I think the American people are really sick and tired, quite frankly, of seeing Democrats and Republicans fight against each other because they feel that they are the ones that pay the price for that, and I think they're right. We need to come together. We need to come together, accept the President's challenge, and move forward to create jobs in the United States. So with that, I'll hand it back to the gentleman from Virginia.

Mr. PERRIELLO. We stand here in the midst of a tremendous economic crisis. What we hear when we go home every weekend is the pain of people who have lost their jobs, the fear of those who think they might be next, the confusion and frustration of having seen one administration seem to wreck the economy and the next not doing enough to fix it.

Well, like many Americans, I am not satisfied. We can sit here tonight and blame the other side for letting the deficit go off the rails or helping to wreck the economy. I am not satisfied being judged by what the other side did. I want us to be judged by whether we get this economy back on track. I want us to be judged by whether we have stepped up to the generational challenges that both parties have failed to address in the decades past.

It's too easy in this town to focus on winning a debate or a legislative fight or a campaign by convincing people that the other side is even worse. That's not a politics worthy of the American people. We've done a lot to stop the bleeding in the economy in the last year, but I'm not satisfied with us merely stopping the bleeding. We must have the healing and the rehabilitation, not just to get us back to where we were, but to an even stronger working and middle class that we've seen in the last few years, a more competitive American economy. A politics that doesn't just reward and lock in the status quo through corporate campaign contributions and ads, but rewards innovation and dares to think of what the next big thing can be, that can unleash again the American competitiveness that is being choked out by so much of the Washington-Wall Street collusion that seems to reward what has been, instead of what needs to be in this country.

It's good to see that Wall Street has recovered and is above 10,000, but I am not satisfied until we see that growth on Main Street, we see the job creation, we see jobs that are somewhere between $6 an hour and six figures for that vibrant middle class that's always been at the heart of this country. I'm a big believer in this President, and I am a big believer in hope, but hope doesn't pay the mortgage. We have to deal with the banking crisis, the housing crisis. We have to look at the construction sector, education, and workforce development. I am not satisfied with solutions that simply stabilize where we are or offer something a little bit better than what came before. We promised something better than that.

I believe tomorrow night the President has an opportunity to give an address to this Nation that gives an honest reading of the state of this Union, both its unbelievable strengths, its unprecedented hunger for innovation, but also the reality of its economic suffering, particularly with our middle class and working class families who continue to suffer under monopolies of electric utilities, of the credit card companies, of the joblessness; that we will see a President who steps up and continues to say, We are not going to shirk away from the challenges of our time because that's not what Americans do. We step up. We figure out a way to innovate, to out-compete, and to give the American people a kind of politics that they deserve.

That's what brought many of us into politics for the first time, like many of the freshmen who have been speaking tonight. And we are not satisfied yet with the change, but we still believe it is possible. We are looking for everyone to come together, Congress and White House, Republican and Democrat, and all the American people throughout this country, to dare to believe that that hunger we have for change and for hope can translate into real results, including a reinvention of America's competitive advantage that helps restore the strength of that middle class, that understands that two-thirds of our job growth comes from small- and medium-sized business, that gets lending going again, that gets job creation going again and moves us from rewarding speculation on Wall Street to job creation on Main Street.

I thank my colleagues tonight for joining with us on the eve of the State of the Union address.

□ 2115

GOVERNMENT SPENDING

The SPEAKER pro tempore (Mr. SCHAUER). Under the Speaker's announced policy of January 6, 2009, the gentleman from Virginia (Mr. GOODLATTE) is recognized for 60 minutes as the designee of the minority leader.

Mr. GOODLATTE. Mr. Speaker, Thomas Jefferson once wrote, To preserve the independence of the people we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty or profusion and servitude.

Unfortunately, it increasingly appears this Congress has chosen the latter path of profuse spending and the servitude to Big Government that results therefrom. For the next 60 minutes, I and my colleagues are going to talk about the problem our country faces from a very different perspective than you have heard during the last 60 minutes.

I want to start by pointing out the nature of this problem in terms of government spending. This chart shows the deficit each year, starting in 2000. In 2000 and 2001 under a Republican Congress and first a Democratic President and a Republican President we had a balanced budget and therefore we generated surpluses and, in fact, the two previous years before that we generated a total of $500 billion in surpluses that were paid down against the national debt.

Then came the recession and September 11, 2001, and spending increases. Many have, I think fairly, criticized the previous President and Congress for spending too much money during this period of time when deficits rose as high as $400 billion. In fact, this deficit in 2004 was the highest deficit in American history until we got to the very end of the Republican majority, when it went to $450 billion. Staggering sums of money; too much money spent.

But look what happened when the Democrats took the majority in the Congress in 2007. It skyrocketed to deficits that last year and this year are over $1 trillion: last year, $1.4 trillion; this year projected to be close to $1.5 trillion. To give you an idea how much money we're talking about, this year's budget is projected to spend about $3.6 trillion with revenues coming in of $2.2 trillion. So we're going to spend 50 percent more than we take in in revenues. And what are we going to do? We're going to borrow every penny of that money against our children and grandchildren's future.

Now, if this were going to resolve the problem, and some have argued on the other side of the aisle that the so-called stimulus, which contributed almost all of this deficit in this Congress, if they were going to argue that that was going to solve the problem and we would get back to balanced budgets and we wouldn't be borrowing against our children and grandchildren's future for as far as the eye could see, I would listen to their argument. I still wouldn't agree with them.

But their own budget belies what they claim about what they're doing with this so-called economic stimulus package because this is the projected budget for each year until 2019. For the next 9 years, it never goes below $700 billion and is around $800 billion, ending at close to 900, over $900 billion in 2019. Never does it go down, never does it even approach these numbers, which I and my colleagues who will speak with you tonight, all agree were excessive.

But they're nothing compared to what is being done right now, since the Democratic Party became the majority party in this Congress, and Speaker PELOSI has pushed these budget deficits that are absolutely staggering. What does it mean? It means that in 1990, the total national debt, the accumulation of those deficits was $2.86 trillion. And in 2007, when the Democratic majority took over, it was $8.45 trillion. In just two more years, it's now $12.18 trillion, rising by the end of the term of our current President, 6 years into the Democrats' control of the Congress, to $16.36 trillion, nearly doubling, and

then continuing at that upward arc even more dramatically after that.

