

as Democrats, that there should be no cuts.

So the message today is, let us do this in a bipartisan manner. This is no time to undercut America with cuts that will not save America. It will only hurt America. And, frankly, in the many constituencies that I have engaged in across America, not just Texas, we have nursing homes that are going to suffer, senior citizens that are going to suffer.

What about the 5-year look-back on a senior citizen to be able to be eligible for Medicaid and that particular senior citizen is destitute right now? We are going to force them to look back 5 years where there may have been a death, that their partner, their husband or their wife, may have died, and their income may have dropped drastically and it does not show that.

Frankly, Mr. Speaker, I think we can do better. Something is not right and we can do better. Let us defeat the budget reconciliation. Let us work on behalf of the American people and the American young people.

THE DEFICIT REDUCTION ACT OF 2005

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

Mr. HENSARLING. Mr. Speaker, as the Members can tell, we are having a rather spirited debate in this body over something called the Deficit Reduction Act of 2005. It is a little surprising that we would come here and not work in a bipartisan manner to try to actually reduce the deficit.

So we need to explore, Mr. Speaker, exactly why is it that we need to do this, why is it important that we on the Republican side of the aisle have put forth a plan to help reform the government, to help achieve savings for the beleaguered American family? I believe it is very important, Mr. Speaker, because I still believe that although we face a number of challenges, we still have enemies, terrible enemies, who want to seek to do our country woe; that we have challenges in filling up our cars and pickup trucks; that the cost of health care needs to come down. We have a number of challenges, Mr. Speaker, but ultimately we can address them.

America has faced even greater challenges than that before. If we will just preserve freedom, if we will preserve opportunity, if we will protect the family budget from the explosive growth of the Federal budget, I still believe there is no limit to what we, the people in America, can achieve.

But this is a very important debate. And the vote on this act, the Deficit Reduction Act of 2005, Mr. Speaker, is going to be one of the most important votes that we cast this year because as our Nation faces a number of fiscal

challenges in trying to pay for a number of our programs like Medicare and Medicaid and Social Security and, on top of that, the devastating hurricanes that have hit our great Nation, as we seek ways to pay for those, Mr. Speaker, at the end of the day there are only three different ways we can do it.

Either, number one, we are going to raise taxes again on the American people, as the Democrats want to do, and they do not claim they want to do it, but I assure the Members, Mr. Speaker, they do. So number one, we are either going to raise taxes on the American people; or number two, we are going to pass debt on to our children yet again, as unconscionable as that is; or number three, Mr. Speaker, again we can go to our plan, our plan to reform government programs so that we can achieve savings for the American people. And that is what this debate is going to be about.

We can have a bright future. But if we do not do it, Mr. Speaker, if we do not start today on this plan to reform government programs to achieve savings for the American people, I fear that our future could be dark.

For example, Mr. Speaker, I have a chart here. It is a multicolored chart, and it talks about what we call in Washington "entitlement spending," kind of mandatory spending that is on automatic pilot. Much of it is good, but it is growing beyond our ability to pay for it.

This is 2003, and on this side of our chart we have a percentage, and this talks about the percent of our economy that we are spending right now on government.

Right now, Mr. Speaker, all of this spending here, and this year is 2003, just a couple years ago, we were spending roughly 20 percent of our economy on the Federal Government. This line here is our tax revenues, which stays fairly consistent, just a little bit below 20 percent of our economy.

But, Mr. Speaker, as the years go by, if we do not reform these programs, we can look at the year 2015, the year 2030, and the year 2040. Mr. Speaker, if we do not start to reform today, we are on the verge of doubling the size of government in one generation.

What is that going to mean to our children? What is that going to mean to their standard of living? We are on the verge of being the first generation perhaps in the entirety of American history to leave our children a lower standard of living than we enjoyed. And, Mr. Speaker, I just believe that is absolutely unconscionable. We must begin this process of reforms.

Again, we are on the verge of doubling the size of government, and that is just leaving the programs alone. Doing what the Democrats want us to do, turning our back on future generations, is going to double the size of government, taking away that hope, taking away those jobs, taking away those opportunities. How are we going to afford then to put gas in our pickup

trucks? How are we going to afford to send our children to college? How are we going to afford paying our heating bills when Uncle Sam says, No, we are going to have to take twice as much of the economy just to pay for the Federal Government. What does this translate into for families all across America?

Again, if anybody was listening to the earlier debate, we did not hear the Democrats say this, but this is their plan. We have a plan to reform government programs, to achieve savings for the American people. They have a program to double taxes on the American people in one generation. Look at what is going to happen to the average family as the years go by, and this is 2005.

If the Democrats have their way, they will increase taxes on American families almost immediately by \$4,000 a family. Well, there just went a down payment, a huge down payment on a car to get, perhaps, a parent to work. There just went, in some places, a semester or two of college. There just went no telling how many months of child care with the Democrat plan to immediately increase taxes on the American people. And as time goes by to 2009 and 2017 and 2027, increasingly, taxes go up and up and up.

So, again, Mr. Speaker, it really comes down to the question: Do we have a spending problem in Washington or do we have a taxing problem in Washington? And I think as we carry on with this debate, the American people will agree that what we really have here is a spending problem, that spending is out of control in Washington, DC. But I believe, Mr. Speaker, as do so many of my colleagues, that with a good plan of reform to achieve these savings, that we can actually deliver better health care, better retirement security for our seniors at, frankly, a lower cost.

And it is just so sad, Mr. Speaker, that we cannot seemingly get any Democrat from this side of the aisle to come join with us. And it is my fear, Mr. Speaker, that they are more concerned about the next election than they are the next generation.

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

Mr. HENSARLING. I yield to the gentleman from Georgia.

