

who was not gives no comfort to those who are still suffering, such as Alvin, who is not getting any money for rebuilding his house.

Mr. Speaker, I believe Mr. Chertoff should be held accountable and, if necessary, should resign; and, likewise, FEMA should be moved out into an independent, free-standing department.

□ 2015

The SPEAKER pro tempore (Mr. DAVIS of Kentucky). Under a previous order of the House, the gentleman from Georgia (Mr. KINGSTON) is recognized for 5 minutes.

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

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

(Ms. HERSETH addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

#### BLUE DOGS FOR CHANGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Utah (Mr. MATHESON) is recognized for 60 minutes as the designee of the minority leader.

Mr. MATHESON. Mr. Speaker, it is indeed always an honor to have an opportunity to speak on the floor of the House of Representatives.

And tonight I join with fellow members of the Blue Dog Coalition. The Blue Dogs, as you know, is a group of moderate to conservative Democrats in the House of Representatives, a group that has taken positions on many issues over the years, and a particular issue which the Blue Dogs have a solid reputation on is that of promoting fiscal responsibility for this country.

And that message is needed now more than ever, and the Blue Dogs are going to continue to speak out in terms of what we think is the right thing to do for this country and particularly for future generations in this country.

You know, I just had a new addition to my family about a month ago, had a little boy born into my family. And the day he was born, he already owed over \$27,000 to the United States of America. Because if you take our national debt and divide it over our whole population, that is about how it calculates out.

And that little boy entered this world with that kind of debt hanging on him not having had anything to do with that debt. He was not around when the money was spent, was not involved in the decision-making that created that debt. And I find it appalling that we allow this to continue to take place and grow in terms of a problem.

I see this as a moral obligation we have to future generations, and for me

personally I see it in my own new son. What is disturbing is the trend that we are on right now, because there are going to be times when the economy is good and times when the economy is bad, and sometimes revenues are going to be up and sometimes revenues are going to be down.

And there may be times when a deficit occurs for valid reasons. But when you are in a deficit situation, what you want to do is you want to have a plan for working your way out of that debt. The concern I have is that we do not see that plan on the horizon. What we see instead is an ever-increasing amount of debt over time.

Let us put it into context. From 1789 until the year 2000, the total debt that was incurred by this country was \$5.63 trillion. But by 2010, the total national debt will have increased to just under \$11 trillion. So we will have doubled the 211 years' worth of debt in just 10 years.

You do not need to get out your calculator to figure out that that is not a good trend, and it is increasing at way too fast a rate. So now more than ever it is time for us to stand up in a statesman-like way and make the decisions that are going to be tough decisions if we are ever going to get a handle on being fiscally responsible.

That is what we are here to talk about tonight as the Blue Dog Coalition. I have been joined by some of my colleagues from the Blue Dog Coalition. I am honored to be associated with all of them.

Mr. Speaker, I am happy to call on them at this time, and I would like to first recognize my colleague from the great State of Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I thank the gentleman for yielding to me.

I have been here before with the Blue Dogs because it is about the only opportunity we have to discuss what we all believe, as Mr. MATHESON said, a trend line that is leading us to a financial Armageddon. There is no other way that one can look at it.

I have been talking about and writing about the fact that our country is currently borrowing more money faster than any previous political leadership in the history of the United States.

To give you some idea, and I wish I were making some of this up, but if anyone cares to go to the Web site of the public Treasury, [www.publicdebt.treas.gov](http://www.publicdebt.treas.gov), you can see for yourselves there what I am about to talk about.

What happened in this country, basically, is two things: one is we embarked on an economic plan for America in June of 2001 that assumed various things that would happen in the future. In so doing, the outlook was for a \$5 trillion surplus over the next 10 years.

We all know what happened on 9/11 in the year 2000, some 2½ months after this economic plan was adopted. The economic plan has not changed, but everything else in the world has.

So what we did was we reduced revenue in 2001, and we have increased spending; and we have not gone back and tried to adjust for this new world that we live in.

So what is so disturbing about this is since 2001 the debt held by non-governmental agencies has increased by \$1.4 trillion. Now, if that were not bad enough, you know how much of it we borrowed from foreigners? Almost 90 percent: \$1.16 trillion has been borrowed from foreigners, primarily Asia, China and Japan, who together own over \$1 trillion worth of IOUs from Mr. MATHESON's little boy and others, me, everybody else in this country that is a citizen.

So what we are trying to alert the American people to is that this country has a broken economic game plan, and we do not like the remedies that are being prescribed for this deal by the current administration and the current Congress.