This is the public debt outlook. This is the projection that says what the outlook was first in January of 2009 and then, after the stimulus had taken effect, after they had begun spending nearly $1 trillion that was allegedly going to stimulate the economy and create jobs for the American people, they came back and revisited it in August.

And while they were projecting this gradual but still very serious increase, it skyrocketed instead. Why? Because they have done nothing to control spending. They have done exactly the opposite. So now the President is going to come to the Congress tomorrow night and, as the President of the United States, we are all anxious to hear what he has to say about what we should be doing to address the problems of our country. And we are told by those who are in the know that the President will call for a spending freeze for 3 years. But what is he doing with the spending freeze but locking in those higher spending increases that have been passed through all the appropriations bills this year, some with 12, 14, 16 percent increases over the previous year, locking in those higher levels of spending when we all know that what really has to take place is to cut government spending.

What has been the effect of the President's efforts? Well, this is a chart showing job losses since the stimulus took effect in March of last year: 2.74 million more jobs have been lost in this country over the ensuing 10 months, notwithstanding the claim that this would create jobs and would halt the unemployment rate at 8 percent. Instead, it is now over 10 percent, and we've lost 2.74 million more jobs.

Well, what is the solution to this? A big part of it is something that 49 out of our 50 State governments have got to do, and the Congress should be required to do as well, and that is to balance the budget each year except in times of war or national emergency. In the last 40 years, those 4 years, in the late 1990s and into the early 2000s were the only 4 years in which the Federal Government balanced its budget. The other 36 years they ran a deficit. And you can see how that deficit is adding and mounting each year now, adding to that national debt. It should be the reverse.

In the last 40 years there have been economic crises like the one that we are in now, and there have been times of war when we might not balance that budget. But instead of four times out of 40 balancing it, it should be four times out of 40 not balancing the budget.

And that is why we need a balanced budget amendment in the United States Constitution; 49 out of 50 States have it. This Congress came very close to passing it as a part of the Contract with America in 1995. It passed the House of Representatives with a strong bipartisan majority, and was sent over to the United States Senate, and it failed in the Senate by one vote to get the two-thirds majority. It requires a two-thirds majority in the House, a two-thirds majority in the Senate, and then three-quarters of our State legislatures to ratify it.

Well, we got all but one vote that we needed in the Senate. Had that vote been provided to give us two-thirds, it would have been sent to the States. The President does not have any say in an amendment to the Constitution. So it would have been sent directly to the States. And I believe by now three-quarters of those States long ago would have ratified that balanced budget amendment, and we would be in a much different situation in this country today if we had done that.

Well, the American people have never abandoned this idea, even though the Democratic Congress long ago abandoned this idea, and that's unfortunate. But the American people, poll after poll shows that 75, 80 percent or more of the American people believe that the Federal Government should be required to balance its budget each and every year, except in times of war or economic emergency. And this would require a supermajority vote of the Congress to declare that they would not balance the budget in any particular year.

How popular is this? Well, here's what our current majority leader had to say about a balanced budget when we had that debate in 1995: the issue of balancing the budget is not a conservative or a liberal one, nor is it an easy one, but it is an essential one for us in this House, for the American people, and, most assuredly, for future generations.

Representative STENY HOYER, a member of the minority in 1995, voted for a balanced budget amendment; but we have not heard about a balanced budget amendment from this majority in this Congress at all. And we're here tonight to urge the Congress to bring up the balanced budget amendment that I introduced on the first day of this Congress, House Joint Resolution 1, a balanced budget amendment to the United States Constitution. And we will keep pushing for this until we have leadership in this Congress that will bring this bill to the floor for a vote so we can send it to the Senate again and challenge them again to provide those two-thirds votes needed and then send it to the States for ratification.

It is never too late for the Congress to do the responsible thing. But we have dug a much, much deeper hole as a result of the irresponsible budgets that have been passed by this Democratic majority in each of the last three Congresses and projected, as I pointed out, projected for the next decade, huge deficits as far as the eye can see, far greater than anything we have seen previously in the history of our country.

I'm joined by several of our colleagues, and I want to recognize the gentleman from Colorado (Mr. COFFMAN), who has been a real leader on this issue and has been working to organize support in the Congress for the balanced budget amendment to the Constitution. I'm pleased to yield to the gentleman.

Mr. COFFMAN of Colorado. I thank the gentleman from Virginia for all your work as the prime sponsor of that resolution for a balanced budget amendment and certainly want to work with you to do everything I can to get that passed. You know, when we look at, I think as you mentioned, discretionary spending, nondefense discretionary spending now stands, I think, about $536 billion, up nearly 24 percent since the Bush Administration's last full budget in fiscal year 2008, which was $433.6 billion.

So we have a $1.4 trillion deficit right now. And the President is expected to address a joint session of Congress tomorrow night, and I think he's going to present two plans, from what I understand, to bring down the deficit. The first is he's going to freeze one-sixth of the budget that will be domestic discretionary nondefense spending, but only one-sixth of the budget; and over 10 years, the estimated savings, should that section of the budget not be allowed to increase, would be about—is estimated to be, by the administration, $250 billion. But when we look at the extraordinary increases that this administration's done, I think we're looking at nondefense discretionary spending went up 10.3 percent in fiscal year 2009, 12.3 percent as projected this year, when inflation is at an all-time low.

And I think that the other program that I believe that he's going to be presenting to the Congress is some sort of a Presidential bipartisan commission, controlled by his party, to lower the deficit. And first of all, I think if we look at the first plan, it's far too low. He needs to get spending down to where it was before he certainly got in office. But the second one, I think, is just going to be cover for a tax increase to have some kind of bipartisan increase for a tax increase without really reducing spending.

And I really want to rise in support of what I think the most important thing is that the United States can do, and that is the balanced budget amendment. And having been a former State legislator from one of those 49 States that requires a balanced budget, you have to make the hard decisions. And you rise in debate where you're debating tradeoffs, where you can't have everything, where you can't simply run a deficit for your operating budget. You can certainly go to the people or float bonds for certain capital improvement projects like roads and bridges and things like that, but you cannot simply increase spending that is out of balance with revenues that are coming in, unlike the Federal Government.

□ 2130

This is my first year in the Congress, and I see that as the most significant

problem facing the Congress, that you're in a situation where there are no tradeoffs, that an administration can come in and really try and have it all in terms of spending and put it at such an extraordinary burden, not simply on the economy in terms of inflation and high interest rates that could choke off this recovery, but to put a crushing debt on future generations yet unborn I think is extraordinarily unconscionable.

