

costs over 18 months. Over an 18-month period of time \$1,488 savings. That is not pocket change. That is certainly not pocket change for seniors, many of whom are on a fixed income. These savings represent 42 percent off of the typical senior's drug cost.

In fact, it is estimated that prescription drug savings for the State of Georgia, all the seniors in the State of Georgia will reach \$186 million; \$186 million. That will certainly help the bottom line in Georgia, and the bottom line especially for our needy seniors.

I also want to call attention to this next slide. This is just a typical example of what a Medicare prescription drug discount card looks like. And I guess the most important thing here, and I know we have 1.8 million seniors who have these, but we want more to take advantage, because the time is slipping away and the opportunity to get that credit that so many of them are eligible for. We do not want them to lose that opportunity. But the most important thing about this card is that it has the Medicare seal of approval. That way you know that that is the real deal. That is the card.

There will be plenty to choose from. They are available now. In fact, they have been available since June 1 of this year. It is time for our seniors to reject the Medicare rhetoric and get these cards. Sign up for them. All you have to do is pick up that telephone and dial 1-800-Medicare, and they will walk you through the steps in 15 or 20 minutes.

Mr. Speaker, this is another slide that I am calling my colleagues' attention to; and basically what it reflects in the respective States is how many Medicare beneficiaries are there who will actually pay no more than \$5 per prescription under this new Medicare Modernization Act and Prescription Drug Bill. The State that, of course, jumps off the page at me is my State. I am sure my colleagues feel the same as they look at this slide and pick out their State, whether you are from the West, the North, the East, the South, or wherever, or in the heartlands.

When I look at Georgia, the great State of Georgia, and realize that 233,000, 233,000 Georgians under this new plan, because of their income, because they are on a fixed income, maybe they are below 150 percent of the Federal poverty level, the most that they will pay on this program is \$5 per prescription. That is it, \$5 per prescription. That is 233,000 in the great State of Georgia.

We have some tremendous strains, of course, in the Medicare program. I mentioned at the outset how tough it is for the physicians to stay in the program, that it is not a giveaway. Part B is not a giveaway to the doctors. Fortunately, many, through compassion, are staying in the program. But it is certainly no giveaway. And for sure no giveaway to our hospitals is part A. And, parenthetically, part D, the prescription drug part, is no giveaway to the pharmaceutical industry.

But just look at this slide, my fellow colleagues. Look at this and pick out your State and see the benefit to your hospitals, especially your rural hospitals, that are struggling so badly to keep those doors open. Outside of the school system, they are probably the largest employer in your county, in your congressional district. Just look at the benefit that your State gets through the hospitals under this program.

Here again, I go right to Georgia, and that is where it is most important to me. Over \$550 million worth of benefit to the hospitals, especially the rural hospitals in the State of Georgia. That is \$550 million, almost half a billion dollars. This is a Godsend to these hospitals. And that is what we are doing with this Medicare and Modernization Prescription Drug Act.

Mr. Speaker, I realize we are coming to the close of our hour, which has been, I think, a good time to spend talking with my colleagues and making sure that everybody understands. We have done something very historic in this 108th Congress. We have finally delivered on a promise that was made a long time ago. Thirty-eight years is a long, long time for our seniors to wait for a prescription drug benefit to modernize this Medicare program, which is still in the 20th century.

The rest of us, those of us who are not yet quite 65, although some Members of this body are, we have a benefit plan that has an emphasis on wellness, on prevention, and making sure that catastrophic illnesses do not occur to us.

□ 2200

This is such an important point to remember that including a prescription drug benefit may very well, in the long term, over a 10-year period of time, result in some savings to the Medicare program. Yes, we are estimating it might cost \$500 billion over 10 years, but I want my colleagues to understand that it will only cost \$500 billion over 10 years if it does not work. Because I would suggest that if it does work, and I sincerely believe as the President believes in this compassionate effort to finally deliver that we are going to reduce the cost of Medicare that we spend on part A, the hospital part, we are going to keep people out of the hospital. We are going to reduce the cost of part B, the part of Medicare that we spend on physician reimbursement because we are not going to be doing as much open heart surgery. We are not going to be doing as much renal dialysis and kidney transplants. We are not going to have as many people in the nursing homes for the rest of their lives who are trying to recover from a CVA, or, as you know it, a stroke, because these seniors will be able to control that high blood pressure that heretofore they could not. They knew they had it but they could not take their medication, and the only benefit they get is when a catastrophe has occurred.

I thank my colleagues for giving me an opportunity to talk to them tonight about this great program that is going to only get better. I think it is time to stop scaring our seniors. We have got 27 days before Halloween. We have got about 30 days before our elections. Let us take the politics out of this. Let us not try to ride our reelection train on the back of our seniors by scaring them over this program. It is unconscionable to do that. They deserve so much better. And you are better. I know that.

We get awfully partisan up here sometimes, but when we talk out in the halls or we realize that we are all basically the same, we have got families, we have got children, we have got grandchildren, we have got seniors in our district, let us all work toward the betterment of them through this program and quit scaring our seniors. Beyond this Halloween and this election and going forward in the 109th Congress, we will make this program even better than it is now.

#### THE NATIONAL DEBT

The SPEAKER pro tempore (Mr. MURPHY). Under the Speaker's announced policy of January 7, 2003, the gentleman from Tennessee (Mr. TANNER) is recognized for 60 minutes as the designee of the minority leader.

Mr. TANNER. Mr. Speaker, I come here to the floor tonight to talk about something that is not very pleasant to think about, much less talk about, but as President Jimmy Carter once said, the highest office in this land of ours is that of citizen, because the citizen makes the determination as to the course that our country's leaders take. All of us are citizens, and therefore, all of us ought to be aware of what I consider to be a grave and growing danger, maybe second only to terrorism in our country tonight. The issue that I am referring to is our Nation's overwhelming Federal debt. I do not believe most of our citizens, the highest officeholders in this land, realize just how bad this debt and deficit is and how much it is rapidly deteriorating in terms of our Nation's financial balance sheet.