Mr. KINGSTON. Mr. Speaker, I think it is really important that if Members look at the deficit reduction package that we are looking at, it is a reform package that creates savings as opposed to the typical tax-and-spend tactics of the other party, and reform is what most of us, Democrat or Republican, have come to Washington to do.

How many times do people running for Congress go to the local Rotary Club and say we have got to run government more like a business, we have got to end the duplications and the bureaucracy, we have to cut the red tape? And yet here is an opportunity to have some great bipartisan reforms, and all we are doing is getting criticism. And

it is the same old broken record we hear from the Democrats that this is all about cuts.

I was here when we did welfare reform, and the same people were saying that we are pushing people out in the streets, even though welfare reform has been a success, and incidentally, was signed into law by President Clinton. But when a person in today's world thinks about what companies are doing great, they think about Verizon or UPS or Starbucks or Coca-Cola or McDonald's, and they think there are a lot of things going on in the private sector. And they turn around and think what do we have in the Federal Government? FEMA, the IRS, the Immigration and Naturalization Service, the United States Postal Service, and then the local motor vehicle department.

One can go into McDonald's and order food for a busload of teenagers coming back from a homecoming football game and get the food faster than they can going into the post office and getting a book of stamps. And I think it is relevant for people to realize we should not accept second best, third best, and fourth best from the United States Government. This package takes a step in that reform, and it does so by creating a lot of savings for us.

I am an agriculture guy, and I think it is really important to talk about the food stamp portion. We hear time and time again, oh, the agriculture budget is too much and you guys should do something about it. Well, 60 percent of the budget is actually for food stamps. Food stamps have increased from \$17.7 billion in 2001 to \$35 billion today, \$35 billion.

Mr. HENSARLING. Mr. Speaker, reclaiming my time, since the gentleman serves on the Agriculture Committee, which has jurisdiction over the food stamp program, we just heard folks on the other side of the aisle, the Democrats, talk about massive cuts in the food stamp budget. But is it not true that even after we reform these programs, we will spend more on food stamps next year than we did last year?

Mr. KINGSTON. \$250 million more next year than we are spending this year on food stamps, Mr. Speaker. And yet only in Washington, DC, only in that fantasy world that competes with Disneyland when it comes to creating make-believe, would people call it a cut. Because what we want to do is look at the increase, and we have determined that we can reduce one-half of 1 percent of the total food stamp budget, about one-half of 1 percent. Food stamps will still increase \$250 million, and yet people can go down to the floor of the House with a straight face and say that is a cut. I do not know how they do it.

If I am giving my child an allowance of \$10 and I am going to increase it to \$15, but he wants \$16, I still have not cut his allowance. I cannot get away with that back in Savannah, Georgia, but somehow the Democrat Party can

do that with a straight face in Washington.

□ 1530

If nothing else, you have to admire their nerve.

Mr. HENSARLING. Mr. Speaker, if the gentleman will yield again, it reminds me that in this great body everybody is entitled to their own opinion, but they are not entitled to their own facts. The fact is that these budgets are still increasing, even after our reforms.

But another question for the gentleman: is not one of the suggested reforms that we are offering here simply to extend for noncitizens, people who are not citizens of the United States of America, supposedly people who came here who wanted to roll up their sleeves and seek freedom and opportunity, a waiting period of 7 years instead of 5 before they receive food stamps, for noncitizens? Is that correct?

Mr. KINGSTON. Yes. The irony is that under President Clinton's signed welfare reform plan, originally you had to be in the United States of America 10 years before you were eligible to receive food stamps. That was later reduced to 5 years. And what we are saying is, you know what? That got real expensive. Let us just change it to 7 years. Yet, people are screaming bloody murder, and it is the same folks who say we have to do something about our illegal immigration and our immigration laws in general.

But remember, when you come to the United States of America and you become a citizen, noncitizens, you actually have to sign a waiver saying that you would not get public assistance benefits, you would not become a ward of the State. We are saying okay, listen, at least keep your word for 7 years. Yet, there again, we hear all the hysteria and rhetoric, which makes people just feel less belief in the government. As the gentleman said, people just pick and choose their own facts here. That is not allowed in the real world.

Mr. HENSARLING. Mr. Speaker, I appreciate the gentleman's comments to help illustrate the point again that almost every single budget for these programs will increase next year over last year. That is just a simple fact.

It is hard for me to believe that there are people in America who are going to find it highly controversial that those who supposedly signed a contract not to be wards of the State, those who came here for jobs and for freedom and for opportunity, that somehow it is a draconian cut to ask them to wait for 7 years instead of 5 years to be on food stamps.

Dollars have alternative uses. So the millions you save by this simple reform are millions of dollars that instead now can go to help relieve human suffering along the gulf coast. It could go to increase the number of mammograms for indigent women in the Medicaid pro-

gram. It is dollars that could be used to help fund more college scholarships. But instead, our friends on the other side of the aisle said, no, we cannot have any reforms, we cannot have any reforms. It is all about massive cuts.

Mr. KINGSTON. In the nanny state, the liberal Democrats envision that the United States has to have Big Government sitting by your cradle when you are born and taking you to your grave when you die 75 years later or whatever. In their nanny-state vision, they are convinced that we have to pay for every step of your progress along the way.

One of the things they are screaming about now is nobody will be able to go to college because the Federal Government will not be able to step in and pay for your tuition. Well, the Federal Government does have assistance for people who deserve a college education and who have worked hard for it. But in the food chain, lenders make a minimum of 9.5 percent loaning you the money. Now, most people right now are not getting 9.5 percent on their investments.

What we are saying is, we are going to cut out that minimum of 9.5 percent that the lenders are getting on college education loans. Yet, again, we hear from the other side that that is a cut. I have trouble following them. I like fiction, I like crazy movies of fantasy, but they go beyond the page of what is real.

