

February 27, 2007: The Budget, Debt and the Blue Dog's Iraq Accountability Legislation

The Honorable Loretta Sanchez

THE BUDGET, DEBT AND THE BLUE DOG'S IRAQ ACCOUNTABILITY LEGISLATION

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I thank my colleague for putting together this hour to discuss what I think is something that is very important; that is, what the Blue Dogs are thinking about in this Congress and what we have been trying to do.

Now, I will tell you that I have been in the Congress for 11 years. This is my 11th year. I have been a Blue Dog the entire time. And that really comes from the fact that before I came to the Congress, I was an investment banker. I am an MBA, I have been in the international finance arena for 14 years before coming to this Congress.

So people ask me, what is the thing that you worry about the most when you go to sleep at night? And the answer is always the same for me: The structural financial debt and deficit that we have in Washington, D.C., because most people have not looked and seen and realized what has been going on here in Washington, D.C., but I have seen it in the last 11 years.

That is why, as a Blue Dog, I also have that sign up that says what today's national debt is and how much of that \$29,000, if every man, child, woman in America, would give us \$29,000 today, we would be able to bring down the national debt. But the fact of the matter is, we don't. We don't, and the debt keeps climbing.

So a few years ago, we were trying to think about, well, how is it that this has happened? Because when I came, it was in 1997. I had 4 years under President Clinton, and at that time, the debt of this Nation, the interest payments on that, was 18 cents of every dollar that we collected, 18 cents.

That means if we collect a dollar from you in taxes, 18 cents of it we don't spend because we are paying the interest cost on that. Imagine if you did that in your home for every dollar.

So what did we do? We worked hard. We instituted PAYGO. What does that mean? Well, it means you don't make any

new spending unless you are going to tax, put in an amount of money for it, or you are going to take it away from some other area you are already spending on in order to spend in your new priority area, much the way people do it at home when we have to decide among the priorities.

Okay, well, this month, September, I have to get the shoes for the kids for school, so that means that there are going to be no days out of that month that we get to go out and eat at a restaurant. I mean, you just make up for it in one way or another.

But the Congress and the United States do not do this. They keep spending, even when they give tax cuts. So that means if your boss told you we are going to give you a 70 percent cut in the amount of money you take home, and you go home and you tell your husband that, but he still keeps spending the same amount of money every month, he doesn't bring his expenses down.

So it is a problem. So we spend, I would say, honestly, about 700 to \$800 billion more a year than the monies we take in.

Now, we will throw numbers around, to \$143 billion, deficit, \$400 billion, deficit, \$358 billion. No, no, no, no, no. The reality is that we are overspending by anywhere between 700 and \$800 billion every year. That is why this number goes up, because we cannot get this under control.

Absolutely. So I started in this Congress 11 years ago, and we spent 18 cents of every dollar just on paying interest on interest payments. Then we tightened our belts; we did PAYGO. President Clinton and others, we worked together, we brought it down. In the year 2000 when President Bush took over, we were paying 11 cents of every dollar on interest. So we had brought it down.

Then, of course, the President decided to give tax breaks to some of the wealthiest Americans. I know, because I got a tax break, but not everybody got a tax break. The real people who really needed the tax breaks, I think, did not receive them. That is why I didn't vote for it. I received it because the majority, the Republicans at that time voted it in, but I didn't vote for it because I know what fair is fair.

If you get opportunity in this country and you work hard, and you get a few breaks and a little bit of luck along the way, that can happen in America for almost anybody. And some of it is luck, and you happen to make money. I think you should understand that to keep America full of opportunities, we need to pay our taxes.

So I am willing to do that, but not this President, because he cut the taxes on the people who had lots of money and who were making lots of money. His own comptroller told us several years ago that 70 percent of the deficit every year in this country is due to the tax breaks that the President gave. In other words, we kept spending even though we didn't take in revenue. In fact, we returned back revenue.

Then, of course, we have the \$3 billion a week of money we spend in Iraq. I will not tell you the way I feel. This President went into Iraq on the cheap. He didn't think that Americans would really want to spend the kind of money it took to put in 200,000 or 300,000 troops to do the job the day we went in. So he told his Secretary of Defense, despite what the generals told him, Shinseki, who said we need at least 200,000 or more troops in there, they did it at the level of 110, and now we are paying for it. Now we have been in a war much longer than we ever anticipated, much longer than the President ever anticipated.

So we find ourselves there longer than we are supposed to be, and we ask ourselves, how much longer, \$3 billion a week on the credit card? Wait till America really figures out that they have not paid for this war. I think they are going to be very angry at that point. I see I have taken most of your time.