Committee on House Administration with respect to domestic and foreign expense allowances.

(d) Prior to the Chairman's authorization for any travel, the ranking minority party member shall be given a copy of the written request thereof.

RULE 18. REFERRAL OF BILLS, RESOLUTIONS, AND OTHER MATTERS

(a) The Chairman shall consult with subcommittee chairmen regarding referral, to the appropriate subcommittees, of such bills, resolutions, and other matters, which have been referred to the committee. Once printed copies of a bill, resolution, or other matter are available to the Committee, the Chairman shall, within three weeks of such availability, provide notice of referral, if any, to the appropriate subcommittee.

(b) Referral to a subcommittee shall not be made until three days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the Chairman of the full committee and to the chairman of each subcommittee that he [or she] intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose, at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

(c) All members of the committee shall be given at least 24 hours' notice prior to the direct consideration of any bill, resolution, or other matter by the committee; but this requirement may be waived upon determination, by a majority of the members voting, that emergency or urgent circumstances require immediate consideration thereof.

RULE 19. COMMITTEE REPORTS

(a) All committee reports on bills or resolutions shall comply with the provisions of clause 2 of Rule XI and clauses 2, 3, and 4 of Rule XIII of the Rules of the House of Representatives.

(b) No such report shall be filed until copies of the proposed report have been available to all members at least 36 hours prior to such filing in the House. No material change shall be made in the report distributed to members unless agreed to by majority vote; but any member or members of the committee may file, as part of the printed report, individual, minority, or dissenting views, without regard to the preceding provisions of this rule.

(c) Such 36-hour period shall not conclude earlier than the end of the period provided under clause 4 of Rule XIII of the Rules of the House of Representatives after the committee approves a measure or matter if a member, at the time of such approval, gives notice of intention to file supplemental, minority, or additional views for inclusion as part of the printed report.

(d) The report on activities of the committee required under clause 1 of Rule XI of the Rules of the House of Representatives, shall include the following disclaimer in the document transmitting the report to the Clerk of the House: ''This report has not been officially adopted by the Committee on Education and the Workforce or any subcommittee thereof and therefore may not necessarily reflect the views of its members.''

Such disclaimer need not be included if the report was circulated to all members of the committee at least 7 days prior to its submission to the House and provision is made for the filing by any member, as part of the printed report, of individual, minority, or dissenting views.

RULE 20. MEASURES TO BE CONSIDERED UNDER SUSPENSION

A member of the committee may not seek to suspend the Rules of the House on any bill, resolution, or other matter which has been modified after such measure is ordered reported, unless notice of such action has been given to the Chairman and ranking minority member of the full committee.

RULE 21. BUDGET & EXPENSES

(a) The Chairman in consultation with the majority party members of the committee shall prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the committee; and, after consultation with the minority party membership, the Chairman shall include amounts budgeted to the minority party members for staff personnel to be under the direction and supervision of the minority party, travel expenses of minority party members and staff, and minority party office expenses. All travel expenses of minority party members and staff shall be paid for out of the amounts so set aside and budgeted. The Chairman shall take whatever action is necessary to have the budget as finally approved by the committee duly authorized by the House. After such budget shall have been adopted, no change shall be made in such budget unless approved by the committee. The Chairman or the chairman of any standing subcommittee may initiate necessary travel requests as provided in Rule 16 within the limits of their portion of the consolidated budget as approved by the House, and the Chairman may execute necessary vouchers therefor.

(b) Subject to the rules of the House of Representatives and procedures prescribed by the Committee on House Administration, and with the prior authorization of the Chairman of the committee in each case, there may be expended in any one session of Congress for necessary travel expenses of witnesses attending hearings in Washington, DC:

(1) out of funds budgeted and set aside for each subcommittee, not to exceed $5,000 for expenses of witnesses attending hearings of each such subcommittee;

(2) out of funds budgeted for the full committee majority, not to exceed $5,000 for expenses of witnesses attending full committee hearings; and

(3) out of funds set aside to the minority party members,

(A) not to exceed, for each of the subcommittees, $5,000 for expenses of witnesses attending subcommittee hearings, and

(B) not to exceed $5,000 for expenses of witnesses attending full committee hearings.

(c) A full and detailed monthly report accounting for all expenditures of committee funds shall be maintained in the committee office, where it shall be available to each member of the committee. Such report shall show the amount and purpose of each expenditure, and the budget to which such expenditure is attributed.

RULE 22. APPOINTMENT OF CONFEREES & NOTICE OF CONFERENCE MEETINGS

(a) Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees the names of those members of the subcommittee which handled the legislation in the order of their seniority upon such subcommittee and such other committee members as the Chairman may designate with the approval of the majority party members. Recommendations of the Chairman to the Speaker shall provide a ratio of majority party members to minority party members no less favorable to the majority party than the ratio of majority members to minority party members on the full committee. In making assignments of minority party members as conferees, the Chairman shall consult with the ranking minority party member of the committee.

(b) After the appointment of conferees pursuant to clause 11 of Rule I of the Rules of the House of Representatives for matters within the jurisdiction of the committee, the Chairman shall notify all members appointed to the conference of meetings at least 48 hours before the commencement of the meeting. If such notice is not possible, then notice shall be given as soon as possible.

RULE 23. BROADCASTING OF COMMITTEE HEARINGS & MEETINGS

(a) Television, Radio and Still Photography. (1) Whenever a hearing or meeting conducted by the Committee or any subcommittee is open to the public, those proceedings shall be open to coverage by television, radio, and still photography subject to the requirements of Rule XI, clause 4 of the Rules of the House of Representatives and except when the hearing or meeting is closed pursuant to the Rules of the House of Representatives and of the Committee. The coverage of any hearing or meeting of the Committee or any subcommittee thereof by television, radio, or still photography shall be under the direct supervision of the Chairman of the Committee, the subcommittee chairman, or other member of the Committee presiding at such hearing or meeting and may be terminated by such member in accordance with the Rules of the House.

(2) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(3) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(b) Internet Broadcast. An open meeting or hearing of the committee or subcommittee may be covered and recorded, in whole or in part, by Internet broadcast, unless such meeting or hearing is closed pursuant to the Rules of the House and of the Committee. Such coverage shall be fair and nonpartisan and in accordance clause 4(b) of House Rule XI and other applicable rules of the House of Representatives and of the Committee. Members of the Committee shall have prompt access of any recording of such coverage to the extent that such coverage is maintained. Personnel providing such coverage shall be employees of the House of Representatives or currently accredited to the Radio and Television Correspondents' Galleries.

