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**PROVIDING FOR CONSIDERATION OF S. 2986, INCREASING THE PUBLIC DEBT LIMIT
-- (House of Representatives - November 18, 2004)**

So it is very clear, some people who want to politicize and say, oh, well, let us not increase the debt limit. Well, it is very important that we do this. Increasing this debt ceiling will save U.S. taxpayer dollars because if we do not, we will see an even greater interest burden shouldered on the U.S. taxpayer. So let us vote for this rule. Let us vote for the rule as it is reported out because of the fact that any kind of delay would delay action over in the other body, and we need to move as quickly as we can on this and then let us vote for the package itself.

Mr. Speaker, I thank the gentleman for yielding me time.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts (Mr. *McGovern*), a member of the Committee on Rules.

(Mr. *McGOVERN* asked and was given permission to revise and extend his remarks.)

[Time: 10:30]

Mr. *McGOVERN*. Mr. Speaker, that did not take long. On just the third legislative day after the election we are yet again confronting a need to raise the Nation's debt limit. It is interesting that even though this problem has been apparent for months the Republican leadership chose to wait until after the election to bring this issue to the floor, interesting but not at all surprising.

Once again, the historic fiscal mismanagement of this Republican Congress and the Bush administration is on display, and, once again, we are reminded that we are passing on a massive, unpaid credit card bill to our children and our grandchildren, and the numbers are staggering.

In 2002, the Bush administration came to Congress asking for a debt limit increase of \$450 billion. In

2003, they asked for another increase of \$984 billion, an unprecedented increase, and this year's request will increase the debt ceiling by another \$800 billion. Amazingly, this increase is only expected to last the Treasury 1 year, which means that unless this Congress gets its act together we will be back here next year debating yet another multibillion dollar increase in the national debt limit.

In the last 18 months, this Nation's debt has gone up by nearly \$1 trillion, \$1 trillion. Today's debate proves once again that the promises made by the Bush administration when they came into office were nothing more than empty rhetoric.

They promised under their plan the debt ceiling would not be reached until 2008. Instead, because they continue to insist on massive tax breaks for the wealthy that are not paid for, the debt limit will have to be raised for the third time in 3 years.

On January 29, 2002, George Bush stood in this Chamber and told the Nation our budget will run a deficit that will be small and short term. I guess he misspoke.

But this debate is about more than numbers, Mr. Speaker. It is about priorities. It is about the kind of country we are leaving for future generations. How will our children be able to afford things like education and health care, homeland security and national defense? How will they be able to pay for us when we retire?

These massive deficits, this huge debt will mean higher interest rates, and that means that the American people will have to pay more for a college education or a new car or a new home. Reckless fiscal policy is not a value. It is a vice, and it has to stop.

Mr. Speaker, the fiscal irresponsibility of the majority and the administration is magnified by the Republican leadership's refusal to institute budget reforms requiring Congress to pay for any new spending. PAYGO simply is a responsible plan that says if you want to increase spending or if you want to give tax cuts to your rich friends, you have got to pay for it.

In the Committee on Rules, several members offered, and I supported, an amendment to increase the debt limit and reinstate the pay-as-you-go spending policies, and it was rejected.

Now I know what my friends on the other side of the aisle are thinking, the next election is not for another 2 years. They think the American people will forget about this fiscal irresponsibility that they are pursuing. Well, maybe they might and maybe they will not, but, in the meantime, they are undermining our economy and they are passing on to our kids a big fat credit card bill and it is shameful.

Mr. Speaker, I urge my colleagues to reject this rule and vote no on the underlying bill so we can have a real debate on the gross fiscal mismanagement of this Congress and this administration and institute real budget reforms that will provide pay-as-you-go for increased spending and these tax cuts.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

I think it is important, after listening to my colleague and fellow member of the Committee on Rules, that we point out that tax relief did not cause the deficit. We would have triple-digit budget deficits today if taxes remained at the historically high levels of 2000. The tax policies that were put in place helped our economy out of a recession that began in the Clinton administration and was in the early Bush years.

Without our tax policies, the economy would not have recovered as quick and as well as it has. More Americans would have lost their jobs. A less robust recovery from recession would have had the adverse effects on revenues and the budget deficit, and healthy revenue growth continues even with tax relief. The recent decline in the deficit is largely a result of revenue increasing faster than anticipated because of strong economic growth.

After 3 years of declining revenue in the wake of September 11, revenue is now growing more robustly than expected. Just since July, we have seen the deficit projections for this year drop by \$32 billion. While I cannot predict what the next election will be, I do know the President ran on those tax cuts, as did the majority in this Congress, and both the President will serve another term and in the 109th Congress the Republican majority will continue in being the majority in this body

Mr. *McGOVERN*. Mr. Speaker, will the gentleman yield?