We have embarked for the last 4 years on an unprecedented and unsustainable borrowing binge that is going to place our citizens in hock not only from the standpoint of paying ever-increasing taxes just to service the debt, much like we do our credit card debt, but what we are doing to ourselves, to our country and to our children and grandchildren.

Let me talk to you a little bit about mind-numbing figures, numbers. I will try to limit that, but let me just try to explain. We hear two different debt numbers. We hear of our Federal debt being \$7.3 trillion, and it is. That is the total obligation of our country vis-à-vis our deficits, our budgets and so on. About \$3 trillion of that \$7.3 trillion is money basically that we owe to each other; we owe to the Social Security

trust fund that we have borrowed from; we owe to the veterans' organizational trust funds that we have; the airport trust fund; the highway trust fund; on and on. That \$3 trillion is money that we the people, the citizens, owe to the various trustees, and we have to make good on that in the future. That is not the part of the \$7.3 trillion I want to talk about tonight. I want to talk tonight about the \$4.3 trillion that I call hard money, hard dollars that we have actually borrowed from individuals and corporations in this country and from around the world that we will talk about in a few minutes. I hope before you turn off listening to us, you will listen to what we have to say about that, because it is truly frightening.

I do not know, reading history, of any country that has managed to remain strong and free and bankrupt. My friends, my citizens, that is where this country is headed. The deterioration of the Federal balance sheet in the last 4 years is truly breathtaking. These numbers right here, we have borrowed in the last 45 months or so \$1 trillion if we add all of this up, \$1 trillion. I do not have to tell all of us, myself included, who have debt on our house, our car or our credit cards, what \$1 trillion means. It means, at 5 percent interest, we have actually increased taxes on the American people in the last 45 months by \$50 billion a year each and every year. That is called a debt tax that we will talk about later. It must come off the top. It must be paid. It cannot be repealed, and that is where we have put ourselves collectively in the last just 4 years.

This second chart shows how much the debt limit levels have increased just since 2001. In 2001, the debt ceiling was \$5.9 trillion. In 2004, it will be \$8.07 trillion, and by 2014, according to the Congressional Budget Office projection, that is assuming that everything stays the same, it will be \$13 trillion. I suggest to you that, if you are in an airplane, you are in a death spiral financially on this chart right here. If you do not do something different, if we do not do something different, if you do not demand that the leaders of this country in this one-party government we have now do something different, we are going to hit the ground. There is no way this country can sustain and service this kind of debt.

I talked about servicing the debt. Last year, on this \$4 trillion plus, we paid \$159 billion in interest. We wrote checks for \$159 billion. This will go on as we see under present law. By the end of 2008, we will be spending \$1 trillion a year just to service our debt. It is clearly unsustainable. There is no way that you can take that much money out of our economy just to service debt for which we get no military prowess, no education, no health care, no highways, no bridges, no anything but just the privilege of paying taxes so we can pay debt.

At this point, I want to again emphasize, if you are just talking about debt,

we are in an unprecedented and unsustainable headlong dive into bankruptcy. I want to ask my friend from Texas now to talk a little bit about what we do. But after he does, please stay tuned because we are going to talk about who owns it, and that is truly frightening. My friend from Texas (Mr. STENHOLM) is one of the leaders here in the Congress for financial responsibility, for commonsense approaches to government in terms of what we can afford. He has been so for over 20 years. He is the father around here of the balanced budget amendment. He introduced it, I guess, as soon as he got here, and he is one who has unquestioned credibility and credentials on our Nation's debt, deficit, financial balance sheet, you name it. I am glad the gentleman has joined us tonight.

Mr. STENHOLM. I thank my friend from Tennessee for yielding and thank him for taking this hour tonight. I not only want to thank him, but I want to thank USA Today for what they did today on the front page of their newspaper. We have been in this Chamber several times this year talking about this, but nobody pays any attention. You would think that you are making this up, what you have just shown, how the deficit has turned around. We have listened to the explanations from our friends on the other side who are in control of the fiscal matters of this country right now. Here is the paper, front page: \$84,454 is the average household's personal debt, as you mentioned. We have got home mortgages. If you are in small business, you borrow money. Your personal family, you borrow money. You have got credit card debt. You have got a car loan, et cetera. So the average per household is \$84,454. The average debt that you are talking about tonight plus the unfunded liabilities of Social Security and Medicare, and I found it rather fascinating that the previous 1 hour did not ever mention the debt that is associated with the Medicare program right now, that did not mention that we were kind of misled, and I was one of the bipartisan supporters of the pharmaceutical drug Medicare reform bill, and I supported it because of the rural hospital components, but nobody mentioned the fact that we were misled about what the cost of that bill was going to be, those of us who supported it. We were not told 100 percent of the truth, and that is another story for another day.

But you are going to get into something in a minute that I think is going to get even more the attention of the American people. I remember, 1981, when we in this body in a bipartisan way increased the debt ceiling to, I believe, \$980 billion. We are talking tonight about \$7.3 trillion. It was \$980 billion in 1981. We did not worry too much about that at that time because we owed most of that money to ourselves. When you owe money to yourselves, I remember the debate very clearly, it is

not a problem because we are just taking it out of this pocket and putting it in another one. But, today, it has changed a little.

I think that leads into the point the gentleman was wanting to make. I want to talk more about this unfunded liability again, things we are not doing in this 108th Congress.

□ 2215

It has been now labeled, and I think correctly, the biggest do-nothing Congress since 1948; i.e., we have been in session less this year than any Congress since 1948. And that means that we have got an energy bill we have not passed. That means we have got a budget we have not passed. That means that, sometime this week, we are going to reach the debt ceiling of \$7.384 trillion, which means we have got to up our credit card limit, or we default on these notes that we have got. And so all of this time, nothing is being talked about until today on the front page, some newspaper, some media, paid a little bit of attention to it.