RULE 24. CHANGES IN COMMITTEE RULES

The committee shall not consider a proposed change in these rules unless the text of such change has been delivered or electronically sent to all members and notice of its prior transmission has been in the hands of all members at least 48 hours prior to such consideration; a member of the Committee shall receive, upon his or her request, a paper copy of such proposed change.

## THE STATUS OF THE FEDERAL BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from South

Carolina (Mr. SPRATT) is recognized for 60 minutes as the designee of the minority leader.

Mr. SPRATT. Mr. Speaker, I wanted to address a very grave matter that affects our country, and that is the status of our budget. It is hard to believe that just 2 years ago when we began the budget process as we do now this country looked forward to a surplus of $5.6 trillion. That was the projection of the Office of Management and Budget of the Bush administration in January of 2001. We have come a long, long way since January of 2002, since that fiscal year was concluded.

In the last fiscal year of the first Bush administration, there was a deficit of $290 billion. That was the deficit that President Clinton found on the doorstep waiting for him when he came to the White House on January 20, 1993. On February 17 he sent us a budget that would deal with that deficit, and over the next 8 years every year, every year, the bottom line of the budget got better, better to the point that in 1999 for the first time in 30 years, we balanced the budget.

In the year 2000, we had a surplus of $236 billion. So from 1992 until the year 2000, we took the budget from $290 billion in the red, in deficit, to $236 billion in surplus, a phenomenal record. President Bush the Second came to office, and we gave him an advantage that no President in recent times has ever enjoyed, a balanced budget, a budget that had a surplus the first year he was in office of 126, $127 billion.

Today, 2 years later, this is what has happened. That surplus cumulative over 10 years, the years 2002 through 2011, has declined from $5.644 trillion as projected by the Bush Office of Management and Budget to $2.122 trillion in the red, in deficit. From $5.6 trillion dollars in the black to $2.1 trillion in the red, that is a swing in the wrong direction of $7.2 trillion over a period of 2 years. We have never seen that at least since the Great Depression, such a dramatic fiscal reversal in our account.

That is what we want to address to you tonight because as this next chart will show, we face some decisions in the next couple of months that will determine the fiscal fate of this country for years to come. This is where the Bush administration began 2 years ago. This was a 10-year surplus, $5.6 trillion. They now say, and these are the numbers presented to us just last week by the Office of Management and Budget, that there was an overcalculation, a miscalculation due to the economy of $3.174 trillion so that the real surplus was really $2.463 trillion, $2.4 trillion instead of $5.6 trillion.

That is only part of the bad news. The rest of it is that the Bush administration bet the budget on this blue-sky forecast and over the last 2 years has committed $2.6 trillion in enacting policies, two thirds of which went to tax cuts. We have more than spent the cumulative surplus during that period of time so that this year we start with a cumulative deficit of $129 billion.

But the point to note here is that we are going to decide this year, in the next few months, whether we take that deficit, $129 billion in the red, a bad enough reversal since 2002, and add to it almost $2 trillion so that we add to the national debt $2.1 trillion. If we do that, it will be because we have chosen to do that. We could possibly out of abundance of charity say to those who passed the budget 2 years ago they thought they had a $5.6 trillion surplus, we told them we thought they were overstating it, but we will acknowledge that maybe this was negligence, this was a mistake, this was a miscalculation. Now we have to say if they go forward knowing what they know using their own projection, they will be deliberately, willfully, wantonly, and intentionally adding $2.1 trillion to the national debt.

Notice that this period of time is a critical period of time in our country's fiscal history because this is when the baby boomers, 77 million of them now marching to their retirement, first begin to retire in 2008. In 2010, 2011 they begin to draw not only their Social Security but their Medicare. So this is a period of time when we should be husbanding our resources so we can meet our obligation to the baby boomers who will be retiring in huge numbers and will double in time the number on Social Security and Medicare. Instead, during that very period of time we are incurring, if we follow the budget proposals before us, mostly the tax cuts proposals that have been made, $2.122 trillion in additional debt.

A large part of that additional policy will go to tax cuts. This chart shows the Bush tax cut in 2001, $1.349 trillion in revenues committed to that tax cut. This shows what we did a couple of years ago when we had a first stimulus package to try to get us out of the recession that we felt ourselves slumping into. Now the Bush administration has come up with an additional tax cut. They want to exclude dividends from taxation. I can understand why that would be appealing to a lot of people, but the revenue cost to us of the latest Bush tax proposal is another $615 billion. Those tax cuts made in June of 2001 were not permanent. In order to shoehorn them into the budget, they artificially terminated or truncated the taxes at the end of 2010.

If we make them permanent, which the Bush administration is proposing, that adds another $692 billion. Then there is another problem we will not even get into tonight, but it is on the tax agenda. Democrats and Republicans, the Congress and the White House will soon have to face the problem of the alternative minimum tax. Pretty soon millions of Americans will be paying more in the alternative minimum tax than they pay under the regular taxation. If we add all of those together and add the debt service that we have to pay additionally because we have used these tax cuts to dispense with our revenues, we have got a tax agenda here of $4.4 trillion. And this is coming at a time when I said we have some critical obligations to meet, we are draining the revenues dry.

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Let me just stop on this point and recognize my friend, the gentleman from Texas (Mr. EDWARDS).

Before doing so, look at the next 5 years. These are numbers taken straight from the Bush budget, the Office of Management and Budget. Over the next 5 years, this year, 2004, 2005, 2006, 2007, 2008, they are proposing to spend a deficit of more than $400 billion in every one of those years.

What is distressing is not necessarily the size of these deficits to start with. If we are, after all, in a slumping economy, you would expect to see a deficit then. But there is no abatement, no reduction. There is no diminution of this deficit in any of these years.

These are the numbers you get if you back out Social Security. The total amount of deficits we will incur in the general fund of the budget if we follow this plan over the next 5 years, 2004 through 2008, is $2.14 trillion. As I said earlier, that is not the result of what we did previously; that is the result of decisions we are about to make now. This is where it will take us.

Notice that they stop at the end of 5 years. Last year and in 2001 we had a budget that went out 10 years, because we had found from experience that fiscal discipline was served by projecting the consequences of your fiscal actions out as far as you could, and 10 years was deemed to be a good projection period. But if you run this out 10 years, the situation only gets worse.

Mr. Speaker, I now would like to yield to my friend, the gentleman from Texas (Mr. EDWARDS) to pick up here and talk about some of the consequences in this budget for programs that all Americans support.

Mr. EDWARDS. Mr. Speaker, I want to thank the gentleman from South Carolina for leading the fight for fiscal responsibility in Congress.

