without knowing what their budget would be first. I urge you to reject this risky plan and work with the Blue Dogs to develop a budget first, which honestly addresses all of our common priorities and will provide the largest tax cut we can afford. By developing a budget that balances substantial tax cuts with realistic spending levels and a serious commitment to paying down the national debt, we will be ensuring a strong economic future for our country and our children.

THERE SHOULD BE NO DEAL FOR THE ALLEGED SPY HANSSEN

The SPEAKER pro tempore (Mr. GRAVES). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. MCINNIS) is recognized for half the time remaining before midnight.

Mr. MCINNIS. Mr. Speaker, I am looking forward to addressing some of the comments made here in the previous moments. There are 10 or so of my colleagues so I have plenty of stuff that I would like to visit with in regards to that. First of all, though, there are a couple of other issues I want to address this evening. One of the issues regards the suspected spy Hanssen who was arrested not very long ago. Of course, all of us in these Chambers know exactly what that story is all about.

I also wanted to talk next, move from there, into the tax cut, the tax program. I intend fully to address some of the comments that have been made. I certainly plan to take exception with some of the doctrine of fear comments made by the gentleman from California and so on, but if we have time I then want to move from that into the death tax and address what some of the multibillionaires in their ad in the New York Times said. I should point out that these people who signed that ad, who support a death tax, who believe that death is a taxable event in this society, those multibillionaires who signed that ad have already formed their foundations. They have already done their estate planning so that they do not feel the pain that all the rest of us are going to feel if we happen to fall in that bracket and we are not that wealthy to provide for that kind of estate planning.

In my opinion, those people in that ad, not many Members on the floor, not my colleagues but those people in that ad represent the height of hypocrisy, and I hope that some have an opportunity to read my comments that I hope to get to this evening.

Let us talk, first of all, about the spy. I was very, very discouraged to read probably at the end of last week that in the negotiations, if these negotiations take place, for a plea bargain with this spy, who sold out his country and who sold out his country not with one transaction but has been selling out his country for many, many years, with secrets of substantial damage to this country, that one of the items that is mentioned as kind of a dangle, some kind of incentive in front of this spy, is to go ahead and let this spy, the accused spy, to go ahead and let him keep his pension.

He is not yet entitled to his pension. He was 5 weeks off from receiving his pension, this Hanssen guy. His pension is going to be about $60,000 a year.

Now, to me, allowing this alleged spy, and I keep using the word alleged but I think the evidence is very clear the situation we have, but we do have a society that one is innocent until proven guilty, but the fact is that we have American soldiers, in fact the gentleman from Mississippi (Mr. TAYLOR) spoke earlier about some of the people who have given their lives in service to this country, and those people's total life insurance policy does not equal in many cases one year of this alleged traitor's pension of $60,000 a year. It is fundamentally unfair, it is unsound, for either the FBI or the Justice Department to consider as one of the terms of their plea negotiations to offer this alleged spy his pension that he was 5 weeks away from collecting.

Do not forget that while he was accumulating this pension, it was at the very time he was selling our country out to our enemies. He was selling them out to Russia. He sold us out. So he is being paid on the one hand and he is selling us out on the other hand, and now as if we have not been bruised enough we have some people out there apparently discussing, well, let us go ahead and let him have his pension.

Granted, some people have said we have sympathy for his family. His family was not involved in the spying. I agree with that. The family of this alleged spy must be going through some very horrible times. It is clear that the evidence supports the fact that the family had no knowledge of what was going on with their father and this husband. That fact, that sympathy aside, one does not reward, and I am sorry about the circumstances to the family but that is the consequences of misbehavior, one does not reward one of the worst spies in the history of this Nation by going ahead and saying we are going to go ahead and give you $60,000 a year for the rest of your life based on your service to the United States Government.

So if any of my colleagues here have an opportunity to have a discussion with either the Department of Justice personnel or FBI personnel, I hope you bring this up about this pension.

Now let me move into some of the comments that were made. First of all,

I take strong exception with the gentleman from California who introduces what I call a doctrine of fear. Let me say that, first of all, the comments that were being made by the Blue Dogs, as they call themselves, many of those comments I thought were fundamentally sound and there are a lot of areas that I agreed with. I have a great deal of respect for the Members who have previously spoken, but I do not think the approach to take is the approach of fear.

Let me give you a few quotes: This Congress does not put the need of children first. Give me a break. Show me one Congressman, one Democrat Congressman, show me one Republican Congressman, that in their heart and their mind they intentionally do not put the children first.