But when we talk about debt, we do not owe it to ourselves anymore, and one of the most frightening aspects of this debt today is the one that the gentleman is just about to talk about.

Mr. TANNER. Mr. Speaker, reclaiming my time, I thank the gentleman for his comments.

I hope that we have communicated the breathtaking magnitude of this federal debt, \$7.3 trillion in a \$10 trillion economy. We cannot sustain that. It is like, if one makes \$50,000 a year and they owe 70 percent of that in debt, they are in deep trouble, and I will talk about that in a minute. But the gentleman from Washington has joined us.

Mr. Speaker, would he like to say something before I get into whom we owe?

Mr. McDERMOTT. Mr. Speaker, will the gentleman yield?

Mr. TANNER. I yield to the gentleman from Washington.

Mr. McDERMOTT. Mr. Speaker, I think it is rather unusual that the gentleman from Texas (Mr. STENHOLM), the gentleman from Tennessee (Mr. TANNER), and I are all up here today talking about the same issue because I really think it is time to get some real value out of the administration's color-coded warning system. It is time to declare a code red on the Nation's debt crisis.

The front page story today, which has been alluded to, from USA Today analyzed the financial obligations facing Americans because of government debt. USA Today called it the hidden debt, and it totals a staggering \$53 trillion. That translates into \$473,456 per household. This money we need right now to meet the future obligations for programs like Medicare, Social Security, and government pensions. It grows by \$1 trillion a year as long as this administration's budget binge continues.

The bills come due in earnest beginning in 2008. That is not very far away.

It is a blink of an eye in real terms. So far, the answer out of this administration seems to be a strategy of letting the financial crisis reach epic proportions and then renege on the promise that the country has made to the greatest generation. And that, in my view, is not right.

When Americans need their government most, at retirement, the administration has not put forth a credible plan to honor our commitment to senior citizens. When Americans are most vulnerable, entering retirement after a lifetime of hard work and sacrifice, this administration is budget binging and simply cannot go on.

What will they say to seniors? Well, we would not do the math. Or we did the math and left it to the next administration to be responsible. The road the administration has put this Nation on is a fast track to catastrophe. This is far from a dire warning.

Economists and other experts on both sides of the aisle know the consequences of what USA Today is reporting today. The nonpartisan, independent CBO looked at the President's budget. The CBO concluded, "These long-term budget projections show clearly that the budget is on an unsustainable path." That is not rhetoric. That is a dose of reality about where this administration has taken the country.

It gets even worse if a major disruption in oil supplies or another terrorist attack shakes the world's confidence in America. There is a major crisis at America's doorstep, but this administration serves up anecdotes instead of answers.

America's national security cannot be separated from America's economic security. And knowing that this Nation faces a looming debt load surpassing \$53 trillion, the administration simply denies the crisis and keeps rewarding the rich with increasing tax cuts. Every day that the administration pretends everything is rosy is another day closer to a crisis when decisions will be forced, not made. That is because America is being run on borrowed money as much as borrowed time.

America is increasingly dependent on foreign governments to finance the U.S. Government spending. Is that the administration's idea of how to keep America secure? The way the administration is going, our insatiable appetite for foreign capital to keep the United States going will match our insatiable appetite for oil. Dealing with one is bad enough. Dealing with both is downright scary.

What happens when foreign countries decide to push the limit and demand more and more of us, not in dollars but in policies? If anyone doubts that carrot-and-stick approach, I would say look back on our own recent history. How many times has the United States tied economic assistance to another nation for concessions on something we want in return? The answer is, too many times to count.

National security depends upon economic security and is not built on top of an international debt or a mountain of international IOUs. We owe the greatest generation something more than a than an IOU. We owe the next generation something more than an anvil of debt hanging around their necks. We owe it to ourselves to face the reality that is facing us this day.

Here is the scale.

America is the greatest economic engine on the face of the earth. Last year, America's entire economic output was \$11 trillion, as has been mentioned before. That was the total gross domestic product. As impressive as that is, the GDP pales in comparison to the \$53 trillion coming due. Last year's entire economic output of the greatest country on earth is a mere one-fifth of the debt load America faces. Common sense ought to tell us where math like that gets us.

The war on America's debt is going to challenge us in ways we have never seen before. The danger is the economic policies set in motion by the current administration will pit one generation against another; the seniors against the folks in our age group against our kids. Every day the administration denies the problem is another day the war on debt becomes harder to win. We can act while we are still responsible to make choices. Or America can wait until we make or are forced to make draconian cuts.

The Greatest Generation made the greatest sacrifice on behalf of every generation. America owes them a debt of gratitude, not a mountain of debt that imperils everything they fought for. It is time to put the common good ahead of uncommon gain in this country. We have done it before, and we can do it again.

I think the gentleman from Tennessee (Mr. TANNER) ought to be commended for coming out here and raising this issue. At 10:30 at night, the people of the west coast are still watching, and I am sure people in Tennessee are watching, and people in Texas are watching, and they have got to think about this. This is not being discussed in this campaign. But George Bush has run us off the road. So my hat is off to the gentleman for coming out and talking about this.

Mr. TANNER. Mr. Speaker, reclaiming my time, I thank the gentleman for joining us. I got interested in this, it has been 2 years ago now, and I have learned more about the Nation's debt structure and so forth than I ever thought I would. And the more I think about it, the more concerned I become. And we are talking about this gross federal debt.

Let me try to boil it down. Of the last year, we paid gross interest on the \$7.3 trillion of \$318 billion. If we do the math, that is, 17.8 percent of every dollar that comes into this town is going out in interest. That is a 17.8 percent mortgage on our country. If we just talk about the \$4 trillion, the hard dol-

lars, and take away the money we owe each other, we have got almost a 9 percent mortgage on the country now, and it is going up every single day.