Mr. REYNOLDS. I yield to the gentleman from Massachusetts.

Mr. *McGOVERN*. Mr. Speaker, I just refer him to CBO's report in which it concludes that the tax cuts are the largest legislative contributor to the negative debt that we have right now. I mean, so it runs contrary to what the gentleman is saying.

All we are suggesting here is that when my colleagues pass these tax cuts for their corporate friends and for wealthy people that they pay for them, pay as you go. That is the responsible thing, so we do not pass this debt on to our kids and our grandkids.

Mr. REYNOLDS. Mr. Speaker, reclaiming my time, in the time of the last 2 years of this Congress we have had a great debate. A guy from the left that believes that there should not be tax cuts, or to have some kind of message for middle America to feel that they might get a piece of it.

I am a guy that believes if you pay taxes, you ought to get a tax cut. We took that referendum, I guess, to the public, and they have ratified an opportunity for this majority to remain.

Now, I also understand majority/minority politics, and I guess if I look through the years of 1940, 1950, 1960s, 1970s, 1980s, 1990s and 2000 when we would find that Republicans controlled the place or Democrats controlled the place, I am sure that there were a few that made the debt reduction or the

aspect of all of that debate at the same time they looked at the debt limit.

But also in my opening remarks we heard from Secretary Rubin who said that the aspect of raising the debt limit was not the aspect of addressing the deficit. It was the budget itself. And I will quote him.

As Robert Rubin, then Treasury Secretary under the President said in November of 1995 in that quote, Passage of the debt ceiling is totally unrelated to deficit reduction. The deficit can only be reduced in the budget process.

He reiterated this truth 1 month later in testimony before the House Committee on Banking and Financial Services when he said, The debt limit is about meeting obligations already

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incurred, while future deficits can only be reduced through actions taken in the budget process itself.

Mr. *McGOVERN*. Mr. Speaker, will the gentleman yield?

Mr. REYNOLDS. I yield to the gentleman from Massachusetts.

Mr. *McGOVERN*. Mr. Speaker, this is the third time under this administration that we have raised the debt limit, and what we were asking for last night in the Committee on Rules and what we are asking for today is that, before we do this again, that we institute the necessary budget reforms that require pay-as-you-go so that we are not going down this path of fiscal irresponsibility, so we are not passing down to our kids and our grandkids this massive credit card bill.

My colleagues denied us that ability to be able to vote up or down on a pay-as-you-go bill today, and that is what we are urging here today. That is why we are opposing this rule, and that is why I am going to vote against increasing the debt limit. Because there is no reason to believe that my colleagues' bad habits are not going to continue into the next Congress.

Mr. REYNOLDS. Mr. Speaker, reclaiming my time, a couple things.

One, in the finger pointing of this 21st century of deficit and debt limit increases, again, I will put on the record, we had seven during the 1940s, six during the 1950s, 13 during the 1960s, 18 during the 1970s, 24 during the 1980s, 13 during the 1990s and two so far this decade. So we are not into a new venture, and we are not into a Republican venture. We are into a congressional decision of whether we keep the government moving or whether we do not, and there were 83 debt limit measures that have been enacted into law.

I believe the gentleman from Texas will come up and talk about the PAYGO amendment that was

offered before the Committee on Rules last night, and I think that it will be important for us to listen to him, and I believe that the issue of PAYGO will have bipartisan support if and when it comes to this floor.

But I also want to caution my colleagues that this is a Senate bill that we are taking up, and further delay once again results in this body jeopardizing our trust funds such as Social Security, Medicare, highways, and we further jeopardize veterans' care and military retirement.

So when we put our military at risk, at not having the necessary resources of food and clothing and ammunition, we also endanger unemployment benefits and disaster assistance, low-income home energy assistance programs.

The debate on PAYGO I believe should happen and will happen. It is not necessarily that it has to happen when we are looking at debt limit for a number of reasons, including the quotes of Robert Rubin of 1995.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. *Stenholm*).

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, I want to begin by congratulating my Republican colleagues for bringing this bill to the floor today, clean, up and down. There is a certain amount of justice to this because those who have built up these deficits should have the courage to vote to increase the debt ceiling for the policies of which they have been very successful, and that is commendable.

I sincerely say that, even though my opposition to those policies help contributed to my defeat. Because I have stood on this floor many times, Mr. Speaker, asking that PAYGO be reinstated, but it was never the right time, and, according to the Committee on Rules, it is not the right time today to bring up pay-as-you-go.

But we can talk about these deficits and debt and my friends on the majority side can continue to explain them as they really do not matter anymore. It does not matter that we have borrowed \$570 billion in the last 12 months, that we borrowed \$1.5 trillion in the last 3 years, that we are going to borrow who knows how much more, continuing to fund the same policies. Because I assume if one was elected on these policies they will continue them. That means, based on most economists, the deficit is going to explode into the next year, 2, 3, 5, 10 years.