Mr. HENSARLING. Mr. Speaker, the gentleman makes another great point, and that is that only the government, only the government would be so foolish as to pay two and three times the market rate for a loan to send somebody to college. Yet, in the twisted logic of our friends on that side of the aisle, they say, well, you are cutting student loans by not giving all of these great surpluses to the lenders. I mean, it is complete nonsense. Again, there are so many other reforms we can make that I believe will help improve retirement security and health care at a lower cost.

I am very happy that another gentleman from Georgia has joined us this afternoon who is a doctor, and this body could use more doctors; somebody who has extensive experience in dealing with Medicare and Medicaid. We are hearing all the scare tactics on the other side of the aisle. Frankly, we have heard them for 50 years, but we continue to hear it.

What we do know is this: Medicare is growing at 9 percent a year. Medicaid is growing at 7.8 percent a year. Now, these are important programs but; Mr. Speaker, they were designed back about the time I was born. They have not kept pace with the pace of medicine. They are not helping the people today as they once were, and there are so many reforms we can make to save them, because if we do not save them today, if we do not take the steps to reform, Medicare and Medicaid will simply not be around for my children.

With that, I yield to the gentleman from Georgia (Mr. GINGREY) to tell us a little bit about his insights into those programs.

Mr. GINGREY. Mr. Speaker, I thank the gentleman from Texas for controlling the hour, for bringing this important information to us, and for allowing me to weigh in on it.

Mr. Speaker, it is kind of interesting that the other side of the aisle, when we had a plan to reform another mandatory, big, mandatory spending part of our budget, and that is Social Security, they wanted to say that, no, we do not need to be addressing that right now, because we have other more serious problems, we have the serious problem with the mandatory spending in Medicare and Medicaid. So while they did not want to address the needed reform, good reform to save money and sustain that program for our seniors, for their retirement, now we want to try to come forward, this Republican leadership, with a plan, a good plan of government reform, so that we can effect meaningful savings, and that is exactly what we are here to talk about this afternoon. I thank my colleague for giving me an opportunity to weigh in on one of those items in particular, and that is the Medicaid program.

The Medicaid program is so out of control that it is rapidly approaching 50 percent of our State budgets. Within another 5 years, if we do not do something to control and to reform Medicaid spending, Mr. Speaker, then we will be up to 80 percent, and it will not be in the too distant future that it will absorb the total amount of our State budgets. We cannot let that happen.

In fact, the Governors Conference did great work on this. I want to commend the Democratic Governor of Virginia, Governor Warner, and the Republican Governor of Arkansas, Governor Huckabee, who together took this as an ad hoc committee that took on this responsibility and made some very, very significant, needed suggestions to reform Medicaid.

A perfect example would be in those States who are under a waiver program, Mr. Speaker, that allow Medicaid coverage for people up to 150, 185 percent of the poverty level, at those higher levels to start having a little bit of a copay, just a little bit of a copay, maybe \$3 on a generic drug or \$5 on a brand-name prescription that their physicians feel that they need, and possibly even, yes, for the higher-income people under the waiver program to have a little bit of a deductible, to ask them, to ask these beneficiaries to show a little bit of responsibility for their own health, for their own health care, and how the spending is utilized.

The gentleman from Texas is absolutely right: We desperately need Medicaid reform. Just listen to this: We want to put Medicaid on a more sustainable path; grow it, yes, absolutely. We are not here today to talk about cutting. Our colleagues on the other side of the aisle, they are always want-

ing to scare people, the poor, the elderly, the infirm: These greedy Republicans are on the verge of cutting your benefits. Not at all. It is just reducing the growth rate by one-tenth of 1 percent. We need to do that. Who would argue that we need to root out waste, fraud, and abuse from the Medicaid program or, in fact, the Medicare program? We want to make sure that we give flexibility to the States to enact, if need be, some copays and some deductibles.

But pharmaceutical spending is out of control, as it certainly is. Listen to this: Medicaid once paid \$5,336 for a prescription that only cost the pharmacist \$88 to obtain. The Department of Health and Human Services Inspector General found, this was back in 2002, that Medicaid reimbursements exceeded pharmacists' true costs during that year, 2002, exceeded the actual cost by \$1.5 billion.

Every dollar wasted on overpayment is a dollar that does not go to the patients who truly need that benefit.

Mr. HENSARLING. Mr. Speaker, if the gentleman will yield for just one point, and I think I heard the gentleman correctly that the government paid over \$1,000 for a prescription that should have cost approximately how much?

Mr. GINGREY. Well, let me repeat that, because I know it sounds unbelievable. It is even more unbelievable than the gentleman from Texas just stated. Medicaid once paid \$5,000, not \$1,000, but \$5,336 for a prescription that only cost the pharmacist \$88 to obtain. Now, was that a mistake on the part of the pharmacist? Possibly. We are not trying to single out any individual.

But the point is that there is so much waste, fraud, and abuse; and this oversight is needed. We absolutely need it.

Mr. HENSARLING. Mr. Speaker, if the gentleman will yield again, does that not mean, though, as we listen to the rhetoric by our Democratic friends on this side of the aisle, though, that by rooting out just this one waste, we would say somehow that we have cut health care for the poor by \$5,000 because we found this waste, we found this fraud? It is again just one story out of countless stories about how you can reform government and still save money for American families.

Mr. GINGREY. Mr. Speaker, there is no question. Another thing that is astounding, and I think that we cannot state this often enough, is the fact that the nursing home reimbursements in this country, probably close to 80 percent of nursing home reimbursement is through the Medicaid program, and most of those dollars are Federal tax dollars. There is a State match, of course. For example, in my State, it is 60/40. The States with lower average incomes appropriately pay less. But when we are in a situation where people game the system to get their loved ones into a nursing home and hide their wealth, I mean, it is understandable why they might be inclined to

want to do that, but that is taking money directly away from these children, many of whom are disabled. We have something called the waiting list for care, home-bound care for disabled people and pregnant women who are not getting prenatal care, and all of this money needs to be spent wisely and spent appropriately.

