

We know a lot of poor people. We see them come through our door. Never once has someone said, I'm proud to be poor. Yet these cuts make it appear as though people in this country are going to wake up tomorrow and not be poor or sick anymore. And now you are telling me on top of these, there is cuts in that bill, the Deficit Reduction Act, that actually adds \$20 billion in new debt that cuts our orphans in foster care?

Mr. CARDOZA. That is right, Mr. ROSS. Not only does it cut those two populations but it is done to pay for tax cuts, to pay for additional tax cuts.

Mr. ROSS. This week's tax cuts. \$70 billion this week, mostly to benefit those earning over \$400,000 a year, half of it to benefit those earning in income over \$1 million a year.

Mr. CARDOZA. I don't think you can call it anything but Scrooge-onomics.

Mr. ROSS. Scrooge-onomics.

With that, I will recognize the gentleman from Tennessee (Mr. COOPER).

Mr. COOPER. You have made very powerful statements here tonight. One point that needs to be addressed a little bit more is the fact that we are going to be borrowing even more money from foreigners and the gentleman touched on that, particularly the Chinese. They are lending us more and more money, but I didn't know if you had pointed out so far here tonight as our colleague, JOHN TANNER, has shown in the past that President George W. Bush has already borrowed more money from foreigners in the last 5 years than every previous President in American history combined. That is an incredible statement because that is every President from George Washington through Bill Clinton. They borrowed about \$1 trillion in total from foreigners. But already under President George W. Bush we have borrowed over \$1 trillion just from foreigners. So the gentleman's very powerful points about cuts to American citizens, cuts that are really going to damage their lives, at the same time we are cutting them, we are going to be paying more interest money to foreign lenders, to foreign bankers.

And talk about wrong priorities. Hurting home folks so we can benefit rich foreigners? That is completely out of hand. But that is what happens when we not only have giant deficits but we have to borrow so much money from foreigners.

Mr. ROSS. \$2 trillion of our debt today is being held by foreign lenders, foreign governments, foreign central banks. Compare this to only \$23 billion in foreign holdings in 1993. The top 10, it is kind of like David Letterman later tonight and his top 10 list. The United States of America, we owe Japan \$687.3 billion. We borrow money from them to pay for tax cuts for the wealthy people here in this Nation. China, we owe them \$252.2 billion. I know I have got that southern drawl and so I want to make sure everybody understands that I say billion, not million. \$252.2 billion.

United Kingdom, \$182.4 billion. Caribbean banking centers. I had never heard of such. Caribbean banking centers, \$102.9 billion. Korea, \$61.7 billion. OPEC, and we wonder why gasoline is so high, we have borrowed \$54.6 billion from OPEC. Taiwan, \$71.8 billion. They are counting on us to defend them if China invades them and we are borrowing money from Taiwan. The gentleman from Tennessee (Mr. TANNER), a founder of the Blue Dogs, again he put it best when he said, if China decides to invade Taiwan, we'll have to borrow even more money from China to defend Taiwan. Germany, \$63.5 billion. Switzerland, \$37.5 billion. And Hong Kong, \$48.1 billion.

Again, this President, this administration, this Republican Congress, has borrowed more money from foreign lenders in the past 4½ years than the previous 42 Presidents combined. It is time for accountability. It is time to restore fiscal discipline to our Nation's government.

I hope the gentleman from Georgia agrees.

Mr. SCOTT of Georgia. I definitely do agree. Just to bring your point home and the gentleman from Tennessee's point home about what we are doing and the money we are borrowing from foreign governments, just think about this as you tie that to homeland security. We are spending more in our interest and the fee and the costs that we are paying these countries, in addition to the billions of dollars for each country you have mentioned, there is an interest on top of that that they are charging us to borrow the money. It is more than what we spend on our own homeland security. You talk about the height of irresponsibility.

But I do want to make sure that the American people understand the hypocrisy that is at stake here with what my friends on the Republican side are asking us to do which we must not do. We must not trade these budget cuts for foster care programs and for those of the needy to give the wealthy these tax cuts. Not now. Later when we can afford it, let us do so. But certainly not now. Just think. I am not sure that my friends on the other side of the aisle understand nor the President really understands how our country, most of the majority of the working families, the people in this country that are the backbone of this country, let us just even take our soldiers and our National Guardsmen, our soldiers who are defending us so brilliantly, doing an extraordinary job in Iraq and Afghanistan, many are on their second and third tours. Our military might is being strained. We are not nearly paying our soldiers enough. They are coming from the middle class and they are coming from people like my district. I talk to them every day as I stand here as a Georgian, no State in this Nation has paid the sacrifice in the number of soldiers who have lost their lives in this combat in Iraq as in the State of Georgia. While at the same time in my