In my career here in the United States Congress, even with the Congressmen on the other side of the aisle that I have disagreed with the strongest, I have never found a Congressman who I felt did not care about children, who did not want to put children first.

To stand up here in front of Members and say we do not want to put children first, come on. That does not get us where we need to go.

Let me move on. Massive tax cut. Compare the so-called massive tax cut with tax cuts of the past, including with President Kennedy.

Let me move on from there. Ignore promises to seniors. To me, I take as strong an exception with that comment as I do ignore the children or do not put the children first. It is a real good way to get people shaken up. It is a good way to introduce the doctrine of fear. It is a good way to put a lot of scratch on the radar by saying we are ignoring seniors or we are not putting children first.

I think those are unfortunate comments that are being made.

Obviously, and properly so, the people who spoke ahead of me had that hour unrebutted so they got to speak for a whole hour unrebutted. So the reason I am going through this is trying to rebut some of those things, and I intend to make a case and present my case on its own.

Let me say that the fallacy of the comments that I heard that were previously given, again, I would agree with the principle of these statements if one condition was met, just one condition was met, and where the fallacy of these good colleagues of mine comes into place is that they are assuming that the money not utilized for a tax refund to the workers of this country, who pay taxes, they are assuming that that money automatically will go to reduction of the debt.

□ 2245

Therein is the entire danger. There is no assurance at all. In fact, if we look at the history of the United States Congress, when we leave a dollar on the table here in this room, within moments that dollar is going to go into further and future government spending. It is our poor history, and I say ''poor'' as to many, many decades of poor management. It is the poor history of financial management that dollars here are not utilized to reduce the debt if they are left laying around; they are utilized to increase government spending.

Now, let me say to my colleagues that that is not necessarily a weak Congressman, and I say this generically, a weak Congressperson. It is not necessarily a weak Congressperson or a Congressperson who has evil in their eyes to go out and spend this money because it is sitting around. We are under intense pressure. Every one of my colleagues, every one of us on this floor is under intense pressure; and for the freshmen that have just come aboard, you wait until the pressure you are going to see.

Just today in my office, and, by the way, it is not very often we have people that come to our office with bad projects; it is not very often that a decision is going to be real easy to say, that is a rotten project, why would we ever consider funding that. Most of the projects that come into our offices, including the projects that come into my office on a typical day like today, are good projects. They are easy projects. We get a lot of pressure out of our districts to spend money on those projects. Generally they are good projects and as the freshmen will find out, generally are decisions that are not going to be ones between good and bad programs, they are going to be decisions between good and good programs.

Today alone from my own district I had a group that came in and said, we need $500,000 for the study of a floodplain. Good expenditure. We had a flood last year. The space program, people who are in on the space program, I do not know how many billions they wanted, but they certainly wanted hundreds of billions of additional dollars, and they say, because you have a lot of good people in your district, Congressman, that are dependent on the space industry, and we understand that the President wants to hold this spending down to 4 percent, but we need to go into space. Well, I do not necessarily disagree with that. I think space, when properly managed, that program over at NASA is an expenditure that is worthwhile, but that is hundreds of millions of dollars. By the time this day was out, I sat down with my staff previous to these comments. I think we calculated the request today was just under $1 billion. That is about 10 hours of meetings. Well, I did not spend 10 hours with constituents, maybe 5 hours with constituent meetings today, and I got just under $1 billion of requests. That is not just one day of the week we see them. We see constituents all week long.

The key is here, my agreement is with the Blue Dogs that we should try and reduce that debt; but the fact is that we have to get that money to the reduction of the debt and not to the spending.

I heard a lot of criticism about lock boxes. That is our effort. When we leave money around for Social Security, when we leave money around for Medicare, that is our effort, of somehow trying to control future Congresses by saying, it is locked away from spending. The theory of what the Blue Dogs have said this evening will work if they can just figure out how to keep it from being spent on additional government spending, and that is the difficulty.

If I might say to the gentleman, let me explain the situation that we are in. I would be happy to yield to the gentleman under normal circumstances; but unfortunately, because I was granted my time after 10 o'clock, at 10:30, as the gentleman knows, I do not have a full hour, they split the hour, so my time is limited to 45 minutes, so as I get towards the end of my comments, I would be happy to yield to the gentleman, because I think it is appropriate. But I do have a great deal of information to cover.

Mr. STENHOLM. Mr. Speaker, if the gentleman would yield, we have the second 41 minutes and we will be glad to yield to the gentleman back on our time for any time that he needs.