Mr. Speaker, just 2 years ago the Bush administration promised my then-3 and 5-year-old sons that by the time they graduated from high school, America would have no national debt. A lot can happen in 2 years. Now, under the fiscal policies of this administration, my now-5 and 7-year-old sons are told that before they finish elementary school this administration will add $1 trillion to $3 trillion in addition to the total $6 trillion national debt that we presently have.

To average Americans, what does the national debt really mean? $6 trillion, $5 trillion, what does it matter?

Let me talk about the difference. It is said there is one tax in America that cannot be repealed. It is called the debt tax. It is the interest on the national debt. Last year alone, over $320 billion was paid in interest on the total national debt of America. That is $320 billion that taxpayers have to be responsible for now and in the future just to pay the interest on the national debt.

The fact is that not only does the debt tax hurt us by having to pay additional taxes to the Federal Government to pay interest on the debt, but every business is burdened with the debt tax. When you have a deficit, once the economy gets back on its feet, you are going to drive up interest rates. Every homeowner pays part of the debt tax because they have to pay higher interest on the mortgages on their homes. Every consumer that borrows and uses a credit card will have higher taxes in effect because of the Bush administration increase in the national debt.

Now, once in awhile, Mr. Speaker, an idea comes along in Washington, D.C. that is so incredibly unfair that, frankly, it is hard to even believe anyone would propose it seriously. Let me talk about a specific provision of the most recent Bush budget.

This week and in the weeks ahead there will be 12,500 brave men and women, Army soldiers from my district, from Fort Hood, that will be deploying for the Iraqi theater. Within weeks or months they could well be fighting to defend the interests of this country, perhaps even giving their lives for our country.

I found it astounding that the same administration which has ordered these brave men and women, mothers and dads, to go off to potential combat in Iraq, has the gall to suggest that we should be cutting their children's education funds at the same time they are getting on the airplane to defend our country thousands of miles away. It is hard to believe that it is even true, but it is true.

Look at the Bush budget. They are cutting the vital Impact Aid Military Education program at the very time they are asking our sons and daughters, mothers and dads, to go off and defend our country in the Middle East and Southwest Asia. In fact, the two school districts surrounding Fort Hood, the Coppers Cove and Killeen districts around Fort Hood in my district in central Texas, will lose under the Bush administration proposal $21 million in impact aid this year because of the proposed cuts in that program.

What is compassionately conservative about that? What is fair about that? The truth is, nothing is compassionate about that; nothing is fair about that.

Mr. Speaker, we ask our servicemen and women to make incredible sacrifices for our country, and it is immoral for us to be cutting their children's education funds even as they go to potentially fight for our country.

I hope the American people will be as outraged about not only the largest deficit in the history of America proposed in this budget, but will be just as outraged by the unfairness to our servicemen and women all across America by cutting their children's education programs while they are going off to war.

Mr. Speaker, there are many things we could talk about in this budget, but one of the things I would like to ask the distinguished ranking member about is, I have heard in recent days from Republican colleagues that the Bush administration tax cuts, both those already enacted and those proposed, really are not a significant part of the reason we now have this year proposed the largest deficit in the history of America.

I would like to ask my colleague, the gentleman from South Carolina (Mr. SPRATT), if that is true. Have these proposed taxes and enacted tax cuts really had a minimal effect on the fact we are in such a deep deficit hole now?

Mr. SPRATT. Mr. Speaker, on the chart I have just displayed it is clear from the Office of Management and Budget that the real surplus adjusted for the real economy over the last couple of years is not $5.6 trillion, but $2.4 trillion. Out of that $2.4 trillion in real surplus, the Bush administration has already cut $1.349 trillion and $42 billion; add those two together and you get easily $1.4 trillion. Nearly two-thirds of the remaining surplus has been cut, has been diminished, due to tax cuts already passed now in the face of the fact that there is no remaining surplus.

After you factor in these tax cuts and factor in the spending increases, mainly for defense and homeland security, which we all supported, but nevertheless, his budget left no room for contingencies like that, when you factor in those additional spending items, the surplus not only disappears, it goes deep in deficit for as far as the eye can see.

Mr. EDWARDS. Mr. Speaker, if the gentleman will yield further, I appreciate the gentleman pointing out those facts. I would also point out on this chart that the Bush administration's total tax agenda, including tax cuts already enacted plus proposed tax cuts, total in impact, if you count that increased debt tax, the interest we have to pay when we borrow money, it is over $4.3 trillion. Even by Washington, D.C., standards it seems to me a trillion here and a trillion there really is a significant amount of money.

I find it astounding that we are cutting taxes for some of the wealthiest people in America, and at the same time, telling soldiers at Fort Hood in central Texas, right next to the Crawford ranch, you have to go off and fight for our country, but by the way, as they are getting on the plane, give them a note, we are going to cut your children's education fund.

We hear a lot of talk, and I will finish with this, about values in Washington, D.C., and family values. But I think we in public office should be judged not by rhetoric, but by our record and by the priorities we set in the Federal budget.

There is something wrong with the values of an administration that would propose cutting impact military education funds not to pay for a war against Iraq, but to pay for the tax dividend for the other constituent of mine who said he made $1 million in dividend income last year, and because this administration does not want him to pay one dime in taxes, will get a $335,000 tax cut.

Would the gentleman care to comment about the values of those priorities?

Mr. SPRATT. Mr. Speaker, let me enlarge upon the point the gentleman is making, and that is, as bad as the Bush administration says, when pressed, where is your solution, what plan do you have? Cut spending, cut spending.

In truth, as the gentleman is pointing out with a very specific example, there are plenty of spending cuts built into this budget already. One of them is impact aid, which amounts to the Federal Government saying to military installations, we are not going to pick up the full impact of the children of military dependents in the public schools in that particular locality. We are going to let the local folks pay that and not do what other employers do and continue contributing some of the costs of it. That is one example.

The gentleman from North Carolina is going to get up and give another example about the larger education bill that already is cut in this bill. If you took the whole budget for discretionary spending, the 13 appropriation bills that the gentleman's committee reports and we pass, which constitutes the discretionary budget, if you take all of nondefense discretionary spending and cut it all out, it would not replace the $400 billion deficit in the general fund we expect next year.

Mr. EDWARDS. Mr. Speaker, that is a good point. If the gentleman will let me ask one last question, and then I will defer to other members that want to speak on the largest deficit in the history of America, there are a lot of Americans that believe that this largest proposed deficit in America's 200-plus-year history is because, my gosh, we are going to have to pay for the war against Iraq.

Could the gentleman tell me and the American people factually, is the $300 billion deficit proposed for this 1 year alone related to that?

Mr. SPRATT. That does not include the war against Iraq. That does not include the war against terror. The Secretary of Defense told us the other day, if and when those costs come, we will send up a supplemental. If you add that to the bottom line, it gets worse.