State of Georgia, we are faced with the loss of manufacturing jobs. We have just had news of the General Motors plant closing. There is a possibility, strong possibility, before the week is out, we may have news that the Ford Motor plant is closing. Delta Airlines, stretched with its pension, begging and asking this House of Representatives for help to help with their pension so they do not go under. That is where we need help. Katrina victims, nearly 30,000 in my State, many in your State of Arkansas who need help. And you mean to tell me at a time like this when our country is in such great pain, in such need, not only are we going to cut their programs but we are going to take that money and give it to billionaires and millionaires.

Mr. ROSS. I want to thank the gentleman from Georgia. This is exactly why the 37-member-strong fiscally conservative Blue Dog Coalition will take to the floor every Tuesday night to discuss with the Members the debt, the deficit, and to hold this administration and this Republican Congress accountable and also offer up our 12 point reform plan for curing our Nation's addiction to deficit spending.

Point number one, require a balanced budget. We will be talking more about that and the other 11 points next Tuesday night as members of the fiscally conservative Blue Dog Coalition, a group of 37 conservative to moderate Democrats, take to the floor to hold this administration and this Congress accountable for these record deficits and to offer up a solution, including requiring a balanced budget.

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The Blue Dog Coalition, the poster here, today the U.S. national debt, this morning, when we started this hour, it was \$8.121 trillion. In the past 60 minutes, while we have been standing here discussing the crisis at hand in America, the national debt has risen another \$41 million. Another \$41 million in debt has accumulated in this Nation since we began this discussion here on the floor of the U.S. House 60 minutes ago. That is eight more elementary schools that cannot be built tonight in America simply because that money is going to pay interest on the national debt.

This discussion will continue with my colleague and other members of the fiscally conservative Blue Dog Coalition next Tuesday night, and I want to thank you for coming and joining me in this debate about accountability and common sense and fiscal responsibility.

HONORING PETER E. HAAS, SR.

The SPEAKER pro tempore (Mr. MARCHANT). Under a previous order of the House, the gentlewoman from California (Ms. PELOSI) is recognized for 5 minutes.

Ms. PELOSI. Mr. Speaker, I thank the distinguished gentleman from Texas for allowing me to speak out of turn. I appreciate it very much.

Mr. Speaker, it is with great sadness that I rise to pay tribute to a great friend and great American, Peter E. Haas, Senior, for a lifetime of leadership. Peter Haas, who, with his brother Walter, led the renowned blue jean empire Levi Strauss, died at the age of 86 on December 3 in San Francisco. His extraordinary life will forever serve to enrich the lives of all of us living in the San Francisco Bay Area. Known for his integrity, honesty and modesty, Mr. Haas was distinguished in the business world for his unyielding commitment to corporate ethics and for championing blue collar workers.

Mr. Haas was born in San Francisco in 1918 to Elise Stern Haas and Walter A. Haas, Senior, the third generation of his family to lead the family business. Mr. Haas' great granduncle, Levi Strauss, created blue jeans as working pants for gold miners in the 1850s.

Mr. Haas graduated from UC Berkeley in 1940 with a bachelor's degree in economics and from Harvard Business School in 1943. In 1945, he joined his brother Walter at Levi Strauss, commencing a 60-year career. In 1953, *Time* magazine named the two brothers Leaders of Tomorrow. Peter Haas focused on the company's operations and finance, while his brother Walter focused on marketing and advertising. Peter Haas served as president of the company from 1970 to 1981 and chief executive officer from 1976 to 1981. In 1981, *Financial World* magazine named Mr. Haas Chief Executive Officer of the Year. Under their leadership, the Haas brothers' leadership, the company experienced massive growth and expansion. As the baby boomers hit their teenage years, they capitalized on the growing popularity of blue jeans.

With the first Levi Strauss manufacturing plants in southern States, Mr. Haas took a stand against segregation, refusing to allow separate working areas for black and white workers and demanding equal treatment for all employees. His ethics did not hinder the company's success. In 1945, Levi Strauss consisted of three small factories in the San Francisco Bay Area and \$2 million in denim sales. By the time Mr. Haas left his position as board chairman in the late 1980s, sales had reached \$3.1 billion in 50 countries.

