

in, why our gas prices are high. We have reviewed the items that have brought about the situation that we currently find ourselves in.

I thought it would be helpful to at this point very briefly talk about what has been done, because a lot has been done. Again, these problems that we have and the challenges that we have are a product of decades of activity that have put us in this situation, so these aren't going to be solved overnight. And anybody that says that they have the solution to bringing down gas prices right now is just not being truthful with the American people. And I think it is important to say that, because the truth is that the solution to this will happen over time, and it will happen by a number of things: increased production, conservation, alternative fuels, and all sorts of things.

I want to just share with you, Mr. Speaker, some of the things that have already been enacted. The Gasoline For America's Security Act of 2005 was passed, as was the Energy Policy Act of 2005. The Energy Policy Act of 2005 had some very specific items in it. It strengthens current supply. Strengthens current supply. It allows for new domestic oil and gas exploration and development. It requires the Department of the Interior to inventory oil and gas resources on the Outer Continental Shelf to enable the Federal Government to better assess the extent of these resources.

Again, when I go home, I hear people say, why don't you get to work and utilize the resources that we have? The technology is there to be able to do it in a very environmentally friendly way. It is a tough question to answer.

□ 2130

We are moving forward on that, and we need the help of our colleagues on both sides of the aisle.

The Energy Policy Act also encourages building of new refineries and expanding existing refineries. We need to streamline those regulations and decrease the amount of litigation exposure that those refineries have. Remember, we have not brought a new refinery on line in this Nation in 30 years, and we wonder why we are in the situation we are in.

The bill includes \$2.9 billion for fossil energy research to ensure more efficient exploration and development of oil, gas and coal, while decreasing the environmental impact of fossil energy production and its use.

The Energy Policy Act of 2005 also increases conservation. That is extremely important. Conservation is so important to this solution, and anything we can do as a Nation and as a people to conserve fuel goes right to the bottom line. It improves things immediately.

The bill increases funding to \$17.5 million over 5 years to the Department of Transportation to continue its work on improving the CAFE standards which set fuel emission standards for cars and light trucks sold in the United States.

It increases funding to the Department of Energy's Clean Cities Program, provides tax credits for the purchase of hybrid fuel cell advanced clean-burn diesel and other alternative-power vehicles. That is important.

When I talk to groups, I always try to ask how many folks own a hybrid vehicle. At this point only none or one or two folks raise their hand. I am hopeful in a year we will see tens of hundreds of people in my district, or thousands or more across the Nation. The tax credit is up to \$3,200 per individual depending on the vehicle. That ought to be a great incentive, and it begins to make hybrid vehicles become competitive with other vehicles that are sold.

The bill also provides a 30 percent credit, up to \$30,000, for an investment in alternative fuel refueling stations. A lot of the problem is we do not have many of those stations right now, and it is important to bring those on line.

The Energy Policy Act of 2005 also embraces new fuel choices, authorizes \$3.7 billion for a hydrogen fuel cell program, and requires 7.5 billion gallons of renewable fuel to be included in all gasoline sold in the United States by 2015.

Many of us are working to try to make certain that we bring that kind of will and enthusiasm to bringing about energy independence for our Nation within the next 10 years.

It includes \$3 billion dedicated to developing affordable, efficient, renewable energy technologies and promoting their widespread use.

It promotes clean and renewable fuels by providing incentives for clean coal technology and renewable energy such as biomass, wind, solar and hydroelectricity. It extends the renewable electricity production credit through December 31, 2007, and authorizes the issuance of \$800 million of tax credit bonds before December 31, 2007, to support renewable investment in municipal power authorities, rural cooperatives, and others.

I think it is important to talk about those things that we already have done because I would venture to say, Mr. Speaker, when you go home and when you talk to your constituents, I know when I go home and I say we have done these things, they say, "I have never heard about it." You are right, people do not hear about these things because they are not mentioned on the nightly news. This Congress does not get any credit for the positive work it is doing on the nightly news. You do not read about it in your newspapers, and you have a portion of individuals in this Chamber who want to down-talk and demagogue every single issue.

Mr. Speaker, it is just not productive. It is not positive. It does a disservice to every individual across this Nation, so I encourage my colleagues on both sides of the aisle to get together and work to make certain that we can continue to solve the energy challenges that we have as a Nation.

We are blessed to live in a wonderful and a glorious Nation. We are the hope of the world and continue to be a vessel of opportunity for so many people around the world. We do ourselves best when we work together and talk positively about the challenges that we have and positively about the solutions and make it so we can solve those challenges together as opposed to the kinds of difficult conversations that some folks tend to degrade into so quickly.

I urge my colleagues to work together as we move forward on the challenges as they relate to gas prices and energy policy.

I look forward to coming back and joining my colleagues once again for the Official Truth Squad, putting a little truth and positive perspective in front of the United States House of Representatives and the American people.

DEBT AND THE DEFICIT

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

Mr. ROSS. Mr. Speaker, I rise this evening as whip of the 37-member strong fiscally conservative Democratic Blue Dog Coalition. I rise this evening on behalf of the Blue Dogs, who are very concerned about this, our Nation's debt, which is \$8,353,429,193,726 and some change. That means for every man, woman and child alive in America at this moment, it means their share of the national debt is \$28,000. Many of America's priorities will continue to go unmet until we get our Nation's fiscal house in order.

I plan to spend a good part of this hour discussing the debt and the deficit, but I just heard some things from a group that calls themselves the Official Truth Squad. They had the nerve to come to the floor of the United States House of Representatives and say it is the Democrats that are responsible for \$3-a-gallon gasoline at the gas pump. But the best one of all was when they blamed it on former President Clinton. Mr. Speaker, give me a break.

