

PRESS CONFERENCE WITH MAJORITY LEADER

STENY H. HOYER

AND

DEMOCRATIC REPRESENTATIVES

Wednesday, July 25, 2007

10:36 a.m.

Mr. Hoyer. Thank you very much for being here. I want to welcome those who are here with us by phone.

I am joined by Congressman Moore, Congressman Hill, Congressman Lampson and Congressman Carney, all of whom have been real leaders. Baron Hill over a number of years and Dennis Moore over a number of years, as well as Nick Lampson and Chris Carney, new additions to the Congress, very dynamic and disciplined in trying to bring fiscal discipline to the Congress but, more importantly, to the country.

I want to thank you for coming to the unveiling of a new Web video which documents the sea of red ink that has flooded our fiscal house over the last 6 years due to the Republican party's irresponsible policies. I have talked a lot about that, as these Members have on the floor.

This video also details Democratic efforts over the last 7 months to begin to restore fiscal discipline and, moreover, to sound the alarm on the fiscal tsunami that threatens to drown our Nation in the not-too-distant future if we fail to act.

I want to especially thank my friends from the Blue Dog Coalition for joining me today. Charlie Stenholm was one of the strongest, most outspoken, courageous voices throughout his career for fiscal discipline and fiscal responsibility. Charlie is not here, but the work that he began and the Blue

Dogs have fought for so hard is being ably led now by a number of Blue Dogs that are with us and leaders in that effort. No group of Members within the House has fought harder on this critically important issue than the Blue Dogs. Some have talked a lot about it, particularly on the other side of the aisle, but doing something about it was a different story.

And let me be crystal clear. I believe that, next to defeating terrorism, there is no greater threat to our Nation and its future than the grave and gathering fiscal crisis that confronts us.

As David Walker, the Comptroller General, told Congress last year, and I quote: Continuing on this unsustainable fiscal path will gradually erode if not suddenly damage our economy, our standard of living and, ultimately, our national security. And that is David Walker, Comptroller General, not a Member of the Congress, not a Democrat.

President Bush and the then Republican majorities in Congress were presented with an historic opportunity in January of 2001. Remember, they inherited a projected 10-year budget surplus of \$5.6 trillion and four consecutive surpluses in a row. Instead of seeing this opportunity, the administration pushed and Congress passed the most irresponsible fiscal policies in the history of our Nation, turning that \$5.6 trillion surplus into an additional

\$3 trillion debt and instigating record deficits.

On this video, you will see our Republican friends, including the nominee to head the Office Management and Budget, former Budget Committee Chairman Nussle, boasting about their fiscal responsibility and cutting spending.

The truth is that President Bush and the Republican Congress increased Federal spending -- and you will see Congressman Westmoreland making that assertion, Republican from Georgia. This is not just my assertion. They increased Federal spending by an average of 7.1 percent per year. Nearly double, nearly double the rate of the last 5 years of the Clinton administration.

So that the assertion that somehow the Republicans came to town and cut spending, not only did they not cut spending but they doubled the rate of spending from the Clinton administration's last 5 years.

Our current path, simply stated, is unsustainable, as David Walker says. And Democrats have worked hard, in the first 7 months of this year, to turn things around. We also assert that on the video and show how we have done that. We adopted a budget plan that would bring our budget back to balance by 2012, a balance fashioned by John Spratt, one of the most knowledgeable Members of Congress as it relates to fiscal issues. He and Kent Conrad in the Senate working together, with almost exclusively Democratic support,

fashioned a budget that balances by 2012.

One of our first acts in the majority, in addition, we restored pay-as-you-go budget rules. Those budget rules, first adopted in 1990 and readopted in '97 in a bipartisan fashion, were what constrained our spending and led to our 4 years of surplus, an historic achievement.

Much more, of course, must be done to put this Nation on a sustainable fiscal path. Just consider, while Congress and the President disagree on \$23 billion in appropriations for fiscal 2008, a relatively small sum of money, it represents less than half the amount that Congress will spend automatically next year on the Medicare prescription drug benefit that the Republicans adopted.

Consider that last year, 2006, the interest on the national debt cost \$226 billion, up from \$183 billion in 2003. It is absolutely imperative that we confront and address this looming fiscal crisis as soon as possible and do so on a bipartisan basis.

Pete Peterson, former Republican Secretary of Commerce, said -- who now heads up the nonpartisan Concord Coalition -- and I quote: If America chooses the right future it will be because we learned again to cooperate politically and embrace a positive vision of what our Nation can become.

