

bracket, then their elimination of that \$10 deduction from their income becomes income and the interest and the penalty and the tax on that accrues to about \$6 an hour. So your \$10-an-hour employee when the IRS is done with their audit becomes about a \$16-an-hour employee. That makes it a circumstance by which a legal American can perhaps compete. A \$16-an-hour illegal does not look quite so good any more compared to the \$12 an hour legal.

Those kinds of rational decisions will be made by the millions across this country when we pass New IDEA, when the President signs New IDEA into law. It will dry up the jobs magnet. We need to shut down this jobs magnet because that is what is attracting the illegals into America. Shut off the jobs magnet, eliminate birthright citizenship, and seal up the border. If we could do those three things, what we would see happening is fewer people would be coming into the United States. Two of the biggest reasons to come here would be gone: Birthright citizenship and jobs. The jobs dry up.

□ 2250

And then the human traffic that is 4 million strong; this human haystack that pours across our border begins traveling back in the other direction and starts to head back south again. That will happen by the millions. I don't think it empties out 11 or 12 million. In fact, I think there are perhaps 20 or more million in this country that are illegal. But I think it maybe takes 30 to 40 percent of those that will go back south again. I know that there are quite a few that were working off the books that aren't even being deducted. They are working cheap enough that the employer decides, I am not going to do the book work on them; it is too much trouble. I am just simply going to hand them cash and pay them off.

But I also know that there are perhaps 50 percent or more that are on the books that are sending in these no-match Social Security numbers that go in the earning suspense file like the 34,000 for the single company.

We pass New IDEA, that changes some of that. That sends the traffic back to the south, shuts off the jobs magnet in many of these companies; and American citizens have a chance to go to work again, people that are lawfully present here in the United States, the green cardholders. Those that are trying to earn their citizenship the right way have an opportunity.

And what do we say, Madam Speaker, to the young people in America that decide they don't want to go to college and become a doctor or a lawyer or a scientist or somebody that is an MBA from Harvard? What do we say to those people that say, I have had 13 years of school, kindergarten, K-12. I have had it. I want to go to work. I want to work with my hands. I want to develop my skills. I want to start earning a pay-

check and bring it home, and I want to do something different with my life. This is the pace that I want. Those people have all been cut out of this.

I got a letter from a lady the other day. She and her husband had been involved in the construction business all their lives. They have been pushed out now. There is no opportunity for them. They are essentially jobless because illegal labor has undercut their wages to the point where they can't get a job anymore.

One Easter I was in a motel visiting my in-laws, and I happened to have a conversation there in between mass with a couple of people that were of Mexican descent. They were U.S. citizens. They happened to be working up in Nebraska. I said, Why are you here? And it is Easter and you are away from your families. And they said, well, we can't go to work down on the southern border because there are so many illegals down there that you can hire four of them for every one of us, so we have to come here to Nebraska. And one of them was going to the Philippines the next week. But they were traveling and sending their money back to their families in southern Texas because the proliferation of illegal labor shut them out of the job market in their own neighborhood, Madam Speaker. This goes on, over and over again.

But I beseech the United States Senate to cease discussion, deliberation, bringing language out of the Judiciary Committee that provides for guest worker-temporary worker. It is a flawed plan. There has never been a successful guest worker-temporary worker plan ever in the history of the world. The arrogance or the idea that you could configure one in committee and sit back and draw one up because you know what's best for America, without a model. And then what would happen is that comes over here from the Senate after you water down the enforcement that we sent over there, and you send us your temporary worker plan, which America knows can't work, and it comes to the floor of this Congress and for political reasons, nearly every one on that side of the aisle will vote for it, Madam Speaker.

And for whatever reasons, misguided reasons, I think, political reasons, because business wants cheap labor, some of the people on this side of the aisle will vote for it too and this will go, if it goes to the President, he will sign a temporary worker plan. It will be an amnesty plan, Madam Speaker. I have seen nothing that anyone has drafted up that is anything but an amnesty plan.