The American people know for the last 5 years and for the first time in 50 years, the Republicans control the White House, the House and the Senate. It is they who have failed to give us an energy policy that will allow us to become less dependent on foreign oil. They know that Democrats like myself have tried time and time again to reduce our dependence on foreign oil.

We have a bill in committee, in the Committee on Energy and Commerce, of which I am a member. We have a bill in the committee that mandates 10 percent ethanol in all gasoline and 5 percent biodiesel in all diesel fuel, and yet

the Republican leadership refuses to give us a hearing let alone a vote on this bill that will reduce our dependence on foreign oil. It will create new markets for America's farm families. It will mean that we pay 60 to 70 cents less per gallon at the pump; and yes, it will reduce our dependence on foreign oil.

When we talk about alternative and renewable fuels, don't let anyone tell you that is too futuristic. I am here to tell you if we can strap a four-wheeler on a rocket and shoot it to Mars and control it from NASA's headquarters in Houston, it is American people that did that, and in America we have people with the know-how to create alternative and renewable fuels; not only ethanol and biodiesel, but many other forms that will reduce our dependence on foreign oil.

It was last August, 8 months ago, last August that I went to all 29 counties in my congressional district and called on the President to suspend deliveries to the Strategic Petroleum Reserve, and I did this because I know it is a short-term solution, and it works. President Bush's daddy did it in 1991, and the price of a barrel of oil dropped \$11 overnight. President Clinton did it in 2000, and the price of a barrel of oil dropped \$6. My question is why did it take this President 8 months to decide to announce today something I called for him to do last August, and that is to suspend deliveries to the Strategic Petroleum Reserve?

It is 8 months too late, and that means we have lost a number of farm families that will not be back in the business of providing America with a safe and reliable source for food and fiber. If we are not careful, we are going to become just as dependent on foreign countries for our food and fiber as we have for our energy supplies.

So I am very concerned that tonight all we heard from the Republican side of the aisle and this so-called Truth Squad is that it is the Democrats and President Clinton that are responsible for the high prices of gasoline.

Let me say that the American people are sick and tired of the partisan bickering going on the floor of the House of Representatives. Mr. Speaker, it should not matter if it is a Democrat or Republican idea; it should only matter if it is a commonsense idea, and does it make sense for the people that send us here to be their voice.

I am going to continue to push for ethanol and biodiesel and other renewable and alternative fuels that will reduce our dependence on foreign oil and bring down the price we pay at the pump because, Mr. Speaker, I represent a very large and rural district where it is not uncommon to travel 50 and 100 miles each way each day to a job. Our working farm families can no longer afford the prices we are seeing at the gas pump.

Mr. Speaker, I am also proud that the President finally today suggested something that I put into a bill last

September that the Republican leadership refused to give me a hearing or a vote on, and that is calling on the Federal Trade Commission to investigate the big oil companies to determine if what we have been seeing is in any way related to price gouging. I can tell you if it is, the big oil companies responsible for that, they should not be put in the jail, they ought to be put under the jail. Why did it take this President 8 months to heed my call for a Federal Trade Commission investigation and to heed my call to suspend deliveries to the Strategic Petroleum Reserve? I am sure it has something to do with his approval rating now reaching an all-time low of 32 percent.

Now, I wasn't here this evening to discuss energy, but I got a little fired up when the other side of the aisle decided they were going to say it was the Democrats and President Clinton who are responsible for \$3-a-gallon gasoline at the pump.

I am joined this evening by a good friend and colleague within the Blue Dog Coalition to talk about the debt and the deficit. He is a real active member of the Blue Dog Coalition, the group of 37 fiscally conservative Democrats, Mr. DAVID SCOTT of Georgia.

Mr. SCOTT of Georgia. Mr. Speaker, it is a pleasure to be on the floor to set the record straight. I, too, heard what the Republicans were just saying. The American people are a lot of things, but they are not fools. They know that the President is a Republican. They know that the Senate is in the hands of the Republicans. They know that this House of Representatives is in the hands of the Republicans. The Republicans are leading the country.

When Democrats were leading this country, at least one of our Presidents, President Truman, said, the buck stops here. Not these. They say the buck stops with the Democrats when we are the minority party. There is not a bill we can get passed here because we are the minority party. It is wrong as wrong can be for the Republicans to point fingers and try to blame the Democrats for this huge increase in prices. This belongs where it ought to be: On the failed policies of the President.

Now, I like the President. I find the President to be a very fine person, and I hold him in great personal esteem, but I totally disagree with his policies. And the people of this country disagree with his policies.

Now let us talk about the truth. We have had the Truth Squad just speak, and I am sort of reminded of this story of a good friend of mine. Her name was Isabella. One day in New York City Isabella had a vision, and so she changed her name to Sojourner Truth. She went all over this country speaking, and everywhere she went, people would ask her about her funny name.

She would say, Let me tell you about my funny name. The Lord gave me "Sojourner" so I could travel the world showing the people and speaking to

them. But I told the Lord I needed another name, and he gave me "Truth" so I could tell the truth to people.

Mr. ROSS, that is what the American people are expecting us to do tonight, to be sojourners of truth and to tell the truth. There is no more burning issue. Yes, we must talk about the deficit, but we have to talk about this gas price. We have to talk about the raising of it because it is what is on the hearts and minds and souls of the American people. They are fed up to here with these huge, gigantic gas spikes and gas prices.

□ 2145

Many people can't even make it. I was just out in my district in Douglas County down on Dorsett Shoals Road this past Sunday. And one of my constituents, a little lady, came out and said, Congressman, please do something about these gas prices. Where is our country headed? Where are we going? Please do something about securing our borders. Where is our country going? I am here to tell you, Mr. ROSS, the American people are very, very concerned about the lack of direction and going in the wrong direction that this country is headed in. Nowhere is it more startling than in these gas prices.

