

consideration for those people who have to go out and create that money. The people who go out and get their money, not because it is transferred in their pocket, but because they go out and work for it and they earn it. Here it is transferred through tax mechanisms.

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

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

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

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

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

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

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

I found most of what he said I totally agree with, and I believe he will find that is the Blue Dog position, but I do not believe the gentleman intentionally misspoke regarding the President's budget and the utilization of Social Security and Medicare trust funds. I know he did not intentionally, and all I say is if the gentleman will carefully examine the President's budget, I believe he will find that there is a double counting of the Social Security and Medicare trust funds because I believe

the gentleman and I will agree that those moneys that are now being paid in by the hard-working men and women today, everybody paying into the Social Security trust funds, those moneys are already obligated.

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

SO-CALLED ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001

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

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

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

□ 2320

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

Now, I also would add that I think it is important for us to understand that simply having the fear of greater spending if we do not have a tax cut really historically has not proven to be very successful. Because during the early 1980s, when the Reagan tax cuts went into place, we also found that the

Congress and the President decided to increase spending, particularly on national defense. And the largest deficits occurred during those years when we were both cutting taxes and increasing spending on defense. So, unfortunately, though it is a worthy objective to say that if we simply cut taxes first we will reduce spending, the truth is Congress has not chosen to follow that pattern.

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

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

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

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

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

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

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

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

Mr. TURNER. Reclaiming my time, Mr. Speaker, I thank the gentleman for his remarks, and again we commend him on his presentation. I really do hope, however, that we will all at least come to the point where we will agree as a House, as a legislative body, that

the budget act that we are governed by, requiring a concurrent budget resolution before we have tax cuts or enact appropriations for spending will be the pattern that this Congress will follow.

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

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

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

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

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

And so Blue Dogs simply say, let us pay down the national debt, let us have meaningful tax cuts for the American people, and let us preserve Social Security and Medicare for the future. And why do we say let us have a budget first? Because if we have a budget first, we have to address each of those issues that I mentioned and take the available Federal revenues that we hope will

appear over the next 10 years and we have to fairly allocate them to those various priorities. To simply say let us bring a tax cut to the floor, it is a feel-good vote, let us do it, let us move on down the road, it will all work out, is not the way we would run our household budgets or our business budgets; and it is certainly not the way we should run the people's budget here in Washington.

So I am hopeful that at the end of the day this Congress will have a budget debate. And, after all, just because the President says that spending will only go up 4 percent, just because the President says that we are going to be able to make all this work out does not mean that is the way the law is going to read at the end of the day.

And when the gentleman from Colorado (Mr. McINNIS) says that he thinks we ought to pass the tax cut first and then the budget, he is expressing a fear, a fear that his own majority party, who controls this House, who controls the Senate, and who now controls the White House, cannot be fiscally responsible. I submit to my colleagues that as long as the Republicans are in charge, they are going to be the ones ultimately that determine the size of the spending bill for the Federal Government for this next year. And to simply say that there is some projection out here of future surpluses that we all hope are going to arrive, and to make a decision today to spend all of those surpluses on the tax cut the President has proposed, is irresponsible. The truth of the matter is, if they do not show up, we will be back in deficit spending.

A fellow in overalls at a town meeting stood up after I had made a long-winded presentation about all these Federal budget numbers, and he said, "Congressman, how can you folks in Washington say you have a surplus when you have a \$5.5 trillion debt?"

□ 2330

It caught me a little bit off guard, because the point was well made and certainly well taken. Only in Washington can you owe \$5.5 trillion in publicly held debt and in debt owed to the Social Security and Medicare and other trust funds of the government that have been taken all these many years and spent on other things, only in Washington can you also say you have a surplus.