Now, I said the other night, half jesting, it is so bad now and getting worse by the second, I am going to tell you in a minute how much we are borrowing every second, that if China attack Taiwan, we would have to borrow the money from China to defend Taiwan. I say that tongue in cheek; but if you look at where we are, we do not have the money, and we do not have the ability to seemingly right this ship of state.

Now what are the consequences? There are consequences to actions. What are the consequences of this unprecedented borrowing that has taken place here in the last 48 to 60 months? Unless one is able to repeal the laws of arithmetic, interest rates must go higher. Every reputable economist says that. What does higher interest rates mean? Well, it means more finance charges on every American's credit card. It means cars and homes cost more. All of the things that we buy on time will cost more. And it crowds out private investment that creates new jobs in this country, because the interest rates cripple one's ability to invest in new plants, new equipment, modernization, all of those things.

That is the consequence of a willful and deliberate plunge into debt that is taking place here in Washington, DC. It eventually will mean higher taxes.

Did you know that \$16 out of every \$100 that comes to Washington now goes not for health and education and troops, it goes to pay interest? Now, this inability of the government to invest is going to catch up with us.

There are three things, basically, American families, my friend the gentleman from Kansas (Mr. MOORE) says, three things, basically, that American families live by: one is live within your means; second is pay your debts; and the third is invest in the future. In other words, save money for your kids' college education or for your retirement or something.

Your government is not doing any of the three. We are not living within our

means, deficit spending every year for the last 4. We are not paying our bills; we are borrowing the money. We are borrowing the money to fight the war in Iraq and Afghanistan, and giving the soldiers who return home the bill with interest.

If that is not immoral, I do not know what is. These guys and women, too, are giving their lives sometimes, their legs, their arms, everything else. And what do they get from us? They get a bill when they get back with interest for what they did for this country.

And the other consequence of this is what our friend from Nebraska (Mr. OSBORNE) said earlier tonight. We are having to zero out the drug task forces in this country that are the front line to try to keep our young people from getting hooked on these drugs like methamphetamine and so forth that will rob not only them of their future but will rob this country of their ability to contribute to a free and strong land.

The other thing is, when we continue to do this, we degrade the tax base so that more and more money that comes here is not available for any investment by the government in infrastructure or human capital.

What do I mean by that? I mean infrastructure, that only the government can do, whether it is dams, roads, bridges, airports, all of the things that allow private enterprise to move in and around the infrastructure and create jobs and create opportunities for our citizens. That is not being done because there is no money for it. It is going to pay interest on the national debt.

And when we do not do that, just go to any country on the face of the Earth that has no infrastructure and see how many people are doing pretty well. Nobody is, because there is nothing for private enterprise and entrepreneurship to build to.

The other thing we are not doing is investing in human capital. If this country is going to remain strong and free, the citizenry of this country must have a good education and must have good health care.

We are robbing ourselves of the ability to invest in education and health care because of this ever-growing burden of debt and interest that takes away from the tax base of the taxes we all pay. There has never been, if one reads history, there has never been a country that is strong and free with an unhealthy, uneducated population. It is not possible.

And yet as this trend line continues, as Mr. MATHESON said, this is exactly where we are headed. Now, again, you can go to the Treasury Web site and see what I am talking about.

Last year, the deficit was \$319 billion. To put that into something that hopefully we can all understand, that is \$26 billion a month, \$886 million a day, \$36 million an hour. By the time we finish this hour, this Blue Dog hour, we will have borrowed another \$36 million. It is \$615,000 a minute, and \$10,200 a second.

That is how much money we are borrowing. Last year, the fiscal year 2005, the net interest last year we paid was \$184 billion. Do you know how much interest checks are? That is \$15 billion a month in interest, \$511 million a day in interest, \$21 million an hour in interest, \$354,000 a minute in interest, and \$5,900 a second that we are paying in interest because of this growing debt.

I was trying to put this in some kind of context; I guess this is about the best I can do. If you have \$1,000 bills, \$1,000 bills, and you stack them like that, to get to a million dollars, it will be about a foot high. To get to a billion dollars, \$1,000 bills stacked like that, it is as high as the Empire State Building. And a trillion dollars is 1,000 bills, 1,000 times the height of the Empire State Building.

It is staggering. It is the most unaccountable, irresponsible activity that I know any political leadership in the history of this country has engaged in knowingly, willfully, and deliberately. And it is going on tonight, and it will go on when this budget is presented on the floor here. Because there is no accountability.

We do not have any hearings particularly on holding people accountable. You have heard a lot about that. Well, the Blue Dogs have tried to do a couple of things. The first thing we did, or tried to do, to fix it was to reinstitute PAYGO rules. That is something every American family does. If you decide you want to spend some money, you either have got to raise the money to pay for it or you have got to cut the budget somewhere else that is of a lesser priority and fund it that way.