Mr. McDERMOTT. Mr. Speaker, who is financing it?

Mr. TANNER. Mr. Speaker, I am going to answer that question, and I guess now is as good a time as any. The foreign-held debt in January of 2001 was \$1.01 trillion. The foreign-held debt in July of this year was \$1.81 trillion. That is a difference of \$800 billion since 2001, a 79 percent increase in what foreigners hold.

If we look at this chart, in 1980, of our debt foreigners held 17 percent of it. Last year, they held 37 percent of it. That is over a 23-year period.

But look at this one. In just 1 year, through July of 2004, it has gone from 37 to 42. That is what I am talking about when, on page 2 of the story, we will hear this, oh, well, this deficit is not any greater than it has been in times gone by as a percentage of the gross domestic product. That may be true, but what they do not tell us is that, in those times before, it was Americans buying war bonds. It was Americans buying T-bills and Americans buying notes. That is not true any longer. We are now dependent on the infusion of foreign capital to buy our notes, our T-bills and our bonds to finance this government. This is a recipe for financial disaster. It has to be.

One of the heart-breaking things about this is that people just do not focus on it and do not understand the magnitude of the problem. We think about the foreign aid bill. Do my colleagues realize that this year we will ship overseas four times the amount of the foreign aid bill in interest alone? Eighty-four billion dollars we are shipping out of this country to foreign-held debt. This is something that I think people ought to be aware of.

And this chart will show who owns our debt. In July of 2004, we owed the Japanese \$695.8 billion. We owe mainland China \$166.9 billion; United Kingdom, \$130.4 billion; Caribbean banking centers, \$90.9 billion; Korea, \$61.5 billion; Taiwan, \$57.6 billion; Hong Kong, \$50.4 billion; Germany, \$49 billion; Switzerland, \$48 billion. We owe OPEC \$43.9 billion. We owe Mexico \$34.1 billion; Canada, \$33.3 billion; Singapore, \$26.1 billion. We owe Luxembourg \$26 billion; Ireland, \$18.2 billion; Brazil, \$16.2 billion; Italy, \$15.7 billion; Turkey, \$15 billion; India, \$14.9 billion; the Netherlands, \$14.6 billion; Belgium, \$14.6 billion; Thailand, \$14.3 billion; Israel, \$13.8 billion; France, \$13.6 billion; Spain, \$11.9 billion; Sweden, \$10.4 billion; Australia, \$9.7 billion; others, \$7.5 billion. We owe \$1.813.1 trillion out of the \$4 trillion to people who are not Americans and who may not see the world as we see it in the future. And therein lies, I think, an unacceptable risk that we are putting our country in. We are creating a financial risk to our country that is, in my view, unacceptable.

The percentage of debt that was in foreign-held hands when President Bush took office has gone up, as I said, \$800 billion. And the percentage of the 2003 deficit last year that we had, do my colleagues know what happened? Seventy percent of our deficit last year was financed by foreigners.

□ 2230

Not us. We are not paying for it. We are not paying for anything. Foreigners are financing our deficit spending. And if you do not think that is dangerous, then you have not studied history.

I yield further to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I hope our colleagues are paying a little attention to this tonight, because when we have been on this floor offering to be part of a solution, if people are watching this right now, folks are beginning to think, I would hope, okay, what should we do about it? What do you propose we do about it? How do you stop this, or is it no problem?

Well, I do not think anybody can come to the conclusion that this is no problem. If they do, they are living on a different world than the gentleman is or I am. It is a problem. It is a major problem.

Not only is this foreign debt, but then when you look at the unfunded liabilities of our Social Security system, for our children and grandchildren, and I want to emphasize right here, no one watching this has to worry about your Social Security check today. That is not the problem. It is our children and grandchildren that have got to worry about it. The Medicare situation right now is a \$30 trillion unfunded liability. That is the more immediate problem.

But our point tonight is in emphasizing this body, the 108th Congress, has done nothing to address the problem the gentleman is showing, has done nothing to address the Social Security unfunded liability, has done nothing to deal with Medicare, other than dig the hole deeper; and that is the concern that we bring tonight.

It is time that we start doing something about it. Sometime this week, it is estimated that on Friday the United States of America will reach our credit card limit, \$7.384 trillion; and when you reach that limit, you cannot borrow any more.

Now, the Blue Dogs, we have written a letter to the gentleman from Illinois (Speaker HASTERT), saying Mr. Speaker, we will vote to increase the debt ceiling, we will provide some bipartisan support for doing that, and we ask you to bring it to the floor and do it out in the open, with one proviso: reinstate one small rule that worked in 1990, 1992 and 1997, pay-as-you-go.

It says if you are going to spend more money for any purpose, you have got to pay for it. If you are going to cut taxes, you have got to cut the spending first; not just say you are going to do it, but actually do it before you cut the taxes

so you do not dig the deficit hole deeper.

We think that is a reasonable compromise. The gentleman and I and 36 of our colleagues have said on this side of the aisle, we will do that.

Instead, what we hear from the leadership of this House is we are not going to vote on it until the lame duck session. We are going to put the Treasurer of the United States, who has asked us to increase the debt ceiling, we are going to put the good faith and credit of the United States into requiring the Treasurer of the United States to use every gimmick at his disposal, borrowing the Civil Service trust fund dollars, again, they have already been borrowed and spent, but we are going to do it again, because, as you know, these trust funds are a figment of imagination of anybody.

The military, the irony tonight, is that for the next 6 weeks we are going to force the Treasurer of the United States to borrow the military trust funds. The men and women who are putting their lives on the line tonight for us in Afghanistan and Iraq, work in paying into their trust fund for their retirement, we are going to manipulate that for the next 6 weeks just to keep us from voting to increase the debt ceiling. That borders on immorality. We hear a lot about that around this body, and it is wrong.