The American people know amnesty. They will understand amnesty, and they will let out a hue and cry and a scream that will be heard for generations if we fail them now; if we fail to provide enforcement at our border to build a fence, to seal that border and send a message that this is a sovereign line between two countries; if we fail to

sanction employers; if we fail to pass New IDEA; if we fail to put policies in place that cause people to migrate back to their home countries.

But if we can succeed in enforcement, we can also promote American values, Madam Speaker. In those countries that need help and the people who are coming here are the solutions for the countries that they are leaving. If they would go back to their home countries and build their countries and enforce the changes that are necessary for the reforms, the world is a better place. Their country is more prosperous, their children will have opportunities. And that is the legacy that can echo around the world. It can't succeed under guest worker-temporary worker.

We have an obligation and a duty to our Founding Fathers, to our constituents, to Americans, to God to preserve and protect this great country and to shape an immigration policy that is designed to enhance the economic, the social, and the cultural well-being of the United States of America.

#### BLUE DOG COALITION

The SPEAKER pro tempore (Mrs. DRAKE). Under the Speaker's announced policy of January 4, 2005, the gentleman from Arkansas (Mr. ROSS) is recognized for 60 minutes.

Mr. ROSS. Madam Speaker, on behalf of the 37-member strong fiscally conservative Blue Dog Coalition, a group of 37 fiscally conservative Democrats that have a common goal, and that is to restore some common sense and fiscal discipline to our Nation's government, and on behalf of the Blue Dog Coalition, I rise this evening as I do every Tuesday evening to discuss the debt, the deficit, the budget and accountability within our government because I believe, as Members of Congress, Members of this body, we were sent here by the American people to be good stewards of our tax dollars.

I grew up at Midway United Methodist Church just outside of Prescott, in Hope, Arkansas. Heard a lot of sermons growing up about what it meant to be a good steward. And what I learned growing up at Midway Methodist Church about stewardship I believe also applies to being good stewards of our tax dollars.

And, Madam Speaker, I rise this evening because today the U.S. national debt is \$8,270,385,415,129 and some change. Again, that is a lot of numbers, and sometimes I get them a little confused. \$8,270,385,415,129. For every man and woman and child in America, including those being born right now, each individual in America's share, every man, woman and child's share of the national deb, comes to some \$27,000 and some change.

It is hard to believe now, but from 1998 through 2001, we had a balanced budget in this Nation. And yet for the last 6 years, this administration and this Republican Congress have given us the largest budget deficit ever, ever in

our Nation's history. It is time to restore some common sense and fiscal discipline to our Nation's government, and it must start with accountability.

Madam Speaker, we all, our heart goes out to all the people that were impacted as a result of Hurricane Katrina and Hurricane Rita. Our heart goes out to so many people who lost their home and literally everything that they owned. It has been 7 months since that storm, and yet there are still so many things that are not happening the way they should within this administration and within FEMA, and one of those things is happening in my back yard.

I grew up in Prescott, Emmett and Hope, and went eighth through 12th grade at Hope public schools, graduated from Hope High School in 1979. I will be back there this coming Monday evening to keynote their annual chamber of commerce banquet.

But shortly after Hurricane Katrina, the Federal Emergency Management Agency showed up at the mayor's office at city hall in Hope, Arkansas, saying this. They showed up and they said, you know, Mr. Mayor, you have got this old World War II Army airport facility at your airport, these inactive runways, inactive taxiways, inactive tarmacs; and we want to use this as a FEMA staging area. And we are going to have manufactured homes, these 60- and 80-foot-long manufactured homes, 14-foot wide, two and three bedroom fully furnished manufactured homes coming and going, coming into the staging area at the airport, these inactive closed military runways from the World War II days; and then they will be coming in, they will be going out.

Well, Madam Speaker, they came and they came and they came and they came and they came, but they never left.

□ 2300

Well, now some 300 have left. 10,777 brand new, fully furnished manufactured homes arrived at the airport in Hope, Arkansas, with the theory being that they would all be stored on these inactive runways.