Mr. EDWARDS. We could have a $400-plus billion deficit. I did calculate it. I think the maximum Pell Grant for a young, bright high school senior from a low income family, wanting to improve his or her life and career with a college education, they get about $4,000 a year. If you assume 4 percent interest on the

$300 billion deficit this year alone, that means my children's generation, my little boy's generation, will pay $12 billion a year, that is B as in boy, $12 billion a year in tax for the rest of their lives until the day they die simply to pay the interest on this year's proposed deficit.

That amount of money, if we had a more fiscally prudent budget without some of these tax cuts that I think are irresponsible, that would allow us to have 3 million young Americans receive a $4,000 Pell Grant. Something is wrong with these values and something is wrong with this budget.

Mr. SPRATT. Let me now yield to the gentleman from North Carolina (Mr. ETHERIDGE), who used to be the Superintendent of Education in North Carolina, to further the effects of some of cuts in education in this budget.

Mr. ETHERIDGE. Mr. Speaker, I thank the gentleman for yielding.

Let me follow up something that my good friend from Texas covered; whether one agrees with this or not, this is actual fact. Before I was the State Superintendent of Schools in North Carolina, I chaired the appropriations committee for the general assembly, and prior to that I was a county commissioner.

What we are really doing in saying to local governments about pulling back impact aid, and in many of the cases, in many of the communities, in Fort Bragg in my district, many of these communities find themselves dependent on the impact aid. But what happens is they are getting impact aid because you have a large Federal installation not paying local property taxes. If you pull that out, in effect you are saying to the rest of the citizens in that jurisdiction, we are going to raise your taxes. We are going to say to the county commissioners to raise them or to the local governments at a time when roughly, what, 70-plus percent of the States are running huge deficits.

Mr. Speaker, it is incomprehensible that this administration would place these kinds of burdens on local governments across this country. And I agree with my friend, the gentleman from Texas (Mr. EDWARDS), who said not only Fort Hood, but at Fort Bragg, which is the 9/11 post in this country, we are going to send you off, but the people that you are going to leave behind are going to pick up the tab, because those of us in Washington are not going to do what we need to do, and those of us left are going to raise your taxes another way.

Let me touch on a couple of other issues when it comes to education. It bothers me greatly, because if we truly want to turn this around, we have got to have prudence now in budgeting.

Mr. Speaker, it boggles my mind that we have come through the deficits of the last 10 years to get to some high ground and a balanced budget, and we did not learn a thing. We jumped right back in that briar patch with no end in sight, and we now say deficits are okay.

□ 2000

They are not okay. Because we are going to double the amount of interest over the next few years, and my children and grandchildren will pick up the tab; and that is wrong.

Let us just look at some of the numbers that are proposed in this budget. These are the consequences of running deficits: cuts in No Child Left Behind. I supported that legislation because I thought it was fair and it would make a difference for children, because the President committed to fund it. And what does he do? He has cut the funding, and I will have a proposal on that before too long. This budget proposes cuts of $22.6 billion for programs that are under No Child Left Behind, which is $9 billion below the amount authorized in 2004, and $199 million below the amount needed to maintain at just the 2002 level.

Now, we have to understand that there are more children coming to school, there are more children with needs, there is more tutoring that needs to be done because we are ratcheting up accountability. It is a program for disaster for the public schools of America; and this administration, I do believe, knows that, and they ought to know better.

Mr. SPRATT. Mr. Speaker, what the gentleman is talking about is the authorization act Mr. Bush signed and signed into law and took credit for.

Mr. ETHERIDGE. And this body bipartisanly passed it.

Mr. SPRATT. The authorization act calls for $9 billion more in the fiscal year 2004 than his budget in this year's request.

Mr. ETHERIDGE. That is exactly right. And the schools are depending on that money, and at a time, as the gentleman knows, when States are cutting because they do not have the resources, trying to hold up their end on education; and we are not living up to our bargain. This administration has not been honest with, I think, our schools and the American people.

It eliminates 47 education programs in this budget, proposed budget. Those programs amount to $1.6 billion just in the CR we are now operating under, on the flat line, $1.6 billion. That is a lot of money when you get out to a local school building in rural America or wherever you may be.

Let me just talk about some of the major cuts. The 21st Century Community Learning Centers, an outstanding program that gives schools money to do some creative things that make a difference.

Mr. SPRATT. After-school programs, primarily?

Mr. ETHERIDGE. Absolutely.

Mr. SPRATT. Before-school programs.

Mr. ETHERIDGE. Absolutely. We absolutely have to have these if we are going to tutor youngsters who are behind and need to catch up. Mr. Speaker, $1.2 billion below the level authorized. Teacher quality programs, the very thing we have to do if we are going to improve education in America. We have to improve opportunity for the staff that are teaching our children. What did we do? What does the President propose? Mr. Speaker, $3.1 billion, down 5.2 percent from the previous level. I will just go through the percentages. It is just shameful.

Educational technology. At a time when we are really trying to put more technology in the schools because we are in a technological world, and so many schools need the resources, 9.6 percent cut from the previous level. More children out there, more needs, and we are cutting.

Impact Aid, we just talked about, 14.2 percent. Vocational education, 26 percent proposed cut; 26 percent.

Mr. Speaker, it reminds me of a story I heard once when I was little. The guy said he was not going to kill his pig, he would just do a little bit at a time, and somebody saw a pig running around the yard with three legs, and he said, I am just eating a little bit at a time. That is what we are doing to education. We are not going to kill it all at once; we are just going to kill it a little bit at a time, until it is so crippled it cannot work. It is absurd.

We need people to work on equipment and machinery. I was at a school last week; a superintendent came up to me just last night talking about Impact Aid. He said, if we cut it, our schools are going to be in deep trouble. This was in Cumberland County. One of the teachers talked about vocational education. This is where they turn money into technology for computer labs. I was in a computer lab working with children.

Funding for the improvement of education, down 91.2 percent. I do not know why they did not go ahead and get it all.

I mean it just makes no sense. It was a good program, but what they want to do is just enough out there to make people mad.

Perkins loans, 61 percent proposed cut.

I could go on. I think folks who are watching get the message. It is one thing to say I am for education; it is one thing to say I want to help. It is another thing to not follow through and give the resources. I have talked to more teachers and school folks in the last few weeks. They really and truly believe, whether it is true or not, that they are set on a course to fail, because we are giving them all the ingredients to make the cake and nothing to go in it, but we are expecting them to come out with a fine baked product.