Mr. McINNIS. Mr. Speaker, what is the gentleman requesting for yield time right now?

Mr. STENHOLM. I thank the gentleman for yielding.

Mr. McINNIS. No, no, no, excuse me. I did not yield yet. I wanted to know what the request for yielding was. Do you want a minute or 3 minutes? What are you asking for?

Mr. STENHOLM. Mr. Speaker, I was asking to make a comment regarding a statement that the gentleman just inferred that the Blue Dogs were talking about lock boxes, and I wanted to clarify the spending.

Mr. McINNIS. Mr. Speaker, I yield to the gentleman.

Mr. STENHOLM. I thank the gentleman for that. We support the lock box concept. Our concern is that in the President's budget, he is going to be using some $500 billion of the Medicare lock box, Medicare tax set-asides for purposes of which we request, and we believe we agree with the gentleman on that. I just want to make sure that the gentleman did not intentionally misspeak. We are not down-playing lock boxes; we are saying we ought to set aside Medicare, Social Security, and the gentleman from Mississippi's comments regarding military retirement and civil service retirement, we ought not to be spending that for any purpose, including giving it back to people who have paid their taxes. It ought to go to the lock box.

Mr. McINNIS. Mr. Speaker, with all due respect to the gentleman, I appreciate him clarifying that, but just so the gentleman has an understanding where I am coming from, if the gentleman would care to look at the

record, he will see numerous references and criticisms of the lock box theory.

My purpose here is not an attack on the Blue Dogs, because after the gentleman's comments, apparently we agree on the lock box issue. But that is our mechanism, to try and put in some kind of control in the future so that when we reserve money for reduction of the debt, it actually goes to reduction of the debt and not spending. Also, I should say about the Blue Dogs, frankly, that during my years in Congress here, it is the Blue Dogs on the Democratic side of the aisle who have been the most restrained on excessive spending and who have led that side of the aisle. So this is not intended to be a criticism, but is intended to say to my colleagues that the lock box is the best tool we have been able to come up with at this point in time.

Now, perhaps the gentleman from Mississippi, who I will yield to here in a minute, because I am going to refer to some of his comments, and perhaps he would like to reserve his request for a yield of time until I am finished.

Mr. TAYLOR of Mississippi. Mr. Speaker, if I may.

Mr. McINNIS. Mr. Speaker, the gentleman may not. I am not going to yield. Let me finish about the comments that the gentleman made, and then I will be happy to yield for a limited period of time because of my limited time this evening. Again, you have 10 over there, I have one here.

Let me say that in regard to the gentleman's comments from Mississippi, he spoke very eloquently, but he said that during his lifetime, a great deal of that debt was accumulated during his lifetime. I might add that a great deal of that debt was accumulated during his congressional tenure as well. I am not sure that the gentleman from Mississippi intended this, but he said that Greenspan said there is all kinds of money for a tax cut. I have heard Mr. Greenspan speak on a number of occasions. I think the gentleman's quote of Mr. Greenspan is inaccurate. I have not read in any report of his comments, and I have not witnessed in person any of his comments where he quotes: we have all kinds of money for tax cuts. In fact, Mr. Greenspan has been very conservative in his approach for tax cuts. He has put it on the strategy and agreed with the strategy that George W. Bush has put forward, and that is, we need it in combination with, one, we have to reduce the interest rates, we have got to control spending, which Mr. Greenspan comes back to time and time again, and then the tax cuts have a place in there. He has not made those kinds of statements that we have all kinds of money for tax cuts.

Mr. TAYLOR of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. McINNIS. Mr. Speaker, I would also correct the gentleman in saying that it was either Greenspan or Bush in his comments, I did not quite catch which one the gentleman quoted, let us go have a good time. I do not remember, and I do not see anything. I see that George W. Bush takes this budget very, very seriously; and I think the gentleman agrees with me.

My only point here is this budget and these tax cuts and our debate tomorrow, especially as I address the Blue Dogs, who I think, in my opinion, on the gentleman's side of the aisle I think carry the most substance, at least with my point of view. I think it is very important for us to work in a constructive fashion, that we not let emotion take it too far and we make the kind of statements such as the fear tactics that I addressed earlier about some of these comments that were made by some of the other people.

Now, if the gentleman would like to speak for a minute, I would be happy to yield, in fairness.