It is time for us to start dealing. You will find, Mr. Speaker, there are some considerable number of Democrats that will work with you would you allow us the opportunity to do so.

Finally, on the point the gentleman is making here, the gentleman mentioned debt tax awhile ago. All we hear about around here is tax cuts, tax cuts out the gazoo.

What the gentleman has shown tonight is the largest tax increase that this country has ever seen, because once you owe \$7 trillion, let us round it off now because it will be \$8 trillion within the next year, \$8 trillion, a 1 percent increase in the interest rates of this country, a 1 percent increase is a \$80 billion tax increase, and where are we going to send 42 percent of that tax increase? To our good foreign neighbors that are financing our spending binge in this country.

This is the biggest not only tax increase, but, as the gentleman pointed out tonight, the biggest foreign aid bill that this country has ever passed. And yet you would not believe it based on the rhetoric we hear in this body night after night.

Mr. TANNER. Mr. Speaker, I see our friend from Mississippi (Mr. TAYLOR) has joined us. I thank the gentleman for coming down. Some of us sometimes feel like a canary in a coal mine. They send a canary in a coal mine to see if it can live because of the gases and so forth. We have been talking about this, the Blue Dogs and others, for at least a year.

I think maybe with the gentleman from Texas (Mr. STENHOLM), what he

said about USA Today, maybe we are getting through now and people are beginning to see. As I said earlier, the citizens of this country need to know this. I do not think they really fully know, because nobody has talked that much about it, but we are on a road to financial Armageddon. What we are doing around here is just plain wrong.

I thank the gentleman from Mississippi for joining us tonight.

Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman for yielding.

Later on this week there will be a debate between the two candidates for President. I distinctly remember the incumbent telling me a little over 3½ years ago that he could increase spending, decrease taxes and pay down the national debt.

Having watched this body for decades have huge annual operating deficits, I did not think it could work. It just did not make sense. It took fiscal restraints, it took some tax increases that I voted against, but it took both of those things to balance the budget. And here he was coming in saying, I am going to spend more, I am collecting less, and I am going to balance the budget.

So on the night of my son's 13 birthday, they passed the President's budget. At that time our Nation was \$5,643,283,000,000 in debt and owed over \$1 trillion to the Social Security trust fund, and yet he said what we needed to do was spend more and collect less.

In slightly over 3 years the national debt has increased by \$1,735,784,685,911. To put that into context, if you went all the way from the American Revolution, the cost of the American Revolution, the cost of the War of 1812, the cost of the Mexican American War, the Civil War, Spanish-American War, World War I, World War II, Korea and Vietnam, all the things that happened in those years, all the way up to 1979, our Nation borrowed \$1 trillion. In a little over 3 years, our Nation has borrowed \$1.7 trillion. Where did it come from?

The gentleman from Tennessee (Mr. TANNER) has done a great job of talking about we borrowed it from the Communist Chinese. By the way, if you are concerned about Taiwan's independence, imagine a scenario where the Chinese are getting ready to invade Taiwan and say, By the way, if you defend Taiwan, we are calling in the note for \$160 billion you owe us, plus the note for the other \$50 billion you owe to Hong Kong, since we now own them also. So we are calling in the note for over \$200 billion if you defend Taiwan. I have got to tell you, I do think that is part of their strategy. I have said that here on the House floor. If you think big deficits are a good idea, then you like borrowing money from the Communist Chinese.

But worse than that, every single American who has a job, from a kid who is working at a snowball stand to Bill Gates, everybody pays at least on

their first \$68,000 of income on their Social Security. There was a solemn promise made back during the Reagan Presidency when those taxes were increased that that money would be set aside for no other purpose than paying Social Security benefits.

Right now, our Nation owes the Social Security trust fund \$1.6 trillion with no plan to pay it back. The past 3 years, they have stolen an additional \$521 billion from the Social Security trust fund.

So if you watch the debates Thursday night, and I hope some television commentator somewhere is watching this, how about a great question: How do you plan to pay back the \$1.6 trillion that has been stolen from the Social Security trust fund, including the \$521 billion that has been stolen in just over the past 3 years? Because if you do not have a plan to pay it back, then you stole it.

So in order to get about \$600 billion in tax breaks, \$521 billion stolen from the Social Security trust fund, the rest is borrowed from the Communist Chinese. A heck of a deal.

As a matter of fact, if you take a look at it, for every dollar the American people got back in tax breaks, our Nation has borrowed three. That is a heck of a sound business decision.

So if you have watched the House floor in the past couple of weeks, you know that we have had votes on things like gay marriage, which I opposed. We have had votes on things like burning the flag, which I oppose. We have had a lot of talk of morals; we have had a lot of talk of patriotism.

So let me pose to my Republican friends who vote for most of these things, a moral question: Is it moral for you to spend money that you are going to stick your kids with the bill? What moral father, what moral mother would go out and buy a house or a fancy car and say, I don't care what it costs, because my kids are going to pay for it.

What moral grandparent would go out and buy something and say, I don't care what it costs. My grandkids are going to pay for it.

Mr. TANNER. Or just pay the interest on it and let them pay it off.

Mr. TAYLOR of Mississippi. Right. Talk about patriotism. What patriot would bankrupt the country he loves? That is exactly what has been going on for the last 3 years.

We hear talk about sound economic principles. Really? What is so sound about borrowing \$3 for every \$1 the citizens got back in tax breaks? New York loan sharks do not charge that kind of interest. Yet it is what we continue to pay.

So I think the questions that I would hope the press will be asking Thursday night are how did we get into this jam and what is your plan, both of you candidates, for getting us out of it?