The debt we owe is real. It is here now. The surplus we are talking about has not yet arrived. It may not arrive. What would you do at your household if you owed money to the tune of \$100,000 and somebody said, "Well, we think you're going to have an increase in your pay over the next few years." Would you ignore the debt and start spending the surplus? No. You would try to pay down the debt that you owe. Keep in mind, the Blue Dogs do not

apologize because the size of our tax cut is little bit smaller than the President is talking about. The truth of the matter is, if you look at the tax cut proposals on, for example, the marginal rate side of the tax cut, sure the President over the long term has a little larger tax cut for those in the upper income brackets. The Democratic proposal has larger tax cuts for those in the middle income brackets. But the truth of the matter at the end of the day, the Blue Dog plan is not only to cut taxes but to pay down debt, because we know and economists tell us that paying down debt will put more money in the back pocket of American families than any of the tax cuts that we are talking about today, whether it is the President's, the Blue dogs' or any other group in this House or in the Senate. Economists say interest rates across the board would go down over the next 10 years approximately 2 percent if we pay down the national debt.

If you are struggling to buy a new home and you have borrowed \$100,000 at the bank and we can get interest rates down for you 2 percent, you will save \$2,000 a year. Who gets \$2,000 a year even under the President's tax cut? Well, I guess the very wealthy do. I suppose by looking at the numbers, if you are a wealthy lawyer making half a million dollars a year under the Bush tax cut, you get \$15,000. But under the Bush tax cut if you are a waitress making \$20,000, you will no longer have to pay \$200 in taxes. Your taxes will be zero. As I think the President has often pointed out, the waitress gets a 100 percent reduction in her taxes and the rich lawyer only gets a 50 percent reduction when the truth of the matter is the lawyer gets \$15,000 and the waitress gets \$200. But how can we help the waitress? If she is trying to buy a home for her family and we can get interest rates down 2 percent so that when she goes into that bank or that mortgage lending agency and she applies for that \$100,000 loan, the interest rate quoted to her will be 2 percent lower and she will save \$2,000 a year because this Congress decided to be fiscally responsible and pay down the national debt and reap the benefits that come from that kind of fiscal responsibility. That is what the Blue Dogs are for. And at the end of the day, our plan will put more money in the back pockets of an average American family than any tax cut that is being talked about today.

I am very hopeful that we can at least have an opportunity to have a fair debate on priorities and a fair debate about a budget before we have to vote on major tax cuts that may jeopardize our efforts to bring fiscal responsibility and restraint and debt repayment to the American people.

I really think that tonight, the debate that we are having, though there are only a few Members in the Chamber tonight, is the kind of debate that we

need to be having in the full daylight with the Members of the House here on a budget resolution for this House. I have even read in some of the publications here on the Hill that the Budget Committee is going to make a special effort this year to have a realistic budget, because the truth of the matter is that many times, the Congress even after passing their budget has spent more money than the budget allowed. This year, the spirit seems to be different in the House Budget Committee. I am very hopeful that the House Budget Committee will pass a realistic budget, one that this Congress will live within, and one that will allow us to have meaningful tax cuts and significant debt repayment over the next 10 years. This is our goal. This is what we are working for. I think at the end of the day, we can find that the American people will benefit from fiscal conservatism.

It is really unusual to be in a position of having to be the voice of fiscal responsibility when for so many years we had support from the Republican side of the aisle for the same goals. It turns out that the Blue Dog Democrats have now been identified in this body as being the strongest deficit hawks, the most fiscally conservative and those committed to greater fiscal responsibility than any group in the House. I think it is really significant that this message be heard. That is why we are here tonight, at 11:35 Eastern Time talking about this issue that we all believe so strongly in.

There have been several good editorials that have been published in recent days about this issue. It seems that more and more people across this country are beginning to question the path that has been charted by the leadership in this House which will lead us tomorrow to a vote on a major tax cut before we have a budget. More often than not in my conversations with my constituents, I hear the healthy skepticism that exists among people all across this country about cutting taxes based on a 10-year projection of a surplus. In fact, it was suggested to me the other day that perhaps this Congress and this administration could be characterized as somewhat arrogant for even suggesting that we cut taxes based on a 10-year estimate. Because the truth is, even if the estimate, perchance, turned out to be correct, this President and this Congress would have passed the last tax cut that could be passed by any Congress or signed by any President for the next 10 years. Perhaps that alone would suggest that perhaps we should look at a shorter time frame. When I served as a member of the Texas legislature, the House and the Senate there, I served on the Finance Committee, we met biennially, once every 2 years. What we did is project the State revenues for the next 2 years, projected our State spending