Mr. TAYLOR of Mississippi. Mr. Speaker, a couple of points. Number one, I was deeply disappointed when Mr. Greenspan was repeatedly quoted by Republicans as being the person who they say, well, now he is for tax breaks. I am glad to hear this Republican say he did not think he said that. It is a fact that Mr. Greenspan was in charge of that commission that led to the 15 percent increase in Medicare and Social Security taxes, with the promise that money would be set aside. So Mr. Greenspan, more than anyone else, should know that it has not.

The third thing is when the gentleman said, let us go have a good time. I was using the analogy of a person who, for the first time in 30 years, has money left over at the end of the year and it amounts to $1,000; but he ignores the fact that he is $686,000 in debt. That is where our Nation is with an $8 billion surplus at the end of 1 year for the first time in 30 years. The analogy is our Nation does not have $1.6 trillion to give away in tax breaks.

Mr. McINNIS. Mr. Speaker, reclaiming my time, the gentleman has gone on a little bit beyond the rebuttal that was appropriate, but let me make it clear. I am not saying that Mr. Greenspan did not agree with tax cuts. Obviously, he did. My disagreement was the gentleman's quote of Mr. Greenspan, which I have back there. I took it verbatim, I say to the gentleman; and I just wanted to correct that, because I think that the quote had a bit of emotion put into it and was taken out of context.

I want to be sure that this evening, because I think the plan that the Blue Dogs presented this evening was a very well-presented program; but I think in fairness, we need to present this with as much emotion put aside as we can. Therefore, I would like to address a couple of the issues in regards to the plan offered by George W. Bush.

First of all, let me tell my colleagues, my district is in the State of Colorado; and in the 1970s, Colorado faced, of course, in a much smaller proportion, a budget surplus and the surplus actually did occur. Now, I know that some of my colleagues that have previously spoken criticize projections into the future. I want all of us to know, and I also heard someone say, you do not spend money you do not have. I happen to agree with that, although most citizens in America do spend money they do not have. They buy a home. I would guess that most of my colleagues who are here on the floor this evening probably are in debt and actually owe more money than they are making right now. It is because they can manage that debt. It is a manageable debt, and that is one of the things that I think we ought to take a look at. What kind of discipline exists? I would venture to say that my colleagues here personally probably have more discipline because they are not under the kind of political pressure to spend their personal income that we face here to spend the taxpayers' income.

In the State of Colorado when we had this surplus and, by the way, when one buys their home, let me step back just for a moment, when you buy your home, you base the purchase of your home on your own future projections. Nobody has figured out accurate projections, very accurate, in my opinion. If they did, they would be very, very wealthy people. But when you go out as an individual and you buy a home, your wife and you, you sit down and you say, okay, here is what we project our income is going to be over the next 30 years, here is what we think we can afford in a mortgage, and probably the first payment you make every month outside of groceries for your family is to pay on that mortgage. Now, that is not to say that you should ignore your mortgage. There are consequences if you do ignore your mortgage; and frankly, the gentleman from Mississippi, I think, stated pretty well some of the consequences of ignoring the mortgage.

The problem is in this particular body, in the other body, in this political process, because of the demands of our constituents, we have to exercise a special kind of discipline. In Colorado, we had those surplus dollars in the 1970s. We were so concerned that we would end up spending that money on good programs, that we felt it was necessary, we felt we met the fundamental needs of the State of Colorado. I say ''we,'' I was not in the legislature at the time, but our legislative leaders then did a tax refund in the State of Colorado.

Do my colleagues know what would have happened in Colorado when 6 years later we ran into an economic downturn, had we not returned that money to the taxpayers? That money was not sitting in a bank account accumulating interest. That money was spotted by every special interest group in the State of Colorado, and those special interest groups, regardless of which side of the aisle it came from, they wanted to spend that money; and they would come to us, they would come to our legislative leaders and say,

look, we have a great program. You have the money in the bank. How can you justify to the voters that you are not going to spend more money? And what would have happened in the downturn is we would have had many, many more commitments, had we not returned that money, and our downturn in Colorado in the early 1980s would have been much more severe than it was.

I think that the President in his approach and in his budget takes that into consideration. The President is not proposing, by the way, to return all of the projected surplus. This bill that we passed in regards to the President's tax cut, which is a part of the budget, and remember that, in my opinion, if we allow the budget to come on this floor first, before we commit to dollars for a tax cut, the dollars that we would commit to a tax cut will be already spent for additional spending in new programs.

□ 2300

Mr. Speaker, that is the difficulty on this floor, and in the next 3 weeks trying to take that money that we intend, and we can use the money that you would like to give for a tax cut, being able to hold that aside from being spent is going to be extremely difficult. That is why we have to commit early on, in my opinion, to a tax cut.