Ross Perot raised this issue dramatically in 1992. We

need to continue to raise this issue so that the American public will demand of their Congress, first of all, to follow the Democratic proposal that we have put in place of PAYGO but also of fiscal responsibility and paying for what we buy.

And I am also pleased that we have been joined by two other new Members of Congressman Carney's class, the class I call the Majority Makers, Kirsten Gillibrand from New York and Gabrielle Giffords from Arizona. And now I will recognize one of the leaders of the Blue Dog effort on the budget responsibility, Dennis Moore.

Mr. Moore. Thank you, Steny -- Majority Leader Hoyer. I really appreciate the opportunity to be here today as the policy co-Chair for the Blue Dog Coalition.

I came to Congress in 1999; and things have changed dramatically since 1999, as Majority Leader Hoyer just told you. I joined the Blue Dogs because I believe strongly in fiscal responsibility and accountability. The Blue Dogs were founded on those principles, and we have tried and practiced and preached those during the time I have been in Congress and even before I got here.

The American people put their trust in the elected leaders in Congress; and I think Congress in the past 6 years, up until this year, has let the people down.

Most American families live within a budget. I will

say that again. Most American families live within a budget, and they don't spend more money than they make. Congress has for the past several years routinely spent more money than we have brought in in taxes, except, as Majority Leader Hoyer told you, for the last 4 years -- I guess the last couple of years of the Clinton administration.

In November of last year, the American people elected a new majority; and I think they are going to see dramatic changes now. Steny Hoyer told you about some of the changes that have happened. And we are trying to reinstitute PAYGO budget rules, pay-as-you-go rules, which I guess terminated in 2002.

I had a resolution to reinstitute PAYGO rules back several years ago; and the leadership in the other party said, Dennis, we like your proposal as it applies to new spending but not new tax cuts, not apparently understanding that new tax cuts and new spending can cause the huge deficits that we have seen in the past few years -- past 6 years.

Six years ago, the debt in our country stood at about \$5.8 trillion, \$5.8 trillion of debt. Our debt now is over \$8.8 trillion, almost \$8.9 trillion, an increase of \$3 trillion in the last 6 years, \$3 trillion more in debt from the people who call themselves fiscally conservative. The other party, I am talking about. We need to change the

way we are doing business here.

I have eight grandchildren, and we have mortgaged their future. Not just my grandchildren, everybody's children and grandchildren in this country. That is not fair. I think that is immoral to pass on huge debt to our kids and grandkids.

I want to thank Majority Leader Hoyer, Speaker Pelosi and the rest of the leadership in the Democratic Party for meeting with us early on and listening to our request that we institute PAYGO, and they are doing that now. We have it as a House rule now, and we are trying to pass a statute which would put in statutory form PAYGO, pay-as-you-go rules. In fact, there is a hearing in the Budget Committee which I just left on that very issue right now.

In addition to restoring PAYGO rules, as I said, we fight for a statutory PAYGO as part of the Blue Dogs' fiscal accountability package. Congressman Baron Hill, my friend from Indiana, has introduced H.R. 2685, the Fiscal Honesty and Accountability Act, which would enact statutory PAYGO requirements to 2012 and discretionary spending caps through fiscal year 2011. As I said, the House Budget Committee at this present time is conduct a hearing on reinstatement of the statutory PAYGO.

I'd like to again thank Majority Leader Hoyer for what he has done in the leadership of our party to try to return

to fiscal responsibility and accountability. I would also like to thank the new Blue Dogs with us today, and Steny has already recognized those people, so I won't repeat their names.

Mr. Hoyer. Oh, go ahead and repeat their names.

Mr. Moore. Gabrielle Giffords, Kirsten Gillibrand and Chris Carney and Nick Lampson and Baron Hill. This guy was elected when I was and had a misfortune, but he is back stronger than ever. My friend, Baron Hill.

Mr. Hoyer. We will all speak briefly.

Mr. Hill. Briefly.

Let me begin by saying you reporters come to these press conferences, and we are trying to do our spin. You go to the Republicans probably later on today, and they will do their spinning on all of this. And so it is hard for the public to get to the facts, but I want to speak to the facts.

I have been in public life over 20 years. I ran for the United States Senate back in 1990 on the issue of fiscal responsibility. I ran against supply-side economics because I thought it was driving up deficits. And then you had Bill Clinton get elected, and he had a different approach, and we actually produced surplus. Those are the facts. That's not spin. Those are facts.

