

watching from my office, and I came to the floor to tell him that I agree with everything he has said. And as a matter of fact, I and some others have control of the second hour, but I know the gentleman has some time left so I thought maybe before they get here he and I could talk.

Mr. SMITH of Michigan. Let us solve the Social Security problem. Let us solve the spending problem.

Mr. BOYD. I hope we can do that. Because the Social Security and the spending problems are the major problems that face our children and our grandchildren. We are hanging an albatross around their necks.

But I wanted to say to the gentleman from Michigan how pleased I was to hear the points that he has made. I did not realize he was a farmer from Michigan. I happen to be a farmer from Florida, as the gentleman may know; and I was very interested to hear the gentleman talk about the fact that as a farmer he knows that at the end of the day his revenues have to match his expenditures or he does not stay in business. I think all of the farmers around the country know that, and all of our small business people and even all of our constituents know that.

At the end of the day they have to have enough revenue to match their expenditures. And if they do not do that, they are bankrupt.

Mr. SMITH of Michigan. Reclaiming my time for just a moment, before the gentleman says it, I say if we cannot hold the line on spending, then we should not have a tax cut. And I yield to the gentleman.

Mr. BOYD. And I thank the gentleman for yielding. I could not agree with him more. I think that is why the gentleman will see, when the Blue Dogs, who are going to be here in the next hour to talk to the Nation, that the gentleman will find that our plan is to reduce spending too and to hold the line and defer the tax cuts until we get a handle on this thing.

But I just wanted to say that our constituents understand that if they cannot hold their spending down to a level that matches their revenue, that they are bankrupt. And they go to a court and they ask the court for relief. And the court will say, well, do you have a reorganization plan? And if they do not have a reorganization plan, the judge will require them to sell their house and their car and that new piece of property they bought, their stocks and so forth. And I think that is the situation we find ourselves in.

Mr. SMITH of Michigan. Madam Speaker, what I am a little nervous about on this reorganization plan that government might have is what some might call monetizing the debt, just printing more money, causing inflation, so it is easier to pay back. That would be terrible.

Mr. BOYD. That would be. That would be terrible. We have to figure out how to discipline ourselves, to quench our thirst for having programs

that we are not willing to pay for in our generation.

So I just want to commend the gentleman for his coming to the floor on his own, by himself, and saying what he has said. I think there is a lot of opportunity here for us to work together, and I hope that we can to solve this long-term fiscal problem.

Mr. SMITH of Michigan. Well, Madam Speaker, the rumor is the gentleman might be going to the Senate before we get this worked out. I do not know if he wants to tell the 5 million listeners that we have tonight about that.

Mr. BOYD. Well, wherever we are, we need to work on it together.

Mr. SMITH of Michigan. Exactly right.

THE BLUE DOG BUDGET

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

Mr. BOYD. Madam Speaker, I appreciate the opportunity to speak, and I appreciate the remarks of the gentleman from Michigan who preceded me. I think I see a great glimmer of hope here, that those of us who are in different parties can come to the floor of the House of Representatives and essentially preach the same message.

That is what I want to do here today. I want to follow up on what the gentleman from Michigan (Mr. SMITH) says and tell the House that I believe that it is unconscionable that we are entering this time of war, this pending war, when we are economically in the doldrums. We have higher unemployment rates than we have had for years and years. Just 2 short years ago we had a surplus in our Federal budget, and in a very short 2 years we have managed to deplete that surplus and create the biggest deficit in the history of this Nation.

□ 1715

I think the results of that, the consequences of that, are certainly unacceptable to me and should be unacceptable to most Americans because I think what it does for us in the long run, the long-term economic consequences of it are very serious. It will stagnate our economy. It will make it impossible to solve the long-term Social Security problem that we have that the gentleman from Michigan (Mr. SMITH) spoke about. It will make it almost impossible for us to put in place a prescription drug program.

Both presidential candidates on the campaign trail talked about that as one thing that this Congress should do, reform Medicare to include a prescription drug program. But sometimes as a Congress and as an administration, we seem so fixated on revenue reductions that we have to pay for the priorities that we may list as a Federal Government.

Those priorities are pretty simple. Our primary responsibility is national security. There is a new buzzword, homeland security, that has been created since 9/11, and we know that the world is changing and we have to react to that. That is the primary responsibility of the Federal Government is national security.