What the President has done on his budget is he has broken it out basically into a couple, 2 or 3, requirements in his budget. The first requirement, Social Security. We must put aside money to fund Social Security.

The same thing with Medicare. The President also addresses the debt. Clearly, we are in complete agreement.

I am in complete agreement with the Blue Dogs. I am in complete agreement with most of the Republicans that we need to reduce that debt. That is good fiscal management to reduce it in a planned way, but reduce that debt. The difficulty is between the point where the surplus exists and being able to move it.

Let me demonstrate here. S for surplus, and over here for the debt reduction. There is another big S that falls in between them. What does that big S represent? It represents spending.

President Bush does not ignore spending. President Bush does not come forward in his budget and say no more spending. In fact, what President Bush does is he comes out and says he is going to be more generous than most families in America, I would venture to say, are going to be in their own family budgets next year.

President Bush has come forward and said you may increase the budget. I want a budget, and I will present a budget that will increase spending by 4 percent, that is a 4 percent increase. Most families in America will not see a 4 percent increase in their personal income next year.

What President Bush has said is that an 8 percent or a 9 percent increase that the Congress, along with the administration, that this government has gotten used to, is not going to happen, because we have an economy that is on the edge.

We do not have an economy that technically is in a recession yet, but we have an economy that is headed into a slowdown. And the way to address the slowdown, according to President Bush, and I completely agree with him, really is three legs on a stool.

The stool needs each one of those legs. The first leg is you have to reduce spending or control spending. I will describe a little more about that later.

The second leg is you got to reduce interest rates. We are seeing Alan Greenspan responding. By the way, the criticisms of Alan Greenspan this evening, I did not hear many of those criticisms when the stock markets were hitting all time highs last year. I did not hear any of my colleagues frankly taking the floor and criticizing Alan Greenspan.

The third thing that we have to do on this stool to stabilize this economy is put some money back into the workers who are producing out there.

You have people in our society who are not producing. Those are not the people we are trying to put money back into their pockets. We are trying to go to the producing American out there, the American who is paying taxes. We are trying to put money back in their pockets, because our belief is putting those dollars back in the workers pockets is going to help a lot more to pull this economy out of its slowdown than leaving those dollars in Washington, D.C. to be spent by the government through a bureaucratic maze.

That is exactly what President Bush is attempting to do, and I think he has a very logical plan under which to do it.

In his speech, which, by the way, many of my colleagues stood and applauded, the President's budget funds America's priorities. Again, President Bush is not ignoring children. President Bush is not ignoring senior citizens. He is not ignoring Medicare. He is not ignoring Social Security. He is not ignoring the military, but, by the way, he is not going to just sign a blank check.

He wants justification. The Secretary of Defense, Mr. Rumsfeld, is putting a study on military. He understands what our basic needs are, and his budget will fund America's priorities, but there has to be priorities.

Let me tell my colleagues if we spent money on every good program that comes in front of us, we would be broke in a week. We have to have priorities. Of course, taking priorities means that some are priorities, some are not. So you become unpopular with some people.

This President is willing to stand tall and say we cannot fund everybody. I am sorry, we cannot be Santa Claus. We have got an economy that is having a tough time. We have some fundamental needs that must be funded, and the President's budget funds it.

Next, the President provides the largest debt reduction in history. And here the Blue Dogs ought to be standing up applauding George W. Bush. And I should say, in fairness to the Blue Dogs, that at several points their key point was reduction of the debt, so I think they actually agree with George W. Bush.

What I am saying though, however, to people such as the Blue Dogs, somewhere we have to be able to control spending so that those dollars there will be some dollars left for that tax cut.

Here President Bush does not ignore, under any circumstances, the reduction of the Federal debt. In fact, he considers it a very high priority, and he provides the largest debt reduction in the history of this country.

Finally, it provides fair and responsible tax relief. This tax relief is not intended to go to people who do not pay taxes. If you do not think you pay enough taxes, take a look at how many taxes you pay. Take a look at when you stop at the gas pump what you pay for a gallon of gasoline, what you pay when you go to the hardware store. Take a look at your tax bill next time you buy a car or a refrigerator or a TV.

It was mentioned by the Blue Dogs over here, take a close look at what your employees' and employers' taxes are. Take a look at your income tax, your State income tax, your Federal income tax. Take a look at your municipal tax. Take a look at your county tax. Take a look at special districts. Some of those needs are necessary.