Now, let me bring this to your attention, Mr. ROSS, because this really gets to me. And I want to talk about this for a moment. In this article, I think it was from one of the media, the New York Times or Washington Post. I don't have it correct. But they began to talk about something that brings home the point.

Now, let me preface this by saying, I am a capitalist. I was trained at the best school of business in the world, the citadel of capitalism, the Wharton School of Finance where I got my MBA. Served on the board of directors there for 6 years. So I am a capitalist. I believe in the profit motive. I understand all of that.

But listen to this that we hear about the CEO at Exxon-Mobil. For his efforts, Mr. Lee Raymond, who retired in December, was compensated more than \$686 million from 1993 to 2005, according to an analysis done for the New York Times by Brian Foley, an independent compensation consultant. That amounts to \$144,573, every day.

Now, I am for profit. But there is a difference between profit and greed, and that is what is upsetting the American people. At a time when we have diminishing oil resources, at a time that the fuel prices are skyrocketing, these oil companies are making huge profits.

Now, all I say is this: Don't we owe it to the American people to ask these executives from these oil companies to come before Congress and explain this to us?

The American people are asking questions. I know your constituents are asking questions: How can it be? And not only that, if we move over to Chairman Ray Irani of Occidental Petroleum, He received \$63 million in

total compensation just last year. And over the past 3 years, Irani has reaped more than \$135 million.

I am not kicking anybody for making money. This is a free enterprise system. It is a capitalistic system. But we are not dealing with peanuts. We are not dealing with renewable stuff. We are dealing with a life and death, very valuable diminishing resource called oil that we are dependent on, not just for us to make our economy go. It also is the juice that enables us to fight our wars, protect this country. There is a lot at stake with this.

Meanwhile, we want the truth. Here are the facts: the price of gas, while all of these profits are going on, the price of gas has doubled. Profits for big oil and gas companies have quadrupled at the time that gas prices have zoomed up, while American families' incomes have been stagnated.

Many small independent gas stations are reporting that they are being gouged by big oil companies. Now, if they are saying that, shouldn't we investigate? Shouldn't we take a look? That is all that I am saying. I am saying we need to bring the oil industry individuals in and get them under oath to provide us with some answers.

No, this is not a Democrat or Republican situation. It is all of our situation. But I tell you, when they are in charge, it is wrong to blame us.

Mr. ROSS. I appreciate the gentleman from Georgia and his thoughts on this energy crisis. And he is right, these oil company executives, I would invite them to come to my district and look into the eyes of farm families that are no longer in business, working families who are having to make difficult decisions about how to spend their money because of the high price of gasoline just to get to and from work.

And yet this administration, this Republican-led Congress continue to tell us that life is getting better. It is getting better for whom? Gasoline prices are up 80 percent. Health care costs are up 50 percent. College costs are up 40 percent, and incomes are down in this country. That concerns me. And as one of the 37 members of the fiscally conservative Blue Dog Coalition, we understand that all of this is directly related to this, the national debt, which is now \$8,053,429,193,726 and some change, which equates to every man, woman and child in America, including the children being born today, their share is \$28,000. We call that the debt tax, D-E-B-T. And that is one tax that cannot go away until our Nation gets its fiscal house in order. A lot of people think the deficit doesn't matter, that the debt doesn't matter, that we can simply print more money. That doesn't happen. It doesn't work that way.

Unfortunately, here's how it works. We are borrowing money from the Social Security trust fund, which I am adamantly against. Now, I understand, the first bill I filed as a Member of Congress was a bill to tell the politicians in Washington to keep their

hands off the Social Security trust fund. Now, I understand why the Republican leadership refused to give me a hearing or a vote on that bill, because the projected deficit for fiscal year 2007 is \$348 billion. That is the number you will hear a lot. But the reality is that it is \$548 billion. The difference is they are taking the money from the Social Security trust fund with absolutely no provision on how or when that money is going to be paid back.

Now, when I go to the bank to get a loan, my banker asks me how I am going to pay it back, where's the money going to come from to pay it back, and when am I going to pay it back. Our government should be no different. The politicians in Washington should keep their hands off the Social Security trust fund. But, instead, this is what we get.

Forty-five percent of the debt is being borrowed from foreign central banks and foreign investors. Forty-five percent of the deficit is coming from foreigners. In fact, this administration, in the last 6 years, has borrowed more money from foreign central banks and foreign investors in places like China and Japan and South Korea than the previous 42 Presidents combined. And if we are not careful, if we are not careful, those foreigners are going to influence and have an impact and have control of our Nation's monetary policy. And we already see what is happening with interest rates.

Ms. JACKSON-LEE of Texas. Will the gentleman yield?

Mr. ROSS. I will yield, yes, ma'am.

Ms. JACKSON-LEE of Texas. Let me just congratulate the Blue Dog Coalition. I have listened to this very articulate explanation, if you will, of the national debt; and I want to congratulate the gentleman from Georgia and the gentleman from Arkansas and the distinguished gentleman from Tennessee.

I just want to thank you for acknowledging or at least bringing to the attention of the American people the impact of the deficit. Just a reminder that when the Clinton administration left office there was a surplus. And so this issue of the national debt and deficit is crucial.

And I would just simply leave with this thought: I also heard you talk about the gasoline prices and, obviously, there is an enormous range of issues that we need to discuss with that, the ethanol issue and, of course, the strategic petroleum reserve.

But let us remember that the people who are most harmed by where we are today, the deficit and gasoline prices, are hardworking, struggling American families. These are people who get up every day, turn the lights on early and get in their cars to make ends meet. And, frankly, even though the President has offered some suggestions today as it relates to gasoline pricing, I don't think this House should rest a moment until we address this question.