So I thank my colleague for letting me as a physician Member to weight in on some of these things. I have seen certainly not just since I have been a Member in the 3 years that I have been here in this body, but also over 28 years of practicing and seeing the need for this kind of reform by the Republican Party, reform to government, this good plan of reform that will save money and effect better care in the long run.

Mr. HENSARLING. Mr. Speaker, I certainly thank the gentleman for his leadership on health care issues in this body and his leadership in trying to protect the family budget for the Federal budget. The gentleman did such a great job tonight in helping illustrate, Mr. Speaker, that again, there are so many ways that we can help reform these programs to achieve savings for the American people. If we do not do it, again, we are looking at a future of having to double taxes on the American people just to balance the budget, an unconscionable future.

Now, Mr. Speaker, again, this whole Deficit Reduction Act of 2005 is designed to help reform government programs to bring about savings. More so than any other event that precipitated this was the terrible hurricanes that ravaged our Nation recently; and Congress, rightfully so, joined together, Republicans and Democrats, came together to help relieve this human suffering, and it was important that we do that. A great tragedy had occurred in our Nation. But many of us were convinced that we could not let a great natural tragedy of this generation turn into a great fiscal tragedy for the next.

So I think one Member, above all other Members, came to the floor of this House of Representatives and said, we need to offset this spending. He launched something called Operation Offset, as chairman of the Republican Study Committee, Congress's largest caucus, made up of those who care about faith and family and free enterprise and freedom and, due to his actions, we were able to come to this point today. Because we know there are only three ways, Mr. Speaker, that we can offset this spending.

□ 1545

More taxes on our children, more debt on our children, or finding a plan to reform government to achieve these savings. And with that, I would love to yield to the chairman of the Republican Study Committee, my dear friend, the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Let me say I am deeply humbled by the gentleman's characterization of our efforts. There is not a

day goes by in this Congress that I am not grateful to the people of Texas for sending Congressman JEB HENSARLING to Washington, DC. His work, Mr. Speaker, on the Budget Committee, his work as the leading voice of fiscal restraint in the largest caucus in the House of Representatives has been seminal to the debate that we are engaged in, both in the House and, as we have motivated it, in the Senate; and I congratulate my colleague from the heart.

Mr. Speaker, I rise, along with my other colleagues today, in strong support of the Deficit Reduction Act. The numbers speak for themselves. And as I have listened to the opposition to this legislation speak, as I have listened to even the advocates of this legislation speak, we are spending a great deal of time in, specifically, distinguishing the trees from the forest. I would like to talk about the forest from the trees for a moment.

The forest is \$8 trillion in national debt, a national debt that has swelled by 25 percent, \$2 trillion in the last few years alone, a post-World War II high of per-family share of the national debt, I believe the number, the gentleman will correct me, in excess of \$24,000 in obligations for every American family. It is a second mortgage on every American family, that \$8 trillion in national debt.

We come into this well, this week, as our colleagues in the Senate did last week, and in the face of a hurricane of national debt, we are going to throw a pebble of \$50 billion in savings. And in the context, Mr. Speaker, of a \$2.5 trillion Federal budget, this is a modest effort, but a meaningful effort. And I rise to applaud it.

\$8 trillion in national debt. And then as the gentleman from Texas observed, in 6 days, in the wake of the worst natural catastrophe in our country's history, the worst hurricane to strike the coast of this country in some three centuries, this Congress spent over \$60 billion in 6 days. And the American people, and many Members of Congress simply stood astride that freight train of spending and yelled "Stop." And it is in a very real sense, that, in part, which brings us to this impasse today, whether or not we, as a Republican majority, as a governing majority in America, are going to be able to make tough choices during tough times.

I believe that we will. I believe, as our colleagues in the Senate bravely did last week, I believe this Congress this week, will rise to this challenge because I believe it is precisely what the American people meant this majority to do, to be able to practice both generosity and fiscal discipline at the same time.

In a very real sense, I must say that as we saw \$60 billion flow out of this institution in less than a week, in the aftermath of Katrina, I bristled at the posturing of some in the House and the Senate who went before the American people who were still grieving in our hearts at the extraordinary cost to

families and communities along the gulf coast. And some in Congress stood up and said that we have done the hard work.

Well, getting out my grandchildren's credit card and borrowing \$60 billion for the families and communities along the gulf coast is not hard. What we are doing this week with the leadership of Speaker DENNIS HASTERT and the leadership of this Republican majority, what the Senate did last week, is the hard work that the American people expect us to do. That being said, we will take a modest but meaningful step in the direction of ensuring that a catastrophe of nature does not become a catastrophe of death. But let us not overstate it.

And with this, I close. As we look at some \$50 billion in savings over the next 5 years, we are hearing the remonstrations of the opposition that we are cutting Medicaid, we are cutting student loans, we are even cutting Low-Income Home Energy Assistance Programs. And it is simply not true. As much as it might warm the heart of this conservative for Congress to get out the sharp scalpel and truly go after that \$8 trillion in national debt, as the gentleman graciously assists me with the chart, that the baseline of changes in mandatory spending between this bill and the last mandatory spending was projected to grow, without my glasses on, at 6.4.

Mr. HENSARLING. If the gentleman will yield, I will be glad to read this.

Mr. PENCE. I will be glad to yield.