We have to have tax in our system, but at some point in those numbers, do you not think that we can find, especially when we have an economy right on the edge, do you not think we can find a little bit, a few pennies on the dollar to go back to the taxpayer so that that taxpayer can also fund some of the priorities of their family?

Let us take a look, as we go through this budget, as the President explained it.

The President's budget, as I mentioned, pays off historic amounts of debt. It provides the fastest, largest debt reduction in history, $2 trillion over 10 years.

It reduces the government debt to its lowest share of the economy since World War I. We are serious about reducing this debt. Clearly we have to do it.

By the way, it is the Republicans who continually carried that balanced budget amendment. We understand that, and there are a number of conservative Democrats, and the Blue Dogs fit in that category, who agree with the reduction of this debt.

Let us go on. Responsible tax relief, uses roughly one-fourth of the budget surplus to provide the typical family of four paying income taxes $1,600 in tax relief.

I heard someone the other day saying this proposed tax cut only means a couple hundred bucks, or it only means a dollar a day. I heard that the other day I think in the Committee on Ways and Means.

Let me tell you something, when people get 300 bucks or $365, that may only be a dollar a day but to a lot of my constituents, $365 in your pockets instead of the government's pockets makes a difference of a bicycle for your kid, maybe you could go down and buy a new TV.

It makes a difference. Do not let people dilute the impact of a tax cut by saying it only means a dollar a day.

Let us proceed on here. It improves health care. The President's budget will improve health care. It doubles funding for NIH, that is the National Institute of Health, medical research on important health issues like cancer, the largest funding increase in NIH's history. It creates more than 1,200 new community health centers to make health care more accessible.

This President understands the terrible viciousness of cancer. This President is committed to a budget for the National Institutes of Health to take that issue on. This is one of those priorities.

This President is not taking the money from the fight on cancer and giving it back to the taxpayers. In fact, this President is going to the workers and to the taxpayers and saying I think it is a priority to take more of your taxpayer dollars and to fight to take on this issue of cancer.

It protects the environment, protects the environment, providing for the largest increase in conservation funds in history. Of course, we all take great pride in our districts, but my district is one of the most beautiful districts in the Nation. It is geographically larger than the State of Florida. It is the Rocky Mountains of Colorado.

Those land and water reservation conservation dollars are important dollars for us out there. This realizes that the President realizes a commitment to our environment in that kind of funding.

It preserves Medicare. It spends every dime of Medicare receipts over the next 10 years for Medicare and Medicare alone.

□ 2210

Those Medicare dollars are going for Medicare and Medicare alone. Again the President has said, look, there are certain dollars we cannot put into the tax refund, into the tax cut. We have to fund priorities. Medicare is a priority. It strengthens defense and our military by improving their quality of life. He talks about the new weapons, and defense is a priority for President Bush. Again, he is not using that money to filter or waste it away in other spending. He is not giving that money to our taxpayers, he is saying that money needs to go into defense.

Improving education. I think this President will go down in history, President George W. Bush, as the education president. He cares about that. Reading is a big issue. His wife is a teacher. Laura Bush has spent more time in a classroom than most of my colleagues. I think everybody on this floor cares about education. I have never met a Congressman who does not care about education. This President lists it as one of his highest priorities. He says that if we want better education, we had better be able to pay for it.

George W. Bush wants the strongest military in the world. He wants it maintained, but he is not going to sign a blank check. He wants accountability. He wants accountability in defense, in education, in Social Security, et cetera, et cetera. But that is not to say he is not willing to spend the dollars. You prove that those dollars are going to go to the improvement of our education, and you are going to have those dollars, and his budget allocates for it.

Social Security, it protects Social Security. Let me say my approach, I heard a couple of comments from two separate Members who said that we are on route, we are on track to turn this country over in the worse shape than any other generation in the history of this country. That for the first time in the history of this country, this generation is going to turn this country over to the next generation in worse shape than they found it.

Mr. Speaker, I could not disagree more. I am an optimist. I think that we live in the greatest country in the world. I think there are more things going right than wrong. Clearly our focus is to deal with problems. It is kind of like being a fireman. Firemen deal with fires, so pretty soon you may think that the only thing that happens is fires, but it is not. When you look and put it in its proper proportion, there is more going right.

Sure it is easy to criticize education and criticize this and that, but take a look at what is going right and if we work together as a team, if we come together and understand, number one, we have an economy that is headed for a slowdown. We do not need to bring up emotional statements like somebody does not care about children. How many of your constituents do not care about education or seniors? Put that garbage aside. Every one of your constituents cares about education and seniors.