What is my plan? Number one, I think we need a constitutional amendment to protect the trust funds. We

have a solemn promise. If we take money out of a person's paycheck and say it is going towards Social Security, then it should go towards nothing but Social Security. If we take money out of a person's paycheck to pay for Medicare, then it should go towards nothing but Medicare. It is pretty simple. If we tell a Federal employee we are going to take money out of their paycheck and set it aside for their retirement, then we ought to do just that.

But what you do not know and probably do not want to hear is that as of this moment this Nation owes you, every Social Security recipient, a total of \$1.6 trillion has been taken out of your trust fund. For those of you who paid into Medicare, and every working American has, we owe you \$270 billion. If you are a Federal employee, we owe you \$622 billion in your retirement fund.

By the way, if a private sector employer had done that, if a private sector employer had dug into his employees' retirement fund for any reason, no matter how good, whether it was to help a crippled child, whether it was to help someone go to college, whether it was to pay a disaster loan, if they borrowed into it for any reason, they would go to jail. Yet the people who run our country continue to do that with absolutely no remorse for what they have done, and, sadder still, with absolutely no plan for paying it back.

So I say to the gentleman from Tennessee (Mr. TANNER), I do appreciate the opportunity to be here tonight.

For you House employees, I hate keeping you here tonight. There is one week left in this session. I promise not to do this to you on a regular basis. I think these are things the American public needs to know about. I think this is the time to talk about it.

Mr. TANNER. I yield to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I was just going to add a couple of points here.

It is not just the three of us talking about this. The Comptroller General David Walker, the government's chief accountant, is traveling the Nation warning of the impending crisis. "I am desperately trying to get people to understand the significance of this for our country, our children and our grandchildren," Walker says. "How this is resolved could affect not only our economic security but our national security," which the gentleman has pointed out and the gentleman from Mississippi (Mr. TAYLOR). "We are heading to a future where we will have to double taxes or cut Federal spending by 50 percent."

Alan Greenspan has been begging this Congress and this administration to deal with the deficit, but nobody seems to be listening.

□ 2245

This is a major problem which requires a solution, and we just seem to be ignoring it and sweeping it under the table like it is not there, but it is there.

Mr. TANNER. Mr. Speaker, if this has not depressed us enough, this year, so far, in 2004, the increase in the privately held debt is \$380 billion. The increase in foreign-held debt is \$370 billion. Ninety-seven percent of the increase in privately held debt is in the hands of foreigners.

There is a fellow, Alan Sloan, who wrote not long ago in The Washington Post about us financing our government with borrowed money from anywhere on Earth where people will let us have some in exchange for our IOU, and he said this: "Whose bread I eat, his song I sing." What of course he was talking about is, as the gentleman from Mississippi (Mr. TAYLOR) pointed out, when you are in hock all over the world, but particularly to Beijing, and look at what they have done; I cannot believe that this is just happenstance.

Just since 2000, they have increased their holdings of our debt 119 percent. Now, there is a reason for that, and it is not because they see the world the same way the United States does every day. I am not bashing China, other than to say, we are creating a financial liability, a financial vulnerability that is tantamount to a national security issue. There is no other way we can say it. To point that out, there is a former official of the People's Bank of China, the country's central bank, who was recently quoted and said the U.S. dollar is now at the mercy of Asian governments.

I want to tell my colleagues, we not only have a horrendous balance of trade situation with Asia but, if this is true, then we are no longer the architects of our own destiny financially. There is no way this country can be strong and free and put in the position we are in, in hock all over the world, getting worse by the day. Mr. Speaker, 97 percent of the privately held debt this year increased by foreigners.

Mr. STENHOLM. Mr. Speaker, I want to make an observation right here, because I know if any of our colleagues, and we have two on the floor from our friends on the other side of the aisle right now, their thinking right now, if it has been as it has been when we have had open expressions of opposition to some of our solutions, is that you are forgetting to say we are at war, and wars are expensive. No, we are not forgetting for one second that we are at war, and 20 percent of this problem is directly related to the war, 20 percent. I use as my reference for that, Alan Greenspan.

The gentleman from Tennessee brought up another interesting point that really is directly tied to the point the gentleman is making tonight. How many times have we been on this floor worried about the trade deficit? I rhetorically ask the question of my constituency back home many times: How long can America keep sending over \$500 billion, exporting our jobs to other countries at the rate we are without the law of economics taking over? I do not know the answer to that question,

and I do not know anybody who does know the answer to that question, but there is an answer, and the market is ultimately going to answer that.

But now, tonight, the gentleman has shown, as Paul Harvey says, the rest of the story. What happens to those dollars when we ship them across to other countries? They come back. They have to come back. They are buying our debt with those dollars. If they did not, we would have a much more serious economic situation almost overnight.

Mr. TANNER. And if they stop, we have a crisis.

Mr. STENHOLM. That is the crisis.

Now, we hear folks saying, well, Charlie, this deficit is not the largest in the history of our country as a percent of GDP, and I concede that point readily, because that is a fact, if we will also use the same GDP figures for spending and for revenue. And having been around this body now for almost 26 years, I tend to go back and see, well, what was it in 1978 when I was elected and what is it in 2004 today. And spending as a percent of GDP by the Federal Government for all programs has gone down one-half of 1 percent. Revenue has gone down by 5 percent. Therefore, we are perfectly willing to borrow from foreign interests that which we demand the right to spend for all of the purposes that we are spending today. And when we hear this, there is another thing; and this is the point I wanted to make.

The current accounts deficit, the gentleman mentioned that, is the largest that it has been in the history of our country today: 6.9 percent of gross domestic product in the current accounts deficit. Mr. Speaker, 3.4 percent is where it was in 1987 when Black Monday occurred and the stock market crashed because of something that happened. As USA Today says today, an oil crisis, something happens, we have a problem. We are double, 100 percent worse off today in the current accounts deficit than we were in 1987.