Many people will say, I represent the energy company so I am not here to suggest that there is a single answer. But I think the energy company should come to the table, I think the President needs to have the bully pulpit, if you will, and some relief needs to go directly to mom and pop senior citizen at the gas pump. And I hope, as you continue your discussion this evening, that Americans will understand that Democrats are prepared to fix this horrible debt to protect the Social Security trust fund which is a very important issue, but also respond to the struggling Americans or the needs of fixed-income persons when it comes to this crisis in gasoline pricing. It is not tomorrow, next week; it is now. This Congress needs to stand up and address this question, and they need to do it now. And I thank the gentleman for yielding. I thank the distinguished gentleman from Georgia.

Mr. SCOTT of Georgia. The gentleman from Texas brings up a very interesting point in terms of our energy crisis and how it dovetails with our debt, one of the important points we have got to look at so we can see the dangerous track we are on. Mr. ROSS, you just went through one of the most disturbing facts of our debt and that is the indebtedness that we are in to our foreign investors, borrowing more money from them than all the 42 Presidents combined. But let us look at who they are. Let us look at who they are who are controlling our financial security. They are the very same nations that are controlling our energy security. China and India, on the one hand, Japan, the OPEC countries, the countries in the Middle East, on the other hand. Each of these areas are controlling our debt, and they are controlling our oil.

The United States of America consumes 25 percent of the world's energy. But we produce or have access to just the refining and production capacity of just 5 percent. Put that together with the fact that one thing nobody mentions, not the President, not anybody, but it needs to be mentioned, and that is that why should we be taking this time to plan the future of this great country on a diminishing resource?

Every point, and I bring this to you again, this is a quote from a president, former president of Exxon-Mobil. I talked about the other's salary a minute ago to show the discrepancy. Here's what, 3 years ago, John Thompson, president of Exxon-Mobil said. He said, we estimate that the world's oil production from existing oil fields is declining at an average rate of 6 percent a year. To meet projected demand in 2015, the industry will have to add about 100 million barrels a day in new production. That is equal to 80 percent more than we are producing today, and oil is not a replenishing asset.

That brings me to the issue of where we really need to be planning for the future of this country is not on a diminishing resource of oil that is not

going to be there in the future. We have got to look elsewhere. And I tell you this, Mr. ROSS: if Brazil can take sugar cane and solve their energy crisis and turn it into fuel for their automobiles with ethanol, why in the world can't we do that in America with our corn or with our other biofuel capacities, with our research? We have got the American can-do spirit. The problem is we need to unleash it, and we have got to do it, not depending upon oil that is a diminishing resource, but have the vision, have the courage to look to the future.

And I tell you, surely, if Brazil can solve their problem with using one of their natural replenishable resources of sugar cane to provide their major source of fuel, surely we can do as well as that. And we must do that.

Mr. ROSS. The gentleman is absolutely correct, and the fact that our Nation is \$8.3 trillion in debt has a direct impact on all of America's priorities, many of which are going unmet today because of this enormous debt. I mean, it is \$8.2 trillion, but it is growing by nearly \$1 billion a day. We are sending \$279 million a day to Iraq, \$57 million a day to Afghanistan. This President, in this year's budget, proposes cuts to things like education and student loans to the tune of \$2 billion. And yet the same budget, the same budget includes over \$200 billion in new tax cuts for those that are primarily earning over \$400,000 a year. It is about priorities, and priorities should begin with bringing down the high price of gasoline and diesel fuel; and priorities should begin with reducing our dependence not only on foreign oil but on foreign central banks and foreign investors to fund our government.

□ 2200

The U.S. is becoming increasingly dependent on foreign lenders. Foreign lenders currently hold a total of about \$2.174 trillion of our public debt. Compare this to only \$23 billion in foreign holdings in 1993.

The top 10 current lenders, countries that this President and this Republican Congress continue to pass tax cuts with money that they are borrowing from these countries: Japan, \$668.3 billion. China, you can see here in 2000, and these are based on numbers from the United States Treasury and the United States Census Bureau, the public debt held by China quadruples under President Bush by billions of dollars. In 2000, when the President took office, our government had borrowed \$62 billion from China, and in less than 6 years this chart shows that we have now borrowed \$257 billion from China. This was printed on February 23, 2006. We cannot get them printed and updated quickly enough because the new number is \$262.6 billion. United Kingdom, \$244.8 billion. Our Nation has borrowed \$97.9 billion from the Caribbean Banking Center. I had never heard of such. Taiwan, \$71.6 billion. OPEC nations, \$77.6 billion that we have bor-

rowed from them. With the excessive price we pay at the pump, they are getting the profits. They are getting so much in profits on our backs that they are then turning around and lending our Nation money so that these Republicans in Congress can keep borrowing money from OPEC to give their rich buddies a tax cut.

And I would submit to you if you earn over \$400,000 a year, you ought to be for this. If you earn less than \$400,000 a year, this is not a good deal for you, and it is certainly not fair to your children, who have got to pay this back someday.

Korea, \$68.3 billion. Germany, \$65.2 billion. Canada, \$54.9 billion. And to round out the top 10 list of countries that our Nation has borrowed money from to fund tax cuts, Hong Kong, \$48.3 billion.

Mr. SCOTT of Georgia. The American people are fed up with this, I assure you.

Mr. ROSS. The gentleman is so right. The gentleman is so correct on that.

In a moment we are going to be hearing from the cochair for policy for the 37-member-strong fiscally conservative Blue Dog Coalition, and it is interesting what the gentleman from Tennessee is about to present to us. This is a little known report.