And, in 2002, the PAYGO rules and spending caps

expired. It is no irony that we're back into this deficit spending, because those rules were not in place from the beginning. It was the PAYGO rules and the spending caps that got us on a track of fiscal responsibility, and it was under Democrat leadership and President Clinton at the time that produced surpluses. Those are undeniable facts.

Now, when the Republicans gained control of Congress, the PAYGO rules expired in 2002, and here we are in 2007, and we are looking at record deficits. Those are the facts. And it is the Democrats who are leading the charge and making sure that those PAYGO rules and spending caps are enacted back into law so that we can get down that road of fiscal responsibility again and balance our budget by the year 2012.

So I'm happy to be a part at this press conference this morning joining my good friend, Steny Hoyer, who is the majority leader, and embracing the idea as a leader within our caucus of making sure that we get back on the road to fiscal responsibility.

I applaud you, Mr. Leader, for leading this press conference and to endorse the idea of statutory PAYGO rules and spending caps. It is the answer to our fiscal problem. We did it once before. We need to do it again.

Mr. Hoyer. Thank you.

Nick Lampson of Texas.

Mr. Lampson. Thank you, Mr. Majority Leader; and it is great to join all of the members of the Blue Dogs here this morning.

I came to Congress and came back to Congress, both, to participate in responsible government, not to play partisan politics. I was concerned about the life my grandchildren were going to be living, as you heard Congressman Moore talk about. So when I found the opportunity to work with the organization that probably represents more fiscal responsibility, more interest in working with everyone in Congress to do the right thing for our Nation, the Blue Dog Democrats, then I wanted to be a part of it.

And I have watched over the years, whether it was Charlie Stenholm, who led us into good budgets every year, or whether it is even today, where we now have an even broader scope, broader involvement across this Congress. It's when we are smart and responsible with our fiscal policy that we have the gains that we want to have and we can help our families be able to start new businesses, be able to save money, be able to send their children to college, be able to do the kinds of things that each and every one of us dreams of being able to do.

When we borrow and borrow and borrow, we take away that opportunity from all of us for the whole Nation; and we put ourselves into a tailspin that works against us. That is

not what we are about. Adopting and enforcing these PAYGO rules is the smartest thing that this Congress has done and can do to put us back on to the path of fiscal responsibility.

The Hill bill, which we are proud to support, is going to be one of the things to codify that rule and we will move ourselves to the point where fiscal discipline will be found throughout all of the policies that we adopt in this Congress.

It is one thing to talk about the impact that they have here today, but we must be mindful of the impact that it will create in the years and decades from now. That is why I am honored to be a part of the Blue Dogs and honored to be supportive of these proposals that the Blue Dog Democrats have put forth, and I guarantee you we will have a better life for our grandchildren because of it.

Mr. Hoyer. And now we will hear from Chris Carney and Kirsten Gillibrand.

Mr. Carney. Thank you, Mr. Leader.

I came to Congress 7 months ago largely because people in my district, which is primarily Republican, were sick of the deficit spending. In fact, I was at a town hall meeting just on Monday and a lot of our Republican supporters said we have got to hold the line on the budget. That is crazy. Our party for the last 6 years has not practiced fiscal

discipline, and it is absolutely essential. You have to do this.

That is why Democrats now are in ascendancy, because we will enforce this discipline, the Blue Dogs, the group that really makes folks toe the line, and I am proud to be part of that. And the fact that I was invited in to be a member, of course, is a very happy day for me, but I think it is an indication of where we are going as Congress. I certainly hope so, at least.

But it is more than just fiscal discipline when you are spending America's money. It is also spending America's money wisely on things that unlock the greatness of this country, on things that are investments in America. On education, for example. On energy security, energy future and things of that nature. What we have to worry about is the future. You can spend money wisely, get to a better future and instill fiscal discipline, and that is what we're about.

I'd love the opportunity to be able to talk about this with such a distinguished crew here, very proud to be among them; and I turn it over to Steny.

Mr. Hoyer. Kirsten Gillibrand of New York.

Mrs. Gillibrand. Thank you, Mr. Leader.

I am very grateful for my colleagues and for this Congress, because they have made fiscal discipline one of

the top agendas for this new Congress. It was within the first hundred hours that Speaker Pelosi made pay-as-you-go part of what the Democratic leadership would be about.