We have Social Security, which is a very important program to the success of this society over the last 40 or 50 years. I tell my constituents often that in 1964 about the time of the creation of the Medicare program, if an American reached the age of 65 in this Nation, there was a 58 percent chance they would be below the poverty level. In other words, 58 percent of our citizens that reached that age, retirement age, did fall below the poverty level.

That figure today is a single digit figure, less than 10 percent reach the age of 65 and fall below the poverty level. There are many reasons for that sort of success in having the retired generation of this Nation live in comfort, but the least of those reasons certainly is not that we have a great Social Security and Medicare program in place. We know those programs have long-term funding problems, and we have to find solutions for them.

I think many of us in the Blue Dogs felt we had that opportunity 2 years ago when we had a surplus to fix those programs long term so that our children and grandchildren would not be hung with the responsibility of fixing those programs because it is going to be a much, much more difficult fix 15 or 20 years down the road. The fixes are painful now, but not nearly as painful as they will be in 15 or 20 years.

The Blue Dogs have always focused on fiscal responsibility and tried to convince this Congress that the best thing we can do for this economy is to set our priorities, spending priorities, and be willing to pay for those in our own generation. That is really what our Blue Dog budget is all about, it is about getting the Federal Government back onto a glide path of fiscal responsibility.

We spent the whole decade of the 1990s trying to bring us out of the huge deficit years of the 1970s and 1980s. It was a long, difficult battle. There were spending cuts. We ratcheted down spending at every level of government. The facts, if they are spoken accurately, will bear that out. Now in just a few short years of fiscal irresponsibility, we put ourselves back into a deep, deep ditch.

Madam Speaker, we have some other folks joining us today, and I would like at this time to yield to the gentleman from Tennessee (Mr. TANNER), who is a very effective member of the Committee on Ways and Means, who will discuss a few details of the Blue Dog budget.

Mr. TANNER. Madam Speaker, I think the gentleman is correct in his assessment that our generation ought to be willing or have the courage to

pay the bills that we are incurring for our protection and for the protection of our children and not pass on a debt that we have been working on to the extent that we are.

Let me give Members a few facts which are painful to even read. Right now we, the people of the United States, owe about \$6.4 trillion as represented by our national debt. Even worse, 8 months ago Congress was called on to raise the debt ceiling; that is the amount of money that the people of the United States borrow. Eight months ago, we raised that debt ceiling \$450 billion, which represents almost 10 percent of the then-\$6 trillion debt. Do Members realize that 8 short months later we are told by the Secretary of the Treasury we are going to hit that ceiling in the next few days or weeks. That means we have run through in 8 months \$450 billion of additional debt.

It gets worse. The Congressional Budget Office last week reported that the deficit for this year would be \$287 billion, and that does not include any monies for a potential war in Iraq. CBO further predicted that the deficits over the next 10 years if we continue to follow the economic model that we are operating under right now and do the things the President has suggested with regard to the Tax Code, that over the next 10 years we will rack up almost \$2 trillion of additional debt.

Now any rational businessperson understands that such an economic business plan, either in their business or for the country's business, is unsustainable; and the reason it is unsustainable is because interest must be paid on this debt. Last year we, the people of this country, paid \$332 billion, paid and accrued \$332 billion of interest on the national debt. The revenue of the Federal Government last year was \$1.8 trillion. That means we have a debt tax, D-E-B-T, debt tax of 18 cents out of every dollar. Said another way, we have an 18 percent mortgage on our country and this debt tax, as we continue to borrow more and more money, is the only tax increase on the American people that cannot be repealed because interest has to be paid.

This does not even touch the moral argument of what we are doing to the next generation. I told somebody the other day, I said I do not think any of us in this room want to leave our children a country where the rivers and streams are so polluted that fish cannot live in it, kids cannot swim in it, and people cannot drink from them. I do not think anyone wants to leave our children a country where the air is so foul and smog infested that our children have to wear a surgical mask to ride their bicycle, and I do not think any of us want to leave our children a nation that is so burdened with debt that they will not be able to make the public investments that only the government can make to enable private enterprise to grow, expand and flourish.

If there is any businessperson in this country who thinks for one moment

that private enterprise can flourish and grow without public infrastructure investment, whether it be in bricks and mortar, airports, railroads, harbors on our rivers and streams, or anything else, interstate highways. If they think private business can grow and flourish without that kind of public investment, then they have never been to a country that does not have any government because in those countries, nobody is doing any good. I have been there, seen that.

So I want to just say that under our present scheme if we listen to some, the deficits do not matter, that this is just a short-term problem. People have tried since the dawn of civilization and the invention of something we call money to borrow themselves rich. It has never worked then, and it is not working now, and anybody who thinks that we can borrow ourselves rich expects what never was and never will be.

We have a serious problem in this country. We are not doing our children right by passing on such a debt to them because we do not have the courage to either raise the necessary revenue for what we want, or we do not have the political courage to cut spending where we can. Something has got to be done, and that is why the Blue Dogs came today with a new budget for this fiscal year that will get us back on a glide path to balance. The biggest gift we could give to our country and to our children is a country that is debt free.

Just think, if we did not pay \$332 billion in interest last year what we could do, either cut taxes or make the investments in education, in a world class military, in all of those things without ever raising taxes again. That is the kind of financial management I think people expect us to exhibit up here, rather than trying to borrow ourselves rich and tell them everything is going to be all right.

Madam Speaker, I just want to say that I hope people will give some consideration to the God-awful debt that this country possesses now and what is forecast for the future, and will help us as we try to wrestle with it.

Mr. BOYD. Madam Speaker, I thank the gentleman from Tennessee. Members can tell he is truly our leader on these kinds of budget issues, and a very thoughtful member.

□ 1730

THE BLUE DOG BUDGET PLAN

The SPEAKER pro tempore (Mrs. BLACKBURN). Under the Speaker's announced policy of January 7, 2003, the gentlewoman from California (Ms. LORETTA SANCHEZ) is recognized for the remainder of the minority leader's hour.

Ms. LORETTA SANCHEZ of California. Madam Speaker, I was sitting in a military congressional hearing and could not get out in time, but we are here now and really excited about having so many of our Blue Dogs come

here today to talk about the real problem on our hands.

And what is the problem on our hands? The problem is that a couple of years ago, many of us who were here in the Congress understood that we were in a surplus situation. We were getting more money in taxes than we were spending. And so we had a surplus. In just 2 years, under the Bush administration, we are in a deficit situation, a projected deficit, anybody that you talk to in this year's budget, of anywhere between about \$300 billion and \$350 billion. That does not include the war on terrorism, the war in Iraq, our work going on in Afghanistan; that is above and beyond the \$300 billion-plus deficit that we are running this year.

Add that to almost a \$6 trillion debt load that we are already carrying, and this becomes a major problem. Yet everything else seems to be going wrong. People are being laid off. There are no jobs being created under this administration with the plan that he had, his great tax cut that was supposed to stimulate the economy. It has not. Businesses are closing; bankruptcies are up. We read that in today's newspaper. That is despite all the other problems that we are having in the international world and with respect to a war. So our economy is weak and in many cases, like in California, is getting smaller as we speak.

So what do we do? The President's proposal has been to put forward a budget with stated aims of saying that the economy should get moving, that this budget of his would create jobs and that they would balance the budget. Strike one, strike two, strike three. This budget misses all marks of these three aims. I am going to go through that a little, and then we have got some Blue Dogs here who want to talk about what our proposal is for the budget of 2004.

First of all, economic stimulus. The way that the President has structured his tax cut does not and will not stimulate our economy in the short term. It does very little. In fact, even the President's plan when you look at it, only 5 percent of his projected stimulus package would have any impact now. Now, while people are being laid off. Now, while unemployment benefits are running out. Simply put, the President's stimulus plan is not stimulative at all. In contrast, we Democrats, and in particular the Blue Dog budget, would help to expand the economy. It would help those who have lost their jobs, and it would call for immediate tax rebates. That puts money in the pockets of those people who will spend it, not the people who already have money, but the people who need it to live on a day-to-day basis. It is going to create jobs.

Let us take a look at the President's tenure. Unemployment went from 4 percent to its current 5.8 percent. In other words, he has not created jobs. We have been losing them. He has done a round of tax cuts, over \$1 trillion