needs, and adopted a budget accordingly. And if we had extra money projected for the 2-year period, we could pass a tax cut. We did not talk about 10 years out. Perhaps most legislators understand how foolish it really is to spend money that you do not even have yet. Only in Washington do we project for 10 years and then somehow declare that it is engraved in stone on a wall and we can spend it today. I think that we as a Congress should acknowledge that of the tax cut that we are talking about being given to the American people next year, that the surplus is so small next year that only 5 percent of the total tax of \$1.6 trillion the President proposed is even being granted next year. And to grant more would put us back into deficit spending, because two-thirds of this surplus occurs in the second 5 years of this 10-year projection. Only one-third occurs in the first 5 years. And in the shorter term, very little surplus exists for any tax cut.

Now I am not belittling the fact that the tax cut proposed gives a \$56 billion tax cut next year, but \$56 billion is only 5 percent of the total tax package that is being talked about. It was suggested the other day that perhaps what we ought to be doing is simply passing a short-term tax cut, coming back in 2 years, taking another look at where we are financially, passing another one, giving the next Congress after that the good fortune of being able to vote for a tax cut. But, no, in Washington the playing field has been defined for us, because the Congress in 1992 said that the Congressional Budget Office should project the financial estimate for 10 years.

□ 2340

Once we did that, then I guess we opened the door to start spending the money, whether it is by tax cuts or spending or whatever means we want to use to dispose of it today, based on an estimate of what might occur over the next 10 years.

So the Blue Dog Democrats are here tonight. We are working hard to convey the message of a budget first and we are asking for fiscal responsibility.

Mr. Speaker, I am pleased to yield to our fellow Blue Dog colleague, the gentleman from Mississippi (Mr. TAYLOR.).

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman from Texas (Mr. TURNER) for yielding.

Mr. Speaker, again, I will ask every American who listens to the debate tomorrow, listen for this number, \$5,735,859,380,573.98. You will not hear one proponent of the tax cut admit to the American people that that is how far in debt we are, and almost all of that debt has occurred since 1980.

I will give you another number you will not hear. You will not hear about the \$1,070,000,000,000 that this Nation owes to the people who pay into the

Social Security trust fund. You will not hear about the \$229,200,000,000 that this Nation owes to the Medicare Trust Fund. You will not hear about the \$163.5 billion that we owe to the military retirees, and you will not hear about the \$501.7 billion that we owe to the public employees retirement system.

I have to be a little bit disturbed about what my friend, the gentleman from Colorado (Mr. MCINNIS), said tonight. His statement was that we have to cut taxes because they cannot stop spending.

Now I admire many of my Republican colleagues, but they asked for the opportunity to govern and they promised the American people if they were given the opportunity to govern they would stop wasteful spending. So what he is saying, I guess, is that that promise was not true; that they cannot control spending.

Let me make a point to the gentleman from Colorado (Mr. MCINNIS). Cutting revenues has never stopped spending. It only increased the amount of money that was borrowed.

When Ronald Reagan made the same pitch in the early 1980s to cut revenues because it would stop spending, the debt was less than a trillion dollars. It is now \$5.7 trillion.

Let us remember that Ronald Reagan's veto was worth two-thirds of the House and two-thirds of the Senate; just as George Bush's veto will now be worth two-thirds of the House and two-thirds of the Senate.

If President Bush sees some wasteful spending, I encourage him to veto the bill, and I will work with him to prevent the override of that veto. Do not tell me that you have to increase the national debt, pretending there is an imaginary surplus, so you can give your contributors a \$1.6 trillion tax break, because it is not there. We do not have a surplus until we pay back what we owe to Social Security, which is a trillion dollars; until we pay back what we owe to Medicare, which is \$229 billion; pay back to those people who served our Nation for 20 years or more and our Reservists who served our Nation for 20 years or more, the \$163 billion. We do not have a surplus until we pay back to our civil servants the \$501.7 billion that has been taken out of their paychecks. You do not have a surplus to give away in tax breaks.

I know these are astronomical numbers, and I know the typical American has just got to be dumbfounded with them, and I think skepticism is a good thing. So let me say where you can look to see this, because these are all straight out of the monthly statement of Treasury Securities.