For my part, I have introduced a balanced budget amendment; and the reason why I think the balanced budget amendment is so important is because it is about accountability, accountability to taxpayers, and it sends the right message.

We, as family members, balance our family budgets every day and balance our checkbooks; and the Federal Government should be able to do the same. Forty-nine states have balanced budget amendments. It is something that we believe in as a country as part of our core values, that we should only spend the kind of money that we have. But it also forces the Federal Government to put their fiscal house in order, and that is very important, because deficits do matter. Deficits reduce economic growth. We have seen it in the '90s. We have seen it under President Clinton's leadership.

Also, it could never be understated, it is essential to our national security. We have 75 percent of America's new debt that has been borrowed from foreign creditors, and that is a place we have never been in before. Over the last 6 years, 60 percent -- we have had a 60 percent growth of our national debt, up to \$9 trillion. That means, for our

children, we all know every child in America born today will owe \$29,000 to pay off this debt. And that is not good planning, and that is something that we as -- the leadership of the Democratic Party behind me and all of us as Members, we very much have to focus on the next generation. And we want strong economic growth policies. We want accountability for this country, and we want to make sure that national security is foremost in all that we do.

Thank you.

Mr. Hoyer. Thank you, Kirsten.

And last, but certainly not least, former State Senator, Congresswoman Gabrielle Giffords from Arizona.

Ms. Giffords. Thank you, Majority Leader Hoyer.

I came from a State legislature where we in Arizona have a requirement to balance the budget every single year. I sought out the Blue Dogs because I looked around this Congress and wanted to be part of an organization that really focused on the priorities of our Nation.

As we all know in our personal lives and those of us who have had the opportunity to run small businesses, we know that we cannot continue to spend money that we don't have; and now that the United States is facing close to a \$9 trillion debt, the future of our Nation and the future of our kids and our grandkids and the greatness of this country that we all love so much is truly at risk.

Whether it is economic development, whether it is education or whether it is health care or whether it is new energy policy, it is on and on. Unless we get our fiscal house in order, this Nation will not continue to lead.

All of us were elected by our constituencies. We hold these offices for as long as we continue to be supported by our constituents and choose to run. But it is important that we realize that the legacy of our time here in Congress is spent supporting this wonderful country that we have that has given our families so much and will hopefully continue to provide in the future.

The only way to make that happen is if we realize the seriousness of our financial situation and we restore the integrity of the budget process and restore accountability to our government and make sure that we have our finances in order.

So thank you for asking me to be a part of this morning's press conference, and I am proud to be here.

Mr. Hoyer. Thank you, Congresswoman Giffords.

We will now move aside, and we will show you a video which will mesmerize you.

[Video shown.]

Mr. Hoyer. And the crowd went wild.

Obviously, what we are trying to communicate -- this will be included on a number of Web sites, many Web sites --

to the American public is, first of all, the representations that were made by the former leaders of this House and the present administration about fiscal discipline and constraint on spending and balanced budgets was simply not accurate. What they said they were going to do they did not do; and the reason we had, of course three Republicans say that was because they are making an observation about their party.

Baron Hill talked about spin. Westmoreland was not spinning. Burton was not spinning. Ryan wasn't spinning. What they were saying is what we Democrats have said, since the fiscal irresponsibility was in fact their performance over 6 years.

Now, we are about to go into a very, very full week. We are in a full week now, very full week. We are talking about SCHIP, talking about the farm bill tomorrow, talking about energy. Now, that has taken us some time to do. One of the reasons it has taken us some time to do is because we're paying for each one of those investments that was referred to. Whether it is making our country energy independent, whether it is making in part through our farm bill that will rely on domestic supplies of energy, rather than foreign supplies of energy, whether it is investing in higher education. Whatever we are investing in, we're paying for, because we think this generation needs to pay

the bills that it incurs and not bankrupt our children and grandchildren in future generations.

We hope this video will play a part in heightening the public's awareness of the crisis that Pete Peterson said exists, that the Comptroller General, David Walker, says exists, so that we can continue to have the fiscal discipline necessary to take us back to a place where we can look at 4 years of surplus, as opposed to those 3 years of record deficits.

Questions?

Q One of the major complaints from the other side is that, in doing these efforts, you are not cutting spending but raising taxes. Two of the bills coming up, the SCHIP bill raises taxes and the farm bill has some tax increases in it. Can you respond to that?