So with that, I rise in support with the gentleman from Virginia and look forward to working with you on what I think is absolutely the most critical thing. If there is one thing that we can do in the Congress of the United States to save this country from financial ruin—and without a strong economy we cannot have a strong defense to protect our national security interests—a balanced budget is the most critical thing that we can do for the future of this country in this Congress.

Mr. GOODLATTE. I thank the gentleman. I hope he remains. There may be other things we may want to discuss about this.

But before we get back to him, I'd like to recognize the gentleman from Texas (Mr. CONAWAY) who is a very outspoken Member of Congress on this issue of fiscally responsible budgets and that we balance the budget of our country. And I will yield to the gentleman from Texas, and shortly we will get to the gentleman from Florida who I know wants to say a few words and then needs to leave, but I hope the gentleman from Texas can also remain and we will continue this dialogue.

Mr. CONAWAY. I thank the gentleman from Virginia, and I look forward also to working with you on the balanced budget amendment.

As our colleague from Colorado said, the single most important constitutional amendment that is bandied about these days, and there are several that are important, but there is none more important than a balanced budget. If we only could do one constitutional amendment in the next 10 years, let's do this one.

Think back. I wonder who those 35 Senators were in 1995 who all voted ''no'' on the balanced budget amendment, if any of them are still in Congress, if we could point to one of them and say, Had you voted ''yes'' in 1995, then surely during the surplus years we experienced in the late 1990s, it's easy to pass a balanced budget at that point in time because nobody's pig's getting stuck.

We would have avoided trillions and trillions of dollars in debt had one Senator moved over in 1995. It would be interesting to see if any of those 35 who voted ''no'' are still in the Congress right now and would fess up to having a good slug of this problem.

My colleagues all know that anybody can start a diet tomorrow. The easiest diet is the diet you start tomorrow. Wait until you start a diet today.

The single greatest threat to our way of life is not al Qaeda. It is not the Islamist jihadists, as bad as they are. They will get some of us, but they will not get all of us. The single biggest threat to our way of life in my view is the growth in this Federal Government as demonstrated by the growth in spending.

If you look at the chart, the more insidious two things about that chart are that, one, the 2010 deficit is estimated to be $1.4 trillion, which I think is not on that chart yet; two, the out-years, which are the least accurate, the out-years are all increasing. The deficit goes up. They can't even put together a set of numbers and facts that at least give the facade of showing they are going to drop spending in the out-years.

Mr. GOODLATTE. If the gentleman will yield, that is very similar to the fact over the weekend three different representatives of the administration got on television and claimed that the stimulus—which we've seen has not resulted in job creation but, rather, 2¾ million jobs lost—claimed, well, there would have been more jobs lost had we not had the stimulus, but they can come nowhere near agreeing with each other on what those jobs saved are.

I think the only really accurate figure is what is reported by the Bureau of Labor Statistics, which points out that we've lost 2.7 million jobs.

Mr. CONAWAY. Even over the weekend they were saying that yes, we've lost 7 million jobs but we've created X number of million jobs. The real issue is the net job loss, because those are folks that are out of work. That is kind of a hollow thing to brag about.

Another thing about the chart. It assumes that the Bush tax cuts from 2001 and 2003 expire. Hundreds of billions of dollars in new taxes are in those numbers, and those numbers are still as bad as they look and with the trillions of dollars of deficit that are accumulating.

Now, the bad news about this is that we're not going to pay that debt off. I had a fifth grade student in Fredericksburg, Texas. I was doing a town hall meeting for a school that was K–12. A little fellow raised his hand and said, Mr. Congressman, what's the plan to pay off the national debt? And I looked at him. I said, What? This is a technique you use to try to gain time to try to think of what your answer might be. He said, Yes, sir. What's the plan to pay off the national debt? I said, Young man, that's the single best question I've ever been asked. There is no plan to pay off the national debt.

So what we are doing is we're putting a floor under future generations' tax rates, because this cumulative debt, America will constantly pay the interest on this debt from now until eternity. So what we've done to future generations is you're going to have to tax yourselves enough to pay the interest on the debt from now on. That's before you get to start thinking about national security. That's before you get to start thinking about homeland security or anything else you might want to do with the world you inherit from us. You're going to have to pay the debt because your parents and grandparents didn't have the fiscal discipline to just say ''no.''

So I would love to stay around and visit with you this afternoon for some other comments, but I know our colleague from Florida wants to talk as well.

I couldn't agree with my colleague from Virginia any more. This is House Joint Resolution 1. It should be number one in our hearts and number one in the docket for this Congress. It should have been that a year ago in January, and it ought to be tomorrow on the ballot to be talking about because there is nothing more important to our way of life than gaining control of our profligate spending ways.

So I thank the gentleman for having this hour tonight.

Mr. GOODLATTE. I thank the gentleman for his comments about House Joint Resolution Number 1. It is, by the way, the same balanced budget amendment that passed the House as a part of the Contract with America, missed by one vote in the Senate. Same language entirely. And it has over 170 cosponsors in the House right now, including many Democrats. It's bipartisan, and it needs to be bipartisan to get that two-thirds majority of the House to vote for it and pass it and be able to send it on to the Senate.

I would now like to recognize the gentleman from Florida (Mr. BUCHANAN) who has also been a leader on this issue and has, in fact, introduced a balanced budget amendment on his own. And we are proud to work together in promoting fiscal responsibility here in the Congress.

Mr. BUCHANAN. I would like to thank the gentleman from Virginia for his enormous leadership.

As I agree with all of my colleagues, everybody has a different reason why they run for Congress. I have been in business for 30 years. Your first term, my second term. But that was my number one issue by far is these runaway deficits. And since I came in 2006, we've got $1.4 trillion. We've picked up another $2 trillion. Another 20 percent we've added to the deficit in the last 3 years. It's crazy.

The numbers today were over $12 trillion in debt. And with the budget the Democrats have presented in terms of going forward, they're talking about close to $20 trillion in the next 6, 7, 8 years. If you took the number of 5 percent cost of money on $20 trillion, it's a trillion dollars a year before you pay $1 for Social Security, Medicare, or anything. It's unbelievable.

