

Is there a simple and inexpensive way to convert this costly, illogical and convoluted system into a logical system which pays no interest directly or indirectly on our money in circulation? Yes, there is. Congress must require the U.S. Treasury to issue our cash, our paper money.

The simplest way to solve this problem is for Congress to declare that the Federal Reserve notes are, in fact, U.S. Treasury currency. This simple act would reduce our national debt by over \$600 billion and reduce the annual government expenditures by \$30 billion each year.

MYTH OF THE BUDGET SURPLUS

The SPEAKER pro tempore (Mr. GOODLING). Under the Speaker's announced policy of January 6, 1999, the gentleman from Mississippi (Mr. TAYLOR) is recognized for the remainder of the time until midnight.

Mr. TAYLOR of Mississippi. Mr. Speaker, I want to thank the gentleman from Texas (Mr. STENHOLM) for joining me in this.

Mr. Speaker, let me begin by thanking the gentleman from Pennsylvania (Mr. GOODLING) for the great job he has done of serving our country over the many years. He has represented his District in Pennsylvania with great distinction, and we are all going to miss him, and he is a good sport to stay here so late tonight on what could possibly be the last week of his service to our Nation.

Mr. Speaker, I really came to talk about the myth of the budget surplus. When folks stop me on the street back home, it is a very common question to ask me, where does their tax money go. Without exception, people are shocked to learn that the biggest expense to their Nation is interest on the national debt.

See, today our Nation squandered \$1 billion of your money on interest on the national debt. We did the same thing yesterday, the day before that, the day before that. We will do it tomorrow, the day after that. Every day for the rest of your life, your Nation will squander \$1 billion on interest on the national debt until we pay it off.

That is pretty mind boggling. The biggest expense to our Nation last year, interest on the national debt, was \$360 billion. So when we hear people talk about the surplus, we have got to kind of wonder where it all came from.

I know one of the sources. It was an ad run in the paper, the USA Today, dated December 12, 1995. It is a photo of the former chairman of the Republican National Committee Hailey Barbour, who said "Heard the one about the Republicans cutting Medicare? It is a million dollars challenge."

He offers a million dollars to someone who could prove the following statement false. "Here is why you have no chance for the million dollars. Republican National Committee will present a cashier's check of \$1 million

to the first American who can prove the following statement is false: In November of 1995, U.S. House and Senate passed a balanced budget bill, period. It increases the total Federal spending on Medicare by more than 50 percent from 1995 to 2002, pursuant to the Congressional Budget Office standards. Responses must be postmarked by December 20, 1995."

So that was the budget that was going to be for the fiscal year of 1996. The key here is, it said they passed a balanced budget bill. Congress can only appropriate money for 1 year at a time. So a balanced budget, as all of us know from our household checkbooks, is when we spend no more than we collect in taxes.

It may surprise my fellow citizens, after the chairman of the Republican National Committee made such a statement and such a challenge that, in that year, the fiscal year increase to the public debt was \$250,828,000,000. The Nation spent \$250 billion more than they collected in taxes that year that they claim to have balanced the budget. So maybe it took a little bit longer than they thought.

So in fiscal year 1997, the Nation spent \$188,335,000,000 more than it collected in taxes. A year later, the Nation spent \$113,046,000,000 more than it collected in taxes. This is 3 years since Mr. Barbour's promise that the Nation had a balanced budget. The following year, the Nation spent \$130,077,000,000 more than they collected in taxes.

So when I presented Mr. Barbour with the information that it was not a balanced budget, his response was, not only not to pay me, but to sue me for answering his challenge that was in a nationwide publication. That is Republican accountability. That is Republican honesty. It makes one kind of wonder, does it not?

In fairness to Mr. Barbour, that was not the only year. I think it is important that we be honest, that I be honest. I came to the House floor at the end of July and said that, for this fiscal year, so far, the Nation was running an \$11 billion annual operating deficit. I came back in August, actually in the month of September, and showed where the Nation was running a \$22 billion annual operating deficit.

In fairness, I have to mention that something that I guess every Congressman should be at least partially happy about, we did finish the fiscal year that ended September 30, 2000 with an \$8 billion surplus, but only after, incredibly, record collections of \$157 billion and expenditures of \$125 billion. See, they were able to slow down spending for that 1 month to make up for that \$22 billion.