And before we get into this, let me just let you know, Mr. Speaker, that every Tuesday night, as members of the Blue Dog Coalition, a group of 37 fiscally conservative Democrats, we come to the floor of the United States House of Representatives to talk about the budget, the debt, the deficit, and how this directly impacts America's priorities. And, Mr. Speaker, if you have any questions, comments, or concerns of us, I would encourage you to e-mail us at BlueDogs@mail.house.gov. Again, Mr. Speaker, I would encourage you to e-mail us your thoughts, concerns, or questions to BlueDogs@mail.house.gov.

Very few people in our Nation, in fact, very few people in this Congress, know about this little known report. It is called the Financial Report of the United States Government, and this is the 2005 edition. Very few copies of this report are printed. Very few copies are circulated.

Contrast that, Mr. Speaker, to this: This is the budget of the United States Government. It is delivered with a lot of fanfare to every Member of Congress's office. You always read about it and see it in the newspaper, radio, and television. You hear about it and see it, and this is the budget for fiscal year 2007. The budget of the United States Government, you get an idea of how thick it is. It is a big document, and it is delivered each year to all 435 Members with a lot of fanfare.

This document, however, is delivered only to a handful of people, and it is only delivered to them because the law requires it, but it is a financial report of the United States Government. And here is what is interesting about this

report: When we tell you that the deficit for 2005 was \$319 billion, that is based on cash-basis accounting. Now, the Financial Report of America, and I believe it was Senator John Glenn that introduced the legislation, Congress requires the Secretary of the Treasury to issue this Financial Report of America using accrual-based accounting. It is this Congress through various laws that require every business in America with revenues over \$5 million to use accrual-based accounting. They get in a lot of trouble with the IRS if they do not, and yet our government does not use the accrual accounting method, and our government certainly is bigger than \$5 million in revenue every year. Our government uses cash-based accounting. And based on cash-based accounting, the deficit for 2005 was \$319 billion.

Maybe the reason this is not widely distributed and not very well known is because when the Financial Report of America issued by President Bush's Secretary of the Treasury, as required by law, uses an accrual-based accounting method, this little document reveals that the true deficit for 2005 was not \$319 billion. It was \$760 billion. Lord knows we are not trying to make it sound any worse than it already is because at \$319 billion it is one of the largest deficits ever in our Nation's history. It is hard now to believe that we had a balanced budget in this country from 1998 to 2000, but we did. And yet under this administration and this Republican-led Congress, we have got the largest budget deficit ever in our Nation's history for 6 years in a row, and that is based on the cash-based accounting method. And when you look at the accrual accounting method, it is much worse.

Mr. Speaker, at this time I yield to the gentleman from Tennessee, the co-chair for policy for the 37-member-strong, fiscally conservative Democratic Blue Dog Coalition, Mr. Jim Cooper, who discovered this document. And I yield to him to better explain it to all of us.

Mr. COOPER. Mr. Speaker, I thank my good friend from Arkansas for yielding and my friend from Georgia for his remarks.

If the gentleman from Arkansas would not mind, I might take that podium because of the easel next to it, because I brought a chart with me tonight.

Mr. ROSS. Please do.

Mr. COOPER. I appreciated the gentleman's remarks because he was exactly on track. There are two basic methods of accounting. One is simple, it is based on the cash basis. That means when you pay for something, you have to acknowledge it on the books.

We all know that we live in a credit card economy, and it is easy to buy things with plastic, and you know that when you sign that little piece of paper after you put down your credit card, you have effectively bought it even

though you have not paid the bill yet. You might not pay the bill until the end of the month or the end of the year, but it is important to acknowledge the fact that you have bought it when you put down the plastic.

That is essentially what the accounting method that my colleague from Arkansas was describing does. It is called accrual accounting, A-C-C-R-U-A-L. Now, it has nothing to do with the word "cruel." It is not a mean form of accounting. In fact, it is probably the kindest form of accounting because it remembers our elderly, it remembers our sick, and our disabled not just when their bills are due, but when their needs arise. And that is when we should pay attention to our seniors, our sick, and our disabled.

I brought with me a chart tonight that asks a very simple question. Here we are in the Congress of the United States. This is the greatest country in the history of the world. You would think that in a recent year we would be able to tell you, Mr. Speaker, and tell the American taxpayer how big our deficit was. Well, there are different ways of measuring it, and let me list the ways for you tonight.

One is the way that my colleague mentioned, the U.S. budget that the President talks about so much. I am going to have breakfast at the White House in the morning with the new OMB Director, Rob Portman, a former colleague of ours, and I am going to be discussing this with him in the morning. It will be interesting to see what his reaction is. Under the OMB approach of cash accounting, the deficit last year was \$319 billion. That was the third highest figure in U.S. history. It is about 2.6 percent of GDP. So it is huge and worrisome. They claim it is shrinking, but let me show you these other deficit measures again for the same year, 2005. If you do not allow us to borrow money from Social Security, the gross borrowing for the U.S. that year was \$494 billion. So in a sense our true deficit in 2005 was not \$319 billion. It was \$494 billion, because I do not know anybody back home who supports our borrowing from Social Security in order to reduce the appearance of the size of the deficit.

But here is the number that my colleague from Arkansas mentioned as well: This is using real accounting, accrual accounting, like all businesses of any size in America have to use by law. If you apply that to the U.S. Government, you get a shocking result. The budget deficit jumps \$441 billion to \$760 billion using modern accounting. And guess what. This deficit is not shrinking, as OMB claims. This one seems to be growing rapidly. And that number equals almost all domestic discretionary spending in America, defense and nondefense. That is a huge number. That is a deficit as large as basically all the money that Congress has any say over during the year because the rest of it is in entitlement programs and the interest on the national debt.