But, more importantly, to the Blue Dogs that are up for reelection and will be attacked on that very issue, already are seeing those attacks in their districts, how do you deal with that?

Mr. Hoyer. Let me make a general comment and yield to Dennis and Baron and anybody else who wants to speak to that issue.

As Chris Carney indicated about investments, every American responding they think we need to make sure that our kids can be educated if we are going to be competitive in

global markets. Every American says we need to be energy independent, the overwhelming majority of Americans. Every American understands we need to keep America and Americans safe from those who would harm us, whether they be terrorists or anybody else. Those border security issues and 9/11 security issues, they require this generation to invest in accomplishing those objectives.

Now, the Republicans, remember, who complained about that spent at a rate twice as high as Mr. Westmoreland, as Mr. Burton and Mr. Ryan said, spent at a greater level. But, as you also saw in the video, this President, to accomplish that spending, borrowed more money from foreign governments than all of the other Presidents combined.

So what they complain about is simply that we're not putting the country deeper into debt. But we have the responsibility and the discipline to pay for the investments we believe are important. The SCHIP bill is a perfect example of that, and we have been having difficulty because we think that children in America ought to have access to health care, but we think we need to pay for that, and we are having that debate.

Kirsten?

Mrs. Gillibrand. With all spending there is always a choice of priorities, and one of the priorities of this Congress is middle-class tax cuts. So when we make

decisions about taxes, we want to cut taxes for middle-class families. Because middle-class families in America pay too much in taxes.

What you will see in this Congress is the focus on how to fix the AMT, a tax that will gravely affect my district, a middle-class district. Average family income in upstate New York is \$40,000 a family; and what is going to happen if we don't fix the AMT is that 73 percent of families making \$75,000 are going to pay \$3,000 to \$4,000 more; and families making \$50,000 a year, 37 percent, will pay 3 to \$4,000 more. So we are going to make middle-class tax cuts a priority.

You will also see tax cuts focused on other priorities like education. One bill that I am sponsoring is to double the size of the child care tax credit. A lot of these folks on are that bill. And what it is going to do is, for a family with children in pre-K, 1 to 5, they can take \$600 now; in a year, they will be able to take \$1,200 a year on my bill. That is a middle-class tax cut.

We will also have tax cuts for higher education and making college education tax deductible. That is all things that this Congress is focused on. We will make choices.

Q How is the cut paid for?

Mrs. Gillibrand. There are a lot of ways to pay for these things. One place is \$200 billion of uncollected

taxes every single year. The last time we did a Federal audit of each of the agencies, we literally couldn't find \$50 billion. There is a lot that we can do in terms of fiscal discipline and accountability that comes in the hundreds of billions of dollars to make sure that when we spend money we are reflecting the values of the American people and part of that value is middle-class tax cuts.

And there is a lot of places where is this Congress is working very hard to get the right kind of spending. For example, with the whole energy agenda that the leader spoke about, \$14 billion of that is tax subsidies to the oil industry. We are going to take away that \$14 billion, and that is how we will pay for the energy independence legislation. That is a priority for America.

So there are ways to pay for things that are not about taxes; and one priority you have to recognize is, when we are going to fight for tax cuts, it is going to be for middle-class America.

Mr. Hoyer. Anybody else want to comment?

Mr. Carney. I think we have all faced those charges back in our district already. The campaign began in last January of this year for next year.

Those charges that we are the tax-and-spend liberals of the past, they are ringing very hollow, certainly in my district. They are looking at the fiscal discipline we are

instilling in this Congress; and we are, in fact, starting to emerge as the most fiscally responsible folks on the Hill.

Now, I hate spending money twice; and we do that sometimes. I chair the Subcommittee on Management, Investigations and Oversight on Homeland Security; and we are looking at programs where the government spends money twice on things. That is ridiculous. That is another place we can start tightening the belt, making smart choices and getting the money to redistrict to the programs that are our priorities.

Q But cutting government waste and collecting more taxes has been a mantra.

Mrs. Gillibrand. But it has not been done. It hasn't been done.

And it is much more than that. Every time we give a tax incentive to a group that doesn't need it, the fact that \$7 billion of fees paid for leases for oil drilling on Federal lands are not paid for, that is \$7 billion we can spend on children's health care. There are so many choices we can make as a Congress about where we spend money, and what you see in this Congress is we make those priorities that reflect how to help middle-class families in America, and we will make those choices every day.

