Mr. SPRATT. Madam Speaker, he vetoed those tax cuts.

Mr. SCOTT of Virginia. And Republicans threatened to close down the government. In fact, they closed down the government, but President Clinton refused to accept massive tax cuts that we could not afford. Year by year he held that veto pen out to make sure that we did not do anything irresponsible, and we ran up those surpluses.

The first thing this President did was sign those massive tax cuts that we could not afford, and we see what happened.

I think it would be helpful if the gentleman would explain what PAYGO means to know how we could maintain that fiscal discipline.

Mr. SPRATT. Madam Speaker, this was not just serendipity or good luck. We had a good economy, but we also had a good set of budget policies and a good budget converging with a good economy.

One of the things that we did in 1991 under the first President Bush, we adopted a set of budget rules in the Budget Enforcement Act. One of these required every budget to be a 5-year budget.

Secondly, another rule required that we put a cap on discretionary spending. We cap and limit on a 5-year basis the money that we appropriate every year for discretionary programs. These are discretionary programs.

Thirdly, we adopted something called a pay-as-you-go rule. It was a very effective rule which simply provided if Members want to increase the benefits under an entitlement program, Medicare, Social Security, whatever it may be, you have to either pay for it or cut some other entitlement by an equal amount. By the same token, we said if you want to cut taxes when we have a huge deficit, you have to pay for those tax cuts, offset those tax cuts, either with a spending cut of equal amount or with a tax increase elsewhere in the Code of an equal amount so it is deficit-neutral, it does not impact and worsen the deficit. Those rules proved to be extremely helpful as we moved the budget from a $290 billion deficit in 1992 to a $236 billion surplus in the year 2000.

Mr. SCOTT of Virginia. Madam Speaker, with PAYGO, that means if you want to have a new spending program, you have to cut spending elsewhere or raise taxes to pay for it. If you have a new tax cut, either you have to cut spending that same amount or raise some other taxes, but you have to pay as you go. What happens under that is if you have natural growth, you can do better each year on the deficit. But what happened in 2001 with PAYGO?

Mr. SPRATT. Madam Speaker, in 2001, 2002, PAYGO, the multiyear spending caps and the sequestration provisions, all of the budget enforcement rules that we put in specially in 1991 that served us so well in the 1990s, were allowed to expire. Why? Because the PAYGO rule would have impeded further tax cuts when we had still big deficits.

Mr. SCOTT of Virginia. Therefore, when the tax cuts were offered, they did not have to be paid for. So the race is on to see how much you like some new tax cuts with these spending cuts, or how would you like these tax cuts with increased taxes here to pay for them; the question before us was: How would you like some tax cuts? Congress said, well, I think I will.

At the same would you like some more spending increases? You do not have to raise taxes to pay for them and/or cut other spending, so the question before you is how would you like to spend more money? Well, I think I will. This chart shows what happened.

Mr. SPRATT. Here is a good account. Defense, for reasons we all understand, has gone up substantially from the year 2000 to the year 2011. This is a projection. It was something about $300 billion to $600 billion over that period of time.

When the President talks about the increase in spending as if he is laying the blame on the Congress, and in truth most of it is coming in defense accounts, and all of it has been requested by the President of the United States. We have appropriated. I voted for it. I do not think you send troops in the field and give them a tough mission to do and not let us be honest where the spending increases he decrees are really coming from. They are coming from defense.

This layer right here was what was planned for defense in January 2001. This red layer is what the Bush administration added to it in the way of policy. It is mainly new equipment, personnel and things of that nature. This is the cost of Iraq, Afghanistan and future war costs here; also, the cost of wages of war on terror, but it does not include homeland security. This is cost risk because the Pentagon typically has overruns in its programs. CBO said it is reasonable to assume they will miss their targets by at least this amount.

When you put all these layers together, you see a budget increase from $300 billion to $600 billion over a 10-year period of time. At the same time all of this is being done, more or less deliberately, stacked on top of each other, we are having substantial tax cuts. When you put together these two factors, the defense spending increases and the tax cut decreases, you begin to see the emergence of the deficits that we are struggling to turn around today.

Mr. SCOTT of Virginia. Madam Speaker, I just want to emphasize the fact that all of these cuts in spending today are not due and have virtually nothing to do with Hurricane Katrina. They are there whether Hurricane Katrina happened or not.

Mr. SPRATT. It is a reaction to this curve right here, a recognition that the chickens are coming home to roost. All of the bad budget decisions and fiscal policy risks that have been taken are not breaking favorably, are beginning to accumulate, and we have increasing deficits that require dramatic action.

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Madam Speaker, everybody here wants to help relieve the human suffering along the gulf coast. We have seen the pictures. We have seen the devastation. I had family who live in New Orleans who were affected. They were among the lucky ones. They are alive. This is damaging, but standing. So all of us have felt in our hearts what has gone on there.