Well, one other little figure, facts and figures. The gentleman talked about the debt tax. Forty percent of all income taxes paid by the United States citizenry last year went to pay interest on the national debt. Forty percent of all of our taxes are going to pay interest on the debt; and yet the debt, the deficit, and the rising debt is of no problem to the leadership of this House. Mind-boggling.

Mr. TANNER. Mr. Speaker, I yield to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, it is funny how people change. There was a guy who was a Representative from Illinois and he believed in a balanced budget. His name is DENNIS HASTERT. Back when he was just Member HASTERT, he gave great speeches on the House floor about the importance of a Balanced Budget Amendment to the Constitution. So whether the gentleman from Tennessee (Mr. TANNER) is here, whether the gentleman from

Texas (Mr. STENHOLM) is here, whether I am here, whether the gentleman from California (Mr. CUNNINGHAM) is here, no matter who is here, the rules are that Congress cannot spend more than they collect in taxes.

The gentleman from Illinois (Mr. HASTERT) he came to the floor back then and said, Mr. Chairman, I rise today in support of a Balanced Budget Amendment. "It is an amazing statistic that interest payments on our national debt were 5 times higher in 1993," we are going back a ways, "than outlays for all education, job training, and employment programs combined. Clearly, until our monstrous" then "\$4.3 trillion Federal deficit is eliminated, interest payments will continue to eat away at the important initiatives which the government funds. I will not stand by and watch Congress recklessly squander the future of our children and grandchildren. Mr. Chairman, when I served in the Illinois legislature, the fact that we had a balanced budget amendment to our State Constitution enabled us to practice strong fiscal discipline. We must have the same safeguard at the Federal level. The American people have wanted a Balanced Budget Amendment for a long time because they know it is the only way to force Congress to make the tough spending choices."

That comes out of the CONGRESSIONAL RECORD March 17, 1994. The gentleman from Illinois (Mr. HASTERT) became Speaker in January of 1999, almost 5 years ago. In the 5 years that he has been Speaker, he has not allowed a single vote on a Balanced Budget Amendment to the Constitution. We have had a number of votes on amending the American Constitution on things that I voted for, things like preventing gay marriage, things like preventing flag desecration, but not a single vote on what I consider to be the most important issue in America right now, and that is passing a law that whether or not the gentleman from California (Mr. CUNNINGHAM), or the gentleman from Texas (Mr. STENHOLM), or the gentleman from Tennessee (Mr. TANNER), or myself, the Speaker, or no matter who sits in our chairs, those people who serve the public will spend no more than they collect in taxes.

I say to the Speaker of the House, the gentleman from Illinois (Mr. HASTERT), we have about 1 week left in this session. I, for one, would like the opportunity to vote on a Balanced Budget amendment. You have blocked it for 5 years now. One of the reasons I will never vote for you for Speaker is because what you said as a Member did not translate into what you did as Speaker of the House.

I believe it is important. Almost every State has laws that say, you cannot spend more than you collect in taxes. In my State of Mississippi, city councilmen and county supervisors are held personally liable if they spend more than they collect in taxes. And guess what? They do not spend more

than they collect in taxes. We need that sort of responsibility here.

So I say to the gentleman from Tennessee (Mr. TANNER), thank you for pointing out the evils of the debt. We have outlined some solutions tonight. We are hoping guys like the gentleman from Illinois (Mr. HASTERT) or whoever the next Speaker is will give us a vote on that. And I am ready to do that, I say to the gentleman from California (Mr. CUNNINGHAM), and I hope he is ready to do that. But at the very least, let us have a vote on it. Let us show the American people who is for a Balanced Budget Amendment and who is not. Quit hiding behind the Speaker of the House who, for 5 years now, has blocked that vote, even though he came to this floor on any number of occasions and said how important it was for our Nation to have that.

Mr. STENHOLM. Mr. Speaker, one of the reasons why he has not brought it up is we cannot have the kinds of budgets that have been here in this body for the last 3 or 4 years and get to a balanced budget. We have to change our overall budget philosophy and go back to pay-as-you-go. It is pretty simple arithmetic. We cannot run this country on philosophy. The banks will not lend us money on philosophy all of our lives. At some point, the law of economics is going to take over and as the charts the gentleman from Tennessee (Mr. TANNER) has shown us tonight, if it does not begin to get the attention, which I am glad again today, USA Today put it on the front page, maybe now, tomorrow night in the debates between the two candidates for Vice President, this issue will come up.

Maybe Thursday or Friday night it will become part of the debate, and people will start asking the question, what is your plan? The three of us will be here, hopefully with three friends from the other side of the aisle with a plan; and if we will start working together, we can begin to address this problem. But we cannot do it with the game plan that we are under today. The game plan today is giving the results of what the gentleman is showing us right now in the charts.

Mr. TANNER. Mr. Speaker, I want to thank my colleagues for coming, and we will wrap this up. But there are three things that I hope people who have listened to this tonight will come away with. Number one, we are in an unprecedented spiral of debt. We are borrowing money now faster than this country has ever borrowed it. There is not a reputable economist in this land that thinks that growth can catch up to this debt curve that is plunging us into bankruptcy. Not one reputable economist will say that growth will catch up with this.

As I said earlier at the top of the hour, we are in an airplane; and if we do not do something different, we are in a death spiral. It is going to hit the ground. It is that simple. No question about that.

The second thing is I hope people will realize that as bad as this is, what is



worse is who is financing it. Back in World War II, back in World War I, back any time we had a national crisis in this country and we had to raise money through borrowing, we did it with war bonds and so forth, and people in this country invested in the good of the Nation. That is not happening. We are now mortgaging our country, 90 percent this year. It has gone up 79 percent in the last 4 years. We are borrowing from people who do not have America's best interests at heart. I hope that is the second lesson that comes out of this tonight. Please, if you think that is important, if you know, as I do, that we are creating a financial vulnerability second only as a matter of national security to the war on terrorism, because we will lose control of our own financial destiny, control of our economy if this is not quickly reversed.

