

held by government agencies, the debt that we write checks on every year as interest, in January of 2001 was \$2.96 trillion. Of that amount, foreign interest, foreign governments owned \$1.01 trillion; 34 percent, in other words, of our debt in 2001 was held by foreigners.

Today, that privately held debt is \$4.22 trillion. Foreign interests own \$1.75 trillion. It is now 42 percent of our Nation's debt, outstanding debt held by foreign interests. That is a 73 percent increase since we had a one-party government here the last 3 years. Can you imagine what we are doing in the name of cutting taxes for American citizens and without the PAYGO rules to discipline ourselves on spending, which the majority party will not allow the Blue Dogs to bring up? They have increased what we are in debt to the rest of the world by 73 percent in the last 3 years. Last year alone the deficit was \$374 billion.

Do you know how much foreigners lent us so that we could keep on spending? \$260 billion. Seventy percent of the deficit last year that we spent right here on this floor was lent to us by foreigners who we are now writing interest checks to.

This is the most irresponsible financial game plan for this country in my lifetime, maybe in the country's lifetime.

What is happening here ought to enrage the American people. They will not let us bring up PAYGO so we can stop the spending. They keep on spending, keep on reducing revenue, and borrowing it from foreign interests.

You talk about patriotism. We are in hock. Let me read you a few, if you would like. Do you know how much Japan owns of our paper? \$668 billion. China and Hong Kong together, \$216 billion. Almost a trillion dollars by two countries. Caribbean banking centers, we owe them \$72 billion. Korea, \$58 billion. Germany, \$49 billion. Switzerland, \$49 billion. OPEC, \$48 billion. Mexico, \$41 billion. Canada, 33. It goes on. We owe Brazil almost \$13 billion. The Netherlands, \$13 billion. Belgium, \$13 billion. Turkey, 15. India, 15. And just the other day we had a foreign aid bill.

What is happening for the last 3½ years here financially is an outrage. It is not only what we are doing to ourselves now. I contend that this Congress has raised taxes more than any other Congress in history. Why? Because they borrowed so much money that we have got to pay interest on, not just once, but every year, every year.

So far this year we have spent \$130 billion just to write interest checks to people. I tell you what, unless the American people get on to this scheme that is going on around here about borrowing and spending so that we can hold down taxes or so we say in which we are doing the reverse, we are raising taxes because we will have interest payments on all of this borrowing every year, not to mention the sad fact that we are in hock to every nation that lends us money.

I will tell one thing to the American people that was said in the Wall Street Journal, "Whose bread I eat, whose song I sing."

We are in hock all over the world, and we had better stop right now.

The SPEAKER pro tempore (Mr. NEUGEBAUER). Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

WHERE IS THE VISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. BERRY) is recognized for 5 minutes.

Mr. BERRY. Mr. Speaker, I come here night after night, and I see these Howdy Doody neo-cons come to the well and present this ridiculous idea that everything is all right, everything is wonderful. All we need to do is just keep cutting taxes and borrowing money and acting like we have not got good sense, and everything is just going to be wonderful.

I heard a speech this evening about how great the economy is in Tennessee, and I just ask you one question, Mr. Speaker, if things are so doggone good, how come we are broke?

I met with the manufacturer of Army boots last week. He was not complaining. I just happened to run into him, and we had a conversation. He was not asking me to do anything. He said, We do not have money to warehouse Army boots for our troops. We have to ship them directly to the field because we do not have the money to buy any more Army boots for the troops until the year comes in, until October. He said, We are making boots and warehousing them at our own expense so that they will be ready when the time comes because we do not want our men and women in the battlefields to not have boots.

I was just astounded because I hear these folks come down here and talk about how wonderful it is. This is insane what is going on here. We cut taxes and brag about what happens that is good about it. We borrow money that our children, our grandchildren will not even be able to pay back, and act like we do not know what the consequences of all this is going to be. And it is the Republicans that are doing it.

All we get to do is come down here and have a 5-minute discussion about why it is the wrong idea. You have heard tonight, 70 percent of our debt is being bought by foreigners; we have borrowed \$2.5 trillion, and we owe another \$2 trillion in current account deficits. You cannot be broke and free. Everybody knows that.