But, Madam Speaker, we cannot take a great natural disaster of this generation and use it to create a fiscal disaster for the next generation. For us to sit here and pass on $62 billion of additional debt to our children is simply, absolutely unconscionable. I cannot believe, Madam Speaker, that anybody would want to do that. Yet I know many in this body contemplate that.

Madam Speaker, for anybody who heard the earlier discussion this evening led by the gentleman from South Carolina, the ranking member on the Committee on the Budget, one would think there is some other answer and that is to increase taxes yet again on the American people. To some extent all we heard was how we have massive budget deficits because of tax relief.

Madam Speaker, as the Members will see developed this evening, tax relief has actually proven to be part of the deficit solution. It is tax relief that has created jobs. It is tax relief that has promoted economic growth. And yet those on that side of the aisle would take it all away from us. They have a plan. Whether or not they have owned up to it, they want to engage in the largest single tax increase in American history; and that, Madam Speaker, is not the right thing for America.

So at first I think it is important that we deal with some of the facts.

Not a particularly well kept secret is the fact that our entitlement spending today is absolutely out of control. We have Medicare, Medicaid, Social Security, at 55 percent. We have Medicaid growing at 7.8 percent. We have Medicare growing at 9 percent. Every time we try to reform these programs that are far outstripping our ability to pay for them, the Democrats do everything they can to stymie this, and what we have discovered is that as time goes by, as these programs grow beyond our ability to pay for them, more and more massive tax increases are going to be necessary for them. On this chart alone, if we start out at 2005, the average American family, in just less than one generation, is going to be faced with a $10,000 tax increase.

The Government Accountability Office, the Office of Management and Budget, the House Committee on the Budget, anybody who has looked at this problem all have come to the same conclusion, and that is that within roughly 30 years, we are either going to have to double taxes on the American people or to cut back dramatically the entirety of today’s Federal budget will pay for Social Security, Medicare, and Medicaid; and there will be nothing else. There will be no Pentagon. There will be no VA benefits. There will be no student loans. There will be no other Federal Government.

So as the Democrats work every day to say we cannot do anything to control spending, we have in essence really just told us, Madam Speaker, what they are telling the American people is they want to double taxes on our children. That is the program they have signed up for. That is their program, supposedly, of fiscal responsibility.

But, Madam Speaker, that is not so; and we have a number of distinguished speakers here tonight to tell us about why that is not the fiscally responsible thing to do.

I first yield to the gentlewoman from Tennessee (Mrs. BLACKBURN), one of the great leaders in government reform and fiscal responsibility in this Congress.

Mrs. BLACKBURN. Madam Speaker, I thank the gentleman from Texas for his excellent work on this issue. It is a pleasure for me to stand here tonight before this body and before the American people and associate myself with his good work and with his remarks.

Madam Speaker, he was talking about roots. He often are now and going forward. I want to step back for just a moment, if I may. I am going to pick up on a phrase that our colleague from across the aisle has used when he was talking about policies, and he said those chickens are coming home to roost. Well, Madam Speaker, I will have to tell the Members chickens do come home to roost, and the Democrats spent 40 years building program after program after program, just layering them up and creating a government that is very expensive. And he is right, after 40 years chickens do come home to roost.

I know that is not the point that he was making there. He was trying to say that in a year or 2 years or 3 years they would come home to roost. But the point is the Democrats controlled this Chamber. They controlled the other Chamber. They had control of the White House, and they kept growing and growing and growing and growing government. And the gentleman from Texas (Mr. HENSARLING) is so right in showing this chart that shows what will happen and what the tax burden will be if we do not take the steps that are necessary to cut back on the spending, and he is right in the remarks that he has made.

History should be our guide, because 40 years of growing government has left us with many programs that have outlived their usefulness. We have got 234 different economic development programs in the Federal Government. For goodness sakes, would we not be better off with doing some streamlining?

Another comment that was made from across the aisle, as our colleagues were talking, someone mentioned something about impeding tax cuts, doing some things that would impede tax cuts. Well, I hope that the American people hear this because they may want to impede tax cuts. They may want to take more money out of working families’ pockets, and what we are doing is trying to put that focus back on growing government and more of their hard-earned money. And the way we do it is not to take more money out of their pockets. The way we do it is to go in and say government does not have a revenue problem; governing has a spending problem.

Now, how do we address this? Step number one, let us look at where we are spending this money and decide, are we getting the appropriate outcome for the money that we are spending? These are the steps that this majority is working to take in this House. We fully believe that bureaucrats need to be accountable to the taxpayers of this great Nation. And for some of our colleagues on the other side of the aisle who are so sadly wanting to see this issue, we would love to sit down and visit with them and be certain that they understand this issue.

Tax reductions mean money in American families’ pockets, control for individuals, and that is something that is very important. We are going to spend a lot of time, as the gentleman from Texas was saying, this week talking about what the steps are going to be that we are going to take to provide tax relief, to provide the right foundation for reducing what the Federal Government spends, to be certain that the Federal Government is prioritizing that budget. The gentleman from Texas has a great chart, tax relief versus the 5-year Federal budget; and he is right on target with this.

