SHORT MEMORIES

Mr. HARKIN. Madam President, just listening to my good friend from Utah speaking—and he is a good friend of mine—and others who have been speaking for the last half hour, memories are short, very short—I mean very short. Forget about the attention span. Memories are very short. How soon we forget that at the end of the Clinton years, after we had worked with President Clinton to pass measures that brought in more revenues that kept our spending under control, we had 4 years of balanced budgets—4 years—not only of balanced budgets but budget surpluses.

When President Clinton left office, he left George W. Bush the biggest surplus ever in our history. CBO said if we just continued on with the policies we had, we would have paid off the national debt by 2010. But what did the Republicans do? They came riding into town in 2001. They got the White House. They got the Senate. They got the House. What did they do? They took that surplus we had and said: Hey, we have to give this to the wealthy. We have to have tax cuts for the wealthiest in our society. That is what they did. How did they do it? They snuck it through on something called reconciliation—a budget measure which means we cannot filibuster it, and it only takes 50 votes. That is what the Republicans did. They squandered it—squandered it—to give more to the wealthiest in our society. Look what has happened since then.

Then we had two unpaid-for wars. George Bush got us in those wars. Don't pay for them; we will just borrow it from China, borrow it from other countries. Then a new prescription drug benefit, unpaid for. We will just borrow more money.

Now these same Republicans who ran up the deficit, squandered the surplus, are now saying we have to balance the budget on the backs of the middle class. We have to balance the budget on those who already are hurting so much. But, no, we cannot raise revenues on the wealthy. Oh, no. No, no, we cannot do that.

As I said, memories are short. They all want a balanced budget amendment now. Why don't we do what we did under the Clinton years? Let's have the same kind of economic policies we had then? Then we will have balanced budgets. But, no, not my Republican friends. No. They say they want to limit government spending to 18 percent of GDP. I would like to ask: Where does that number come from? Why is it 18 percent? Why isn't it 18.5 percent? Why isn't it 17.75 percent? Why isn't it 19.23 percent? Where does 18 percent come from?

Let me tell you where this comes from. The last time the Federal Government was 18 percent of GDP spending was 1967, before Medicare got underway. So read between the lines what the Republicans are saying: If they could get that down to 18 percent, they can do away with Medicare, which is what they want to do anyway. The Republicans want to do away with Medicare. If we can get the Federal Government's role of spending down to 18 percent, we are back where we were in 1967. Guess what. We can get rid of Medicare and turn it back over to the private insurance companies. That is what the Ryan budget did. That is what the Republican budget did. That is what they all voted for.

So when they tell us about 18 percent of GDP, think Medicare. Think Medicare. Goodbye Medicare. That is what they are after.

BOLD VISIONS

Mr. HARKIN. Madam President, we have reached a point of maximum danger—maximum danger—in our fragile economic recovery. We are mired with the most protracted period of joblessness since the Great Depression. Businesses are reluctant to invest and hire for the simple reason there is not sufficient demand for goods and services, largely because—why—so many people are unemployed, 20 million. People are mired in debt. Even those who are working are insecure about their employment. So for most Americans in the middle class and lower income, this is still a deep recession.

I have come to the floor repeatedly in recent weeks to warn against the folly—the folly—of Washington's current obsession with making immediate Draconian cuts to the Federal budget, something that by its very nature will drain demand, reduce growth, and destroy jobs.

The Federal Reserve Board Chairman, Ben Bernanke, warned just last week:

> In light of the weakness of the recovery, it would be best not to have a sudden and sharp fiscal consolidation in the very near term. It would be a negative for growth.

Here in the Washington bubble, many—especially those on the opposite side of the aisle—have persuaded themselves that the biggest issue is the budget deficit. But outside the beltway, outside Washington, Americans are most concerned with a far more urgent deficit: the jobs deficit.

I am also concerned about a third deficit that I think we have: a deficit of vision. I am disturbed by our failure to confront the current economic crisis with the boldness and the vision that earlier generations of Americans summoned in times of national challenge.

Our Republican friends reject the very possibility that the Federal Government can act to spur economic growth, boost competitiveness, and create good middle-class jobs. That is their ideological position, and they are sticking to it, even in the face of contrary facts. It is based on a profound misreading or perhaps nonreading of American history.

As Americans, we pride ourselves on our robust free enterprise system. But there are some things—big national undertakings—that the private sector simply is not capable of doing. At critical junctures, going back to the beginning of our Republic, the Federal Government has stepped to the plate. We have acted decisively to spur economic growth, foster innovation, and create jobs.

So let's go back. Let's do a little analysis of our history.

The Founding Fathers are very much in vogue these days, so let's go back to that time. Let's go back to Alexander Hamilton, a hero of the Revolutionary War, our first Treasury Secretary. In 1791 Hamilton presented the Congress the landmark report on manufacturers, a set of policies designed to strengthen our new economy.

His plan was adopted by Congress. It included tariffs to raise revenue and to protect our domestic manufacturing base. Hamilton's plan was a historic success. It was echoed several decades later by Congressman Henry Clay's famous ''American System.'' In the burst of nationalism following the War of 1812, Clay advocated for major new Federal investments in infrastructure. Of course, at that time he did not call it infrastructure, he called it internal improvements.

Clay led the Congress in raising new revenues to finance subsidies for roads, canals, bridges, and projects designed to expand commerce and knit the Nation together. One of those internal improvements was the Cumberland Road, our first truly national road. It began in Maryland and stretched over the Alleghenies more than 600 miles to Illinois. It was Henry Clay of Kentucky and other westerners who pushed to extend the road from Wheeling, WV, to Columbus, OH.

But, again, go back and read your history. Clay was bitterly opposed by those who said the Federal Government could not afford to build the roads and canals and had no business doing so. It sounds familiar to what I am hearing on the other side of the aisle today. History shows that the naysayers were wrong on all counts.

The Cumberland Road opened the West to settlers and commerce and development. Of course, the most visionary 19th century advocate of Federal investments to spur economic growth was a Republican, the first Republican President, Abraham Lincoln.

Despite the disruption of the Civil War, Lincoln insisted on moving the Nation forward through bold Federal investments and initiatives. In 1862 he signed the Pacific Railway Act, authorizing huge Federal land grants to finance construction of the Transcontinental Railroad, one of the great technological feats of the 19th century. To produce the rails in America rather than shipping them in from England, he enacted a steep tariff on foreign steel in order to jump-start the American steel industry.

Lincoln did much more. He created the Department of Agriculture to do more research, distributed free land to