Mr. HENSARLING. It is such an instructive chart, Mr. Speaker, to show the American people that, contrary to the rhetoric of the Democrats who speak of their massive cuts, look how much money we have spent on what we call mandatory spending in 2005, roughly \$1.5 trillion; and in our 5-year budget, if we are successful and achieve these savings, these mandatory programs will grow at 6.3 percent a year instead of 6.4, a most modest, modest step of reforms, yet necessary and important.

And I will yield back to the gentleman from Indiana.

Mr. PENCE. I thank the gentleman, having not brought my reading glasses.

What we are doing here is adjusting the arc from 6.4 growth to 6.3 percent. And as the gentleman from Georgia just said moments ago, in Washington that is what passes for a cut. And that is just false advertising in America today, and the American people are on to it. They know under this bill Medicaid will grow by 7 percent. They know that student financial aid will continue to increase. And they also know that there is a billion, a 50 percent increase, in low-income home energy assistance, over \$1 billion in additional resources available.

This is modest, but meaningful pruning of the Federal budget. It is not, even though it may warm this conservative's heart, it does not represent the hard choices and deep cuts that, can-

didly, future Congresses and future generations will have to make to meet the unfunded obligations that this government faces in the next 50 years.

So I rise today to say, this is a good start. It is time to put our fiscal house in order. It is time to take that first step toward fiscal restraint.

I urge my colleagues to see this in context. For conservatives for whom it is not enough, accept it as an important first step. And for those less conservative in the Congress than me, which is most, see this as a modest first step in the direction of fiscal restraint that is so much needed in the wake of catastrophes of nature.

Mr. KINGSTON. The gentleman from Indiana has talked about this being a first step. I think controlling spending, fiscal responsibility is almost like daily exercise and daily diet. It cannot just be a vote once a year. It needs to be a daily exercise.

There are all kinds of things that we can talk about in our multitricillion-dollar budget. Zero-based budgeting. As an appropriator I can tell you when agencies come in to us, all they talk about is the new spending. They do not ever go back to why did we originally need the money. And I will give you an example.

We had a series of forest fires out West. When I was on the Interior Appropriations bill, we spent money to help react to fight the forest fires. And the next year, no fires, so we tried to take the money out of the budget. No fires, no fire money. But guess what? That was called a cut because people decided, oh, no. You are not going to go back to zero base on us.

I think we should look at a Grace-type commission, an outside, a BRAC-type commission that could look at the Federal agencies and figure out which ones of them can be eliminated, where are the duplications and so forth. I think we should talk seriously about ending earmarks or at least reducing earmarks for the coming year to offset the cost of Katrina and Iraq. And then after we pass this, I believe we should go back and look at a half percent or a 1 percent or a 2 percent across-the-board decrease, because all of this has to be done year after year. Because that Federal budget, when all the good taxpayers are home sleeping at night, it continues to grow and it gets out of hand.

And I just wanted to say we are hearing lots and lots of crying. And I am going to close with this because I know you have the gentleman from New Jersey and the gentlewoman from Tennessee here, but if you just think about it this way, that Medicaid, through all this screaming and yelling that we are hearing from the other side, will still grow next year by \$66 billion; that is, if we get to reduce it by 0.03 percent, it will still grow by \$66 billion. It is not a cut.

It is not going to do all the things that most conservatives would like done, but as Mr. PENCE said, this is a

step in the right direction. And I thank the gentleman from Texas for your time and your leadership on these issues.

Mr. HENSARLING. Well, I thank the gentleman from Georgia for his clarity in debate, for his leadership on this floor, for helping be one of the very clear voices in trying to protect the family budget from the Federal budget and bring about reforms.

Mr. Speaker, I am now very happy to be joined by one of my dear friends in this body, someone who I believe exhibits more principle and more courage than just about anybody else in this body, one of the strongest leaders we have for limited government in the United States House. And with that, I would be happy to yield to my friend from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. Well, I thank my friend from Texas for those words. And I thank you also for your leadership and the opportunity to join you this evening as you continue the battle for reform.

As we take up this critical matter of budget reform this week, I would ask my colleagues from both sides of the aisle to view this as a process not in terms of dollars and cents of savings and cuts, but more in the terms of what really is the proper role of the Federal Government.

The Republican Party, I think, is the party that gives more credit to the American people than the other side of the aisle ever will. It is the philosophy of keeping government close to the citizens and Federal Government in its proper place that put the Republican Party in the majority several years ago and has kept it there now for the last 10 years. Yet, I feel at times that political control can cause us to lose hold of what our Founding Fathers initially thought that our role should be.

But in forming any policy, as we discuss these issues, I think casting votes on the floor, the Constitution should be our guide, not simply the whims of the day. And so in any discussions on this, let me just bring us back to what one of our Founding Fathers of the Constitution told us back in Federalist 45 when he said, James Madison said:

"The powers delegated . . . to the Federal Government are few and Defined . . . The powers reserved to the several States will extend to all the objects which, in the ordinary course of affairs; concern the lives, liberties and properties of the people, and the internal order, improvement and prosperity of the State."

If Mr. Madison was to join us here today, I would imagine that he would see very little difference between King George and London and today's bureaucrats here in Washington, D.C. when it comes to big government and meddling in local issues. Unfortunately, just as the Founders of the Constitution have long since passed, so have many of their principles which this system of government was set upon. And were they to return today to the halls of

D.C. and Congress, they would see the government has grown out of all bounds.

They would see a Federal judiciary that has traded judicial self-restraint for judicial activism, and they would find a wildly inefficient Federal bureaucracy.

The framers saw the excesses of London and Versailles, the gross central powers, at the disposal of so few and at the expense of so many.

□ 1600

The government conceived by Madison and others was designed specifically to resist such a fate. Now, Alexis de Tocqueville famously observed the greatest genius of libertarians, egalitarian of early America, was that it bore absolutely no resemblance whatsoever to his native France. Indeed, men like Madison and de Tocqueville might wander the Halls today and find striking similarities between the opulent and power-laden prerevolutionary Versailles.