Mr. HENSARLING. Madam Speaker, reclaiming my time, I certainly thank the gentlewoman for her observations. Again, it is so interesting, as Democrat after Democrat speaks out against all the evils of tax relief and how somehow tax relief is the center of all fiscal irresponsibility, what they do not point out is that we have passed a 5-year, 13.9 trillion, trillion with a “t”, budget, $13.9 trillion of spending versus less than $150 billion of tax relief.

So say, for example, that tax relief did absolutely no good to our economy. Let us just say we took that money and just put it in a hole and buried it. It is less than 1 percent of the budget. So when we think about all these massive tax increases, it is to be necessary to pay for all of this spending that the Democrats want, how is less than 1 percent of the Federal budget responsible for this? They are ignoring over 99 percent of the challenge. The challenge is on the spending side.

And, by the way, Madam Speaker, we did not take this tax relief money and put it in a hole. We did something else with it far more productive. Madam Speaker, when we spend money, it means money and we gave it back to small businesses. We gave it back to families. We gave it back to hard-working Americans, entrepreneurs, who rolled up
their sleeves and created new jobs and went out and created new businesses. And guess what happened. We got in more tax revenue. We cut marginal tax rates and guess what. Our tax revenue went up in 2003 from almost $1.8 trillion to almost $1.9 trillion to now $2.1 trillion. Why? Tax relief works. We understand that.

Madam Speaker, they just do not seem to get it. Tax relief, again, is what is helping America’s economic situation. Again, do not believe me. Look at the Treasury report. This is from the United States Treasury. Already we see that tax receipts are up 15 percent. Individual income tax receipts are up 14.6 percent. Corporate income taxes, our businesses, they are up 47 percent. So it is interesting that, instead of this item being called tax relief in the budget, if it was called the Agency for Widget Production Subsistence, every Democrat would want to double its budget. But somehow because it is tax relief for small businesses, people go out and create jobs, they deride it. They claim that it is part of our fiscal challenge. Instead, we see that it is absolutely critical to ensuring that our children do not bear further debt.

Mrs. BLACKBURN. Madam Speaker, will the gentleman yield?

Mr. HENSARLING. I yield to the gentlewoman from Tennessee.

Mrs. BLACKBURN. Madam Speaker, I thank the gentleman from Texas for yielding to me. I want to go back to the chart that he has so appropriately shown, and look what happens here.

In Tennessee, we have a State that is very much like the State of Texas. In Tennessee, we are a small-business, entrepreneurial-oriented state. Small business is our major employer. The largest group sector of our small business sector is women-owned small businesses. Women are beginning to take the reins, and we have more women creating businesses than any other part of the sector. That is where we are seeing our job growth.

What the chart shows to us is this: On those small businesses, when you lower those tax rates and you give them the opportunity to invest in their business, invest in their communities, invest in those great ideas that make American free enterprise what it is, which is what everybody in the world wants, look what happens. Faith, hope and opportunity come into play. Elbow grease, sweat equity, hard work, it goes to work, and people realize a big part of the American dream, which is owning their own business, and we know that. We realize that.

You lower those rates, you allow people to get in there with lower taxes and less regulation and have their shot at creating the American dream. And look what happens. Your revenues will grow.

Many times, Madam Speaker, and I know the gentleman from Texas has heard this, people have said, well, look, the economy has grown, revenues are up, and guess what? The deficit is lower than expected. It is amazing how free enterprise works. It is amazing how lower taxes work. It is good for this economy, it is good for the American people, it is good for those people that have more money in their pocket, there is more money to invest in their businesses, and their families have more money to spend on education, on the things that truly are the desires of their heart.

Mr. HENSARLING. Madam Speaker, reclaiming my time, again, I thank the gentlewoman for her leadership, and I thank her for her observations.

Madam Speaker, we have now been joined by one of the great leaders on budget matters in this Congress, someone who has coauthored the Family Budget Protection Act, to try to enforce our budget, to try to bring some accountability into the government, to try to protect the family budget from the Federal budget, and I am very happy to yield to the gentleman from Indiana (Mr. CHOCOLA).

Mr. CHOCOLA. Madam Speaker, I thank the gentleman for yielding, for his leadership. Let me bring us together here tonight to discuss these important issues.

Madam Speaker, I think we can probably find bipartisan agreement here to night that the deficit is too big. Where we probably part ways is what do we do about it?

I think it is important when we discuss what do we do about it to recognize the fact that the result of the deficit comes from one of two things: Either we spend too much, or we tax too little. I have to say that the people of the Second District of Indiana do not feel like they are taxed too little, and I do not think they are really any different from the people of every congressional district around this country.

Unfortunately, too many times here in Washington we use as the only measurement of success how much we spend, not how well we spend. But I think it is clear to say that the Federal Government spends enough money. What we did do too little of is prioritize the spending and root out waste, fraud and abuse.