I would remind all of my colleagues, education is a lifelong process, and we cannot start and stop it. We have to keep it going. Teachers understand it; students realize it. It takes resources to get the job done. I recognize that at the Federal level we only put in about 7 to 9 percent, depending on where we are. Some counties it is more, because a lot of it is specific to need. Not all of this is specific to need, because No Child Left Behind is need-based and categorical. But without it, we are really saying, we really did not mean it. We really did not mean it.

That was a great plan, we got a lot of good press on it, we have had our press clippings, we have been around the country, and now we are going to move on to something else. That is not education. That is not about building the future of America, and this administration knows better. I am going to be on the floor in the well of this House every day, every week; and we are going to keep reminding them. We have to do the funding because if we do not, we will not have a future. We cannot keep running deficits because huge deficits have consequences; and the consequences are, we run up the debt, we have huge interest payments, and it squeezes out domestic programs, and children pay a heavy price, and we rob our future so a few people can look good now.

Mr. SPRATT. Mr. Speaker, the gentleman's point, and the point of the gentleman before him, was that even in this budget with big deficits, $400 billion and more every year for the next 5 years, $2.1 trillion in the general fund, additional deficits, additional debt; even with those bottom lines, we have these significant cuts already made in this budget, and we are still running almost a half a trillion dollars in the red every year.

Mr. ETHERIDGE. Sure, and the gentleman's point is it will get worse.

Mr. SPRATT. Mr. Speaker, to further explain and clarify other things that are buried in this budget is the gentleman from Virginia (Mr. SCOTT), to whom I now yield.

Mr. SCOTT. Mr. Speaker, I thank the gentleman for giving me the opportunity to again show this chart which shows over the years the spending of the Federal Government.

Now, a picture is worth a thousand words. We see under the Johnson, Nixon, Ford, Carter administration in yellow where the deficit was; we see what happened to the deficit during the Reagan and Bush years; and we see when Bill Clinton came in office under Democratic leadership, we passed a budget that reduced the deficit. Now, when this vote was taken in 1993, not a single Republican supported that budget. And right after that happened, we reduced the deficit. Slowly but surely each year the deficit became less and less and less until we started running a surplus. When President Bush came in, we reversed course. We cannot produce charts like this by accident.

Now, we have been asked, where is your plan? There is our plan. When the Democrats controlled the budget, that is, when the Democrats controlled the House in 1993 and the Senate in 1993 and the President, we passed the budget. In these years, President Clinton vetoed many Republican budgets. They tried to close the government down, he vetoed the budget anyway, because they were fiscally irresponsible. So President Clinton was the controlling force of the budget during his administration and produced those years. The budget introduced by President Bush was passed when he came in office, and this is what happened. We wonder what the plan is for the future.

As it has been mentioned, when he came in office, in 2000, there was a surplus. September 11 happened with only 3 weeks left in the fiscal year, so this was going to happen anyway, that is, spending virtually all of Medicare. The following year we spent all of the Medicare surplus, all of the Social Security surplus, and then $160 billion more. In 2003, almost $300 billion, after we spent all of Social Security and Medicare; and if we adopt the policies of the administration, we are going to be spending all of Social Security and Medicare for years to come.

Now, what kinds of tax cuts are we recommending now? I mean, we do not produce numbers like this by accident.

We have tax cuts like the repeal of the taxes on estates over $2 million. A husband and wife, $2 million tax-free going to the next generation. $2 million. Then we start taxing after that. So when we talk about repealing the estate tax, we are talking about repealing the tax on dead multimillionaires. That is what we are talking about. When we add to that the idea that they want to stop taxing dividends, we have a bizarre vision for America where people can inherit great wealth, invest it in stocks, live off the dividends tax-free, no tax on the estate, on the inheritance, no tax on the dividends. When we add to that some other provisions in this budget where we protect capital from taxes, we know what Leona Helmsley was talking about when she said, only little people pay taxes, because those with great wealth can shelter that wealth with no estate tax, no tax on dividends, and the other little provisions in the bill where capital is not taxed, only little people will pay taxes. Every time we cut another tax, it is down here. We have already gone through the surplus and Social Security and Medicare.

Now, what is the impact of this? When we started, the projection was that the entire national debt would be paid, held by the public, we would have paid off all of that by 2008, and going into pay-off of all of the debt on the trust funds by 2011, 2013. We would be debt-free. Instead, we are on this line: more and more debt.

Now, we cannot run up debt without consequences. What is the first consequence? The debt tax. This is what the family of four pays every year in interest on the national debt. As we run up more debt, we have to pay more debt tax, more interest on the national debt. It is around $4,500 for a family of four now; and because we are running up the debt, by 2008, almost $6,500 every year, a family of four will have to pay just on the debt.

We do not get anything for that. That has already been spent.

Now, when we look at how the debt tax is exploding and the burden on the Federal Government on just interest on the national debt is exploding, we have an interesting phenomenon that we have to deal with, and that is Social Security. We are running a surplus in Social Security now. By 2037, we will be running a huge deficit. We need to be piling up resources, reserves so that as the baby boomers retire and the expense of Social Security gets less and less, we have some way to pay it. No, instead, we are running up massive debts when we have the surplus.

What is the plan to pay Social Security later on? I would suggest that they have no intention of paying Social Security.

Mr. SPRATT. Mr. Speaker, if the gentleman will yield, let me just clarify the chart the gentleman has, which is very graphic. The blue bar charts, the blue bars above the horizontal axis show the surplus that is accumulating in Social Security, for now.

□ 2015

But it is for a limited period of time, intended to be used for parents, for the retirement of the baby boomers. The red bars that get deeper and deeper as you approach 2037 show the net cash outflow in the Social Security trust fund beginning in about 2017, which is not that far away, 13, 14 years from now.

Mr. SCOTT of Virginia. When we consider that we are spending the entire surplus, to continue spending at that rate, we will not have that surplus in 2017. So we are going to have to figure out, have some plan to figure out how to pay that. Are we going to raise taxes? Are we going to cut spending? The gentleman has already indicated that we could eliminate the entire Federal budget that is nondefense, discretionary spending, we can eliminate the entire budget, that is, no roads, no education, NASA, everything, State Department, foreign aid. Get rid of all of it. Not cut it, eliminate it, and not be able to cover the on-budget deficit that we are running up now.

So where are we going to get it? Are they going to raise taxes in 2017? And then not only do they not have the cushion, since we do not have the reserve, we are spending it; how will we come up with this money? Frankly, I do not think they will come up with the money. They will just repeal Social Security. And if that is not the plan, they ought to have some way of explaining how they will pay Social Security in the future.