This past year, the deficit was $1.4 trillion. As bad as it's been in the past, if you look at $300 billion, $400 billion is way too much. We should have been balancing those budgets. But $1.4 trillion, that is three times larger, plus, than any other deficit from that standpoint.

The last 50 years—and what really motivated me is why this has to be a bipartisan effort. In the last 50 years, I think—and you might know exactly the number, but I think it's only been about four or five or six times we balanced the budget. Forty-four times we haven't. We're incapable of balancing this budget, with the exception of getting a constitutional balanced budget amendment.

Forty-nine out of fifty Governors have to balance their budgets. Our city in Sarasota, Florida, or Manatee County, they've got to balance their budgets. Families have to balance their budgets. Businesses can't continue to spend.

I grew up in Detroit down the street from General Motors. If you look at the most powerful, successful corporation in the world, made a lot of commitments to a lot of folks who used to be 30 and out for the blue collar worker. My brother was there when he was 18. Many of them looked at 30 and out. But now they've reneged on all of the benefits and everything else. We've got to stop it. It's crazy, and we've got to bring some common sense to this whole process.

That is why we've got to have a constitutional balanced budget amendment. As my colleague mentioned, we were one vote short in '94, and we've got to go back in that effort. It defies logic why we don't do that.

The other thing, I came here and I want to be the best I can, bipartisan. The Democrats talked about PAYGO. That's a joke. PAYGO, it sounded good. You know, it's better than nothing, I thought. But we ran our largest deficit ever—$1.4 trillion with PAYGO. You look at now we want to have a commission and talk about that on a bipartisan basis. Again, they won't get it done. I have absolutely no confidence that that is going to get done.

We need a constitutional balanced budget amendment that says if you take in $3 trillion—that is what we took in my first year in Congress—you don't spend more than that, $3 trillion. As we said, 49 out of 50 Governors can't spend more than they take in. In the State of Florida, our budget was $72 trillion a few years ago. It's down to $62 trillion. They've had to make the adjustments. They've had to find the efficiencies. And we've got to do the same thing here.

I tell people—I think it was roughly a year ago you might remember we had a bill here, Aid to Africa. We were giving them $15 billion a year. And the thought was in this environment, same environment we're in now, tough year, families are making cuts, businesses are making cuts, you think they might cut it 10 percent or maybe add 2 percent. We're a very generous Nation. They went from $15 billion to $50 billion. And I think every Democrat voted for it and half the Republicans.

So my thought was, Okay, here we go. We're going to go borrow the money from China. Taxpayers are going to pay interest on that for a long time, and our children and grandchildren. And it's going to go to Africa, and God only knows where it goes when it gets to Africa. I thought to myself, Why don't we have China give it to Africa? Why do we have to be the middleman in that process?

But the bottom line is we've got to recommit ourselves. I think what happened on Tuesday a week ago in Massachusetts, spending and runaway spending has got so many people in my district and I think across the country, they realize that we defy common sense up here. That's why they're so angry and mad. There are a lot of other issues, but I think the top of this is they're concerned about what we leave our children and grandchildren.

I was in Bradenton, Florida, at a town hall meeting. A gentleman stood up, 63 years old. He said, Congressman, I have never been to one of these. I don't get involved politically in this. But he said, I have five children and I think 13 grandchildren. It's the first time in my life—I've been a small business man all my life. I am very, very concerned about where we're at and where we're going. I feel like we're heading towards bankruptcy, what I see, what I sense, my business background. He said, We can't continue to keep spending.

And I share that feeling. I know that my colleagues all share that feeling today, and this is the most important issue. It's the reason I came in 2006. I have two children in their mid-twenties. Every generation has left it better for the next generation. I don't want our generation to be the first generation that doesn't do this. And we need to come together in a bipartisan basis and do what's best, in the best interest of not only Americans but America.

Mr. GOODLATTE. I thank the gentleman for his comments.

I'd like to talk a little bit about what those economic consequences are, not just for our children and grandchildren, which should be our greatest concern, but not too far down. And in a moment I will turn to the gentlemen from Texas and Colorado and ask them, to get the benefit of their thoughts about what the consequences are of these deficits running as far as the eye can see if we don't pass a balanced budget amendment to the Constitution and start living within our means like every family, every business, large and small, every local government, and yes, even every State government, some of which are not managed very well. But they have to come to terms with the consequences of their actions a lot more quickly than the Federal Government ever has because of the fact they don't have this requirement to balance the budget, and every year they kick the can down the road. They say, We can have it all, and we'll just borrow more money to pay for it.

Well, I've asked high school students when they have come to see me or when I've had an opportunity to speak to them in their classes, I said, Who do you think is going to bear the burden of this debt that we're piling up? And they know the answer to that. They know that it's falling on their shoulders, but they don't have an appreciation of how serious it is, how large a debt it is and how dramatically it can affect the future of our country in the long term and also in the not-too-distant future as well.

□ 2145

So I said, let me give you a starting point to think about that. I said, how much is $1 trillion? The economic stimulus package, $1 trillion, cha ching. The budget deficit, the $3.6 trillion spending at the beginning of the year—they projected $2.4 trillion in revenue, $1.2 trillion deficit. We now know that we are several months into that year, and lo and behold, it's even greater than $1.2 trillion. Over $1 trillion, the health care bill, the monstrosity that brought people out to the polls in Massachusetts last week, $1.1 trillion, according to the Speaker's budget projections; in the Senate, $800 billion.

But we all know that when you have a bill that has 10 years worth of taxes to pay for it and only 6 years worth of benefits that you are using smoke and mirrors and it costs way more than $800 billion over a full 10 years of benefits. Most economists say it will be over $2 trillion over 10 years to pay for either the House or the Senate health care reform bill.

So how much is $1 trillion? I said, let me give you a starting point. If you had a stack of $1,000 bills, nice, freshly printed, tightly packed $1,000 bills, just 4 inches high, you would have $1 million. These students were pretty impressed with that. Most of them had never seen a $1,000 bill, and to think that just 4 inches would be $1 million. I said, how high would that stack of $1,000 bills, not $1 bills, $1,000 bills, have to be to reach $1 trillion?

Well, one young lady said, would it be about 12 inches? And a fellow in the back of the room raised his hand. He laughed. He said, oh, no. It would be a lot more than that. It would be about 20 feet. I said, well, think about it this way. One billion is 1,000 times 1 million. And 1 trillion is 1,000 times 1 billion, or 1 million times 1 million. And so that stack of $1,000 bills that is 4 inches high, to be $1 million, would have to be 4 million inches high to be $1 trillion. Four million inches is 63 miles high. It reaches up into outer space. And that's just $1 trillion.