Madam Speaker, tonight we have heard that we really cannot cut spending. I mean, it is the only thing we can do. There is no way we can find savings or root out waste, fraud and abuse. We have also heard a little bit about the reconciliation process, where we are trying to find savings over future government growth. So the fact of the matter is, when it comes to reconciliation, we are not talking about cuts at all; we are simply talking about slowing down the future growth of government by a very small amount.

As an example, we can find $100 billion in savings over the next 5 years by simply slowing the growth of government by $20 billion. But, still, even with that marginal savings, we hear that there is just no way that we can even slow the growth of government. It would be simply impossible to do.

Let us look at a few examples, Madam Speaker, on where we might find that money. As an example, as reported by the Social Security Administration inspector general in 2002, more than $31 million in Social Security payments had been made to dead people. Another example, in 2003, the food stamp program spent $1.1 billion in overpayments, to program benefits. Another example, in 2001, that Medicare overpayments in 2001, get this, totaled $12.1 billion. Let me repeat that, Madam Speaker: Medicare overpayments totaled $12.1 billion in 2001.

The Federal Government cannot account for $17.3 billion spent in 2001. They simply do not know where the money went. That does not include the $12.1 billion in Medicare I just mentioned, because we know where that money went, to overpayments. But there is another $17.3 billion that the Federal Government does not know where it went, and that leads the GAO, the Government Accountability Office, to refuse to certify the government’s own accounting books because the bookkeeping is so poor.

Madam Speaker, no business could operate under those management practices. Not one family could operate under those management practices. In fact, if the Federal Government was a publicly traded company, there would be criminal charges brought for those management practices.

Those that say we cannot find savings and slow down the future growth of government simply do not want to do the hard work of management and being good stewards of taxpayer dollars. The American people understand that spending money is easy and managing money is hard.

I certainly believe that I was elected, and every Member of this body was elected, to do the hard things, to find a way to manage money better, to get a good return for taxpayer investment, and not fall back on the easy thing of saying if we slow the growth of government, we are balancing the budget on the backs of those people that can least afford it.

Madam Speaker, I ask, what is compassionate about wasting $12.1 billion in Medicare? That is money that is not going to any beneficiaries, it is not providing health care to any senior. It is simply mismanagement and wasted money.

Madam Speaker, I want to yield back to the gentleman from Texas, and I want to thank him again for his leadership on this issue. I certainly encourage all of my colleagues to do the hard things, to provide better fiscal responsibility, better stewardship and better management on behalf of the people of this country.
Mr. HENSARLING. Madam Speaker, reclaiming my time, I thank the gentleman for his participation in this debate tonight. He brings up many good points.

I think that once again we need to look at the facts of what we are speaking about. When Democrats talk about all of these massive cuts that are going to take place, first let us look at how much spending has already taken place.

Madam Speaker, this is a chart that just talks about in the last 10 years, what has happened to the family budget and what has happened to the Federal budget? As measured by median family income, the family budget has increased from roughly $36,000 for a family of four to $62,000. Yet look at this red line showing what has happened in the same 10-year period to the Federal budget. It has increased $1.5 trillion to almost $2.5 trillion. In other words, the Federal budget is growing faster than the family budget by almost a full third. Madam Speaker, over the long term, that is unsustainable.

Again, the Democrats are setting us up to either pass on unconscionable debt to our children or to engage in the largest tax increase in the history of America. We cannot sustain this kind of spending growth.

They also tell us what heavy lifting is to try to restrain the growth of government. Well, if we look at what we are trying to do here, the President so far has called for roughly $62 billion of hurricane relief for the victims on the gulf coast. That is to be contrasted with $245 billion of other spending. So what we are trying to do here, Madam Speaker, is find roughly a half a cent on the dollar of savings, a half a cent.

If you went to any American family or any small business and said, you know, your children got an emergency here, we have hit some tough times, can you go back and take a look at your budget and find a half a cent on the dollar? Of course they could do it. Madam Speaker, they laugh at us when we say, oh, we cannot do this, we cannot find a half a penny of savings. And the truth is it is not even a cut. All we are doing is restraining the growth of government. What the Democrats do not want you to know is that even after we find these savings, government still is going to grow. It is still going to grow roughly 3 percent next year over this year.

What we call mandatory spending. If we achieve this plan, without any help from the Democrats whatsoever, if we achieve this plan, what we call mandatory spending is going to grow at 6.3 percent instead of 6.4. That is the massive cut from which they have spoken.

Madam Speaker, if I yield back to the gentleman from Indiana.

Mr. CHOCOLA. Madam Speaker, I thank the gentleman for yielding again. Just very quickly, I appreciate the facts that the gentleman is pointing out.

Let me draw the gentleman’s attention to a couple other facts. The Wall Street Journal last week had a very important editorial when they pointed out the fact that during the period of 2001 to 2005, inflation on a cumulative basis was 12 percent. The Federal spending in transportation increased 21 percent; employment benefits, 26 percent; education spending, 32 percent; income security programs, 39 percent; health spending, 42 percent; community development, 71 percent; housing and commerce, 86 percent; international affairs, 94 percent; education, 94 percent. Inflation over that period of time was 12 percent.