Health care costs are in runaway conditions because the Republicans and

the Republican administration are so determined to pass public law and public policy that gives the pharmaceutical companies the exclusive right to rob the American people.

You cannot fund veterans, you vote to send men and women on the battlefields and then you do not have enough money to pay for the veterans benefits that they are entitled to, and you keep coming back with budgets that cut that and then come back here and talk about how wonderful things are.

I do not know what in the world they are thinking about. Where I come from it is just as bad to be lying as it is to be stealing.

I just wonder, where is the vision?

There was an article in The Washington Post yesterday about where are the patriotic businessmen; where are the people in this country, the leaders in the business community that used to stand up and say, This is a bad idea, do not do this. It will hurt everybody. It will hurt our children and grandchildren. We want this country to continue to be good and strong and wonderful like we have had it. And yet these people come down here and try to blow smoke at everybody and tell them everything is going to be all right and it is going to be wonderful; and then they put everybody's children and grandchildren at risk.

I just wonder where is the vision. What were you people thinking about?

We met with Mr. CHENEY, the Blue Dogs, we met with Vice President CHENEY back in the Spring of 2001. He said, we think you are nice people, but we can cram this down your throat and that is what we are going to do. And they did. We voted against it.

Then they send that little fellow over there from OMB, I cannot remember his name. He is running for Governor of Indiana today. And he said, Do not worry. We are going to have so much money, we will not even have any bonds to sell. Now look at this mess we have got.

It is time for us to do something about it. And the good news is it is up to the American people, and we still get to vote in November, and we are going to make the decision.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COX) is recognized for 5 minutes.

(Mr. COX addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SEARCHING FOR A BALANCED BUDGET

The SPEAKER pro tempore (Mr. HENSARLING). Under a previous order of the House, the gentleman from Florida (Mr. BOYD) is recognized for 5 minutes.

Mr. BOYD. Mr. Speaker, I am honored to be here today to join my Blue Dog colleagues who have preceded me, the gentleman from Texas (Mr. STENHOLM), the gentleman from Indiana

(Mr. HILL), the gentleman from Tennessee (Mr. TANNER), the gentleman from Arkansas (Mr. BERRY), and also the gentlewoman from South Dakota (Ms. HERSETH) who will follow.

We have worked together on this fiscal responsibility and budget issues. Mr. Speaker, I listened to what the gentleman from Arkansas (Mr. BERRY) said, and I just have the thought that most American families when they sit down to look at their finances and they consider that they have got a food bill and rent or a house payment, utilities, car payments, they have got to send their kids to school, they know that at the end of the day, at the end of the month, at the end of the year, they have to have had enough revenue come in to meet those expenses. This is a very simple principle. You have to have enough revenue coming in to meet your expenses.

I like to look at the history of this whole deficit situation, and let us just go back about 12 years. Mr. Speaker, in 1992 this Congress, this government was spending \$290 billion more than it took in. In other words, there was an annual deficit of \$290 billion. That was the largest at that time in the history of the Nation. It was stagnating the economy. The interest rates were higher than they should have been. The American people understood this because it was affecting them on a daily basis, and they spoke through the ballot box in 1992.

Starting in 1993 and for the next 5 years, the deficit went down every year. In 1998, for the first time since 1969, the Federal Government had a surplus. In 1998, for the first time in almost 30 years, the Federal Government had a surplus. Two years later, our Federal Government, for the first time since the 1950s, did not have to borrow from the Social Security fund to cover its yearly operating expenses. That was only 4 short years ago in fiscal year 2000. Since then, Mr. Speaker, this government has borrowed \$1.7 trillion to pay its bills. We have put that into the economy.

We hear rhetoric every day about how the economy is improving. Mr. Speaker, if you cannot improve this economy by borrowing, the government borrowing \$1.7 trillion and pumping it into the economy, I feel for you; \$670 billion was borrowed during that same 3-year period from the trust funds, like Social Security. And as we heard the gentleman from Tennessee (Mr. TANNER) say, we borrowed over a trillion dollars from the public, mostly, about 70 percent of it coming from foreign countries like China and Japan.

Mr. Speaker, our government with respect to our budget and fiscal responsibility is headed in the wrong direction under the current leadership.