That's just for the stimulus, or just for the deficit for the coming year, or double that for the new health care bill that they want to add in terms of overall spending that will cost either the taxpayers of this country or borrowed against the future of our country.

When you're talking about trillions of dollars, you're talking about a staggering amount of money. Back in the 1960s, there was a very famous Senator

who was widely quoted as having said, $1 billion here, $1 billion there, pretty soon you're talking about real money. But do you know what? That is not what he said. Everett Dirksen, the Senator who said that, actually said, $1 million here, $1 million there, pretty soon you're talking about real money. And that was just 45 years ago that he said that. And we've moved from millions to billions to trillions because this Congress doesn't have the fiscal responsibility that would be required by a balanced budget.

There are consequences, serious consequences for every American family and every job holder in this country. And that's why I want to turn to the gentleman from Texas and the gentleman from Colorado to get their perspective on just what happens if we don't get this problem under control.

Mr. CONAWAY. I thank the gentleman for yielding.

It is stunning to think that a stack of $1,000 bills, 1,000 of those, which would equal 1 million bucks would be 4 inches tall. Another way to look at $1 trillion, if you were to try to spend $1 trillion in 1 year, to do that, you would have to spend $32,000 per second every second of the year in order to get, to fight your way through $1 trillion. It's a staggering amount of money.

The number that doesn't show on your charts there is the unfunded promises that we've made. There is about $62 trillion in unfunded promises that we've made. To pay off that $62 trillion—that is the present value of those unfunded promises, this Federal Government over the next 75 years would have to run a $62 trillion surplus. I don't know who thinks that is even remotely possible to make that happen. The 4 years out of the last 40, I think, that cumulative $17 billion in surpluses over that 40-plus year period, and now we've added another 10 years to that 40 of deficits.

The first-quarter deficit for fiscal year 2010 is the fourth-largest, and would have been the fourth largest annual deficit ever, just to show you how fast we are running through this money.

The doctor fix, I mentioned that—starting the diet tomorrow. I hope the President comes in tomorrow night and says, we have a looming problem with our doctors and the Medicare reimbursement issue. The Congress gave it a 2-month extension back in December. The fix he referred to is that doctors on Medicare get a 21 percent cut in their reimbursement rates. None of us want to let that happen, period, to our seniors and to our physicians. But by the same token, we don't want to take the fix and simply add that burden to future generations. Let's start tomorrow night with the first doctor fix, which will expire February 28, and have that paid for by cuts in other spending so that we don't, in fact, take a difficult problem—but it's the most, it's the most near-term difficult problem—and show the world that we can fix it.

The other thing I would like to make a point of before I hear from the gentleman from Colorado in terms of what would happen, the Democrats are talking about the economy this and jobs that, all those kinds of things, I don't think there is a single thing we could do more important to incentivizing American jobs than it would be to seriously address this looming financial crisis of the Federal Government. If we were to say, yes, we are serious about balancing a budget, I think the confidence that that would instill in the market, in small businesses and large businesses all over this country, would do more than any $787 billion stimulus, any $150 billion stimulus that the House passed over that one Republican vote in December, the $80 billion stimulus that's being contemplated in the Senate, nothing of that sort will have a dramatic impact the way that balancing this budget, or at least telling the American people we are serious about balancing this budget, with an amendment that requires it; not good faith efforts, but requires a balanced budget.

I don't think there's anything we could do that would stimulate jobs and this economy any better than doing that. The confidence it would instill in this country would be palpable, I would think, if we were to do that.

Mr. GOODLATTE. I thank the gentleman. And I yield to the gentleman from Colorado.

Mr. COFFMAN. I thank the gentleman from Virginia and appreciate the comments of the gentleman from Texas on this very critical issue about a constitutional amendment for a balanced budget to the U.S. Constitution.

Let me just say about what is the impact as a former small business owner and actually as a former State treasurer for the State of Colorado, what is the impact of this deficit spending on the economy as a whole?

First of all, it's interesting that you hear rumblings around the world from other countries about given the U.S., given their fiscal policies, given their lack of fiscal discipline and how that will impact the dollar in terms of the strength of the dollar, should the dollar still be used as the international reserve currency? But I think the immediate effect that we are going to see certainly is a weakened dollar. And a weakened dollar is going to lead to higher inflation rates. Particularly as the economy tries to expand, you will have private borrowing competing with public borrowing, and that will create a higher demand and higher interest rates. But certainly the perception of a prolonged weakening of the dollar is going to cost us more as borrowers. It will drive up interest rates.

Then also look at just the extraordinary inflationary impacts the chronic deficit spending will have on that economy. I think that those things are shorter. And I believe that those things in concert will choke off the ability for this economy to fully recover. If we do not control spending soon, it will choke off the ability for this economy to ever fully recover. We will never see, we will never see the prosperity that Americans have experienced up until now. And it has always has been the next generation always had it better than the last. And I believe that we are at a turning point now where unless this Congress changes its ways fairly dramatically fairly soon, this next generation will not have it better than the previous generation.

I yield back.

Mr. GOODLATTE. I agree with the gentleman entirely. We are at great risk.

And let's start with the stimulus. The group speaking just before us were touting the great benefits of this economic stimulus package. We've already seen that during the time that we have been in the process of spending this nearly $1 trillion, all of which, by the way, is borrowed against our children and grandchildren's future, every penny of it is added to the national debt, but before we mention that we've lost 2.74 million jobs since the stimulus program began, the stimulus is founded on an economic theory, and that is called Keynesian economic theory. This says that if there is an economic downturn, the government will borrow money and use that money to spend on various projects and programs to employ people, and they will then generate economic activity. They will spend the money they earn with other people. That will cause people to manufacture goods in response to that demand, and the economy will start growing.

And this is the last part. This is the part that is always left out when they talk about the economic stimulus package in Keynesian economic theory. The last part of Keynes' theory was that when that economic activity took place, and the result was a growing economy, and there would be increased revenues coming into the Federal Government, that they would use those revenues to pay back the money they borrowed to get the process going.