Before being elected to Congress, I ran a business. Every year we would go through a budget process. Every year all the general managers would come into my office, and we would talk about the next year’s budget. In almost every case we would find ways to save over the last year in our spending budget.

I will have to say, Madam Speaker, if I would have the meeting with general managers, and I would ask them to find ½ of 1 percent savings next year, they would frankly laugh in my face. They would be very relieved, because they would have expected to hear 10 percent.

Every American business and family has found ways to find substantial savings in their budget when they are faced with budget challenges. The Federal Government should be no different. There is no reason that we cannot find these savings, that we cannot act more responsibly on behalf of the American people and provide a good return and sound investment for the American taxpayer. Saying we cannot do it is simply shirking our responsibilities and not wanting to do the hard work of management. We are elected to do oversight and be good stewards of the taxpayer dollars.

Again, I thank the gentleman for his leadership.

Mr. HENSARLING. I thank the gentleman.

Now, Madam Speaker, I am very happy that we have been joined by one of our colleagues, who is a great leader in our Operation Offset, to come forward and bring to the American people ideas about how we can find waste, fraud and abuse and duplication and lower priority spending in the Federal Government in order to help pay to relieve human suffering along the gulf coast. I am happy to yield to my fellow Texan, the gentleman from Texas (Mr. NEUGEBAUER).

Mr. NEUGEBAUER. Madam Speaker, I thank the gentleman for organizing this important debate this evening. I think the gentleman pointed out is there are some very important challenges facing this Congress and facing this Nation. We are defending America in the war on terror, both abroad and domestically. We are grappling with rising energy prices. We are trying to find solutions and put more money back into health care in our country and how we are going to continue to grow this economy and provide jobs for American citizens, as well as how we are going to deal with this catastrophic loss of property that has been experienced by these hurricanes.

There are those that want to say, well, we will just push that problem down the road for someone else; that this is the type of bill that they would agree; that we do not need to pay for this relief. We will just borrow money. But those same people were the people that we are talking about that our deficits are rising at too fast a rate.

So what does this call for? It calls for a sound fiscal policy. It is what the American voters sent us to Congress to do. They sent us here to make these difficult choices, to make policy that makes sense, to make policy that they have to live with at home, and that is we have a certain amount of money coming in, and we have a certain amount of money to spend.

But what is interesting here, and it has been brought up tonight, and I just want to reiterate it, is we do not have an income problem in our country, we have a spending problem. In fact, tax revenues, as the gentleman pointed out, have been increasing over the last few years, and, in fact, what we found is even when we put more money back into the American taxpayers’ pockets, they spent that. When the small businesses had more capital to invest in their businesses, they invested.

They created jobs and our economy is growing; and now, for that reason, our deficit this year is projected to be $80 billion to $100 billion less than what was originally projected.

But the problem is that our spending is growing faster than our economy. Currently, over the last 5 years, the Federal budget has been increasing at an annual rate of 6.3 percent. However, our economy has only been growing at an annual rate of 2 percent. So you do not have to be an economist to figure out that if the government is growing at this rate and the economy is growing at this rate, that we are never going to be able to balance our budget. So what it causes is for the Republican-led Congress to take action and to begin to work on this spending problem.

What you heard is their solution is to continue to raise taxes for the American people and to take away the momentum that we have already given this economy by the fact that we are putting more money back into their pockets. What has happened because of these reductions in taxes is that the economy is now growing this year at 4.2 percent and that Federal tax revenues have risen $360 billion since 2003 and that a 22 percent reduction in the Federal deficit.

We have frozen nondefense discretionary spending. Now, I know we are using a lot of Washington kind of talk.
So what is discretionary spending? That is the spending each year that Congress gets to vote on. So each year, the budget chairman brings before the Congress and the appropriations chairman, they bring a plan of how to spend the American taxpayers’ money and we get to vote on that, and we have made progress on that. But let me tell you where the real problem is in our country. The programs that were put in place many, many years ago are growing at such a fast rate, and these are programs that we do not get to vote on on an annual basis, so we go through this process called reconciliation.

What is reconciliation? Well, really what that is is how we look into that budget and say, are these programs relevant today and should we or could we do something to stem the rate of growth. Now, the colleagues on the other side talked tonight about all the cutting we are doing. What are we doing is we are talking about slowing the accelerator down. We are talking about reducing the rate of increase, reducing the rate of government. That is why we are going to go through this process.

What we are doing, just talking about over the next 5 years, is finding at least $35 billion, because as the gentleman made the point awhile ago, we are spending $7.257 trillion in 2006 alone. So how do we do that?

Well, one of the things that I have proposed, as the gentleman alluded to, is to look at some ways to offset say some of the spending that we are going to have to do for those devastated areas in the gulf coast. By the way, I have been to the gulf coast, and I have seen that devastation and I have seen what has happened to the lives of those people, and unfortunately, there is a role for the Federal Government, but there is also a role for the private sector down there. What we need to make sure of is that the Federal Government does not prevent the private sector’s ability to go down and make sure that we begin to rebuild those communities.