Today about 25 percent of them are stored on these inactive runways. 75 percent of them are stored in a pasture. In the past I have referred to it as a cow pasture. And the mayor down there in Hope reminded me there have not been cows in that field in a long, long time.

But the point I am trying to get across is 75 percent of these manufactured homes are just sitting there on grass. Someone told me the other day to start calling it a hay meadow. 75 percent of them are just sitting there on the grass.

In fact, Madam Speaker, if you have ever wondered what 10,777 manufactured homes look like, that is just a sampling of them with an aerial view. This is the active runway at Hope. These are the inactive runways. As you can see, they tried their best to store them on them, but then they ran out of room.

If you wonder why I call it a cow pasture, this gives you a pretty good close up view of it. There is your barbed wire fence. There is the pasture. And there is the manufactured homes just sitting there. These were actually parked in my home town of Prescott waiting to get into the FEMA staging area in Hope.

Now in all fairness, when I raised this issue there were 10,777 manufactured homes sitting in Hope, Arkansas. They have since moved 300 of those to Louisiana. 300 out of 10,777, which obviously if you do the math means we have still got 10,477 manufactured homes sitting in Hope, Arkansas at the airport and in this pasture, this hay meadow.

And what is appalling about that is that 7 months after this storm in the middle of winter, in places like Pass Christian, Mississippi, there are still people living in tents, living in tents at a time that we have 10,477 brand new fully furnished manufactured homes sitting in Hope, Arkansas, 450 miles from the eye of the storm.

To put it another way, if you stack them end to end, they will stretch from Texas to Mississippi. There are \$431 million worth of manufactured homes sitting at the airport. I was down there with the Democratic Leader of the Senate, Senator REID, and Senator PRYOR just this past Saturday urging FEMA once again to get moving, urging FEMA once again to get these manufactured homes to the people that need them.

What does FEMA say? Well, we will not put them in a flood zone, we will not put them in a floodplain. And under a normal situation, I would say that makes sense. But the reality is, that everybody that lost their home that needs a home, their land is in a flood plain.

And surely to goodness FEMA knew that before they purchased 10,000 of these brand new fully furnished manufactured homes. So what is FEMA's response? FEMA's response is that this week they have awarded a bid, just in the last few days at least, they have awarded a bid, and they are beginning to gravel, they are beginning to gravel 170 acres of this pasture land, costing the taxpayers \$4.2 million, so that they can continue to store these manufactured homes out of fear that sitting on the pasture they are eventually going to begin to sink.

Madam Speaker, that is an example of the lack of accountability within our Government. That is how our Government, this Republican Congress, this President, is spending our tax money. And all I can tell you, Madam Speaker, is all it takes is an executive order of the President to require FEMA to locate these 10,477 manufactured homes to the people who need them who lost their home and everything they own in Louisiana. The President can do it with one signature on one piece of paper.

But since he has refused to do that, I am proud to share with you that I have

written a bill, introduced a bill into this session of Congress, that would basically require FEMA to get moving, to require FEMA to temporarily locate these to the people who need them in Louisiana.

Finally, the most important part of this is that these manufactured homes are not permanent housing, they are temporary housing for 18 months. What is worse? To have these 10,477 manufactured homes spread over multiple flood plains in Alabama, Mississippi, and Louisiana, or have them all sitting there in this pasture at the airport in Hope, where there will be a tornado watch or a tornado warning every 10 days for the next 3 months.

This area is commonly referred to as Tornado Alley. My home county is one county over. We had tornado watches just this weekend. This is an example of how taxpayers are fed up with our Government. This is an example of the lack of accountability in our Government.

And as a member of the Blue Dog Coalition, a group of 37 fiscally conservative Democrats, we rise this evening to ask the President, to ask this Republican Congress, to exercise some common sense and good judgment and join us in trying to get FEMA to get these manufactured homes out of Hope and to the people who so desperately need them.

Now for the rest of this hour, we are going to be talking about accountability. We are going to be talking about the debt, we are going to be talking about the deficit, we are going to be talking about the budget.