The question is priorities, and the President has three basic priorities. Number one, you have got to take care of the priorities of this country. Number two, you have got to have, and let me put my chart back up here, you have got to provide for debt reduction. It is a priority with this President. Number three, you need to provide some money back to the people who gave that money. Do not forget, it is a very easy job when you talk about money back here in the government, and by the way, the city of Washington, D.C. is the biggest government-funded city in the history of this country.

The fact is that we do not get our money by going out with some capitalistic idea of going out and working, our funding is done by taking that money out of the workers' pockets, out of the taxpayers' pockets and transferring it to Washington, D.C. for redistribution. That is how the money comes back here.

What the President is saying is wait a minute, in all of these priorities, maybe one of our priorities, not the top priority, not the only priority, but maybe one of our priorities ought to be consideration for those people who have to go out and create that money. The people who go out and get their money, not because it is transferred in their pocket, but because they go out and work for it and they earn it. Here it is transferred through tax mechanisms.

I think it is fair and reasonable for the President to say we need to commit a certain part of my budget to a tax cut. I also think that it is reasonable, to my colleagues in the Blue Dog group, I think that they would agree or I think it is very reasonable to say we had better commit some dollars to this tax reduction now because if you do not put those dollars aside, over the next 3 or 4 months which it will take us to produce a budget, last year we did not get one until almost Christmas, but if you do not put that money aside now, there is not going to be money left for those workers out there.

I understand the position let us get a budget first. That is an easy argument to make. When you make that argument, you cannot assure those workers out there that there are going to be dollars to go in their pockets.

Let me say in conclusion, I enjoyed the discussion here tonight and listening to my colleagues. I look forward to future discussions and would be happy to engage in a special orders with the people from the Blue Dogs, but I think it is important that we tell both sides of the story which is exactly my purpose in rebuttal this evening and also in discussing the Bush plan.

Mr. Speaker, next time I speak I intend to talk about the death tax, the question of whether death should be a taxable event, and I intend to go into some of the issues regarding the budget.

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

Mr. STENHOLM. Mr. Speaker if the gentleman from Colorado would wait, we offered some additional of our time because you were generous to give some of your time.

We would like to continue some discussion, I know that the gentleman from Mississippi (Mr. TAYLOR) would, and also I appreciate very much the tenor of their talk tonight and respect that they have paid to the Blue Dogs and some of the things we agree on, and I return the favor to the gentleman from Colorado.

I found most of what he said I totally agree with, and I believe he will find that is the Blue Dog position, but I do not believe the gentleman intentionally misspoke regarding the President's budget and the utilization of Social Security and Medicare trust funds. I know he did not intentionally, and all I say is if the gentleman will carefully examine the President's budget, I believe he will find that there is a double counting of the Social Security and Medicare trust funds because I believe the gentleman and I will agree that those moneys that are now being paid in by the hard-working men and women today, everybody paying into the Social Security trust funds, those moneys are already obligated.

When the baby boomers begin to retire in about 4 years, and it really hits in 2011, the Social Security trust fund has big problems in paying off. Therefore, it as has been proposed in the President's budget, we choose to reduce the debt by the Social Security trust fund moneys and that is all, then we truly are not making any progress towards fixing Social Security.

SO-CALLED ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001

The SPEAKER pro tempore (Mr. GRAVES). Under the Speaker's announced policy of January 3, 2001, the gentleman from Texas (Mr. TURNER) is recognized for 41 minutes.

Mr. TURNER. Mr. Speaker, it has been a pleasure to hear the gentleman from Colorado express his points of view, and I believe there are many areas where we find common ground, particularly in the commitment to try to hold down the level of government spending. I think we share a commitment to reducing the Federal debt, although I think the Blue Dogs have a more aggressive debt repayment schedule than does the President under his budget plan.

I notice that the gentleman from Colorado started off his remarks tonight talking about fear, and I picked up, during the gentleman from Colorado's presentation, a little fear expressed on his part, one that I think is shared by many Members of Congress and perhaps drives some of the actions that we see taking place here; and that fear that was expressed by the gentleman was the fear that we might continue to have greater government spending and for that reason we need to pass a tax cut before a budget I believe I heard the gentleman say.

□ 2320

I would simply suggest to the gentleman that under the budget act that this Congress is governed by, we have, by law, said that the process that we will follow is to pass a concurrent budget resolution before we consider taxes and spending programs. So even though it may be a fear that if we do not do the tax cut first we will have greater spending later, the current law says that we should do it just the opposite.