The President, in one of his addresses to Congress, said he intended to maintain Social Security for those retiring and those close to retirement, which suggests to me that these people down here will not have any Social Security. If they have no coherent plan, they ought to admit that they will eliminate Social Security. And if they intend to pay Social Security, they ought to have some coherent plan to show how they are going to do it. All they are doing now is running up debt. We cannot continue to do that. A family of four is already up to $6,500 interest on the national debt. It is getting worse before it gets better.

How are they going to pay Social Security? I think they have a stealth plan to eliminate Social Security when the burden becomes too deep. They have got all these retirement plans so that all those who are privileged to have inherited wealth, they will be all right. But the vast majority of Americans with no pension plan will be back where they were before Social Security was there.

We need answers. They are not delivering answers. They are not making any tough choices like we made in 1993, tough choices that converted deficits into surpluses. They are not making any tough choices. All the easy choices. Anybody who wants a tax cut gets one. Anybody who wants some spending gets spending, unless it is education or something important. You do not get those. How are they going to pay this?

So I think they need to come forward and explain how they will do this without eliminating Social Security. And if you listen to their remarks talking about personal responsibility, you assume that sooner or later your retirement will be your personal responsibility. There will not be any Social Security to keep you out of poverty.

Mr. SPRATT. I thank the gentleman from Virginia (Mr. SCOTT).

Now I yield to the gentleman from Tennessee (Mr. COOPER) who was here from 1983 until 1994 when he ran for Senate from Tennessee. But before leaving the House of Representatives he cast one of the hard votes that a number of us mustered the courage to pass and that was a vote for the Clinton budget in 1993, which laid the foundation for a decade of fiscal progress during the 1990s, a period when the bottom line of the budget got better and better and better every year until finally, in 1998–1999 we were in surplus for the first time in 30 years.

Mr. COOPER. Mr. Speaker, I thank my good friend, the gentleman from South Carolina (Mr. SPRATT). I appreciate your leadership on these vitally important issues. I think many patriotic Americans wonder what those moments are in American history when we really do reach a turning point; and to be honest with you, in all the congressional debates there are very few real turning points. But I would like to suggest, as the gentleman has already suggested, 1993 was a turning point when this Nation literally reversed its fiscal policy and finally set our Nation on track towards reaching surpluses which many Americans had given up on ever seeing again.

And I would like to suggest that this year, 2003, is another such turning point, as we dig deeper into the hole of deficits and plunge future generations into what is likely to be a permanent and unresolvable debt load.

Our friend, the gentleman from Virginia (Mr. SCOTT of Virginia), has already pointed out this chart, and I would like to suggest that this should be on everyone's screen saver, on every computer in America as we put the deficit in perspective.

They were relatively inconsequential in the Carter years, the Nixon/Ford years. But then with President Reagan we plunged into a sea of red ink which many Americans thought was irreversible. Then in the crucial budget vote in 1993, suddenly we got an upturn, even developing a surplus.

But then again, another pivot point in American history under George W. Bush and his budgets, we are reaching even graver levels of deficit and debt.

I think the gentleman will recognize that many of our constituents just have an instinctive feeling that, well, the President is a Republican and, therefore, he is conservative and, therefore, his budget must be conservative.

Mr. Speaker, does the gentleman from South Carolina think that deficits of this magnitude are conservative?

Mr. SPRATT. Absolutely not.

Mr. COOPER. As I recall, the gentleman has already said these are about to be the largest deficits in history. Is that conservative?

Mr. SPRATT. We warned that this would happen, but we did not see, even in our admonitions, the severity of the problem we have before us now.

Mr. COOPER. As I recall, the gentleman has said that the deficit for fiscal year 2004 is supposed to be about $300 billion, not counting the war in Iraq, not counting the war in Afghanistan, not counting the war on terrorism, not counting other important problems that need to be solved in our Nation. So the deficit may well be $400 or even $500 billion.

A temporary deficit is one thing. As we know, sometimes a deficit is appropriate to stimulate the economy, but what we are talking about are permanent structural deficits in our economy.

Mr. SPRATT. If the gentleman will yield, the gentleman was in the investment banking business for a period. He knows the name Goldman Sachs. And I understand one of their economists today said they predict that the unified deficit for this year will be in the $400 billion range. That means that is after netting out, backing out the Social Security surplus. The unified deficit, by their projection, will be in the $400 billion range this year.

That is depressing enough, but the problem is those deficits continue on and on and on without any abatement.

Mr. COOPER. The gentleman is so correct. And a huge deficit like that hurts our economy. It creates higher interest rates. It hurts the employment statistics. And as I think most of the world knows, under the Clinton years we had the most robust economy in the history of this Nation or the history of the world. Surpluses helped us. Fiscal discipline helped us. That is important for us to realize now as we are returning to the era of massive budget deficits.

The gentleman from South Carolina (Mr. SPRATT) has displayed great leadership, but I worry so many folks back home find these numbers too large to be comprehended. They are confused. They are over-burdened in their daily lives. They are worried about the war. They are worried about unemployment. They do not know really how to grapple with numbers of this magnitude. But this chart shows it better than anything else, this sea of red ink that we are passing on to the next generation.

President Bush mentioned in his State of the Union that each Congress, each President should take care of its own problems, but this budget is not doing that.

Mr. SCOTT of Virginia. Mr. Speaker, does the gentleman from Tennessee (Mr. COOPER) remember the vote in 1993?

Mr. COOPER. Mr. Speaker, I do. It was a very close vote. As I recall, it was by a one-vote margin the Clinton budget was passed.

Mr. SCOTT of Virginia. Mr. Speaker, does the gentleman remember how many Republicans voted for that budget?

Mr. COOPER. Mr. Speaker, as I remember, zero. In fact, they excoriated the President's budget saying that it would lead to depression and other crises in the economy.

Mr. SCOTT of Virginia. And we made those tough choices without any Republican help, House or Senate.

And does the gentleman remember what they did in the next election? When they demagogued that vote, said we made the tough choices, criticized those choices, and they won 50 seats in the next election.

Mr. COOPER. Mr. Speaker, many Members were defeated for having done the courageous thing, for having been a profile in courage.

Mr. SCOTT of Virginia. Mr. Speaker, now we turn over a surplus to President Bush and he has made no tough choices. He has cut taxes and increased spending. Have they recommended any tough choices?

Mr. COOPER. Mr. Speaker, they are few and far between in this budget. It is a massive document of some 20,000 pages, I suppose. It contains many crippling cuts to our programs. Our colleague from North Carolina mentioned several of them in the education area. There are so many features that I hope the public will be aware of and we will try to bring out in the debate.