Mr. Hoyer. And we have done it.

You have heard my story, Chris. I have been here 26 years, 18 of those with Republican Presidents and eight with Democratic Presidents. During 18 years, every one of those years led by a Republican President, the only person who can stop spending, we had large deficit spending, every one of the 18 years, including the 6 years under this President and 12 years previously out of the Reagan and Bush I. Under President Clinton, the only time that any of us in this room were alive, when we had 4 surplus years in a row.

So that the proof really is in the eating of the pudding, which we did what we said we were going to do. We were going to restrain spending.

Half of what has been spent over the last 7 years, without any Democratic help, essentially, budgets, the appropriation bills, they were Republican products, signed by a Republican President who never once vetoed it. So when people say that, we have done what we say we are going to do. We reinstated PAYGO. We knew the discipline would be tough, but it is the kind of discipline we think America expects and deserves.

Q Why aren't any of the Presidential candidates talking about this issue? It seems that especially -- of the top three, Senator Edwards is the most aggressive in terms of poverty programs, universal health insurance with a

mandate, more detailed and more aggressive energy policy.

Mr. Hoyer. I certainly -- I can't analyze that. Maybe some others have a closer appreciation. But, after all, Mrs. Clinton was very much a part of an administration that brought those deficits down for 4 years straight, decreasing deficits and 4 years in the surplus, again, because of a responsible fiscal policy where we did not increase middle-income taxes, working American taxes. We invested wisely. We kept the economy going.

Secretary Rubin was probably one of the most successful Secretaries of Treasury in making sure that the international economic community was a community in which America could be successful in its trading relationships and growing its own businesses. We have been there and done that, and we are saying that we are going to do it again, and, in fact, we are doing it again.

Mr. Hill. It is a fair question, and I think it is a good question, and it is our responsibility to make sure that that gets into the national dialogue. I am glad that you asked the question, because I am motivated now to make sure that the Presidential candidates that we have on our ticket do put it into the dialogue.

Q Do you think that there is a demand among Democratic voters?

Mrs. Gillibrand. Yes, it has been addressed a little

bit. The way it translates to voters is their property taxes, typically, a State issue.

Even in the debates, we talked about No Child Left Behind, and Richardson said scrap it, and everybody else didn't have a chance to answer it. The reason why taxpayers are so worried about No Child Left Behind is that it has been a failure for kids, for teachers, for administrators in the implementation.

But the second reason is it has been an unfunded mandate. In a district like mine, everyone's local property taxes have gone up, because the school districts cannot afford to meet the requirements for all the special ed needs and all the things that cost a lot of money and there is no funding for it.

Democratic voters do care about things like property taxes, and it make take a while to get there, but it is addressed when you talk about No Child Left Behind. That is where they feel it the most. Their taxes keep going up, and they can't afford their basic things of health care and education and getting to work because gas prices are so high.

When you have a question from a voter, the first thing out of their mouth is, how am I going to pay for the operation that my mother needs? And how am I going to deal with the high gas costs? And how do I choose between

filling my tank with gas or filling my prescription?

That is the number one need, but you see it seeping in when it comes to property taxes and basic bread-and-butter issues.

Mr. Moore. The Democratic candidates are going to meet with the Blue Dog group, each of them individually; and when that happens I guarantee you I will be raising that question as well.

Q When is that happening?

Mrs. Gillibrand. We had one last week and another one next week.

Q Who was last week?

Mrs. Gillibrand. Are we allowed to say? We had Dennis Kucinich this past week. He didn't get to present, but he was scheduled for last week, but votes were called in the middle of our meeting. And we will be getting all of this hopefully.

Mr. Hoyer. The answer to your question is, because that 50 percent increase from 20,000 to 30,000 that you saw in the video is a hidden tax, because it is hidden, people are not talking about it and don't seem to be very concerned about it. But when Walker and Peterson and so many others say this is the fact -- what happened in 1992 was unique. I was here from '81 to '92, all complaining about the spiraling deficits under Reagan and Bush. And until Perot

got on television with his 30-minute infomercials saying, look, we have to lift up the hood, many people didn't focus on it. The people did focus on it. They elected Bill Clinton. We addressed it. \$5.6 trillion surplus.

We have squandered that fiscal responsibility in the last 6 years. I agree it was a good question, and Presidential candidates need to be talking about it. But one of the problems is it is hidden.