Just a month ago, that was known as a monthly statement of public debt but the Bush administration, in order to disguise the true nature of the debt, changed the title of that from public

debt to Treasury Securities; but it is the same thing.

So I would encourage you to go to www.publicdebt.treas.gov. I encourage you to go to table 1, page 1, monthly statement of Treasury Securities of the United States, February 28, 2001; go to table 4 page 10; go to table 3, pages 7 and 8.

That is where these numbers come from. I am dealing in reality. The Blue Dogs are dealing in reality. The people who are for these tax cuts are dealing in projections, and we are \$5.7 billion in debt because of rosy projections, not people dealing in reality.

Mr. TURNER. Mr. Speaker, I would ask the gentleman from Mississippi (Mr. TAYLOR) does he happen to know how much interest we are paying on this national debt?

Mr. TAYLOR of Mississippi. I am so glad the gentleman asked that. We constantly hear people say, stop the wasteful spending. Doggoneit, you all can balance the budget if you just cut out the wasteful spending. Some people say it is food stamps to the tune of about \$30 billion a year. Some people say it is foreign aid to the tune of about \$13 billion a year.

I guess everyone has something they think we ought to do away with. National Endowment for the Arts I voted against, \$100 million a year.

The most wasteful thing this Nation does is to squander \$1 billion a day each and every day on interest on the national debt. We did it yesterday. We did it the day before that, the day before that. We will do it tomorrow and we will do it every day for the rest of our lives if we do not retire this debt.

That is what the interest payment is. It is more money than we spend on defense. It is more money than we spend on Social Security. It is more money than we spend on veterans health care. It is more money than we spend on anything.

It is squandered. It does not educate a child. It does not build a highway. It does not defend our Nation. It is squandered. It tends to go to the wealthiest Americans, the very people who will get the biggest benefit of this tax break.

Mr. TURNER. I had heard a few months ago that the interest payment on the national debt was the third largest category of Federal expenditures. Is that correct? I think Social Security and perhaps national defense might have been a little bit ahead of payment of interest on the debt.

Mr. TAYLOR of Mississippi. For the record, for the fiscal year 2001, the Treasury has already spent \$144 billion on interest on the national debt. That is the first 5 months of this year. Contrast that with fiscal year 2000, the Treasury spent \$362 billion on interest. That is almost a billion a day. That is 20 percent of every dollar that was spent.

By comparison, the military outlays total \$281 billion, \$81 billion less than we pay on the interest. Medicare outlays were \$218 billion, \$144 billion less than we spent on interest on the national debt.

Again, Mr. Speaker, again Senate Majority Leader, Mr. President, please come tell me that there is a surplus, because you are dealing with projections and I am dealing with reality. The people of America are now \$5.7 trillion in debt from rosy projections. The debt is real. The interest payments on the debt are real. What we owe to Social Security, what we owe to Medicare, what we owe to the military retirees, what we owe to our own civil servants is real.

Let us pay our bills first before we start making new promises.

Mr. TURNER. Mr. Speaker, I would say to the gentleman from Mississippi (Mr. TAYLOR), in addition to the absolute waste that is represented by a billion dollars a day that we pay in interest on this huge \$5.7 trillion national debt, there is going to come a point in time, is there not, where those debts are going to have to be repaid, those IOUs the gentleman talked about earlier this evening that represents the lockbox trust funds, that those monies are going to have to be paid? I mean, in Social Security, for example, is there not going to be a requirement, an absolute requirement, that some day those funds be repaid to that trust fund?

Mr. TAYLOR of Mississippi. In the 1980s, the Reagan administration, with a Democratic House, Republican Senate, increased by 15 percent payroll tax on working Americans toward Social Security and Medicare, because they realized, because of the demographic change, with fewer and fewer working people, more and more retired people taking money out, fewer people putting money in, that by 2014 the money that was being paid in on an annual basis to Social Security would no longer pay the money that is being taken out.

So with Alan Greenspan as the Chair of a commission, they recommended, it passed through Congress, an increase on payroll taxes with the idea being that the money would be collected now while we have a relatively large workforce, set aside to pay those benefits then for Social Security, for Medicare, for military retirees, for civil service retirement.