But short of storming the Bastille, I came to Congress in the 108th Congress convinced that something could be done, and we are working towards that endeavor today. We are working towards that endeavor in other fields as well, such as Congressional States and Community Rights Caucus to turn Congress back to the Constitution and the 10th amendment.

Many of my colleagues and others inside the Beltway forget that State taxpayers and Federal taxpayers are not simply separate groups of people. Americans from all over the country send their money to Washington, only for Washington to lose some of it, waste some of it and spend some of it in ways that may not be best for all of us. Take my State of New Jersey: for every dollar in taxes my State of New Jersey sends down to Washington, we only get 54 cents back. That does not make much sense to me, nor to the citizens of my State. New Jerseyans would be better if they kept most of that money back home for their own self-control and projects.

Mr. Speaker, to conclude, this week provides the House with an opportunity to help restore the vision of our Founders, the vision of Ronald Reagan. Yes, we must look out for the least among us. Yes, we must protect the key interests that cannot be dealt with at any other level, but just as the 10th amendment states clearly, and I quote, "The powers not delegated to the United States by the Constitution, nor prohibited by and to the States, are reserved to the States respectively or to the people," all of us as elected representatives of the people.

Mr. Speaker, I ask that Members of this House keep those words in mind as we go through this week, as we consider this legislation, and truly need it here in Washington D.C. and remember to return the power back to the people.

Again, I commend the Member from Texas for his leadership in this endeavor.

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for joining us this evening. I thank him for his leadership. I thank him for reminding us that ultimately this is a debate about the role of government in a free society, because too often it seems that our friends on the other side of the aisle believe nothing good has ever happened in America that was not the result of a Federal program: Without the Federal Government there would be no motherhood. Without the Federal Government, there would never be a meal placed on the table, there would be no Boy Scouts, there would be no baseball.

The truth is that it is freedom, it is individual freedom that counts in the lives of individuals and helps lift people out of poverty.

Mr. Speaker, I am now very happy that we have been joined by one of the true leaders and one of the more articulate and dynamic voices in this body on government reform, the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Speaker, I thank the gentleman from Texas for his leadership on this issue and for constantly reminding those of us in this body that our work is to protect the family budget and be certain that we rein in that Federal budget.

To a comment, Mr. Speaker, that the gentleman from Texas just made, talking about government, and so many people feeling that many times there is nothing good that happens unless it comes from the Federal Government. I have constituents who remind me repeatedly that every time we have a new Federal Government program that is to cure some ill in our country, that there is a cost that comes with that. Yes, there is the cost that comes with putting that program in place, the operational cost, the funding cost. But there is also a second cost. That is, if the Federal Government steps in to fill a void, then neither the private nor not-for-profit sector is going to step in and fill that void.

Mr. Speaker, to be quite honest with you, over the past few days, as we have talked about the Deficit Reduction Act, and beginning to put this body on the right track to reducing, spending, restraining the growth of government and then beginning to right-size government, right-size and reform government, I said there is another one, and it is with every program, there is a difficulty with getting that program back under control, because every program has a bureaucracy and every bureaucracy has a constituency. That is another cost for each and every program. Of course, they are all good ideas, but is it the proper role of government.

To the gentleman from Texas, I appreciate the chart that he has about mandatory spending and talking about baseline spending in the chairman's mark. I would like to make a couple of comments on this. We have talked about the baseline calling for 6.4 percent growth over the next 5 years; and

with the work that this body has already done and is continuing to do, we will see that growth move from 6.4 percent to 6.3 percent growth.

One of the things in our district we have talked about is that baseline. Now, as the gentleman from Texas says, the family budget, that is something where we sit down every year with a clean sheet of paper, a No. 2 pencil, and we start at zero and we work out and say what can we afford to put on particular categories this year. Unfortunately, taxes and fees seem to be the biggest of those categories. But we start with a clean sheet of paper and a No. 2 pencil.

Unfortunately, government does not do that. They start from what they spent this past year regardless of the effectiveness of the program, regardless of whether the program is still needed, regardless of whether it should be wound down, regardless of whether it has outlived its usefulness. That is where they start, with what they got last year.

Based on what they got last year, then they ask for an increase in that funding. Now, let us say they got \$100 last year, and this year they are going to ask for \$125. We come back and say, well, you can't have \$125, but we'll give you \$110. Then they are saying, oh, no, you've cut us \$15. You can't do that. You can't do that. That's a cut.

As the gentleman from Texas said and the gentleman from Indiana, just a few moments ago, in Washington-speak, when you restrain the growth, that is a cut. That is the way many of those from the left who support constantly growing the bureaucracy, constantly giving the power and the money to bureaucrats in buildings, that is how they refer to this process.

For our constituents, I think it is so important that we work together on this, addressing that baseline, being certain we are restraining the growth and that we work to pull it down past 6.4 and 6.3 and reduce it even further and then get into that baseline and actually begin to make some reductions in that baseline in programs that may have outlived their usefulness.

I commend the gentleman from Texas for the work that he has done on the budget. I commend him for continuing to bring this issue and reminding us that it is important that the Federal budget continue to protect and work to protect the family budget.

Mr. HENSARLING. Mr. Speaker, I thank the gentlewoman for her comments tonight, and especially reminding us that once again in this great body people are entitled to their own opinions. They are just simply not entitled to their own facts. The facts are that even after our exceedingly modest reform proposals are enacted, all this spending, all this Federal spending on automatic pilot will grow at 3.6 per year instead of 6.4, notwithstanding the threat to future generations, the incredible burdens on their futures and their hope and their opportunity.