I hope I am wrong. I want to say here today to my friends on this side of the aisle, I sincerely hope they are right because our country will be so much better off if they are right than if they are wrong, because I detect in today's motion a reluctance to change anything.

I have come to the conclusion now that politics are not going to change my colleagues' policies. They have got the majority in the House. They have got the majority in the Senate. They have got the White House. Therefore, they are going to do what they believe is in the best interest of our country.

I just do not share the belief that deficits do not matter. I just do not share the belief, and I never dreamed I would be a member of the party of fiscal responsibility, which my party has become.

Based on historical records, they talk about a trillion and a half is not much money, \$800 billion, not much money. Well, it took our country 204 years to borrow the first \$1 trillion. Today, we are going to make it possible to borrow another \$800 billion, and it probably will occur in the next 12 to 18 months.

It is not politics that is going to ultimately decide this question. It is the market that is going to decide this question, and I would encourage my friends on this side of the aisle to start paying attention to the market.

It was not insignificant that 2 months ago the Japanese, for the first time since 2002, chose not to increase their holdings of United States Treasury notes. It is not of some insignificance that the European community is concerned about the fall of the dollar.

Much of what the gentleman from New York (Mr. *Reynolds*) has said I agree with him on. I agree with Mr. Rubin, Secretary Rubin. I agree with him 100 percent. I am glad the gentleman repeated it twice for the **RECORD** because more Members of this body need to read that and understand that what he is talking about is exactly as he has restated it.

This is not a budget vote. What we were talking about last night in asking my colleagues to make pay-as-you-go a part of this rule is changing the policy just a little bit in reinstating pay-as-you-go which worked in a bipartisan way in 1993 and 1997. But this bunch, those of my colleagues who control this House today, have said, nope, that is not any good anymore. We have got a new and better policy. Some of us disagree with that, and we just ask respectfully that we be allowed to vote on that today, but my colleagues said no, and this is their prerogative. That is their prerogative.

To those of my colleagues who believe that the amount of deficits this country is running today and will run under the policies they advocate, if they are going to make the tax cuts permanent, if they are going to continue to have the reductions in the amount of revenue, if we are going to continue to fight to a successful culmination, which I hope we do, of the wars, if we are going to do that, I think there may be a little justice in this for the gentleman from New York (Mr. *Reynolds*), and I hope you will be up to it.

Going to the Committee on Ways and Means means the gentleman is going to be part of the ways and means of solving this problem, sooner or later, but not today, obviously. Sooner or later, the gentleman is going to have to be part of that, I believe.

So, again, I conclude by congratulating my colleagues for bringing this bill up for a clean up and down vote. If they would have allowed pay-as-you-go, I would have been one of those votes, but I am not going to ratify a policy that I believe is going to drive this country to the brink of ruin, and the market will ultimately be the judge of this, not any vote in this body according to the majority today.

[Time: 10:45]

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

It is true that in 2004, as we consider whether we increase the debt limit, the government is controlled by Republicans, a Republican President, a Republican Congress in both the other body and in this one. But I am reminded of President Bill Clinton's State of the Union address in 1996, and I quote him: ``And on behalf of all Americans, especially those who need their Social Security payments at the beginning of March, I challenge Congress to preserve the full faith and

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credit of the United States, to honor the obligations of this great Nation as we have for 220 years, to rise above the partisanship and pass a straightforward extension of the debt limit. Show them that America keeps its word."

That rang true when a Democratic President spoke to a Republican Congress; it rings true today as we consider the debt limit.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield myself 1 second just to say that President Bush, in his first State of the Union said, ``We owe it to our children and grandchildren to act now," speaking about his plan to pay off in the next decade the entire \$2 trillion in government-debt held by the public.

Mr. Speaker, I yield 5 1/2 minutes to the gentleman from South Carolina (Mr. *Spratt*).

(Mr. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Speaker, we are here because the Secretary of the Treasury has warned us that he has run out of tricks. Five times he has written the leadership of the Congress and told us that he was approaching the legal limit which Congress has imposed by law on how much debt the United States can incur. We call it the debt ceiling. Now he has told us that he is out of tricks and he is having to do things

he does not regard as prudent unless we increase the debt ceiling. So it is right that we are here to do just that.

But it is also right that we take an hour or two to ponder what brings us to this juncture, to raise the debt ceiling again by \$800 billion, when we have already raised it twice in the last 3 years.

Let us go back to January 1, 2001. The Bush administration takes office, and the fruits of our labor in the last two administrations of the Clinton years are laid before him. They look out and see surpluses of \$5.6 trillion and decide that this warrants huge tax cuts. We warned them against buying into a blue-sky projection which might not be obtained, and surely enough, that happened.

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