The problem is that money was spent, every penny of it. What we are trying to change and what we will have an opportunity to change tomorrow, I hope, if the Committee on Rules makes it in order, is to say that the provisions of this tax bill tomorrow only take place in years where we fully fund our annual obligation to Social Security, to Medicare, to military retirement and civil servants.

□ 2350

If that does not happen, then the tax increase does not take place. I happen

to think that is totally in keeping with the President's vow and promise that he made to Congress. He mentioned Social Security by name, he mentioned Medicare by name. He did not mention our military retirees, he did not mention our civil servants, but I am sure he would want to protect their funds as well.

Mr. TURNER. Mr. Speaker, reclaiming my time, so the gentleman says that 13 years from now, in 2014, we start paying more Social Security benefits than we have income into the Social Security Trust Fund and payroll taxes, and at that point in time is when we need to have that debt paid down so that the money will be available for the Social Security recipients.

Mr. TAYLOR of Mississippi. Mr. Speaker, if the gentleman will yield, the promise made during the Reagan years was that that \$1 trillion would be set aside. That promise was never kept in the Reagan years, it was never kept in the Bush presidency, it was never kept in the Clinton presidency. The question is now whether this President will honor that promise made almost 20 years ago. The promise was never kept for the Medicare trust fund. The question is whether or not this President will honor it. The promise was never kept to our military retirees. The question is whether or not President Bush will help us keep that promise. The promise was never kept to the civil service retirees. The question is whether or not President Bush will help us keep that promise.

Now, my promise to President Bush is, I will help him keep that promise. I think keeping our word to all of these groups is more important than making new promises to other Americans, because a great Nation is only as good as its word. That is why last year we worked so hard to get our health care benefits that were promised to military retirees, and I thank my colleagues for helping on that. It is now time to keep our word on these matters.

Mr. TURNER. Mr. Speaker, let me ask this question of the gentleman. After 2014, 13 years from now, when the Social Security system begins to experience the retirement of those of us who are in that baby boomer category, what happens, as I understand it, is not only do we see in 2014 more money coming out of Social Security and benefits than goes in and Social Security payroll taxes, but that is just the tip of the iceberg. Because I read the other day that the Social Security service has already estimated, based on the number of folks that will be retiring in the years ahead, that 50 years from now, that the drain on the Social Security Trust Fund will be so great, that to have enough money going into the system 50 years from now to pay the benefits, to which people who will then retire will be entitled, will require a payroll tax of 50 percent of payroll.

Now, the gentleman knows and I know and everybody here knows that we are never going to have a 50 percent payroll tax. Nobody could stay in business if they had to pay a 50 percent payroll tax. But to pay benefits that will be due by current law to the beneficiaries that will be retired 50 years from now, a lot of our children in that category, we need a payroll tax of 50 percent? I think what it says to me is that the talk about a surplus over the next 10 years really hides the true financial picture of the Federal Government, because not only does Social Security face a crisis in the years ahead, but Medicare does too. Is it fair, I ask the gentleman, to say we have a surplus when, in fact, if we look at a longer period of time, we probably have a deficit again because the demands on the Social Security system and on the Medicare system are so tremendous?

Mr. TAYLOR of Mississippi. Mr. Speaker, I would say to the gentleman, I pointed out that this is the debt right now. We have heard our colleagues say that CBO projections say that we are going to have a lot of money left over. Let me tell my colleagues the real CBO projections.

Today we owe the Social Security Trust Fund \$1 trillion. The CBO projection is that 10 years from today, even without the Bush tax breaks, which will deprive about \$1.6 trillion out of revenue, we will owe Social Security \$3 trillion, 65 billion. I told the gentleman how we owed money to Medicare, to military retirees, to civil service retirees. It projects, the CBO, even without the tax breaks, that we will owe them \$2.2 trillion 265 billion, and contrary to what our colleague from Colorado said, even without the Bush tax breaks, if we do not start getting serious about cutting spending, living within our means, that 10 years from now, our Nation will be \$6 trillion, 721 billion in debt.

Mr. Speaker, there is no person on earth who can convince me, who can convince my colleague, that there is a surplus now or that there will be a surplus then, when we are \$5.7 trillion in debt now, and the CBO projections that they keep talking about predict that our Nation will be \$6 trillion, 700 billion in debt then.