And every time there is one of these so-called economic stimulus programs, do they pay the money back at the end? No. And it's very clear that there's no such intention here when you have $800 billion-plus deficits as far as the eye can see, to say nothing of the unfunded liability, the promises that the gentleman from Texas referred to, that is even far, far greater than what we are seeing here on this chart.

And so, that is what really puts the lie to the idea that this stimulus is going to have any long-term good effect.

The first concern I have is that at some point in time the amount of money we've borrowed, when the economy does start to grow, not just in this country but elsewhere in the world, and in some economies, they are already growing, and, in fact, they are

growing at a pretty healthy pace in countries like China and Brazil. They're going to have increased demand to borrow money. And our government is going to have increased demand to borrow money. And that means that at some point, not right now because people are saving money at a higher rate than they ever had, and interest rates are very low, and banks are afraid to lend that money to a lot of people, therefore there is a lot of money in the bank that is not being lent. And therefore interest rates are low. But in the not too distant future, whether it's 1 or 2 years, we are going to see demand for that money rise. And then the point made by the gentleman from Florida, that you will have $14 trillion, $18 trillion $20 trillion accumulated debt and interest rates go up to 5, 6, 7, 8 percent.

I can remember back during the Carter administration in the late 1970s when the prime interest rate got over 20 percent. If we face those kind of interest rates with this amount of debt, the burden on our government is going to be staggering, and therefore the burden on our economy and our people. And it's going to result in very near-term staggering problems in terms of high interest rates, perhaps hyper-inflation related to the very weak dollar compared to other currencies around the world. And then we are going to have what it seems like we are already getting into right now, and that is some evidence of some growth in our economy, but continuing to lose jobs. And then, behind that, you have inflation set in. You're going to have the stagflation that people remember from the 1970s and early 1980s.

This is not a prescription for the future of our children and grandchildren. This is a prescription for an economy that will go downhill and have a very, very different future for this country and the people of this country. And it's not too distant when that kind of impact could take place.

I yield to the gentleman from Texas.

Mr. CONAWAY. I thank the gentleman. I would just like to add to what you're talking about. U.S. taxpayers have benefited from artificially low interest rates because when the world's economy went bad, a bunch of the money that was out there fled. It was a flight to safety. That money fled into U.S. Treasuries. And we have basically been warehousing that money for folks all over the world at pretty near zero interest rates because they knew they would get it back from the American taxpayer.

What's happening now, with these increased deficits, is not only are we having to issue debt to pay off maturing debt, but we also have to issue new debt to fund these trillion-dollar deficits out there every year. Normally, you would expect that an increasing demand would cause the price of whatever it is you are demanding to get more of to go up. And that hasn't happened because the rest of the world, like I said, has fled into U.S. Treasuries.

Now, as the gentleman said, economies around the world are beginning to rebound. People are having opportunities to invest their money at higher interest rates or higher expected rates of return. And so we will very soon, one of the first indicators that things are going awry is as you begin to watch the weekly auctions of debt, our interest rates begin to inch up because we have to pay higher interest rates in order to attract lenders to our debt versus the opportunities they have got in other currencies.

□ 2200

This fallacy that the stimulus bill worked is based on the premise that government spending will solve the economic problems of this country.

If that is the case, then this government has spent more money in 2009, 2010, 2011 than has ever been spent in the history of man. So if runaway government of spending were the solution to a vibrant economy, why aren't we in the most vibrant economy ever known? Because we have spent more money out of the Federal Government than has ever been spent before.

It makes no sense that you can continue to borrow greater and greater levels of debt and continue to spend that on programs that, quite frankly, aren't in and of themselves stimulus programs. They are just basically money transfers or transfers of wealth between one group of people and the others. It doesn't create any additional wealth. That cannot sustain itself. But our colleagues across the aisle seem to ignore just the hard common sense that you cannot spend your way out of this problem.

I think it was Ben Franklin who said, You can't stand in a bucket and grab the handles and try to lift yourself off the ground, which is equivalent to trying to tax and spend your way out of a problem. And that is what we have been trying to do with this thing, which is a giant bucket with all of us standing in it.

Mr. GOODLATTE. If the gentleman would yield, I am curious what the gentleman thinks about the speculation the President tomorrow night will call for a spending freeze on discretionary spending.

Obviously, we are pleased that he would want to stop the dramatic trajectory upward in spending that we have seen from this Congress in each of the last 3 years since they have been in the majority. But is that enough? Is that going to solve this problem if we lock in at these higher spending rates that we are experiencing right now?

Mr. CONAWAY. If the gentleman would yield, I would feel a lot better about our President tomorrow night if he would say not only are we going to freeze spending, but we are going to freeze it at 2008 levels.

I go back a couple years. What has happened with the $787 billion stimulus, much of that money went into already-existing programs and elevated the floor of current spending. And then, on top of that, the 2010 appropriations bill, as our colleague from Colorado said, double-digit increases on that. So we are spending a significant amount of money more in 2010 than we did in 2008.

So if the President would say, All right, let's reset the clock back to 2008, when he first got here, at those levels and then freeze it there, I would feel a lot better about what he is trying to propose tomorrow night.

I do want to point out that it seems as if over the weekend he was going to freeze spending except for defense, homeland security, VA, and foreign affairs. Then I heard today or yesterday that, well, even within the discretionary spending that is going to be frozen, if programs create new jobs, then they are not going to be frozen. So it will be interesting to see what the fine details are tomorrow night on what the President has to say.

Mr. GOODLATTE. And I would add to that that it would be wonderful if this President of the United States, or any leader of our country, would step forward and say what we really need is the kind of discipline that requiring each and every year that we balance the budget would impose upon this Congress. Because we make tough decisions; but, most of the time, when the going gets really tough, they spend money on both.

We talked about PAYGO. The gentleman from Florida mentioned that as well and pointed out that it is really meaningless. If you look at it, they imposed these new rules after the adoption of this new health care bill and the enormous cost of that and claimed that it is being paid for, but do so with smoke and mirrors by taxing for 10 years but only providing benefits for 6 years, and claiming they are going to cut $500 billion out of Medicare at a time when the number of people eligible for Medicare is going to skyrocket.

Starting this year, 2010, those who turn 65 were born after World War II; and for the next 15 years, the number of people who are eligible for the Medicare program is going to increase dramatically.

During that time, I think we are going to see a need to have significant reform of the Medicare program. But the money saved is going to have to be made available to have more people covered under the program, not to divert it to set up a whole new government spending scheme.