One feature that is particularly concerning to me is an unconstitutional provision that is in the President's budget. It is little known. It is on page 318 of the analytical prospectus of the second or third volume of the budget. It actually says, if Congress has not completed its business by October 1 of this year, the budget will automatically revert to the President's budget; whereas, the Constitution of the United States gives that power exclusively to the Congress of the United States, not to the White House.

And that allows this administration, with a handful of Senators, to clog up the budget process, and then automatically, without a single vote taken by this body, turn over the budget to this administration. That is one of the most radical proposals I have ever heard mentioned in public policy debates. And yet it is in this President's budget.

That is why I asked, as I mentioned to the gentleman from South Carolina earlier, this is not a conservative budget. There is a radical budget. This is an irresponsible budget that is leading our Nation perhaps on the road to ruin. No American wants to see that.

It is the responsibility of a two-party system to point out problems. And certainly Democratic budgets in the past have sometimes not been perfect, but we can be proud of this record of actually achieving a budget surplus for the first time in American history, I think, since before the Depression, 3 straight years of surplus were achieved. And that is an important record of achievement that we need to continue, not a road with this massive flood of red ink.

Mr. SPRATT. Mr. Speaker, the point I was making at the outset is, 2 years ago OMB projected a surplus of $5.6 trillion. The Bush administration then enacted a massive tax cut taking advantage of that big surplus. They now acknowledge that they overstated, miscalculated by some $3.2 trillion. It really was not $5.6 trillion in surplus. It was more like $2.4 trillion in surplus.

The problem is that tax cuts have largely already committed that amount of money. As we begin this fiscal year, instead of having a cushion fund, a huge surplus of $5.6 trillion, we are in the red. We have fully dissipated that surplus and we are in the red $129 billion.

But they, knowing that, proposed additional tax cuts and additional measures that would drive us deeper in the red over the next 5 years to the tune of $2.1 trillion which is intentional. You could at least excuse what happened before as negligent miscalculation. I do not. I think they should have seen the storm clouds gathering over the economy and understand that the surplus was overstated; but chalk it up to negligence. This is willful, wanton, and intentional.

Mr. SCOTT of Virginia. Mr. Speaker, when the gentleman talks about the calculation being a miscalculation, is some of the calculation not a recalculation based on how poorly the economy was doing after the President's budget was adopted?

Mr. SPRATT. Mr. Speaker, there is no question about it. A lot of the economic effect was already in place before 9/11. That is a key point to understand.

Mr. SCOTT of Virginia. Mr. Speaker, after the President's budget was adopted, the economy kept going down and down. And so some of this recalculation is an acknowledgment that the President's budget had caused the economy to tank, and they had to recalculate it based on the new numbers.

When President Clinton's budget was adopted, they always underestimated the effect because that budget was improving the economy and every year the economy was doing even better than expected. The stock market was improving; unemployment was going down.

When this President's budget was adopted, things just kept getting worse. And they had to recalculate it based on that new forecast. So it is all not just technical miscalculations. Some of it, a lot of it, is recalculation based on how poorly the economy was doing.

Mr. SPRATT. Furthermore, we now know that the surplus is gone, per OMB. They have acknowledged it. CBO, the Congressional Budget Office, says the same thing. That ought to be an alarm sound calling for us to begin developing plans like the plan we developed with the President's father in 1990, the Budget Summit Agreement, the Clinton budget in 1993, the Balanced Budget Agreement of 1997. Three times in the 1990s we did extra-special exercises on the budget that ratcheted down and helped put us in a surplus for the first time in a generation.

□ 2030

This budget acknowledging the problems it has got now and in the foreseeable future does nothing. The most that they offer is a new disdain for deficits. They basically say deficits do not matter, a trillion here, a trillion there; it is no big deal.

Mr. SCOTT of Virginia. Mr. Speaker, will the gentleman yield?

Mr. SPRATT. I do.

Mr. SCOTT of Virginia. Does the gentleman know who said the budget deficit is a stealth tax that pushes up interest rates and costs the typical family $36,000 on an average home mortgage, $1,400 on an ordinary student loan and $700 on a car loan?

Mr. SPRATT. That is Senator DOLE, I think. The point we are trying to make now is that we may have a tax cut today, but if it ends up causing the government to incur more debt, the debt has to be paid. It has to be serviced. Interest on it has to be paid; and eventually, the people that pay taxes will have to service that debt, and there is a debt tax, a stealth tax that will come due, not in the near term, but whenever we do not have a surplus to charge it to anymore, and we do not, then what we do is charge it to the next generation, and that means our children and grandchildren.

So we can have it all in this budget. They pay the tax. They pay the bill, the debt tax.

Mr. COOPER. Mr. Speaker, if the gentleman would yield, the gentleman is so correct. He made an extremely important point a moment ago. So many people in the other party feel that deficits do not matter, deficits do not matter; and I think that philosophy is not only wrong, it could lead our Nation into serious economic trouble for decades to come.

I would like to suggest to the gentleman, I even heard some of my colleagues across the aisle say that deficits are a good thing. There is an article today in the New York Times quoting a leader in the other party saying that a deficit is a good thing because they shrink the size of government; and I would suggest that sort of philosophy is not only not conservative, it is one of the most radical approaches to government that I have ever heard of, to pretend that red ink of this volume and dimension does not matter and that it could actually be a good thing.

Mr. SCOTT of Virginia. The gentleman indicated that deficits reduce the size of government. Is this budget coming in not presented to us larger than the one before? So it does not reduce the size of government. When we cut all these taxes and reduce revenue, we are not reducing the size of government. We are just running up debt on which we have to pay interest.

Mr. COOPER. As the gentleman from Virginia so wisely pointed out, that puts a debt tax, an unrepealable tax on future generations for all time in the amount of $12 billion forever just due to the debt we are running up this year. That is an irresponsible fiscal policy. That is a radical fiscal policy. It is not a conservative fiscal policy.

I think that is what so many of our constituents back home are failing to realize because these numbers are so large, the problems seem so vast, they are preoccupied with the war and with their own personal situation, that when they are presented with a multitrillion dollar budget, it is hard to take it seriously, when, in fact, we are reaching a turning point in American history, and we do need to take action, we need to bring these problems to the American people's attention so that they can respond and call for fiscal responsibility and fiscal sanity because we are not seeing enough of that today in Washington, D.C.

I would like to commend the gentleman from South Carolina and the gentleman from Virginia for their comments.

Mr. SPRATT. Let me wrap up and let us bring it to a conclusion because the gentleman has been in investment banking for the last 6 or 7 years, and the gentleman knows that traditional economic theory for as long as we have known anything about it has held that deficits have the same effect that any supply and demand function has. The government goes into the capital markets. In addition to private borrowers, it elbows out the private borrowers. It runs up interest rates, and high interest rates stifle growth in the long run.