There is a little box that you checked when you did your tax return in April, and it says, I want to give $3 to the Presidential campaign. You know what? The American people less and less and less have thought it was a good idea to give money to Presidential campaigns and to their conventions. They have produced a bill that would allow the deletion of the payment to political campaigns and to the parties’ conventions. Hey, let us spend that money for our efforts in Iraq. Let us spend that money for relief for Katrina. Let us use that money to pay down debt, instead of putting monies into political campaigns. In fact, the campaigns themselves have started turning down that money because they feel like they are leaving them at a disadvantage, and so many of the major campaigns over the last few years have not even used that money and turned it down.

So we can save $200 million alone by just saying to the political parties, hey, go raise your own funds.

So what we are talking about tonight is that quest to balance the budget and not leave our future generations with a debt they cannot pay for. We are talking about slowing the rate of growth in our government. We are talking about getting the rate of growth of government to coincide with the rate of growth of our economy.

As a small note, I started a little tradition a few years ago with my grandsons, and each evening when I come home, I put the change in a little coffee can, and when the coffee can gets full, we go down to the store, and we count how much money we have in the coffee can. So my 2 grandsons, who are 5 and 7, we go into that toy store knowing how much money we have to spend. They are 5 and 7, and they already understand how much money they have to spend. So they ask what each item that they are looking for might cost, and they try to figure up, do they have enough money to buy that purchase. Some of those purchases they will make, some they will not. But it is a way to begin to teach the kids what it is all about. It is a concept that 5- and 7-year-olds understand, and it is certainly a concept that Members of the United States Congress need to understand. We cannot afford not to have this debate. I welcome the other side to come up with some solutions and some ideas; it is not our job to look at the rate of growth in our government, because our future generations are depending on it.

Madam Speaker, I yield back to the gentleman from Texas.

Mr. HENSAHRING. Madam Speaker, I thank the gentleman for his leadership in Operation Offset. It was an interesting story he told about how you might have read, the Democrats have proposed, as the gentleman alluded to, a $2 billion in Katrina spending, which the State of Texas is looking for innovative ways to make sure that we cut down on the waste, fraud, and abuse. I think the gentleman might have read about the State of Texas looking at privatizing part of its food stamp distribution program?

Mr. NEUGEBAUER. That is correct. The State of Texas is looking for innovative ways to make sure that we cut down on the waste, fraud, and abuse and also to deliver that service in the most cost-effective way.

Mr. KINGSTON. And is it not also true that in doing that, you save the taxpayers money and actually have not hurt the food stamp participation level a bit?

Mr. NEUGEBAUER. The gentleman is correct. Because what happens is when we begin to think outside the box and be creative and innovative, what we actually do is we save the taxpayers money, but we also at the same time generate more program money for those people that really need those benefits.

Mr. KINGSTON. Well, the reason why I asked that before the gentleman leaves is today in agriculture appropriations, we had probably about a 1-
hour debate on the State of Texas’s right to privatize part of its food stamp distribution. One of the things that is ridiculous about the proponents of this, and they are all the liberal Democrat faction, is that States should not be able to have the right to try something without permission of Congress, because I guess here in Washington people know more about Texas than the good folks down in Austin. I understand Pennsylvania, Florida, and New York are looking at the same idea. There are folks who are defending the Federal Government and saying that they should not be involved with the private sector. But that is just one amendment, many more are forthcoming, and it is costing the taxpayers any money, and the duplication was impossible to eliminate.

I am going to yield back, because I know the gentlewoman from North Carolina wants to speak. But I want to say that in the appropriations process, the four programs that I have mentioned, we have eliminated approximately 90 such programs, duplicative, ridiculous, and unnecessary. We have fought back in the last 3 years of spending increases which the gentleman from Wisconsin (Mr. OBEY), the ranking member, and the Democrats have rallied behind year after year, $61 billion; and these are from the people who tell us we are spending too much money. I agree we are spending too much money, but their solution is to spend $61 billion more than what we are doing.

So there are a lot of things that are going on in the Committee on Appropriations. We need to offset the cost of Katrina. We think the fat is in the budget to do so, and we stand behind the good work of Operation Offset. Madam Speaker, I want to thank the gentleman from Texas (Mr. HENSARLING) for giving me a few minutes.

Mr. HENSARLING. Well, I thank the gentleman from Georgia (Mr. KINGSTON) for joining in this debate. He made so many excellent points. It reminds me of the title of a rock and roll song that I listened to in high school, Do Not Get Fooled Again. We should not get fooled again by the Democrats. We need to remember, these are the very same people who told us welfare reform would never work. They told us that families would fracture, and so the New Republic wrote.