We have been joined by the gentleman from Iowa, and I would like to yield to Mr. KING for his comments about the balanced budget amendment.

Mr. KING of Iowa. I thank the gentleman from Virginia (Mr. GOODLATTE) for leading on this Special Order tonight and for leading on fiscal responsibility here in the United States Congress.

This balanced budget amendment is something that I am proud to be an

original cosponsor of. I have done so every time that this has been offered since I have been here in Congress. And the dialogue that is here tonight adds so much to something that has been missing completely, I think, from the administration and from the White House.

We went from a point of Republicans pushing towards a balanced budget and listening to the PAYGO arguments of the Blue Dog Democrats demagoging on the issue. I don't know where they are today. It seems to me that they have gone underground. Maybe they are the Ground Hogs rather than the Blue Dogs at this point.

I don't hear anything from them about balancing the budget any more, because they understand that in order to fund this kind of profligate spending that we have, this $1.4-plus trillion deficit created by this Obama budget, that, by their method, we would have to raise taxes dramatically.

What I wanted to do is keep the taxes low, slow the growth in government; and for years I said, slow the growth in government so that the economy can catch up. I am now to this point where I would say the other way is that I don't believe the economy can catch up with the spending that we have. I think we actually have to shrink government in order to get it back in line.

This is going to be a very big task. It isn't going to happen under Speaker PELOSI's watch. It isn't going to happen if President Obama has a veto pen to control our spending in this Congress. But we do have an obligation to advance, as much as we can, this constitutional amendment. We have an obligation to offer a balanced budget, which we did this year. The Republican study committee balanced budget, that is something that I had pushed for for some time, and we will have a balanced budget offered this year.

So I just encourage all of my colleagues, Madam Speaker, and everybody in the United States of America to step up to this level of responsibility. If we can do it with our family checkbook, we must do it with our government checkbook. If we fail to do so, our economy will continue in this downward spiral.

We have got to get our capital, our money, our spending back underneath us and realize that government cannot grow us out of this economic problem that we are in. It has got to be the private sector. And the private sector cannot continue to pay the taxes to service the interest and the debt of a deficit that we have been spending under this administration.

I would point out, also, that Speaker PELOSI took the gavel at the end of November elections in 2006, January of 2007. At that time, we saw capital investment in industry go significantly downward. And I watched the members here and the freshmen from the other side tonight talk about how this was all Bush's problem. Well, if they are taking responsibility for anything that turns good, they have to accept the responsibility for what has happened since Speaker PELOSI took the gavel. All spending starts in the House of Representatives.

I thank the gentleman from Virginia, and I yield back.

Mr. GOODLATTE. I thank the gentleman. And the gentleman raised a very interesting point about how we grow this economy and what this does to it, because he correctly points out that we are going to grow this economy in the private sector, people who will go out and take the risk of creating a new business or expanding the business they have and creating new jobs as a result of that by offering a product or a service that people want and are willing to pay for and can afford to pay for it.

But if the government is out there borrowing $1.3 trillion, $1.5 trillion, $900 billion, and then $800 billion-plus every year thereafter as far as the eye can see, what is that going to do to the amount of capital that is available in the private sector? Especially if interest rates go up, and the government is absorbing so much of the credit that may be available around the country and other countries, and their growing economies are also competing for those same limited resources, we are going to find it very, very hard for free enterprise to survive if our government keeps spending more than it takes in and keeps growing in the enormous size.

It is projected that if you continue this rate of spending, we are going to have government spending 28 percent of our gross domestic product. The Federal Government, not even counting State and local governments, historically, it has ranged between 18 and 20, 21 percent, which is pretty high, in my mind, and many others as well. But it is nothing compared to having that shoot up to 28 percent. That is a huge additional amount of spending, more than $1 trillion each and every year.

And as you can see from this chart, almost all of it borrowed, borrowed against the future not only of our children and grandchildren but of the jobs that people hold today and the jobs that 15 million Americans who are out there looking for work hope to get if some employers will take the chance and can get the credit to allow them to start or expand their business.

We have been joined by another Member. I want to point out the gentleman from Iowa (Mr. KING) and the gentleman from Texas (Mr. GOHMERT) are members of the House Judiciary Committee, as am I. This is the committee that has jurisdiction over all constitutional amendments, and it is the place where we are pushing the hardest to try to get the Democratic chairman of the committee to examine this legislation, just as it was not that many years ago and passed the House of Representatives on more than one occasion, and on one occasion came within one vote of passing the United States Senate. Think of what a different country we would have today if we had been living under balanced budgets for the last decade instead of what we have seen.

I would now like to yield to my good friend, the gentleman from Texas (Mr. GOHMERT).

Mr. GOHMERT. I sure thank my friend from Virginia for yielding.

And, yes, we need a balanced budget amendment, and that will do great things. It will strengthen the dollar. It will show the world that we are responsible when it comes to spending for a change. And also, of course, we know that takes ratification of the States and passing both Houses, and we just flat need to do that.

In the meantime, we understand the President may come into this very Chamber and stand right up there and actually suggest that perhaps we ought to freeze the budget of three Departments.

□ 2210

Well, I am so glad that our President is coming around and getting on board with some Republican proposals. This is H.R. 4408. But rather than three departments, this is—and I will read from the bill. It was filed last year. Got lots of Republicans on as cosigners. No Democrats yet. Hope they will come on board once the President starts talking about this. But it says, to amend the Balanced Budget and Deficit Control Act of 1985 to eliminate automatic increases for inflation from CBO baseline projections for discretionary appropriations, and other purposes. It will end the automatic increase in every discretionary budget in the Federal Government.

Now we're talking about being responsible with our spending. No automatic increases every year. Nobody I know of in America gets that kind of thing. If they're working, if they produce, perhaps they'll get an increase. Well, the government shouldn't get automatic increases every year. If you're going to get an increase, it has to be justified. And that has been lacking for so long.

I will just read here. It says, This act may be cited as the Within Our Means Budget—WOMB—Act of 2009; whereas, from passage of this bill will come a new birth of freedom for American taxpayers and an end to the automatic increases for each department that has been bankrupting America.

There are all kinds of good solutions. So I'm proud the President's coming around. Perhaps if we can push him a little further, we can make him even a little more responsible so we start reining in the greatest budget deficit in a 1-year history that has just gone on under this President's watch.