So we may get a little bit of kick right now out of running a deficit, but in the long run we have got the debt to pay; it is a fiscal drag on the economy.

Secondly, it is a form of dissaving. When the government borrows the money it is just like an individual borrowing money. He is dissaving rather than actually saving and that takes away from the savings pool that we have got for capital formation and building the productive assets of this country, and over the long run it means we are not as productive as we otherwise would be.

Then, finally, there is a moral aspect, which I just mentioned. When we charge our excesses to the deficit, we are charging it to the next generation, namely, our children and grandchildren. No way around it. Everybody's recognized that moral aspect in the past. This is an intergenerational thing. They will not only have to pay our Social Security deficit and Medicare deficit, they will also have to pick up the accumulated debts, the other things that we chose not to pay in our time because of this budget.

Mr. COOPER. The gentleman is an excellent economist, and another great economist is our own Federal Reserve chairman, Alan Greenspan, who said, History suggests that an abandonment of fiscal discipline will eventually push up interest rates, so deficits do matter, crowd out capital spending, lower productivity growth, and force harder choices on us in the future.

We should be listening to Alan Greenspan. We should be listening to the gentleman from South Carolina and the gentleman from Virginia because deficits do matter. They are hurting this economy, and we need to return to the fiscal discipline that we saw in the previous administration and live within our means because our Nation is embarking on long-term structural deficits today that we may never be able to erase.

Mr. SPRATT. Mr. Speaker, on that point we conclude. I thank the gentlemen for participating.

## THE BUDGET

The SPEAKER pro tempore (Mr. MURPHY). Under the Speaker's announced policy of January 7, 2003, the gentleman from Georgia (Mr. KINGSTON) is recognized for 60 minutes as the designee of the majority leader.

Mr. KINGSTON. Mr. Speaker, I want to thank my Democratic colleagues for their comments on the budget. I think that their ideas are useful and good. I think they also know, and although they were not really talking about it, that we are at war. America has been attacked. America needs to respond. At this point, America continues to be the world leader.

It is interesting that when people say, well, why do we have 37,000 troops in South Korea? Well, if we talk to the folks who live in South Korea or in China or Japan, and say maybe we should move those 37,000 folks, bring them on home. Well, no, no, no. If we do that, then there is world instability, particularly in this region of the world which is stable right now. Do not pull them out, and yet America has to respond when North Korea, largely because of the inept policies of the previous administration, goes on an accelerated path to nuclear weapon development, then America has to step in there.

Unfortunately, so many of these things cost a lot of money. Thirty-seven thousand troops in the Korean peninsula, that is very expensive; and we have troops in Afghanistan. We have troops in the Balkans still; and of course, we have troops right now in Kuwait and in the Middle East.

I think as much as none of us want a deficit, I believe all of us, even the doves in this body, even the folks who feel like France and Germany are right, I think that they would admit that we have to defend ourselves, and so we do have a deficit budget. I do not like it anymore than anybody else, and I know the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget, is going to do everything he can to bring down the deficit and move us back into surplus.

In the meantime, Mr. Speaker, it is more important for America to survive; and I think as I have seen so many of our troops from Fort Stewart deployed, the third infantry division which I am proud to be wearing their emblem tonight, I think we have got to keep in mind these soldiers are out there in the foxholes for our freedom and our security, and they need great equipment. They need modern equipment. They need readiness in all areas of the globe. So our budget addresses is.

In fact, our budget, which for fiscal year 2004, will be about $2.2 trillion. That is a 4 percent increase. I would like to, frankly, see it decreased, but again, with the world situation, sometimes we cannot control this.

About 5 percent of that increase comes directly because of military, and then in the other categories, not all of them, there are a lot of reductions; but there is about a 3 percent increase, and that is comparable to the average family budget.

Mr. Speaker, I had an opportunity to meet the Chair's family this last weekend, and my family, some of them were with us and some of them were not; but Libby and I have four children, and one thing about it, when a person is raising kids, they never have quite enough money. They have to buy. They do not begrudge it. They have got to buy their clothes and school supplies, and then if they play sports, they have got to buy sports equipment; and what I found out, much to my chagrin, is that if John Kingston is playing football, he cannot use the same cleats for soccer and baseball, whereas the Chair and I, Mr. Speaker, had one pair of cleats fit all.

In fact, I went back to my elementary school baseball picture, and half the boys on the baseball team were barefooted. But not so today. These kids today have to have $60 and $70 of tennis shoes and that is part of being a family these days. We have got all those expenses and then doggone it, we save up a little money and say, well, we are going to sneak on down to Florida, spend the weekend in Daytona, have some fun. Well, the washer breaks or we have got to do something as glorious as buy a new set of tires for our car or we have got to do something else that is not as much fun, but it is essential to spend money on.

That, Mr. Speaker, is what President Bush has done with this budget. He said there is a lot of things out there that we want to have, but we are not going to be able to do; but there are other things out there that we need to do, and we are going to do that.

One of these things, Mr. Speaker, along with the troops, is trying to get jobs going because nothing will turn the economy around more than jobs.

I am not sure where the Democrats in this body go to school. I am sure they go to some good public schools and some good private schools; but, Mr. Speaker, somehow they failed in economics and history because economics and history will show us that President Kennedy and President Reagan reduced taxes; and when they did, the economy responded and created more jobs, and more revenue came in. In fact, it doubled in these cases; and if we just think about it for a minute, it makes sense.

Under the Bush tax reduction, 92 million Americans will get about a $1,000 tax reduction; 34 million American with children will get $1,400 in their pocket; 6 million single mothers will get $541 in their pocket; and 13 million elderly taxpayers will get $1,384 in their pocket.

If someone puts $1,000 in my pocket, I am going to try to spend some of it, and I am going to try to save some of it. I want to save some for my kids' college education, want to save some for my own retirement; but also I am more likely going out and maybe buy that new shirt that I know I have been needing to buy or maybe buy something for the house that I needed to get, get a new crock pot for the kitchen or something like that.

When I do that, small businesses will respond. They will say, hey, look, more consumers are buying, they have got more money in their pocket, let us put on a new shelf of inventory. When we do that, hey, we need a new salesclerk to help us move this inventory. When the new salesclerk comes, well, suddenly we have got somebody who may have been on welfare before who is now working, and then they are paying taxes; and before we know it, the revenue to the local government, to the State government and the Federal Government goes straight up. That is the idea behind the tax reduction; and, Mr. Speaker, I believe that is one reason why we need to pass it and pass it now.

The Democrats' thinking on this model is, okay, we will vote for the tax