PAYGO rules were allowed to expire. The majority will not let them come back here, and that is one of the reasons that we keep digging deeper. The other thing we have recommended, or tried to recommend actually, is that in addition to the PAYGO rules, and we are going to do this, we are going to unveil an accountability plan, the Blue Dogs are, that is going through every Federal agency, the IG reports, to pick out the programs that are ineffective, duplicitous, or otherwise do not work and cut them. And we will have that coming out. We are working on it right now.

□ 2030

The lack of accountability here, the lack of responsibility here, cannot go on; and the American people need to really pay some attention to this. We have a birth tax of \$27,000. That is hideous. It is not right. And this generation has got to bear most of the blame. My generation has to bear most of the blame because we are simply not doing the three things that American families do every day, and that is live within our means, pay your debts and invest in the future.

If we do not change this, Mr. Speaker, then I fear more tonight for my country's future than I ever have in the 60 years I have been on this earth.

Mr. MATHESON. I appreciate those comments from my Blue Dog colleague, Mr. TANNER. He is one of the leaders of the Blue Dogs, and he has been a real voice of reason in Congress. I appreciate him taking the time tonight.

Mr. Speaker, I would like to recognize my Blue Dog colleague from the State of Georgia, Mr. BARROW.

Mr. BARROW. Mr. Speaker, I want to address an issue that is important to all the families that I represent; and it is just being abandoned in this 2007 budget proposal submitted to Congress. I am talking about support for our local police officers and law enforcement agencies, men and women on the frontlines of homeland security, protecting our communities and patrolling our neighborhoods.

Large cities in my district like Savannah are dealing with a rise in violent crime. At the same time, many of our smaller rural communities in Southeast Georgia and all around the country are fighting an epidemic of meth labs. Mr. Speaker, we cannot afford to let drugs and violent crime continue to go up in this country. For more than 14 years, homicide was on the decline in this country. That changed last year. According to the latest figures from the FBI, homicide rose by 2.1 percent in the first 6 months of 2005, the first increase since 1991. That is unacceptable, and these cuts in this budget are unacceptable.

The COPS program, cut by \$376 million. During the '90s, we figured out what works in reducing crime. More police officers on the streets makes them safer and reduces crime. The COPS program helps our community hire, train, retain and equip our police officers. But this budget cuts this program by 78 percent.

The Byrne Justice Grant Program, completely eliminated. Byrne JAG grants help State and local law enforcement agencies identify and break up regional drug syndicates. This budget completely eliminates that program. Why would anyone want to do that?

If you think that a rise in violent crime is an issue that Congress should ignore, then this budget is for you. If you think we ought to be cutting back on the tools we give our police officers to keep our neighborhoods safe, then this budget is for you.

In the short time since the President dropped this budget, I have discussed this budget with sheriffs and police chiefs all across my district; and the verdict is unanimous. These budget cuts are hurting and not helping local law enforcement. We need to do more, not less, for our police officers.

Mr. Speaker, I urge my colleagues to oppose the proposed budget cuts to the COPS program and to oppose the complete elimination of the Byrne JAG grants. Our local police deserve all the tools that we can give them to protect our families. We need to give them more help, not less.

Mr. MATHESON. Mr. Speaker, I think what you heard here, Mr. TANNER

first alluded to it and then Mr. BARROW gave a more elaborate description of proposed reductions in local law enforcement funding, and that is the example of the squeeze that is on. The deficits that we are incurring and the increased interest costs, and, by the way, interest expenses are one of the fastest growing components of the Federal budget today. And with that increased interest cuts you are squeezing other programs.

Some of these programs mean a lot. Local law enforcement grants are something that I think most people in Congress think are a good idea. And the notion that we have a budget presented to Congress that zeros that out is something that is not going to be received well here, I would think. But, again, it is a reflection of the pressures that these increasing deficits are putting on the situation; and that is why it is just another example of why it is so important we try to get a handle on this program.

I now recognize my colleague from Florida, Mr. BOYD.

Mr. BOYD. Mr. Speaker, I want to thank my friend and colleague, Mr. MATHESON from Utah, who is our distinguished leader of the Blue Dogs, a group, Mr. Speaker, that I am very proud to be a member of. I joined when I first came to Congress in January of 1997, and I am proud of the work that they do in trying to bring to the attention of the country and of the Congress the importance of the economic model and making sure that the government meets its obligations to the community and is willing to pay for those obligations.

Mr. Speaker, we live in the greatest country on the face of the Earth. I like to tell my constituents back home when I speak to Kiwanis Clubs or civic clubs that we have 5 percent of the world's population. That is about one of every 20 people in the world live in America. And we control 25 percent of the world's wealth.