As bad as that is, look at these other numbers. These are truly scary numbers because if you believe, as I do, that Social Security is the most solemn obligation in the United States, you cannot ignore Social Security. And as good as this document is using modern accounting, it basically ignores Social Security because it has got a little paragraph in here on page 12 that says in the section "Other Responsibilities," oh, by the way, the Social Security unfunded liability situation is trillions of dollars. Well, that needs to be accounted for in the annual budget deficit, and if you account for it in the annual budget deficit, it means that the budget deficit in the year 2005 was basically \$1.7 trillion, many times larger than the figure the administration releases.

But guess what. Not only is Social Security a sacred obligation of our Nation, so are other programs like Medicare. Medicare takes care of our elderly and our disabled, and it, too, is a solemn obligation of our Nation. But it, too, is ignored in this document, ignored in the annual deficit figure. If you factor that in, the true deficit for the year 2005 was not \$319 billion, was not \$494 billion, was not \$760 billion, was not \$1.7 trillion. It was \$2.747 trillion, or \$2,747 billion. That is a number so large, it is almost impossible to imagine. It is literally as large as the entire Federal budget itself.

So if you want to measure the budget deficit accurately, I think you have to acknowledge there is not just one measure. There is the old-fashioned cash measure, which can be used, but is unrepresentative of our true obligations under credit card accounting and under the needs that we have with Social Security and Medicare. If you used a more modern accounting, suddenly the deficit looks a lot larger. In fact, if you include Social Security and Medicare, the deficit is, in fact, larger than most citizens can imagine.

Very few people know this. It will be interesting tomorrow morning at breakfast to see whether the new Director of OMB knows this because these numbers are so large, they literally represent a crisis for our Nation. It is a crisis not only for this generation, but for future generations, because what a deficit means is it is borrowing money, oftentimes, as my colleague from Arkansas said, from foreign nations, and these folks expect to be repaid with interest. And that puts a terrific debt burden, D-E-B-T, on the backs of our kids and grandkids as they struggle to pay the interest costs. Pretty soon interest alone will take up almost \$400 billion or \$500 billion a year of American productive capacity. That is a shame because that money could be invested in roads and schools and future productive opportunities for our young people. Instead it will be paid in interest to foreign central bankers. It is the only tax that can never be repaid.

□ 2215

It is a tax that will not go away until we once again return to the days of budget surpluses, when we can pay down that debt. But we are a long way from home right now, because the Nation is on the wrong track. We are headed in the wrong direction, and we need to acknowledge these truthful deficit measures so we can better understand our current plight.

It is important that the American people be informed of all the facts, not only the President's budget, but also the financial report of the United States Government which was issued by his own Department of Treasury, but which they printed so few copies of that they literally don't want you to see it.

So I would like to yield back my time to my colleagues from Georgia and from Arkansas. I appreciate your holding these issues up for the American people so the entire Nation can be involved in the debate. It is very important, Mr. Speaker, that all the American people see what is really going on in our great country, because our responsibility in this generation is to keep our country great.

Mr. SCOTT of Georgia. Mr. Speaker, one of the points, just to add to what you are saying to show the real gravity of this situation, is this: Just the interest, just the interest alone that we are paying back on this, is the fastest growing part of our budget. Just the interest. Combined, that interest amounts to more than all of what we are spending for veterans, for education and for our own homeland security. The interest just is overwhelming.

Now, I want to make a point, because you brought it home, and as you were explaining that, the gentleman from Tennessee, I was reminded of a little history lesson here. If you would look back through history at all of the great civilizations, great nations, from the Roman Empire to the British Empire to the Ottoman Empire, they all collapsed from three important things: Global overreach, diminishing resources at home and an overwhelming, irresponsible debt in the hands of foreigners.

We are on the verge of handing our country over to foreigners, in our fiscal area, in our petroleum area and because of a lack of security on our borders.

I tell you, Mr. Ross, the American people are dialed in on this. They are concerned about this and they want some leadership. They want vision. They want our borders secure. They want America to be America.

Why can't we be independent in our resources, if we can make fuel to run our automobiles from corn? We know we can. Do you know why? Because the very first automobile manufactured by Henry Ford, the Model T, you know what it was fueled by? Ethanol made from corn. What more evidence do we need?

Mr. ROSS. I would say to the gentleman from Georgia, I could not agree

with you more. The point we are making I believe this evening, I hope this evening, is as long as we have got this massive debt, which is costing us half a billion dollars a day in interest payments alone, as long as we continue to borrow \$1 billion a day, increasing the \$8.3 trillion debt by \$1 billion a day, then America's priorities will continue to go unmet.

We talk about investing in alternative and renewable fuels. The Potlatch Corporation with their plant in Cypress Bend, Arkansas, in my congressional district, has been recognized for their efforts in publications including the Wall Street Journal, I believe.

They have a plan. They have the ability to take the wood, if you will, the timber, if you will, that is left in the woods that is not used in a manufacturing process, combine that with what is left on the sawmill floor, and they can power at least five towns the size of my hometown of Preston, Arkansas. To invest in that kind of equipment and technology and to make the thing economically feasible, it is going to have to be mass produced on a large scale, so they are in search of money to go forward.

In the energy bill there is money to invest in these types of alternative and renewable fuels, but because of the massive debt there is only \$150 million. Don't get me wrong, \$150 million is a lot of money to a country boy from Prescott, Arkansas. But my point is this: To be able to reduce our dependence on foreign oil and to make our Nation more energy self-sufficient, to get this project off the ground to where it can be mass produced, they need \$100 million. There is \$150 million for similar type projects for all of America. They need \$100 million of it.

My point is we are not investing nearly enough in alternative and renewable fuels. \$150 million is a lot of money, but our Nation is spending three times that, \$500 million every day simply paying interest on the national debt, when we could be investing in alternative and renewable fuels to bring down the high energy bills that are having a negative effect, a horrible impact on America's working families, America's seniors and America's farm families.