Under this reform plan, Medicare will grow, Medicaid will grow, food stamps will grow; but we make commonsense reforms so that we manage to hopefully save the next generation from a fiscal tragedy.

Mr. Speaker, I am very happy to see that we have been joined by the gentleman from Indiana (Mr. CHOCOLA), another member of the Republican Study Committee, one who cosponsored the Family Budget Protection Act to try to reform this process and again save the family budget from the Federal budget.

Mr. CHOCOLA. Mr. Speaker, frankly, I had not planned on coming to join you tonight, but I was inspired by the comments from our colleagues. I heard an example of kind of the issues that we are talking about today from one of our other colleagues, because I think it is so important to point out that we really are not talking about cutting anything.

We simply are talking about slowing the growth of government in the future. One of our colleagues that shared an example, I think, resonates and is identifiable to all the people in this country. The example goes something like this:

Mr. Speaker, imagine that you have a child, let us say your daughter, who mows the lawn and does a great job. Let us say for the last year, you have paid your daughter a \$10-a-week allowance for mowing the lawn, and she has done a good job. After that year she comes to you and says, Dad, you know, I think I need a raise. She has been doing a good job. So you say, honey, I probably might consider that raise. How much do you think you deserve? Your daughter looks at you and says, you know, well, I have been doing a good job. I think maybe I deserve \$20 a week. You say, well, that is kind of generous. How about if we compromise at \$15 a week?

Now, you will probably be able to determine your daughter's political future by her response. If your daughter says, well, jeez, you know, \$15, that is a 50 percent raise, that is pretty generous, I think I can live with that, probably has not a great future in politics, probably should consider going into the business world. But if your daughter says, well, jeez, Dad, I was expecting \$20, \$15 would be a 25 percent cut, she would certainly understand the rhetoric that we hear so many times and too often here in Washington.

When we talk about reforming government, when we talk about fiscal responsibility, when we talk about a plan to reform government and attain savings, we are not talking about cuts at all. We simply are talking about doing the responsible thing, slowing the growth of government by tenths of a percent.

As an example, HUD in 2001 had 10 percent of their budget, \$3.3 billion, was paid in overpayments. Now, we are talking about tenths of a percent that

we might be able to find savings by rooting out fraud, waste and abuse when many Federal programs already waste a significant percentage of their budgets in overpayments, erroneous payments, and simply wasted money.

I commend the gentleman from Texas for continually reminding us that this is a responsible thing to do to find the savings, to make sure that we do not pass along huge deficits to our children that they will not be able to pay and they will look back at us and recognize that we did not do the fiscally responsible thing by simply managing the taxpayer monies better and being better stewards of the taxpayer dollar.

I thank the gentleman for letting me join him for a few seconds. Again, I commend him for his leadership.

Mr. HENSARLING. I thank the gentleman from Indiana for joining us this evening in this very, very important debate.

Mr. Speaker, I think when you hear about all the different commonsense reforms we can make and how modest they are and how this juggernaut of government spending is going to continue on, unfortunately, for years and years and years to come, again it cries out for us to take a stand and be courageous and begin the program of reform. We need to remind ourselves why we need to do this.

Well, Mr. Speaker, let me give you a couple of quotes, one from Chairman Alan Greenspan, Chairman of the Federal Reserve. He says, Mr. Speaker, "As a Nation, we may have already made promises to coming generations of retirees that we will be unable to fulfill." He said that about Social Security, he said that about Medicare, important programs, important programs for seniors; but they are on automatic pilot, automatic pilot to eventually go bankrupt if we do not start the process of reforms.

Mr. Speaker, the Brookings Institute, not exactly a bastion of conservative thought in this Nation, said in a recent report, "Expected growth in these programs, Social Security, Medicare, and Medicaid, along with projected increases and interest on the debt and defense, will absorb all of the government's currently projected revenue within 8 years, leaving nothing for any other program."

The General Accountability Office has said that right now we are on automatic pilot: "We are heading to a future where we will have to double Federal taxes or cut the Federal spending by 50 percent."

That is the future this Nation is facing, Mr. Speaker, unless we begin and enact this plan, to begin these modest reforms, so that we can begin to achieve savings for the American people.

Again, if we do not do it, this is what the Democrats have planned for us. These are the tax increases, a sea of red ink, a tsunami of red ink, a hurricane of red ink. It is all tax increases,

or it is all going to be debt, passed on to our children, because our friends on the other side of the aisle will not join us in these modest reforms.

In fact, they tell us every single day that somehow tax relief to the American people is part of the problem.

□ 1615

What they do not tell you is the massive tax increases that are going to be necessary just to pay for the government we have, not even the government that they are trying to add on top of the government programs that we already have.

Under their program, they will be bringing back the marriage penalty. They will be bringing back the death tax. The new child tax credit, say goodbye to it, accelerated depreciation and the list goes on and on.

Mr. Speaker, that is not a future that the American people want, and so we are going to debate this spending.

To me, Mr. Speaker, when we see that this spending is out of control, there was a time very recently until this last Congress when Medicare paid five times as much for a wheelchair as the Veterans Administration did, five times as much, because one would competitively bid and the other would not. Well, according to our friends on that side of the aisle, somehow we cut health care for the elderly when we began to pay market prices for wheelchairs. It is absurd, Mr. Speaker.

Now we are offering reforms saying that, you know what, if you are not a citizen of the United States of America and you signed a contract not to become a ward of the State, maybe you ought to wait 7 years instead of 5 before you qualify for food stamps so that maybe we can send that money to help relieve human suffering along the gulf coast. But somehow, again in this body, notwithstanding the fact that food stamps will grow next year over this year, it is somehow called some kind of massive cut.

It is just not true, Mr. Speaker. You are entitled to your own opinion, but you are not entitled to your own facts.