So I appreciate my friend from Virginia yielding, and I look forward to starting to get Democrats, now that the President is talking about some good Republican ideas.

Mr. GOODLATTE. Well, I thank the gentleman for his comments. You

know, Washington, D.C., has a spending addiction, and it has proven to be an addiction that the Congress cannot control without a balanced budget amendment requiring that it make the difficult decisions to balance it each and every year. We have gone in a few short years from a deficit of billions of dollars to a deficit of trillions of dollars and we're printing money at an unprecedented pace, which presents risks of inflation, the likes of which we have never seen. Our debt is mounting rapidly and so is the waste associated with paying the interest on that debt, yet Congress has so far refused to address these unsettling problems.

This is not a partisan addiction. It reaches across the aisle and afflicts both parties, which is why neither party has been able to master it. We need outside help. We need pressure from outside Congress to force us to rein in this out-of-control behavior. We need a balanced budget amendment to the United States Constitution. Families across our country understand what it means to make tough decisions each day about what they can and cannot afford. According to a recent Zogby Interactive survey, approximately 70 percent of Americans said they have reduced spending on entertainment in the past year; 40 percent have limited or canceled vacation plans due to the economic environment; 40 percent have decreased spending on food or groceries; almost 10 percent have either changed their education plans or have chosen not to pursue education plans at all. Most troubling, 16 percent have foregone medical treatment or prescription drugs.

These numbers show how sobering our economic recession is, but they also show something more. They demonstrate a basic principle that honest, hardworking American citizens understand: When your income drops, your spending must drop, one way or the other. Yet, far too frequently this fundamental principle has been lost on a Congress that is too busy spending to pay attention to the bottom line. If Americans must exercise restraint with their own funds, then government officials must be required to exercise an even higher standard when spending other people's hard-earned income.

I urge my colleagues to support the balanced budget amendment to the United States Constitution, House Joint Resolution 1, and I yield back my time.

HEALTH CARE

The SPEAKER pro tempore (Ms. CHU). Under the Speaker's announced policy of January 6, 2009, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes.

Mr. KING of Iowa. I appreciate the honor to be recognized to address you here on the floor of the House. I appreciate the previous hour, the gentleman from Virginia leading it, talking about the responsibility that we all have to provide a balanced budget here in this Congress and recognizing that the political forces that are at play here, let's say in Congress and across the country, everybody wants their measure. It has been something where Federal dollars have been distributed on down through the chain from the Federal Government to the State to the counties to the cities, other political subdivisions, parishes. Other examples of that, individual organizations get appropriations.

It has been very, very difficult for this Congress to find the discipline to produce a balanced budget. So that's one of the reasons why I believe strongly that we have got to amend the Constitution so that we have real strict constraints, because Congress hasn't shown the discipline to balance the budget.

That would not be the case for the individuals that are here on the floor tonight that are pushing so hard for this constitutional amendment. Every one of us that are cosponsors of the resolution led by Mr. GOODLATTE would vote for a balanced budget, of course, and we would also and have supported a constitutional amendment.

I wanted to transition the discussion just a little bit tonight, Madam Speaker, from this fiscal responsibility on over to the health care responsibility. First, I'd take us back to the President's statements and throughout the campaign and into his Presidency and after he was inaugurated as President over here on the west portico of the Capitol building, and that was January 20th of last year. That first anniversary just rolled around last Wednesday, Madam Speaker.

The President of the United States, President Obama, said that we are in an economic problem—I don't want to overstate the language he used, but we couldn't fix the economy without first fixing health care, that health care is apparently a contributor. Too much health care spending is a contributor to the economic problems that we are in. So it didn't make sense to me and it didn't connect that when you have what was described as an economic meltdown, a chance that we might be losing the fiscal structure of currency and trade between the countries and the global financial structure, if we're risking a meltdown of the global financial structure, I don't know how we could think the problem of spending too much money on health care, solving that is going to solve the economic potential meltdown. But that was the position that the President took, Madam Speaker, when he said over and over gain we can't fix the economy without first fixing health care.

So, even though it didn't make sense, that was the position that President Obama took, and here we are. The average industrialized country spends about 9.5 percent of their GDP on health care. Our numbers are about 14.5 percent of our GDP. Some will say a little over 16 percent of our gross domestic product on health care. So the President's proposal is we spend too much on health care, but his proposed solution is spend more on health care. In fact, spend a lot more on health care, even to the point where he drew a line and said, I won't sign a bill that costs more than $900 billion.

So the House went through a lot of logical contortionism and contrived a bill that tried to stay underneath that level and then sent it over to the Senate, where they went through a few more, let me say, accounting contortionist activities to try to be able to proscribe their bill from going over $900 billion, why? Because the President said he didn't want to sign a bill that costs more than $900 billion.

□ 2220

Well, it turns out that the accounting gimmicks were so stark that anybody else would have been laughed out of the Econ 101 classroom if they had proposed such a thing as, let's say, 10 years of revenue and 5½ to 6 years of cost to get down to a number that's just slightly under $900 billion. When you look at the first real 10 years, according to Senator JUDD GREGG from down this hallway in the Senate, the first real 10 years is $2.5 trillion. We have some other numbers out of the House side that shows around $2.1 trillion in cost for the first 10 years. And when you look at what JOHN SHADEGG has put together, you really see some numbers that escalate all the way up to $6 trillion.

So the President's problem is, we have an economic problem that he wants to solve by, first, fixing health care because we spend too much money, and we're going to fix it by spending a lot more money, trillions of dollars more, $1 trillion to $2 trillion to $3 trillion to maybe as much as $6 trillion more. Illogical? As I said, you'd be laughed out of an Econ 101 classroom to come up with an argument that you could do an accounting that showed 5½ years of cost and 10 years of revenue and then claim that it only costs $900 billion under that.

So we know that's, number one, a flawed premise, a flawed result. The American people understood that, even though the people in the echo chamber in the White House and the leadership chambers here in the House and in the Senate didn't seem to understand that. The second thing, the President of the United States consistently said that we need more competition in health insurance, that the insurance companies aren't competing, they don't have competition. So in order to do that, he proposed that we create a Federal health insurance program. A Federal health insurance program, that the Federal Government get in the business of competing against the private sector health insurance industry.

Now I wonder if the President was briefed on how many health insurance companies we have in the United States. That number is 1,300. There are