And third, the way to reverse it is to immediately establish the rules of pay-as-you-go. Every family does it. If I want to spend some money over here, I have to cut somewhere over here. It is that simple. We all do it. They refuse, the Republican leadership here refuses to put what we call PAYGO rules back in. They work. If you have a good idea, that is fine. How are you going to pay for it? You have to cut somewhere else to do it. We ought to demand, the citizens, the highest officeholders in our land must demand financial accountability that has been sadly and, in my judgment, heart-breakingly absent here. I yield to the gentleman from Mississippi.

Mr. TAYLOR of Mississippi. Mr. Speaker, just along the lines of the gentleman from Tennessee (Mr. TANNER), and I am really reminded of it when I see a great American hero sitting across the aisle from us, someone who fought for his country in Vietnam, was an ace, probably has some different views than what we do. But I will say this: I greatly respect the gentleman from California (Mr. CUNNINGHAM), and I greatly respect everyone who has ever served our country. I have enormous respect for all of those fighting in Iraq and Afghanistan tonight.

□ 2300

But I will say this. Those of us who are fortunate enough not to have to fight these wars, ought to at the very least be willing to pay for them right now and not stick those young soldiers and their children with the bill for this war.

That is what is going on. We are just kicking the can. We are asking the kids to fight for us now, and, by the way, when you get home, here is the bill. And if you cannot pay for it, your children and your children's children will pay for it.

Almost every tax on the books, as regrettable as taxes are, almost every tax on the books was put on during wartime. Never in the American history has there been a tax break during a war, never, because every other gen-

eration says, we have a challenge we are going to pay for.

This generation needs to step forward as other generations did. And those of us who are fortunate enough not to fight this war ought to at least be willing to pay for it right now.

Mr. TANNER. Mr. Speaker, we want to thank the staff. We apologize for keeping them here this late. This is a message that we hope people will begin to think about.

#### TO CAST ASIDE A FRIEND

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from California (Mr. CUNNINGHAM) is recognized for half the time before midnight, approximately 30 minutes.

Mr. CUNNINGHAM. Mr. Speaker, I am not going to talk about spending, deficits, taxes, Democrats, Republicans. I am going to do something a little different on the floor. I will talk about a vision for world peace. And the title is "To Cast Aside a Friend," maybe a little different perspective on Saudi Arabia.

There was a speech in which the individual talked about a Saudi businessman who was talking about the murderous events on September 11. We know it as 9/11. The Saudi was worried about the derailment of the partnership and alliance that Saudi Arabia and the United States have enjoyed over the past 60 years for the betterment of a free world, both for Saudi Arabia and for the United States.

I recently visited Saudi Arabia for a couple of weeks, and I want to talk a little bit about what I found there, the support for the United States but yet some of the anger towards the United States, not hatred, but anger.

There has been a fire storm of criticism against Saudi Arabia in the months since 9/11, and the relationships between Saudi Arabia and the United States has been condemned and vilified. I believe Saudi Arabia remains a valuable ally to the United States. The detractors will say that Saudi Arabia is an incubator for terrorism simply because many were Saudis on that flight during 9/11, and they were citizens.

The individuals to whom I spoke in the cabinet and the Shura council, which is like the Congress of the United States, were in disbelief when they were told that Saudis were on that airplane. One of the reasons that some of the people who were reported on those airplanes were still walking around Saudi Arabia, so they said, no, it cannot be. It is misinformation. And when it was proven that it was, they were in disbelief.

If you have a gang of thugs in a city, it does not represent the mainstream of that city. And I found through the citizens I was able to speak to, businessmen, to teachers, to almost every cabinet member, to the Shura council, to women in universities and colleges

in Saudi Arabia, and I found nothing but support for the United States, and a lot want to keep the relationship and better the relationship.

Osama bin Laden was targeting Saudi Arabia, not just the United States, and more specifically, he was targeting the relationship between the two countries by using Saudis as hijackers in 9/11. We know he could have used dozens of different nationalities on those airplanes, but Osama bin Laden wants to bring down the Saudi regime which condemned and expelled him years before.

Second, the disparagers will say that Saudi Arabia is an incubator of terrorism because of school systems.

I will be including this because I do not have time tonight to read the whole thing, but it goes into talk about the bank system, the lending system and how Saudis have shut down terrorism.

I would like to first cover what I found about education. We had about 20,000 Saudi Arabian students in the United States before 9/11. One of the fathers sent his son back. He was a senior in college. And after 9/11 he went through the airplane, and INS saw that he was a Saudi student, held up his visa and made the statement, "Okay, smile for me like a terrorist."

This is the inhumane treatment that many of the students and the ill treatment that people from the Mideast are receiving when they come back into the United States. So when I say anger by the Saudis, not hate, in some cases, I believe it is justified.

I have an individual in my district. He has been an American citizen for many, many years. His brother still lives in Saudi Arabia. His brother's son, named Bater, came through the airport as he had many, many times to come back to school within the United States. He ended up on some list. No one was able to find out what list or why that list existed.

Upon arrival, he was put in handcuffs and shackled, his legs shackled like a common criminal. He was held at the airport and shipped back to Riyadh. No explanation. When he got back to Riyadh, guess what? The United States found out that the allegations were not true.

Now, can you imagine how my constituent's brother treated him when he came back to Saudi Arabia? He still loves the United States. The son, Bater, loves the United States. But would there be anger? If it was my son, you bet.

These are the kinds of things that Secretary Colin Powell is working on to find out, how do we allow the students to come back into the United States, \$1.2 billion just from students coming in from Saudi Arabia? Seventy-five percent of the Saudi cabinet graduated from U.S. schools and colleges and universities. Most of them end up with Ph.D.s. These are the leaders running the country in Saudi Arabia; and every one of them with whom I spoke