The Democrat leader at the time said a million children will be forced into poverty. One of the Democratic leaders in the Senate said that we will experience a national trauma we have not seen since the cholera epidemic. And guess what? We gave people incentives to go out and become educated. We gave people incentives to go out and work. And guess what, Mr. Speaker? They did just that.

Welfare case loads dropped in half, and people found jobs, and they found hope, and they found opportunity. And millions went from welfare, from the number dropped to 5 million. Still too many, but that is 9 million people who are not taking from the government, but are contributing to the government, and they are able-bodied people, who, as you pointed out, found their own rewards and have derived a lot of pleasure and satisfaction from holding a job.

Mr. HENSARLING. Mr. Speaker, again it is not how much money Washington spends that counts. It is how the money is spent. That is what counts.

With that, I would be very happy to yield to the gentlewoman from North Carolina (Ms. FOXX), who has been very outspoken in her commitment to fiscal responsibility, a great conservative leader in the freshman class.

Ms. FOXX. Mr. Speaker, I am pleased to be with you tonight. You have done a great job of leading our conservative group to think about the need to provide the facts and figures that we need. In fact, the little history lesson that you have just given about the cutback on welfare, I think, is a very timely lesson to have, because every time we talk about lowering the rate of increase, we are given all of these gloom and doom stories about what is going to happen. And yet we know very well that Government is not the answer to the problems that we have in this country, the problems that as long as people look to the Government to solve their problems, the problems are going to mushroom instead of go away.

These past few weeks have really tested our Nation’s emergency response system, our compassion, and Congress’s ability to set spending priorities. I think we are doing very well with Operation Offset and other things that we are working on in the Committee on Appropriations. Without this process, that Republicans are the Members who make up the party of fiscal responsibility, and that fiscal responsibility has helped grow the economy and bolster jobs. Some of these statistics I know have been given out by other speakers, but I think it bears repeating, that over the last 2 years, our Nation has created millions of jobs. The unemployment level has dropped dramatically, and the economy has grown.

If you listen to the mainstream media, you hear nothing but gloom and doom. All of the good news gets drowned out. But we are making tough decisions, and we are working back on spending, and that is what is going to be the other factor that is going to really help this economy grow.

Earlier this year Republicans passed a budget that cut $100 billion from the deficit. And what did the Democrats do? They refused to vote for the budget. As my colleagues have said, Republicans have recommended 98 programs...
be terminated for a total savings of more than $4.3 billion.

It is my understanding that later this week we will be voting on a bill to permanently deauthorize those programs. So many times a program is not funded, but the authorization is not taken away. We need to do that, too, and we are going to do that. The Republican leadership is going to put domestic discretionary spending on track to be below last year’s levels.

Now the gentleman earlier gave a little lesson about the difference between discretionary and mandatory spending. As my colleagues know, I do not even like to use that term, “mandatory spending.” And every time that it comes up, I mention that I cannot find that word anywhere in the Constitution. And I want to encourage people to keep reading the Constitution to see if you can find the word “mandatory spending.”

But we are doing a lot with the Republican leadership to cut the growth of spending, and that is what we have to do. But what have the Democrats done? Over the last 3 years they have attempted to bust the discretionary budget in the appropriations process by more than $60 billion. And the question they would finance this is raising taxes on small businesses. So it is not surprising that at a time when we must be watchful of taxpayer dollars, the Democrats have turned to their old playbook and called up one of their favorites, the old tax and spend.

We think it is time for Democrats to come up with a new plan and join us in doing something important about spending. I am relieved that they have planted seeds in our so-called entitlement spending that American people are not going to be able to afford.

Their tax plan just grows and grows and grows. Again, Mr. Speaker, what is going to happen for the next generation to fund all of their programs, when they refuse to work with us, and we have invited them to work with us to help reform some of this entitlement spending that American people are not going to be able to afford.

They want what they make sure in their shell game is that they never show the American people the massive tax increases they are planning. They have planted seeds in our so-called entitlement spending that American people are not going to be able to afford.

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And again, as I showed earlier, how much Government should we have? Ultimately all of this spending has to be paid for.
We can find the reforms, but we must start this process of reconciliation, which, again, when we look at $62 billion of savings we are trying to find in a 5-year $13.9 trillion budget, that is a half a cent. That is one half of one penny. Mr. Speaker, that we are trying to find so that our children do not face massive tax increases as far as the eye can see, guaranteeing to lower their standard of living.

Mr. Speaker, this really comes down to two visions for America; one helping empower people, helping them realize their American Dream, about them going out, starting new jobs. It is really about a vision of less government and more freedom. Yet our friends on the other side will not work with us on reconciliation, that will not work with us to root out this waste and this fraud and abuse, who only want to continue with more spending and more spending and more spending. Well, a lot of good things come from the American family. A lot of good things come from the free enterprise system. That is what we need to strengthen today, according to the Speaker, that is what this debate is all about, those who want to restrain the growth of the Federal budget so the family budget can expand and those who only want to grow government and impose massive tax increases on our children and grandchildren as far as the eye can see.