Q You talked about the long-term problem. Why not include something in the budget resolution this year to deal with entitlements?

Mr. Hoyer. Very good question. Because we have to deal with entitlements. As a matter of fact, I brought that up to the President in April at a meeting in the White House where he ticked off a number of things where we could work together and didn't mention entitlements.

I spent four extensive meetings with Secretary Paulson who came down here to deal with entitlements. Unfortunately, he is somewhat frustrated, the reason being, in order to deal with entitlements, you have to have a President that is engaged.

The last time we had a major effort to deal with entitlement and we did it successfully was when Ronald Reagan and Tip O'Neill sat down at a table in 1983 and made a substantial change in Social Security, both in terms of

the revenues, in terms of the age of recipients.

In order to deal with entitlements, though, you are going to need engagement of a President and a Congress willing to sit down with one another and discuss it. It is a crisis that we must address. Medicare is going to be sooner than Social Security. But both Medicare and Medicaid and health care costs generally need to be dealt with if we are going to deal responsibly with the budget deficit.

Q Is that the case now with Congress and the President? You don't think there is any chance?

Mr. Hoyer. But We haven't. And I will tell you both Speaker Pelosi and I, 2 days after the election, went down to the White House and discussed this and indicated we were willing to do this. I indicated that to Secretary Paulson. Secretary Paulson was to have a meeting in May and discuss this, and we didn't have that meeting, and I was disappointed about that.

Q You say there is not much difference on spending and appropriations. But won't the President's threats to veto spending bills put the Democrats back on the defensive?

Mr. Hoyer. Well, I think the threats to veto the spending bills are much like the chest beating that we heard in 2000 and we have heard from Republicans repeatedly, notwithstanding their performance. What I mean by that is we are \$23 billion apart, less than a point apart in terms

of the budget itself.

This is not a debate about fiscal responsibility, because this administration has told us the war that we are now engaged in was going to cost \$60 billion. Total. That is what the administration projected it would cost. It is well over \$600 billion. It is going to be a trillion before we get there.

They told us the prescription drug bill was going to be \$395 billion. It is \$524 billion, thereabouts.

So that I think the three Members that you heard are yelling at their President and saying you have got to be fiscally responsible. So what he does is focuses on the penny wise while having been for 6 years pound foolish.

Anybody else?

Mrs. Gillibrand. I wanted to address your question.

We actually have been cutting spending. I'm on the Ag Committee, and I'm on Armed Services, and every markup we do we make choices every single day. There are a lot of things many of us would have liked to put in the farm bill for different needs of our district, but those weren't added. Even on earmarks, those have been slashed in half. This Congress is exerting its fiscal discipline already on every bill that we pass, every appropriations bill; and real choice are being made. Just so you know.

Mr. Hoyer. That is the irony we ought to stress, where

earmarks, which were so stressed by the Republicans, they came in and they quadrupled the number of earmarks. We have cut those in half. So -- and we cut spending on the Labor-Health bill, cut programs in the Labor-Health bill and cut programs in other bills as well.

But what you are going to get at is we have to deal with entitlements and we have to deal with pay-as-you-go. You have to understand that there's a consequence of spending.

Let me ask if there is anybody on the phone line that would like to ask a question. We are all set.

One more question. Then we have to go.

Q On this \$23 billion disagreement, how optimistic or pessimistic are you that there will be an agreement that the President will --

Mr. Hoyer. Well, I hope we have an agreement. The difference over domestic spending bills is minuscule, relatively speaking. \$23 billion is a large sum of money. We created over 8 years in the Clinton administration for the first time in history a net surplus during an administration of \$62.5 billion, relatively speaking a small sum of money in the trillions of dollars that we spent during those 8 years.

\$23 billion is a sum that we can certainly in conference come to agreement on priorities and reach

agreement with the administration if they come with good faith. If it is simply posturing as a pretense for fiscal responsibility, then I think we may have difficulty. But I am very optimistic and hopeful.

Speaker Pelosi, as you know, and Leader Reid have indicated they would be willing to go down to the White House to discuss these bills. But when you are talking about a very substantial sum of money, \$23 billion spread in education and health care and environment and energy and agriculture and law enforcement, they become relatively small sums of money in each one of these bills.

Certainly the President did not veto one appropriation bill when the Republicans were in charge and spending at twice the rate that the Democrats are today.

Thank you very much.

[Whereupon, at 11:20 a.m., the press conference was concluded.]