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Let me say that again. The government and the budget, with regard to fiscal responsibility, is heading in the wrong direction under the current leadership.

This Congress and this administration have no discipline when it comes to fiscal responsibility. We are spending at record levels. It is absolutely running out of control, while there is no thought given to how we responsibly pay for that spending, and we are simply sending the bill to the children and the grandchildren. We will pay for it in our lifetime, and we will pay for it soon as we see those bills come due.

Mr. Speaker, the group that I work with, the Blue Dogs, have worked hard to return some sanity to the budgeting process. Just like any responsible American family that has to balance their own family budget or business budget, we believe that it is time for the Federal Government, the Congress, to dust off the deficit reduction tools that we used in the 1990s to get the budget under control.

We have heard them talk about this here tonight. We heard the gentleman from Texas (Mr. STENHOLM) talk about them. Strong PAYGO rules, that means pay-as-you-go. When you find yourself in a hole, that is what you do.

Enforceable spending caps, that was an important component of the 1997 Balanced Budget Act. We put caps in place for spending and we lived by it.

Most important of all and a simple step that this Congress and administration ought to be able to do is to enact a budget resolution that the House and Senate can use as a blueprint to establish its priorities and identify the resources to pay for those priorities.

Mr. Speaker, I think that pretty soon the American people will realize that annual deficit spending to the tune of a half a trillion dollars a year will come back to haunt us.

The SPEAKER pro tempore (Mr. HENSARLING). Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

(Mr. JONES of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

FISCAL RESPONSIBILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from South Dakota (Ms. HERSETH) is recognized for 5 minutes.

Ms. HERSETH. Mr. Speaker, as the newest member of the Blue Dog Coalition, I rise today to speak on an issue of vital importance to the hardworking people of South Dakota, fiscal responsibility.

South Dakota families know how important it is to live within their means. They do this because they know that is what it means to live responsibly, even if it requires difficult decisions for them and their families.

In its most recent pronouncement, the Congressional Budget Office now estimates that the Federal budget deficit for fiscal year 2004 will be approxi-

mately \$477 billion. This means that in a 12-month period ending this September 30, the Federal Government will spend almost half a trillion dollars more than it will take in. If a South Dakota family behaved in this way, they would ultimately be headed to bankruptcy court under the burden and pressure of crushing debt.

This projected deficit would be the highest in our Nation's history, and the picture does not get much better as we look down the road. CBO's updated 10-year deficit estimate is \$2.4 trillion, almost \$1 trillion more than its earlier predictions. To make matters worse, the 10-year deficit estimate would virtually explode to \$4.1 trillion if all of the current administration's tax cuts are extended for 10 years.

What is often lost in the debate about the budget deficit is its impact on the overall Federal debt. We cannot allow this fact to be obscured. The national debt currently stands at well over \$7 trillion. That is an estimated Federal debt of more than \$24,000 for every man, woman and child in the United States. During this past year, the national debt has continued to increase an average of \$1.69 billion per day.

In fiscal year 2003, the U.S. Government spent \$318 billion of taxpayers' money on interest payments on the national debt. This is over \$1,000 per person and over \$4,000 for a family of four in this country, and that was for last year alone.

The problem can be brought into sharp focus by taking a snapshot of the programs under the jurisdiction of the committees on which I serve: Committee on Agriculture, Committee on Resources, and Committee on Veterans' Affairs.

Because Congress and the administration have failed to exercise the same fiscal responsibility that South Dakotans use to balance their household budgets every day, our government is now seeking to balance the budgets on the backs of family farmers, veterans and vulnerable members of our society, such as many Native Americans.

Under pressure from our massive deficit, the Agriculture appropriations bill that just passed the House shortchanges conservation programs that are needed to restore the land and build wildlife habitat.

The same fiscal policy has led to cuts in vital service for Native Americans, including in education and human services. These cuts come despite the fact that Native Americans in my State live in some of the poorest counties in the entire Nation in sometimes desperate conditions. They know better than anyone else that education is the only path toward a better life.

Finally, just as we are creating a whole new generation of veterans on the battlefields of Iraq and Afghanistan, pressure from the deficit has led to a budget that shortchanges America's veterans. It is a sad fact that this