One of the ways they slowed down spending, interestingly enough, we hear all this talk about being for a strong national defense, is they delayed the pay for the troops from the last of September to the 1st of October. So that bill did not go towards last year, it goes towards this year. So this

year's deficit will be even bigger. But last year's deficit turned into a surplus by that accounting gimmick and others.

So I guess something that I am very proud of, having run on the basis of trying to balance the budget, is that, for the first time in what we think is 30 years, the Nation ran the smallest of surpluses, about \$8 billion out of a \$1.5 trillion budget.

We hear talk of big surpluses. But those surpluses are all in the trust funds: the Social Security Trust Fund, the Medicare Trust Fund, the Military Retirees Trust Fund, the Black Lung Trust Fund, the Federal Employees Trust Fund. These are all monies that have been collected for a special purpose, and people trust us to set that money aside and spend it only for that purpose. To spend it on anything else, to give it away to someone else in a tax break is a violation of that trust.

Someone who has understood the issue of the tax breaks and their impact on the Federal trust funds better than anyone else in this House is the gentleman from Texas (Mr. STENHOLM).

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

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for yielding to me. I thank him for taking this time.

I will serve notice to our colleagues that we are going to be doing a lot of talking about this over the next 1, 2, 3, 4, 5, or 6 days. Tomorrow we will pass a rule that will provide for six 24-hour continuing resolutions. Just as the gentleman from Mississippi (Mr. TAYLOR) has talked very accurately about the last 12 months, what is seemingly passing over this body and the leadership of this House is what we are doing in the next 12 months.

The 106th Congress is on track to increase appropriations, spending, for domestic programs at the fastest rate this year since the budget act was first passed in 1974.

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Now, all year long my friend from Mississippi and I and other Blue Dogs have been on this floor calling for a compromise in the budget that can be supported by both sides of the aisle. The Republican budget called for \$600 billion in budget authority and \$625 billion in outlays. The President proposed \$624 billion in budget authority and \$637 billion in outlays and colleague after colleague from the other side of the aisle has bent over speaking and decrying the big spending of this administration. Only yesterday the Senate appropriations committee chairman, Mr. STEVENS, proposed a compromise discretionary cap of \$637 billion in budget authority and \$645 billion in outlays in order to get us out of here. That is \$8 billion more than the President has proposed to spend this year. The blame game is going on now. We have heard just tonight from both sides of the aisle about who is at fault and who is doing what, and as my colleague has pointed out, we spent a good

part of this year on how big our tax cuts were going to be.

Completely overlooked in all of this discussion and debate for the last 3 or 4 months is what we are actually doing on spending. According to the Concord Coalition, with what we are about to do under the leadership of the House, two-thirds of this projected surplus for the next 10 years, two-thirds will have already been spent before we adjourn either Saturday, Sunday, Monday or Tuesday. Two-thirds will have been spent. I do not understand my friends in the leadership of this House that somehow believe that you can take individual spending bills absolutely in a blind trust of just saying because we are doing 13 individual spending bills that the sum total does not add up to what we are talking about tonight; just as my friend from Mississippi accurately points out that we barely ran a surplus this past year, and there is credit on both sides of the aisle that are deserving for that, and I readily grant my friends on the other side of the aisle their share of the credit for that. But I do not understand how we can see some of the charts and posters that we will see over the next several days bragging about this history while at the same time we are spending it for next year.

We are going to talk about raising the caps and we are going to try to slip it on to another bill tomorrow, finally acknowledging that the caps that we put in in the 1997 balanced budget agreement were unrealistic. I wish we were going to do more than 1 year. In fact, we will be on the floor tomorrow and the next day and the next day saying, "Let's put another 5-year realistic cap on spending. Let's not just do it for one year." And oh, by the way, when we talk about the spending and the blame game starts around, let me point out, according to Senator JOHN MCCAIN, \$21 billion of this \$645 billion which is \$8 billion more than the President proposed that we spend, \$21 billion of that is for add-on earmarks that my colleagues on both sides of the aisle are bragging about on a regular basis.

I think it is going to be interesting when the smoke finally clears and we see where that \$21 billion was spent, how much that is going to detract from the \$2.3 billion non-Social Security surplus that we will have to deal with in the next Congress, and as we listen to both candidates for President, where are we going to find the money to have the tax cuts that one proposes or the spending increases that the other proposes when this Congress will have already spent the money? And as my colleague from Mississippi points out, we are getting carried away with these surpluses. We just barely got into the black this last year when we consider all of the obligations that we have in this body to future generations.