Mr. Speaker, there is no doubt that when the American people will look at this, ultimately they will choose less government and more freedom.

30-SOMETHING WORKING GROUP

The SPEAKER pro tempore (Mr. BOOZMAN). Under the Speaker’s announcement of January 4, 2005, Mr. RYAN of Ohio is recognized for half the remaining time until midnight.

Mr. RYAN of Ohio. Mr. Speaker, I appreciate the opportunity to address the House again. Unfortunately, we are missing a couple of our standard-bearers who are usually here, our two Members from Florida, the gentleman from Florida (Mr. MECK) and the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ). They have done an extraordinary job in reviewing what is happening here today and good friends of mine who are back in Ohio now, Bill and Molly Gales, who are watching us, paying attention, trying to understand some of the issues of the day, and I would like to give a shout out, Mr. Speaker.

But let me say this, Mr. Speaker, we spent the last hour listening to, quite frankly, a lot of rhetoric, a lot of empty promises. And formally the 30-Something Group comes out and we talk about and criticize and critique the performance of the Republican majority. And I want the American people to understand this: the Democrats do not have any leverage in this Chamber.

The Republican Party just spent the last hour blaming the Democrats. Like we had any lever of government to pull. The Republican Party controls the House by a large margin. They control the Senate. And the Republican Party controls the White House. They control every legislative and executive branch of government in the United States of America right now, Federal Government. So to look over here like we are the ones running these huge budget deficits is quite a joke.

I would like to say, my friends on the other side who were talking about saving money and controlling the deficits that are projected as far as the eye can see. $500 billion, I would like to say to the Members of my party, go to www.Thomas.gov and you can get the votes for two particular votes that I think the American people and Members of this Chamber would be interested in. Go check out H.R. 1. That is the prescription drug bill. That is a bill that spent 700-plus billion dollars on the Medicare prescription drug program and did absolutely nothing to control the costs of drugs by allowing for reimportation from Canada that would drive the costs down, or allow for the Secretary of Health and Human Services to negotiate with the drug companies on behalf of the Medicare recipients. Both of these provisions that went to drive down the costs of the prescription drug bill because we would be able to control the costs.

Now, my friends on the other side who have spent the last hour being so critical, I find their names on the “aye” column. There were only 25 Republicans who voted against the prescription drug bill. So the Republicans passed a prescription drug bill full of pork that increased control costs.

Before I yield to the gentleman, let me first give him a formal 30-Something welcome. Do not let the gray hair fool you. This guy is 39. I would be happy to yield to the gentleman from Massachusetts (Mr. DELAHUNT). Mr. DELAHUNT. Mr. Speaker, I thank my friend from Ohio. Before I begin to comment, let me say that over the past several months I have had a chance to observe the gentleman and the gentleman from Florida (Mr. MECK) and the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ). They have done an extraordinary job in reviewing what is happening in America.

It is an honor to join the 30-Something Group. I think in terms of honesty, I would have to disclose that I am a bit over 30. In fact, if you allow me, I am two members of the 30-Something Group because in one body you get two chances. We are disk jockeys.

Mr. RYAN of Ohio. We are going to have to implement the same rule that we had to implement when the gentleman from New Jersey (Mr. PALLONE) came. The gentleman is going to have to pay dues twice to the 30-Something Group.

Mr. DELAHUNT. I see. I know the gentleman from New Jersey (Mr. PALLONE). We share the same alma mater, Middlebury College in Vermont. I know that I graduated a decade or so before the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Is the gentleman sure about that?

Mr. DELAHUNT. I think so. Mr. PALLONE. The gentleman looks good.

Mr. DELAHUNT. Because we are here to be honest, because in the previous hour I think what we heard tonight from our friends on the other side an attempt at humor. I do not think that the Members of my party are being honest. I think that they were just demonstrating a great sense of humor because I heard the term “fiscal responsibility” as I was watching their conversation, and I really laughed I do not know. Mr. Speaker, if the gentleman from New Jersey saw it like I did, but if the Republicans in this House and in the other branch and the White House represent fiscal responsibility, we are in serious trouble. Because I remember when the gentleman and I were here during the Clinton administration when President Clinton left. My memory is, and the gentleman can help me because I am a little older, there was a surplus in excess of $5 trillion. And the gentleman can tell us, is there still a surplus after the Republicans have run this government?

What we have today is a single-party state, and what has happened? It certainly is not, in my judgment, and I think we probably share this conclusion, it does not reflect fiscal responsibility. What it does reflect is an appetite to borrow money and then to spend it.

Mr. PALLONE. Mr. Speaker, the gentleman is absolutely right. The amazing thing to me when I was listening to the Republicans in the last hour is when they were trying to make the analogy to their households and talking about their kids. And one of the Republican Members talked about how he went down to the candy store and you could only spend what was in your pocket, and that is what we want to do here. And I was saying, these guys on the Republican side of the aisle have been building up deficits ever since President Bush came into office.

How do they have the nerve to even talk about making the analogy with their households and going to the

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