Mr. Haas used his business sense and financial success for public service, working with numerous foundations and service organizations, including the San Francisco Foundation, the Jewish Community Federation, and the United Way. Through the Miriam and Peter Haas Fund, he contributed millions of dollars to the arts, public policy programs, and health and human services. The Haases gave millions to provide high-quality, early childhood development programs to low-income families.

Peter Haas served as a UC Berkeley Foundation trustee for 12 years and was the university's most avid donor and fund-raiser. He and Walter built the Haas School of Business in honor of

their father, Walter Haas, Senior. In 1996, Peter Haas received the Berkeley Medal, the school's top honor, and was named Alumnus of the Year. Mr. Haas never missed a home football game or basketball game. He was preparing to attend a UC Berkeley game Saturday when he fell ill.

San Francisco is forever indebted to Peter for his immeasurable contributions. It is with great personal sadness that I offer my deepest sympathy to his wife, Mimi; his sons, Peter and Michael; his daughter, Margaret; his stepsons, Ari and Daniel Lurie; his four grandchildren, Jennifer Haas-Dehejia, Daniel, Bradley, and Nicholas; and one great-grandchild, Maya Cady Haas-Dehejia. I hope that it is a comfort to Peter's family that so many people mourn their loss and are praying for them at this sad time.

#### THE ECONOMY

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

Mr. CONAWAY. Mr. Speaker, it is great to be here tonight to host this hour, and I am looking forward to having a colloquy with some of my friends from our party to discuss the economy, which I think in this era of where we are right now does not get bragged on enough; and so we are going to spend the next hour bragging on the economy.

Before I do that, though, I would like to talk a little bit about what my friends on the other side have been talking about.

When I was campaigning for this first time, the Chair and I are in our first term in this House, I talked about trying to make some friends on the other side of the aisle, trying to build a group of folks we could deal with across the aisle in a bipartisan manner. I committed to myself to try to avoid inflammatory rhetoric, overreaching hyperbole, all the kinds of things that sometimes get us and our colleagues in a lot of trouble when we come to these microphones and speak.

Having listened for the last few minutes to the folks on the other side, I would like to, with as much respect as I can, challenge some of the things that we have heard here tonight.

I am a CPA. I spent 30-plus years in business helping write financial statements and do tax returns and all the kinds of things that a CPA does. With respect to financial statements, it was always the goal of the financial statement to fairly present the financial results of a particular enterprise, whether it is a small business or a large business. The goal was the same, get all the information out, allow the investor, the banker and the owner to make fair and well-informed decisions.

One of the things we do here each night is to try to do that same thing.

We try to get information out to each other, to the American people, so that they can make good decisions; and then, hopefully, we can make good decisions as well.

Sometimes it is not what is said that is as important as what is left unsaid, and I would like to point out a few things tonight that were left unsaid while my colleagues talked about the debt of the Nation and how we got in this particular position.

One of the things that you heard over and over is that we are experiencing the largest deficits ever, and that is an accurate statement. But it also ought to be put in context with a couple of other "largest ever," and that is, that we are now in the largest economy, the largest U.S. economy, ever. The American economy, U.S. economy, has never been bigger than it is today. That is not an excuse for the deficit, but it helps to put it into context.

We also have more people working in America today than ever. More people employed, more people self-employed, more people at jobs every single day to try to feed their families, provide for themselves, and make their communities a better place to live. That is a point that ought to be said in the same sentence or same several sentences when we talk about the deficit.

We have got more people owning homes today than have ever owned homes in America, and that is a major statement because with respect to probably on an absolute basis from the family standpoint, homeownership is the single largest asset, single largest borrowing that most all families will ever do. There is obviously some exceptions to that; but by and large, most folks will see their biggest debt is their home and biggest asset will be the equity in that home. Overall, good news with which to examine the deficits.

Now, coming at my role here in Congress with a background in finance, background in accounting, you go at budgets or correcting budget deficits, there is really only two things to do. You either raise revenues or you cut expenses, and what got left unsaid tonight over and over and over as my colleagues on the other side talked about the spending that the Republicans have championed over the last 5 years in our attempt to try to reduce that was where would the Democrats not spend money.

We heard a lot of things about what they did not like about the \$50 billion that we passed a couple of weeks ago in rates of reduction in the growth of spending in mandatory programs, mandatory programs being two-thirds out of our annual budget. They did not like any of those. They would argue that every single one of those cuts was into programs that were totally efficient and totally without an opportunity to reduce spending in those areas, and they were not really cuts as I have mentioned. They were simply reductions in the rate of growth.

What got left unsaid was where would the Democrats, our Blue Dog