Mr. TAYLOR of Mississippi. Again for those of you on the West Coast, this is almost 10 minutes to midnight in Washington so I not only thank my

colleague for staying up so late but all the employees of the House.

I know there is a lot of mistrust about government. I would ask people who question these numbers to access their computers www.publicdebt.treas.gov and look for yourself. One of the big lies is that the public debt is going down. The fact of the matter is in the 1 year between September 30 of 1999 and September 30 of 2000, the public debt increased from \$5,656,271,000,000 to \$5,674,178,000,000. I realize that is pretty mind-boggling for almost everyone, but that is what it looks like on a chart. It continues to go up. And again as long as we owe money, we have to pay interest on that debt just like every other business and every other individual and that interest payment is \$1 billion a day. If you want to access these numbers, it is www.publicdebt.treas.gov/opd.opdpenny.htm.

Folks, that is what your debt looks like today. So before any of my colleagues talk about huge spending increases or any presidential candidate, or any of my colleagues start talking about huge tax cuts, this is what we owe. If you were to look at this in 1980, it would have read about \$1 trillion instead of 5. That means that \$4.674 trillion of that debt has been added in this generation's lifetime.

I as a father am not going to stick my kids with my bills. I would ask that those people who seek the highest office of the land, the President of the United States, do not stick their kids with their bills. I would ask that my fellow Congressmen and the Members of the other body, do not forget these numbers and let us not stick the next generation of Americans with this generation's bills. Before we talk about big spending increases, before we talk about big tax cuts, let us pay off the debt that has been run up in our lifetime and let us start defending the Nation in a way that in reality matches the rhetoric.

I would tell the gentleman from Texas that when the Republican majority took over Congress, there were 392 ships in the American fleet. Today the number of ships in the United States Navy are 318. They talk about the big defense increases, but as a matter of fact the last 6 years that the Democrats ran the House, we funded 56 new warships. In the first 6 years that they have run the House, they funded only 33. For all the rhetoric about being tough on defense, good for defense, the Republican Congress built fewer ships in their first 6 years than the Democrats did in our last 6. Even this year they talk about President Clinton being weak on defense. President Clinton asked the Congress to fund eight ships. The Congress only funded six. The United States Navy is now the smallest it has been since 1933. So in addition to not balancing the budget, they have failed to look out for the common defense.

Mr. Barbour, I hope you are watching tonight. I have still got your ad; you

have still got my letter. You still owe me a million dollars. I realize you found a judge up here in Washington that said, yeah, that wasn't really for real, but when someone runs a statement in a national publication challenging people to prove them false and have their statements proved false not just for 1 year or even 2 years but for 1 year, 2 years, 3 years, 4 years running, then I have proven your statement false. And if you are a man of your word and if your party is a party of its word since you are making such a big deal of credibility and honesty and trustworthiness, then I think you ought to keep your word and honor your pledge. For my part, after I paid the lawyer that I had to go hire because you sued me, the remainder will go to the University of Southern Mississippi so we can educate a lot of good kids back home.

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. STUPAK (at the request of Mr. GEPHARDT) for today on account of district-related business.

Mr. HASTINGS of Florida (at the request of Mr. GEPHARDT) for today and October 25 on account of personal business.

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. KLECZKA) to revise and extend their remarks and include extraneous material:)

Mr. CLAY, for 5 minutes, today.

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

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

Mrs. THURMAN, for 5 minutes, today.

Mr. PICKETT, for 5 minutes, today.

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

Ms. GRANGER, for 5 minutes, today.

Mr. BURTON of Indiana, for 5 minutes, today and October 25, 26, 27.

Mr. EWING, for 5 minutes, October 25.

Mr. WELDON of Florida, for 5 minutes, today.

Mr. GOSS, for 5 minutes, today.

Mrs. MORELLA, for 5 minutes, today.

Mr. HUNTER, for 5 minutes, today.

Mr. PITTS, for 5 minutes, October 25.

Mr. BUYER, for 5 minutes, today.

Mr. HANSEN, for 5 minutes, today.

Mr. COBURN, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, today.

Mr. LAHOOD, for 5 minutes, October 25.

Mr. CRANE, for 5 minutes, October 25.