We got into that position in a relatively short period of time. It is less than 230 years this year we have been a Nation, and we have done it by creating an economic model that is unsurpassed in the world.

That economic model really to me, when you break it down, does one thing. It always strives to expand the middle class and move as many people as you can out of the bottom rung and into the middle class where they can be productive members of our society. In the process, you narrow the gap between the very rich and the very poor; and that served us well over the years.

I remember talking to my parents when I got old enough to register to vote and asked them about why they happened to be registered Democrats. And they said, well, they thought that, coming out of the Depression in the 1920s and 1930s, that the Democratic party under the leadership of Franklin Delano Roosevelt really laid the groundwork for making this country

the greatest economic and military machine on the face of the Earth.

Expand the middle class, Mr. Speaker, to expand the middle class you have to have a well-educated and healthy population, and those are functions that our government has to be involved in. We have to be providing a good educational system for our children. We have to ensure, if we are going to stay competitive in the world, Mr. Speaker, that each generation is better educated than the previous generation. You have to have a good health retirement system. You have to have a good income retirement system.

Prior to the implementation of Social Security and Medicare in this country, if you reached the age of retirement, age 65 in America, there was a great chance, over a 50 percent chance, that you would be below the poverty level. Less than 10 percent of our folks today live below the poverty level because of this great economic model that we have created which strives to expand the middle class. Social Security and Medicare were important components of that.

Why do I talk about the expansion of the middle class and the economic model? This government has a budget which talks about how it funds its community responsibilities, community obligations, and that budget proposal was just presented by the administration to Congress in the last couple of weeks. And that budget proposal for the coming fiscal year which starts on October 1 proposes to spend \$2.47 trillion.

Let me say that again. It proposes to spend \$2.47 trillion. But its collections to pay for that \$2.47 trillion amount to \$2.15 trillion. That is a budget deficit of approximately \$318 billion. That is after we spend all of the Social Security surplus masking the much larger deficit.

But the problems do not stop there. The budget does not even address the costs of the war effort in the Middle East, in Iraq and Afghanistan, in the coming year. It does not address some other issues which we know as a Congress and a Nation that we have to address, such as the alternative minimum tax exploration and some other tax issues like that.

So what we have before us as a Congress presented by the administration is a budget that really is not a very useful document for us to start with.

Mr. Speaker, my wife and I own a farm, a family farm that has been in my family for over 175 years. And it is not always easy on the farm. It is a small business. And this past week at home I spent a good part of the week doing a budget.

Why do I do a budget? I do my budget to take to my creditors so they can provide us the funds we need to run our little small business. I spent a good many days on that budget and did the very best I could to present to my creditors just as accurate a picture as possible of what I thought the revenues

would be and the expenses would be for the coming year. That is honesty in budgeting. And out there in the country our constituents have to do it in running their own homes. They do it in running their own businesses, and they certainly have to do it in running their own local governments and school boards.

We certainly could expect that the Federal Government could be honest in presenting this budget to the American people. So I would hope, Mr. Speaker, and I would ask my colleagues to join in as we have this discussion about accountability and honesty in budgeting, that we can as a Congress be a little more honest with the American people about what the cost of some of these programs are that we are involved in and how we are going to pay for them.

I do know something for a fact, Mr. Speaker, that you cannot increase spending, cut taxes and cut the deficit all in one lick. The math does not work. I learned that in grade school. It is a simple mathematical calculation. You cannot increase spending, cut taxes, and decrease the deficit. It just cannot be done, and that is what evidently this budget pretends to do.

So I hope as we so have this discussion for the next 30 minutes or so that we can delve into some of these issues and have a little straight talk. Let us shoot straight with the American people about what the budget issues are.

Mr. MATHESON. I appreciate those comments. I do think people should expect an honest budget. I think we all know we are going to have troops in Iraq during the next fiscal year; and the fact that this budget does not list a dollar to fund that, in and of itself, tells you that this budget is not an accurate reflection of the expenses that this government is going to face in the next year.

That is not being honest. That is not being straight with people. We know we are going to incur that expense. We ought to acknowledge we are going to incur that expense, and we do not do it, and I think that is something the Blue Dogs feel real strongly about in terms of having honesty and integrity in the budgeting process and the budget numbers.

Part and parcel of that is that we ought to have planning for contingencies. I suspect when Mr. BOYD was developing the budget for the family farm, for his business, that he had a line item in there called contingency, because you know that something else is going to come up. You do not know what it is going to be. You do not know when it is going to be. It could be weather related. It could be something that you cannot even anticipate, but you know there is going to be an expense that comes up that you cannot identify today but it is going to happen. You cannot estimate with absolute accuracy down to the dollar what it is going to be, but you know there is going to be something.