Just look at what interest payments on the debt are doing. The red on this chart is the net interest that is being paid in billions of dollars. The blue is how much we spend on education. Yes, we will spend more money paying interest on the national debt in about 100 days than we will spend on education in 365. Homeland security is the green bar. Veterans. I might remind you, we have got a whole new generation of veterans coming home from Iraq and Afghanistan, including my brother-in-law, who is in the United States Air Force, and my first cousin, who is in the United States Army.

So look where our priorities lay in this country. Until we can get our Nation's fiscal house in order, this Repub-

lican Congress is going to continue to spend half a billion dollars a day paying interest on the national debt, while education and homeland security, keeping America safe and our veterans, will continue to get the short end of the stick.

I yield to the gentleman from Georgia.

Mr. SCOTT of Georgia. Mr. Speaker, it is a double-ended stick too, because we must understand what this means in terms of the President will say, well, we are borrowing this money, we are making these budget cuts for tax cuts, so we can give tax cuts to the top 10 percent of this country, when they are not tax cuts. America needs to understand, they are not tax cuts. They are deferred tax increases, deferred tax increases, because somebody has got to pay for that.

It is not fair. I have got two lovely little grandchildren. I love them to death. I have got two children. That debt is going to be on them. That is not fair. It is not fair to do that.

Now I need to talk about one other thing so that we will know clearly, as you spoke on renewable energy programs and as we talk about this budget, the budget that again we will hopefully not have the votes for again. But let's talk about it, because you have got to look at the President's actions and the Republican administration's actions.

Like I said earlier when we first started out, you can't blame the Democrats. We are not in charge. I hope that the American people will give us that opportunity this November to be in charge. Then we will be responsible.

But I guarantee you one thing; we won't point the finger at the Republicans. We will say, as Harry Truman said, "The buck stops here." We will say, as John Fitzgerald Kennedy said, "Ask not what your country can do for you; ask what you can do for your country." We will do what Franklin Delano Roosevelt said, "The only thing we have to fear is fear itself."

That is what the American people are waiting for. They are waiting to be challenged. They are waiting to be inspired. We don't need our country run by the Middle East, by Iran, Iraq or Saudi Arabia. We don't need it run by China or India. That is not what made America great. America became great because of our own inventiveness. We can become energy independent. All we have to do is unleash the mighty, free enterprise spirit within America.

If we know that oil is a diminishing resource, it is foolish for us to plan the future of this great Nation on a ready supply of oil, when we know it is running out. We have proven that. We have got to be bold. We must have vision. We must understand, and we must not be like those other previous civilizations on whose bleached bones are written those pathetic words, "too late." Rome moved too late, the Ottoman Empire moved too late, the Dutch Netherlands moved too late and even Great Britain moved too late.

Will we move too late, Mr. Ross? I don't think so, because there is too much can-do spirit in this country. That is what made America what it is, and that is what is going to take us forward. We have the leadership, we have the will, we have the vision, and we can be what the American people want us to be.

Mr. ROSS. The gentleman from Georgia is correct in talking about not only do we understand what the problem is, record debt, record deficits, but we also have a solution to the problem.

As members of the fiscally conservative Democratic Blue Dog Coalition, all 37 of us, we have a 12-point plan for meaningful budget reform. These are not rocket science ideas; they are common sense ideas.

One of them is promoting accountability within our government. I have talked about this before, and I am going to continue to talk about it, because I continue to have these manufactured homes located in my congressional district.

FEMA has this so-called FEMA staging area at the Hope Airport in Hope, Arkansas, and the idea was that manufactured homes, 14 and 16 foot wide, 60 foot long, and they are fully furnished, they would come and go. Hope is 450 miles from the eye of Hurricane Katrina.

Well, they all came, and none of them ever went. As a result, at one time we had 10,477 brand new, fully-furnished manufactured homes sitting at the airport in Hope, Arkansas. They were going to use these old World War II era runways, taxiways and tarmacs, and you can see that is what they did with some of them. Then they started to have to use pasture land.

Here is a better shot. When I say pasture land or hay meadow, you get the idea what I am talking about. Here are these mobile homes sitting there on the grass.

So when I started getting on them and raising this issue back in December, I thought FEMA would get these homes to the people who lost their home and everything they owned in places like Mississippi and Louisiana. But instead, FEMA's response to this is they are now spending \$4.3 million laying gravel on this pasture to keep the manufactured homes from sinking, instead of getting the homes to the people that need them.

They claim they won't locate them in Louisiana and Mississippi in flood plains. Why didn't FEMA think about that before they went out and spent nearly \$1 billion on these mobile homes? FEMA says it is okay to put tents in flood plains, it is okay to put almost 80 million camper trailers in flood plains, but, no, not mobile homes, not even temporarily for 18 months. So people continue to live in hotel rooms, they continue to live in tents, they continue to live in campers across Louisiana and Mississippi.

You would have thought that FEMA would have figured this thing out since

last August when Hurricane Katrina hit. Unfortunately, we had a horrible tornado come through Arkansas and Tennessee, numerous tornadoes, I might add, which literally destroyed the community of Marmaduke, Arkansas. It took a number of Congressmen, a number of Senators, a Governor and I don't know who all else two weeks to get FEMA to move 25 of these 10,477 mobile homes from Hope, Arkansas, to Marmaduke, Arkansas.

We come to find out they have simply moved them to a so-called FEMA staging area at Marmaduke, and are telling those homeless it might take 30 days to process their paperwork to see if they can get one of these homes.

This is a symbol of what is wrong with this administration, this Republican Congress and their Federal Emergency Management Agency. I will continue to raise this issue and continue to give you an update, Mr. Speaker, as long as we have got a single home sitting at the airport at Hope, Arkansas, while people remain homeless from these horrible natural disasters.