Mr. TURNER. Mr. Speaker, it seems to me that this debate comes right back down to where the gentleman from Tennessee (Mr. TANNER) said we were in his remarks earlier this evening. The question that must weigh on the minds, I hope, of every Member of this Congress is, are we going to leave this country in better shape for our children than we found it? And it seems to me, I say to the gentleman, that in order to do that, we are going to have to exercise some significant fiscal discipline over the years ahead.

I really commend the gentleman on the presentation he has made. As I said

to the gentleman earlier, he exposed, once again, the best kept secret in town up here, and that is that there is really no trust fund. And when we lock box the trust fund, all we have lock boxed is an IOU that some day is going to have to be paid by the taxpayers of this country, back into those trust funds so that the recipients of Social Security in the years ahead and the beneficiaries of the Medicare program in the years ahead will be able to have the commitment that we made to them honored and made good, and that is going to take a tremendous amount of effort on the part of this Congress and future Congresses. I hope that we have the wisdom to begin now to prepare for those very, very dire days when the baby boomers retire and the demands on Social Security and Medicare could literally overwhelm this government.

Mr. TAYLOR of Mississippi. Mr. Speaker, I think the first place we have to start is with the legislation I introduced last week, with a constitutional amendment that honors the promise that was made to Americans, a constitutional amendment that protects the Social Security Trust Fund, a constitutional amendment that protects the Medicare trust fund, a constitutional amendment that protects our public employees' retirement system, a constitutional amendment that protects our military retirement system. I introduced it last week. I would invite the gentleman from Texas (Mr. TURNER) and every Member of Congress to coauthor it. I would invite every American to demand that their Congress keep the promises that were made to them, and start with a constitutional amendment that says from this day forward, we will stop stealing from Social Security and we will stop stealing from Medicare and we will stop stealing from military retirement, we will stop stealing from the civilian retirement, and our highest priority is going to be to pay back those funds that have already been taken.

Mr. TURNER. Mr. Speaker, it sounds like to me if the gentleman's constitutional amendment had been the law in the Federal Government, that the trust funds of the Federal Government would be just like the trust funds that I am familiar with from my service in the Texas legislature. Because at the State level, and I suspect in every State in the union, when they set up the State employees' retirement trust fund and the teacher retirement system trust fund, the legislature actually puts dollars into those funds that are truly locked away and invested over time in real assets that are earning interest and increasing the value, the cash asset value of those trust funds. But because in Washington, we created trust funds that we allowed the government, the Congresses of years past to borrow from to do other things, what we are left with in Washington is trust

funds with no cash, with no investment value, other than the fact that they hold an IOU, a Treasury obligation that does earn interest, but ultimately can only be paid through the taxing power of the Federal Government, because there is really no money there to pay the benefits that are guaranteed to the Social Security recipients, to the Medicare recipients, to the Federal employees who retire, to the military retirees. It is the taxing power of the future that will have to be used to honor those commitments.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BECERRA (at the request of Mr. GEPHARDT) for today on account of business in the district.

Mr. SHOWS (at the request of Mr. GEPHARDT) for March 6 and today on account of a death in the family.

Mr. SKELTON (at the request of Mr. GEPHARDT) for March 8 on account of attending a funeral.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. DEFazio, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mr. UNDERWOOD, for 5 minutes, today.

Mr. SKELTON, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. BACA, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Ms. KILPATRICK, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

Mr. HILLIARD, for 5 minutes, today.

Mr. LEWIS of Georgia, for 5 minutes, today.

Mr. JEFFERSON, for 5 minutes, today.

Mr. CLYBURN, for 5 minutes, today.

Mr. BOSWELL, for 5 minutes, today.

The following Members (at the request of Mrs. BIGGERT) to revise and extend their remarks and include extraneous material:

Mr. BEREUTER, for 5 minutes, today.

Mr. NUSSLE, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, today.

Mr. TANCREDO, for 5 minutes, today.

Mr. GILCHRIST, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, March 8.

The following Member (at her own request) to revise and extend her remarks and include extraneous material: