months will not be paid; so we will have a slump in expenditures by those who receive dividends. Why? Because they can wait until January 1 of next year, pay the dividend, and have it be completely tax exempt. So we start with the decline even in the amount of dividends paid, but come 2004 we will see huge dividend payments. That money comes out of corporate treasuries. It reduces the amount that corporations have available for investment of plant and equipment; and if they have any money after 2004, they will pay it all out in 2005, 2006. No corporate investment; huge dividends.

But it is argued that this dividend exclusion is going to encourage investment in stock. If it had been a permanent exclusion, maybe that was a possibility. A lot of people buy municipal bonds because they get tax-free income. But who would buy municipal bonds if their income was going to become fully taxable in just a few years? Who is going to buy corporate stock because they want dividend exclusion when the dividend exclusion is going to expire in just a few years? So there will be a huge outlay of corporate funds from corporate treasuries that will not be available to buy plant and equipment. But there will be no investment in corporations caused by this provision because nobody is going to buy a new issuance of stock if in just a few years we are going to be back to the old tax law.

The Bush recession continues. Job-killer policies like that contained in the Senate bill will ensure that the Bush recession will continue to continue.

A RISING SEA OF DEBT

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

Mr. SMITH of Michigan. Mr. Speaker, in the next few days, Congress is going to pass another increase in the statutory debt limit, and it will be signed by the President. I want to talk about the rising sea of debt, and we have to be careful that we do not drown.

A few years of surpluses between 1998 and 2001, which were not really surpluses except by Washington standards, seems to have given us a false sense of security. Since then the situation has deteriorated very rapidly, with huge increases in spending; and now we face the most serious debt and overspending crisis in American history. The value of the dollar is going down because of the increasing debt and the tax obligation that our kids and our grandkids are going to pay is going up because of increased debt.

President Andrew Jackson paid off the Federal debt in 1835, retiring the last of the Revolutionary War bonds; however, the United States returned to borrowing which has now grown to levels that President Jackson could hardly imagine. Starting at zero in 1835, it took more than a century for the debt to reach $100 billion in 1943; $100 billion in 1943. After 200 years of American history, the debt reached $500 billion in 1976. Now we are projected to borrow more than $500 billion every year, this year, next year, the year after. The debt stands at $6.5 trillion today and will reach $10 trillion at current borrowing rates before the end of the decade. The administration is now using gimmicks to pay our bills until Congress again increases the statutory debt limit.

The debt is not even the worst of it. The government unfunded liabilities are several times larger than the official public debt. These liabilities are promises that the government has made or obligations it has undertaken without setting aside any resources or a way to pay those debts. According to the Department of Treasury's latest financial report to the United States Government, we owe or can expect to owe $57.8 billion to cover otherwise defaults on direct and guaranteed loans; $55.8 billion on accounts payable across the government; $1.86 trillion for government and military pensions and benefits; $849 billion in other veterans benefits, mostly medical; $273 billion for projected environmental cleanup from government activities; $202 billion in miscellaneous liabilities. These are all OMB projections, and this is only the beginning. This is the least of it.

This still is not part of the unfunded liabilities which are Social Security and Medicare. It will cost $9 trillion to pay promised Social Security benefits. Similarly, Medicare part A is expected to run $5.13 trillion over expected taxes. Part B is another $8.13 trillion.

□ 2015

Thus, the liabilities in just these three programs is about four times our current debt.

Further, this unfunded liability assumes the full repayment of all trust funds. Government has been borrowing from all of these other trust funds to afford the expenditures that have increased so dramatically over the last several years. If those trust funds are not paid, those amounts, which are really very small by comparison, will have to be added to the liability.

We have gotten to the sorry state of affairs through what I consider overspending and overpromising by Washington. Reelection votes are bought today in exchange for promises of benefits later, and the problem is that the country cannot afford all Washington is promising.

About 13 percent of the total Federal budget is now used to pay interest on the debt. If overspending continues and interest rates return to normal, we could easily see spending of the United States using one-quarter, one-fourth, of all of the total budget. A day of reckoning is coming sooner or later. If the government stays on its present course, we will face the choice of much higher taxes or much reduced benefits and services.

In conclusion, Mr. Speaker, Washington needs a new sense of urgency. We are promising too much, spending too much, and leaving future generations at risk. I have long pushed for spending restraints and necessary entitlement reform, including Social Security reform. It is time for those issues to come before the floor.

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

(Mr. LAMPSON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

INSIGHTFUL EXPLANATION OF TEXAS POLITICS

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

Mr. BURGESS. Mr. Speaker, I rise tonight to recognize a member of the Texas House from my district and my hometown of Denton, Texas.

Representative Myra Crownover has written what I consider to be the most insightful remarks regarding the recent lack of a quorum in the Texas House. Her remarks were written and carried in the Denton Record-Chronicle last weekend. I ask Members to listen to Representative Crownover in her own words.

''I would like to take this opportunity to explain what is at the heart of the battle between Texas House Republicans and Democrats.

''Though Republicans and Democrats debate and disagree on a number of issues each and every session, none is as arduous or contention as redistricting. While most legislation concerns issues that cross party lines, such as children, health care or education, redistricting is simply about politics and elections. There is no bipartisan redistricting. There never has been, there never will be. It is the nature of the beast.

''Although the Legislature addressed congressional redistricting 2 years ago in the last legislative session, lawmakers could not agree on new lines, so a panel of three Federal judges did, and their map led to a 17–15 advantage for the Democrats. Rather than drawing a map that currently reflects the political landscape of Texas, the lines were tooled just enough to keep the map legal. There is no question that the current map meets the standards for redistricting spelled out in law.

''The argument for addressing the congressional maps this session rests in the fact that in the 2002 elections the GOP won every statewide race from the governor to the courts and took control over both houses of the State legislature for the first time since Reconstruction. Roughly 60 percent of the