And based on your experience and based on your judgement you guesstimate what it is going to be. And when you go to your bank, if they are helping you finance it, they want you to do that, and they are going to work with you to make sure that is a good estimate of what a contingency might be. We do not do that in the Federal Government, but I am sure you do that when you are planning your own budget.

Mr. BOYD. Absolutely we do do that. I think most people who run a small business understand that. Most folks who run local governments understand that. But there is something else in this budget that we are looking at that we received from the administration in the last few days that really belies any thought of sensibility.

□ 2045

A couple of examples: the veterans medical portion of the budget, we know those are issues that we have to deal with and we have not dealt with very well in the past. In that budget that we were presented are significant fees, increases in copayments that the veterans will have to pay. The Congress has rejected that soundly over all the years that I have been here. So I would not expect that the Congress would increase the fees on the veterans; but yet that is in the President's proposal that he sent up.

Student loans cut significantly. I do not think Congress is likely to cut student loans. I certainly hope they are not, but that is in the budget. Those are the kinds of things that we ought to be honest with the American people about, what the costs are, and how are we going to raise the money to make sure those costs are paid for.

Mr. MATHESON. Mr. Speaker, I yield to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I want to talk about accountability again. Another consequence of what we have done in the last 48 to 60 months with this unprecedented borrowing has not only degraded tax money coming here that could have been used for foster children, the poorest, most neglected and abused citizens in our society, but what we are doing is we are not fulfilling the congressional role in the scheme of things in this country.

We do not have any hearings about accountability. I saw on television the other night on one of the shows bundles of money that they were handing out in Iraq. They played football with them, and they asked the guy, well, where is the audit for that. He said it is nonexistent. We do not know where the money has gone.

We see Katrina. We see in Hope, Arkansas, 12,000 house trailers sinking in the mud at the Hope airport. That is total incompetence.

What is really disturbing is the Government Accountability Office reports that 16 out of 23 Federal agencies cannot produce an audit. What we want to

do, if we are allowed the opportunity to do so, we want to get every one of those Inspector Generals in here and make them tell us what they did with the money. The Congress does not even ask, now what you did with the money that we appropriated to you to the executive branch. We have got basically a one-party government here. They do not ask them; and if they did ask them, they could not tell them.

This is outrageous. There is not a businessperson in America who would go to their comptroller and say here is an item of \$20,000, what is that for? I could not tell you; I do not know. Nobody will put up with that, and yet the American people are putting up with it in this town every day.

We just borrowed another \$18 million, by the way, since we have been talking.

Mr. BOYD. Mr. Speaker, I know this accountability issue is one that we are all very concerned about. I saw some reports today that in the FEMA response to the Katrina and Rita disasters and other storms of 2005, which were dreadful and particularly dreadful for the people on the gulf coast, but one of the tools they used to help the folks was a \$2,000 credit card that FEMA passed out. I read some reports today that many of those, maybe as many as 30 or 40 percent of those credit cards, were received with fraudulent Social Security information; and, also, the expenses on some of those cards were for some very unreasonable items like tattoos and massages and things that we would not think that necessarily the taxpayer ought to be paying for.

So we do need oversight, and one of the things that I am hopeful for is the majority party in this body had an election here a week or so ago, and there is a new majority leader on the Republican side here. It is my hope and I am sure the hope of the Blue Dogs that we can work with him in a way that we have not been able to work with the leaders in the past to try to address some of these issues, because this issue of one-party rule and lack of oversight into the administration's activities is costing the American people greatly. I think it is time that we addressed it and try to do something about it.

Mr. MATHESON. Mr. Speaker, I think that really centers on a fundamental issue about the way our Constitution was set up. This is not supposed to be driven by party when it comes to oversight.

When they wrote up our Constitution, they created the three branches of government. We all learn this in grade school. It is called the checks and balances. There is an institutional role for the legislative branch to play. We legislate but we also keep an eye on the executive branch and on the judicial branch, and we do that through oversight. We are supposed to be asking questions. It is all what makes the government accountable. It is pursuing good government. It is not looking for

a scandal or anything like that. This is just basically making the trains run on time, ask the right questions.

We know that is not happening right now, and so you mentioned 16 out of 22 major agencies cannot even give you a clean audit of their books. The government cannot tell you where they spent \$24.5 billion in the last fiscal year. That is enough to fund the entire Department of Justice, and we do not know where the money is, and Congress is not asking the questions.

It should not be a party issue. We all ought to be asking these questions; and I know the Blue Dogs, as such as anybody in this Congress, are ready to work with anybody because it is an America-first issue, not a Democrat or Republican issue. It is about putting this country in the right position and doing the right thing.