Mr. Speaker, what is important is that we do not let the Democrats put double taxes on our children. It is important we not allow them to increase taxes today, because the tax relief we have passed has been great for this economy. It is what is helping people. Right now, we have passed tax relief, and guess what, Mr. Speaker, we have more tax revenue.

Mr. Speaker, right now, on this chart you can see that after we passed tax relief for the American people, allowing small businesses and families to keep more of what they earn, in 2003 we have almost \$1.8 trillion in revenue, in 2004 almost \$1.9 trillion in revenue, and now in 2005, \$2.1 trillion in revenue. Tax relief has proven to be part of the deficit solution, not part of the deficit problem.

Mr. Speaker, that may be counterintuitive to some people, but

let me tell you just one story about one small business in my district back in Texas.

It is an outfit called Jacksonville Industries, employs 20 people, an aluminum and zinc die cast business. Before we passed our economic growth program that had tax relief, they were getting ready to have to lay off two of the individuals due to competitive pressures, but because of tax relief, Mr. Speaker, they were able to go out and invest in new machinery that made them more efficient. Instead of having to lay off two people, Mr. Speaker, they hired three new people.

That is five people that could have been on welfare, five people that could have been on food stamps. That is five people who could have been on unemployment, but instead, Mr. Speaker, it was five people who had good jobs with a future, who had their own housing program, their own nutritional program, their own education program called a job.

So, to listen to our friends on the other side of the aisle, they would say somehow that is a cut. It is not, Mr. Speaker. It is about freedom and opportunity, and that is what helps the poor.

STONEWALLING CONGRESS

THE SPEAKER pro tempore (Mr. FORTENBERRY). Under a previous order of the House, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 5 minutes.

Mr. WELDON of Pennsylvania. Mr. Speaker, first of all, let me thank my friend and colleague for allowing me to take this 5-minute special order before his 1 hour. I will be brief, but I rise for an issue of severe concern to me, Mr. Speaker.

As someone who has spent 19 years working on defense and security issues in this Congress and currently serves as the vice chairman of the Armed Services and Homeland Security Committees, I have to report to my colleagues continuing efforts to try to find out what happened before 9/11 and, unfortunately, have to report that we are being stonewalled. In fact, Mr. Speaker, I cannot use any other term but the appearance of a cover-up.

Just a few moments ago, I questioned one of the cochairs of the 9/11 Commission, Lee Hamilton, why the Commission has not yet responded to a letter that I sent to them on August 10 of this year, which I will enter into the RECORD at this point.

AUGUST 10, 2005.

Hon. THOMAS H. KEAN, Chairman,
Hon. LEE H. HAMILTON, Vice Chairman,
9/11 Public Discourse Project, One DuPont Circle, NW., Washington, DC.

DEAR CHAIRMAN KEAN AND VICE CHAIRMAN HAMILTON: I am contacting you to discuss an important issue that concerns the terrible events of September 11, 2001, and our country's efforts to ensure that such a calamity is never again allowed to occur. Your bipartisan work on The National Commission on Terrorist Attacks Upon the United States shed light on much that was unclear in the

minds of the American people regarding what happened that fateful day, however there appears to be more to the story than the public has been told. I bring this before you because of my respect for you both, and for the 9-11 Commission's service to America.

Almost seven years ago, the National Defense Authorization Act for Fiscal Year 1999 established the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, otherwise known as the Gilmore Commission. The Gilmore Commission reached many of the same conclusions as your panel, and in December of 2000 called for the creation of a "National Office for Combating Terrorism." I mention this because prior to 9/11, Congress was aware of many of the institutional obstacles to preventing a terrorist attack, and was actively attempting to address them. I know this because I authored the language establishing the Gilmore Commission.

In the 1990's, as chairman of the congressional subcommittee that oversaw research and development for the Department of Defense, I paid special attention to the activities of the Army's Land Information Warfare Activity (LIWA) at Ft. Belvoir. During that time, I led a bipartisan delegation of Members of Congress to Vienna, Austria to meet with members of the Russian parliament, or Duma. Before leaving, I received a brief from the CIA on a Serbian individual that would be attending the meeting. The CIA provided me with a single paragraph of information. On the other hand, representatives of LIWA gave me five pages of far more in-depth analysis. This was cause for concern, but my debriefing with the CIA and FBI following the trip was cause for outright alarm: neither had ever heard of LIWA or the data mining capability it possessed.

As a result of experiences such as these, I introduced language into three successive Defense Authorization bills calling for the creation of an intelligence fusion center which I called NOAH, or National Operations and Analysis Hub. The NOAH concept is certainly familiar now, and is one of several recommendations made by your commission that has a basis in earlier acts of Congress. Despite my repeated efforts to establish NOAH, the CIA insisted that it would not be practical. Fortunately, this bureaucratic intransigence was overcome when Congress and President Bush acted in 2003 to create the Terrorism Threat Integration Center (now the National Counterterrorism Center). Unfortunately, it took the deaths of 3,000 people to bring us to the point where we could make this happen. Now, I am confident that under the able leadership of John Negroponte, the days of toleration for intelligence agencies that refuse to share information with each other are behind us.

The 9-11 Commission produced a book-length account of its findings, that the American people might educate themselves on the challenges facing our national effort to resist and defeat terrorism. Though under different circumstances, I eventually decided to do the same. I recently published a book critical of our intelligence agencies because even after 9/11, they were not getting the message. After failing to win the bureaucratic battle inside the Beltway, I decided to take my case to the American people.

In recent years, a reliable source that I refer to as "Ali" began providing me with detailed inside information on Iran's role in supporting terror and undermining the United States' global effort to eradicate it. I have forwarded literally hundreds of pages of information from Ali to the CIA, FBI, and DIA, as well as the appropriate congressional oversight committees. The response from our intelligence agencies has been