In fact, Mr. Speaker, the current update as I understand it is we now as of tonight have 10,112 manufactured homes sitting there at the airport in Hope, Arkansas. This is an example of the lack of accountability within our government, the kind of accountability that we need if we are going to get our Nation's fiscal house in order.

Mr. SCOTT of Georgia. Mr. Ross, you cannot help but feel compassion for the American people. They deserve much better than this, with Katrina, the natural disasters that are happening and the lack of response of FEMA. You talk about FEMA. I had a similar problem in my own district, where we had literally thousands of trailers sitting right there on the campus of Ft. Gillem.

□ 2230

Weeks, weeks, weeks went by, not going down into the Louisiana area. Lack of coordination, lack of proper direction.

The American people deserve much better than this, and we are going to give them much better. We have got to change the direction of this country. It is implicit in the debt that we are having. It is implicit in the response and the concerns with the rising gas prices. It is implicit in what is happening with the depletion of our military and our armed services, in the service of Iraq and Afghanistan. It is implicit in the situation with the Dubai Ports deal, even to think that they would turn over the security of this country to a company owned by a country who was only one of three countries to recognize the Taliban as the authority, ruler, in Afghanistan, while we have got our young men and women dying and fighting the Taliban. A tremendous disconnect.

And it is obvious it is there. As I said at the outset, we are here to be sojourners of truth. And we are sojourners of truth here tonight.

Mr. ROSS. I thank the gentleman from Georgia, the gentleman from Tennessee for joining me this evening as we discuss this huge issue, this debt, and deficit facing our country, as we do every Tuesday night.

We began the hour with a debt, \$8,353,429,193,726 and some change. Just in the last hour since we have been discussing the debt and the deficit and what it means to America and how America's priorities are not getting funded because of it, how our veterans are not being taken care of, our school children are not being taken care of, our Nation is not nearly as safe as it should be because of America's priorities cannot be met as long as we do not have our fiscal house in order.

But during this hour that we have stood here talking about this, this administration, this Republican Congress has increased the national debt to the tune of about \$41 million. In fact, this is no longer the national debt. The debt now is \$8,353,470,859,833. Just in the hour we have been here, our national debt increased by more than \$41 million.

It now stands at \$8,353,470,859,833 and some change. It is time for this Nation to get its fiscal house in order. Forty-nine States are required to have a balanced budget. As members of the fiscally conservative Democratic Blue Dog Coalition, we believe our Nation should have a balanced budget. Small businesses are required to have a balanced budget. And America's working families and seniors and farm families are required to have a balanced budget.

It is time for America to have a balanced budget. Madam Speaker, as members of the 37 Member strong, fiscally conservative Democratic Blue Dog Coalition, we will continue this dialogue and this debate on the House floor every Tuesday night until we have an administration and a Congress that will get our Nation's fiscal house in order.

With that, Madam Speaker, if you have any questions for us, in the time remaining, I would encourage you, Madam Speaker, if you have questions or comments or concerns, I would encourage you, Madam Speaker, to e-mail us at bluedog@mail.house.gov. That is bluedog@mail.house.gov.

GOLD AND THE U.S. DOLLAR

The SPEAKER pro tempore (Ms. Foxx). Under the Speaker's announced policy of January 4, 2005, the gentleman from Texas (Mr. PAUL) is recognized for half the remaining time until midnight.

Mr. PAUL. Madam Speaker, the financial press and even the network news shows have begun reporting the price of gold regularly.

For 20 years, between 1980 and 2000, the price of gold was rarely mentioned. There was little interest, and the price was either falling or remaining steady. Since 2001, however, interest in gold has soared along with its price.

With the price now over \$600 an ounce, a lot more people are becoming interested in gold as an investment and an economic indicator. Much can be learned by understanding what the rising dollar price of gold means.

The rise in gold prices, from \$250 per ounce in 2001 to over \$600 today has drawn investors and speculators into precious metals markets. Though many already have made handsome profits, buying gold, per se, should not be touted as a good investment. After all, gold earns no interest, and its quality never changes. It is static and does not grow as sound investments should.

It is more accurate to say that one might invest in a gold or silver mining company, where management, labor costs, and the nature of new discoveries all play a vital role in determining the quality of the investment and the profits made.

Buying gold and holding it is somewhat analogous to converting one's saving into \$100 bills and hiding them under the mattress, yet not exactly the same. Both gold and dollars are considered money, and holding money does not qualify as an investment. There is a big difference between the two, however, since by holding paper money, one loses purchasing power. The purchasing power of commodity money, that is gold, however, goes up if the government devalues the circulating paper currency.

Holding gold is protection or insurance against government's proclivity to debase the currency. The purchasing power of gold goes up not because it is a so-called good investment. It goes up in value only because the paper currency goes down in value. In our current situation, that means the dollar.

One of the characteristics of commodity money, one that originated naturally in the marketplace, is that it must serve as a store of value. Gold and silver meet the test; paper does not. Because of this profound difference, the incentive and wisdom of holding emergency funds in the form of gold becomes attractive when the official currency is being devalued. It is more attractive than trying to save wealth in the form of a fiat currency, even when earning some nominal interest.

The lack of earned interest on gold is not a problem once people realize the purchasing power of their currency is declining faster than the interest rates they might earn. The purchasing power of gold can rise even faster than increases in the cost of living.

The point is that most who buy gold do so to protect against the depreciating currency, rather than as an investment in the classical sense. Americans understand this less than citizens of other countries. Some nations have suffered from severe monetary inflation that literally led to the destruction of their national currency.

Though our inflation, that is the depreciation of the U.S. dollar, has been insidious, average Americans are unaware of how this occurs. For instance,