So this issue of accountability and oversight that my two colleagues have been talking about rings real true with me in terms of what the Framers of the Constitution asked us to do. That is our role here. We took an oath to uphold that Constitution. My concern is the non-oversight. I hope we do take action. I hope this conversation helps spur some action in this body, because it is the right thing to do.

Mr. TANNER. Certainly it is the right thing to do. We take money involuntarily away from people in the form of taxation and appropriate it to the executive branch and then do not even ask them what they did with it. If we ask them, they could not tell us. That is outrageous, and the American people ought not to put up with it, and I hope they will not for too much longer.

Let me say one other thing about the consequences of these deficits. We have raised the debt ceiling, and we are going to have to raise it again either this month or next month. It will be the fourth time we have raised the debt ceiling in 4 years, and the consequences of this, not only are we degrading the tax base because we are diverting more and more to interest, but 90 percent of these interest checks are now being sent overseas, not even staying in this country.

When one is dependent upon foreign interests that do not see the world as we do for their finances, that creates a vulnerability, a financial vulnerability, for our economy, number one; but, two, I think it is a national security issue.

If one reads history, as we all do from time to time, one will see that there are two things that a country cannot survive if they allow themselves to get into that situation. One is for a country to remain strong and free it must have the inherent ability to feed and clothe its citizens, agriculture. If one is dependent upon a foreign source for one's food supply, one is necessarily at risk when that supply chain is interrupted. We know that. You read history.

The second is economics. When one is dependent upon someone else for their

funding, any interruption in that supply will sink that country economically.

Someone in the administration testified that it was naive to think that China, which holds \$300 billion worth of our paper now, Red China, they say it would be naive to think that the Chinese would do anything to hurt their economic short-term interests. I think it would be naive to think they would not. That would be the cheapest war they ever fought against the United States.

My dad told me one time, I tell you something, Son, he said, It is easier to foreclose a man's house than it is to shoot your way in the front door. When we are dependent upon China and China can say to us, U.S., back off, whether we are demanding that they conform to trade standards, we know what the trade imbalance is with China, or whether or not they make a move on Taiwan and we say you cannot do that, they are getting themselves in a position to say, U.S., stay out of it, or we are going to roll Wall Street and we can do it.

That is the financial vulnerability that puts this country in grave jeopardy. If we lose control of our own economic self-interests, we have lost part of our freedom; and this mortgaging of our country to anybody on Earth that will let us have money on the cheap, 90 percent of last year's deficit was financed from offshore. When we allow that to happen, we are playing Russian roulette, so to speak, because anytime they want to, when they get a critical mass, they can really put the squeeze on us, and there is not a thing on Earth we can do about it.

Mr. BOYD. Mr. Speaker, you can foresee a situation that would put us in a dependent situation with agriculture and funding like we are with oil. For instance, I think 60 percent or so of our oil consumption in this country comes from another part of the world. Many of those people, like you said earlier, do not necessarily have our best interests at heart. So we have it within our own ability to stay out of that situation with the economics, and we really need to get this turned around and stop this deficit spending to the tune of 400 or \$500 billion a year. If we do not, then we can foresee a situation down the road where it could be an economic wreck here.

Mr. TANNER. The other thing that the supporters of this economic plan for our country say, well, do not worry about it; as a percentage of the gross domestic product, it is not historically too high. Well, when it was higher was World War II, and we did deficit spend and we borrowed a lot of money; but you know who bought the debt then? Americans, the war bonds, the savings bonds. They are not buying it today. They do not have the money to buy it because the middle class you talked about earlier is shrinking, not growing. It is shrinking. So we are not even financing our own debt.

I had a fellow call me on the phone the other day and said, I am afraid we have gone from the greatest generation to the greediest generation, and if our forefathers had borrowed money like we have seen in the last 48 to 60 months, at this pace, I guarantee you we would not have the standard of living that we have enjoyed in this country up to now. You said it pretty well awhile ago when you said this country was built with investment in infrastructure and human capital, and we are robbing ourselves of the ability to do that.

We do not have the drug task forces. If there is anything on Earth we need to do in this country it is to try to alert the young people to the dangers of that, and the gentleman from Nebraska (Mr. OSBORNE) spoke, I thought, very eloquently about that. It is zeroed out.

We are eating the seed corn, so to speak, with regard to our investing in the future. I go back to three things every American family does: live within your means, pay your debts, and invest in the future, whether it is for your retirement, kid's college education or something. Leave the place better than when you found it.

This is the first time I can remember when people who are in power of this government are knowingly, willfully, and deliberately leaving this country worse off than they found it financially.