Now, I also would add that I think it is important for us to understand that simply having the fear of greater spending if we do not have a tax cut really historically has not proven to be very successful. Because during the early 1980s, when the Reagan tax cuts went into place, we also found that the Congress and the President decided to increase spending, particularly on national defense. And the largest deficits occurred during those years when we were both cutting taxes and increasing spending on defense. So, unfortunately, though it is a worthy objective to say that if we simply cut taxes first we will reduce spending, the truth is Congress has not chosen to follow that pattern.

In fact, we accumulated over 30 years a $5.6 trillion national debt, because for 30 years straight the Congress and the Presidents that served during that time always spent more money every year than they took in. So the choice, when we do not have money coming in to the Treasury, is twofold: we can cut spending or we can go back in to deficit spending. And the pattern has been more the latter than the former.

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

Mr. TURNER. I yield to the gentleman from Colorado.

Mr. MCINNIS. Mr. Speaker, I will let the gentleman finish, but I wanted to comment just very briefly because I think there is a little confusion here.

I am not for putting forth the proposition that by giving a tax cut would reduce spending. What I am saying is that at least in my tenure on this floor, that if we do not allocate those funds for a tax cut, those funds will be consumed in the budget negotiations that take place here.

Obviously, I think the President himself has said spending will increase at a rate of 4 percent. It may come in a little above that. I am saying at this point, if we are really going to have a tax cut, we better reserve those dollars. I happen to believe that my colleagues in the Blue Dogs would stand by for that tax cut, but there are a number of people on both sides of the aisle who would like to expend those funds.

And then I would like to address the other gentleman from Texas. I am completely in agreement with him on Social Security. On an actuarial basis, they are bankrupt. On a cash-flow basis, there is a lot of excess cash coming in. As we know, the reason on an actuarial basis that we are bankrupt is because the typical couple pulls out $118,000 more than they put in. I do not disagree with the gentleman at all in that regard.

I do have questions and issues of debate as to whether or not we have a double factor in there and look forward to future discussions. I intend to yield back to the gentleman and to not come back to the microphone. I thank my colleague for the courtesy.

Mr. TURNER. Reclaiming my time, Mr. Speaker, I thank the gentleman for his remarks, and again we commend him on his presentation. I really do hope, however, that we will all at least come to the point where we will agree as a House, as a legislative body, that the budget act that we are governed by, requiring a concurrent budget resolution before we have tax cuts or enact appropriations for spending will be the pattern that this Congress will follow.

Unfortunately, the leadership in this House has chosen to do it another way, because tomorrow they will bring to this floor a major tax cut before this House has adopted a budget. The Blue Dogs intend tomorrow to be heard on that subject because we think it is important to have a budget first.

It is also true, as the gentleman from Colorado stated, that the President, in his budget plan, does reduce national debt. Our objection simply is that it does not reduce national debt as fast as we think it should be reduced. In fact, in an editorial in USA Today, the writer of that editorial acknowledged that the President is reducing debt, but he says that anyone looking closely at the President's budget will see that he does not retire debt as fast as current law would provide. And, in fact, the President's debt repayment schedule under his rough outline of a budget will reduce less debt than current law to the tune of $590 billion over the next 5 years.

The Blue Dog budget plan reduces the debt at a faster rate than the President's budget does. Our plan is very simple. We say take the Social Security and the Medicare surpluses that will accumulate over the next 10 years and set them aside for Social Security and Medicare only. Whatever other surplus there is in the general operations of our government, then set aside 50 percent of that on-budget surplus for debt repayment. That means that the Blue Dog budget plan reduces debt at a faster rate than the President's plan.

We further say set aside 25 percent of that on-budget surplus, outside of Social Security and Medicare, for tax cuts. And the final 25 percent should be reserved for priority spending needs, to take care of increased needs in the area of national defense, education and other priorities this Congress and this President may agree upon.

In our judgment, that is a fiscally responsible approach to the forecast of budget estimates that we all know are merely forecasts, that may not arrive. In fact, we know that if the estimate of growth in Federal spending goes down only one-tenth of 1 percent, about $300 to $400 billion of the estimated surplus for 10 years disappears. That is how tenuous the estimated surplus figure really is.

And so Blue Dogs simply say, let us pay down the national debt, let us have meaningful tax cuts for the American people, and let us preserve Social Security and Medicare for the future. And why do we say let us have a budget