Mr. BOYD. Mr. Speaker, I think you said it very well. We do have a tendency here to be very selfish, this generation, unlike the Greatest Generation, which came out of World War II and paved the way for us to be a great country.

But the Blue Dogs have a plan. We have a plan that talks about some very basic principles that would put this country back on sound footing in terms of its budgeting for its government and funding its priorities, and would the gentleman from Utah (Mr. MATHESON) care to share those points with us?

Mr. MATHESON. Mr. Speaker, I would be happy to do that, and I think I would put it in the following context. This is not easy to balance this budget. It is going to require a lot of really tough choices, tough political choices.

What the Blue Dogs have decided is we need to put in a structure for this institution and for the White House, for the President and Congress to work within a structure that is going to guide us on the path of fiscal responsibility because without that structure it is just too easy to deficit spend.

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That is what has been going on around here. It will take some tough choices. We do not deny that at all. We are ready to work with people, but it will have to be all of us working together to take on those tough choices.

So what the Blue Dogs have done is they have tried to establish a 12-point proposal to set up a structure that ad-

resses some of the issues we have talked about here tonight. For instance, I talked about contingency planning when my colleague, Mr. BOYD, plans his family business budget, which we called one of our 12 points for a rainy day fund, or the Federal Government plans for things that you cannot articulate at the start of the year.

Thirty-five States in this country have rainy day funds. Apparently, we thought that was not appropriate for the United States of America, but we know every year something happens. Natural disasters may happen. We do not know what it is going to be, but we know we ought to plan. That is one of our 12 points.

We talked about accountability earlier, the fact that you can't get a clean audit from most agencies. One of our 12 points is, you know what, any Federal agency that cannot give us a clean audit and properly balance their books, we freeze their budget at the previous year's level. They are stuck. That has some real teeth in it, and that is going to motivate that agency to do the right thing and give you a clean budget.

Another point of the Blue Dog 12-point plan is going to be acquiring a balanced budget amendment for the Constitution. Now this will be appropriately written with exceptions for times of war and natural disaster. But I think that is something we need. As I said earlier, we need a structure. We need something to force Congress and the White House to move toward a balanced budget, and that balanced budget amendment in our Constitution is a key component of making that happen.

Another part of the 12-point plan is something called pay-as-you-go. Now, we throw these terms out a lot. People may not know what that means, but it is a pretty basic concept. That means if you have got something new, a new program you want to spend money on, guess what, you have to pay for it. You can do it by taking money away from a another program or raising revenues.

Same thing if you reduce revenues someplace, you have got to pay for it by cutting spending or raising revenues someplace else. It is something that every family deals with in their household budget, what every business deals with. It is a responsible way to look at things.

This isn't a new idea. This is something that the Congress was working with before. In fact, these rules were in place from 1990 until 2002. Then they expired, and while the Blue Dogs have advocated putting the pay-as-you-go rules back in place, we can't get a vote out here on the floor of the House to do that.

Because as I said earlier, in the short term, it is a lot easier to govern if you do not have to make the tough decisions and you would rather deficit spend. But if we put those rules back in place, it is going to force people to make the tough decisions.

As an aside, I might add, Alan Greenspan who just retired after 18 years as

head of the Federal Reserve, and he has such a great reputation in terms of his economic model, he made a rather prophetic statement back in 2001. This is just when we finished a couple of years of surplus. He was testifying before Congress.

He said, "With today's euphoria surrounding the surpluses, it is not difficult to imagine the hard-earned fiscal restraint developed in recent years rapidly dissipating. We need to resist those policies that would readily resurrect the deficits of the past and the fiscal imbalances that followed in their wake."

He sure was right, because by November of 2005 he came back before Congress, and in testimony he said, "Our budget position is unlikely to improve substantially further until we restore constraints similar to the Budget Enforcement Act of 1990, which were allowed to lapse in 2002." That was the pay-as-you-go provision that existed before.

So we have proof. We have a track record that shows that these rules worked. Without these rules, we have seen us spin into tremendous fiscal imbalance. It is another one of the Blue Dog points. There are 12 points. I thankfully may not go through all 12 of the points tonight, but I wanted to highlight some of the ones that we have talked about tonight, and ones that I think anyone in this country, regardless of political party understands, and they know it is the right thing to do.

I encourage, again, any colleague in the House of Representatives should know the Blue Dogs want to engage them on this issue.

If these 12 points that we have come up with aren't the perfect solution, and somebody has a better idea, we welcome the chance to have a dialogue with them. Because these are not easy issues, and we have got to work together to work this one out. But I think the 12-point plan represents a thoughtful process and a good start for setting up a structure that will force this institution to put us back on the path to fiscal responsibility, and so we can avoid increasing, and I will close with coming back to the comments I started with.

That is not increasing the problem of that birth tax, that we called it, that was employed on the son I had just 3½ weeks ago, that my wife had actually, my new son, came into this world owing \$27,000. That is not right, it is not fair, and we have got to do something to make sure we do not grow that anymore.

Mr. TANNER. Now you have got a part of another \$36 million that we have borrowed since we started talking, and 90 percent of that is coming to us from overseas.

Mr. MATHESON. I appreciate my Blue Dog colleagues joining me tonight. This is an issue we feel strongly about, and we are sincere when we ask our colleagues on both sides of the

aisle to work with us on this because we think it so important to the future of this country.

#### NATIONAL SECURITY

The SPEAKER pro tempore (Mr. DENT). Under the Speaker's announced policy of January 4, 2005, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized for 60 minutes as the designee of the majority leader.

Mrs. BLACKBURN. Mr. Speaker, I appreciate the opportunity to come before this body this evening and to talk for a few minutes about some things that are very important to us here in the House.

You know, we stand here many times, many evenings, and we debate the role of government here in this body. We certainly have heard it here tonight, as our colleagues across the aisle have talked about their desire to see things done differently as we look at our budget process.

Certainly there are those of us like me who think that government is overgrown. While there are others in this body that think that government cannot do enough, there are those of us who want to prioritize and reduce the budget, and there are those who do not want to prioritize or reduce the budget. They feel like something to do is to keep the status quo and raise taxes and approach our responsibilities in that way.

A couple of points I did want to touch on, as they have talked about the budget and talked about the deficit and talked about the concerns that we have for that, is we look at the overall economic security of this great Nation.

One of the things that we did when we passed the Deficit Reduction Act, which was a plan brought forward by the majority in this House that would reduce what the Federal government spends and yield a savings for the American people, what happened with that Deficit Reduction Act was, yes, we did achieve a reduction in what the Federal Government spends. This is the first time in about 20 years that this has happened. We had a reduction in our discretionary spending.

Mr. Speaker, I think it is noteworthy that we received not one Democrat vote for that bill for reducing spending. While it is easy to say, and certainly makes for great discussion and conversation, that the deficit is too big, and that we are spending too much, the proof is in the pudding.

The proof is, when it comes time to vote, are you going to vote to raise taxes and spend more and keep the status quo, or are you going to vote to make some reductions, to get in there and prioritize that budget and decide what is going to be the best way to allocate the resources of the Federal Government, because we have to bear in mind it is not our money, it is not this government's money. It is the taxpayers' money.

The taxpayers are overtaxed. They are paying too much. They want Uncle Sam to get his fingers out of their pocket, off their paycheck, and leave that paycheck to them.

I will remind my colleagues across the aisle also, they talk about we have to raise taxes to pay for this. Well, 2004, 2005, the U.S. Treasury received \$274 billion more than they had estimated in revenues.

Mr. Speaker, there is a reason for that, and it is because tax reductions work. We know that they work. You lower those rates, and the economy, this great, wonderful engine of the U.S. economy, works. It works. We certainly have seen that happen. The reductions that were passed in 2003 have certainly paid off.

There is another point I would like to address that did come up. A couple of the colleagues said, we need to have some honesty as we look at this budget process. I am not going to disagree with that. I certainly think as we get ready for Presidents' Day and thinking about President Lincoln and the moniker Honest Abe that he carried with him, we certainly need to remember that and have honesty. But part of that honesty is looking at this and reminding the American people one of the reasons we are faced with the budget we have is because of this huge, enormous bureaucracy, huge bureaucracy that grew out of 40 years of Democrat control of this body, a bureaucracy that basically is a monument to them.

It is so difficult and people have such a tough time working through the bureaucracy, whether it is paying your income tax, figuring out that process, figuring out that Tax Code; whether it is the local university, trying to get over here and get the bureaucracy to help them with some program that is needed for that university; whether it is our local community and county governments trying to figure out how to work with different agencies and comply with different regulations.

It is a cumbersome, overgrown, bloated bureaucracy; and certainly as we address the issues of oversight through the ratings tools, through the President's management initiative, through the CFO act, those are all accountability measures that have come into play since Republican control of this body took place in 1994.

So there is plenty that we can discuss and we will look forward to discussing over the next month as we look at the budget, look at the process, look at the need to put those parameters in place that will help us get the budget under control and still address the areas of responsibility that we have.

One of those areas of responsibility that I think we all can agree on and certainly should be agreeing on is that of national security. There is truly a reason that our founders included the words "provide for the common defense" in the preamble to the Constitution. They knew that national security was an imperative in order for this Nation to be able to survive. They knew