Madam Speaker, I am extremely pleased this evening to be joined by a real leader within the Blue Dog Coalition, someone who has been elected the co-chair for administration within the Blue Dog Coalition, the gentleman from Utah (Mr. MATHESON).

Mr. MATHESON. Madam Speaker, I thank my colleague, Mr. ROSS. And I am always pleased to join follow Blue Dogs on the floor of the House of Representatives to talk about the issue of fiscal responsibility, and also about accountability, which go hand in hand.

The Blue Dogs have made a point of trying to make sure that people understand the magnitude of the debt. Mr. ROSS showed the slide that showed over \$8 trillion of debt. If we divide that among every man, woman and child in this country, that is over \$27,000 for everybody.

And the accountability issue that we have talked about, let's just take that as one issue to talk about now. Because the Blue Dogs have promoted what they call their 12-point plan that will lead us back to fiscal responsibility.

One of the points has to do with accountability. See the example Mr. ROSS gave where you have money being wasted and you wonder what is going on, that is indicative of a broader problem within the Federal Government.

So many agencies within this Government are unable to offer a clean

audit of their books. It is pretty remarkable when you think about it. Businesses would be out of business if they ran this way. And so under the Blue Dog 12-point plan, we think you have to put a structure in place that will force fiscal responsibility, one of the planks of the 12-point plan says that if there is a Government agency that cannot give you a clean audit of their books, their funding is frozen at the previous year's level. No increase for inflation or anything else.

In other words, we are going to create a strong incentive for the people working in that Government agency to make sure that they can at least give you a clean accounting of their books. That is what we should all want. That is what we should all demand quite frankly as citizens of this country.

There is nothing Republican or Democrat about this issue. That is just basic accountability. It is the taxpayers' money. They ought to be able to have an answer when they ask the question, how is it being spent?

And there are too many agencies within this Government who today cannot give you an accurate answer. And it adds up to a lot of money. The most recent year for which we have cumulative data was in 2003. And the Federal Government does not know where over \$24 billion was spent in that year; \$24½ billion, roughly speaking, is unaccounted for during that year.

That is enough to fund the entire Department of Justice. And we do not know where the money is. I find that amazing. So that is one of the 12 points that the Blue Dogs have offered as a legislative package that we think will help restore some fiscal sanity to the Federal system.

You see, when you take a look at it over time you see deficits occur, and you see certain actions to try to correct that. That is one of the best lessons we all learn if we are in our own household or own our own business, and we saw a year where we lost money, in other words we spent more than we would take in, we would take actions to correct that.

You do not see that happening right now in Washington. That is a concern for me. And in my tenure in Washington, I am in my sixth year here now, I have become convinced that we need to put rules in place, you need to create a structure that forces everybody to be fiscally responsible, forces the Congress and forces the President both to be fiscally responsible.

And that is where this 12-point plan comes into play. The accountability plank is the first plank I talked about. There are a couple of others that are real straight forward that I would like to mention as well. One is we believe that there ought to believe a balanced budget amendment in the Constitution.

Forty-five States have such an amendment. They seem to be doing pretty well in that regard. We think that the Federal Government ought to have that sort of requirement as well.

So there is a structural requirement for balanced budgets.

□ 2310

Secondly, we think as Blue Dogs that we ought to put in mechanisms that force you to pay for new programs. So if you got a new program that costs a certain amount of money, you have to pay for it by taking money away from something else. And if you have a new tax cut that costs money, you have to pay for it somewhere else.

By the way, this is not a new idea, this concept of pay as you go for new programs. That set of rules or standard existed in the Federal Government. It started in 1990 during the first Bush administration. Congress passed this legislation. The first President Bush signed it into law, and that created this structure where there was more accountability, where you paid for new programs. Unfortunately, after all the success of that, they expired in 2001, those budget rules; and since then we are going without them. And the Blue Dogs have introduced legislation every year to try to move ahead with that type of budget enforcement mechanism in terms of pay as you go, but we have not been able to get a vote on that.

So that is another point of the 12-point plan, be responsible, pay for new things, find another place to pay for it. Live within your means. It is a concept that all of us can relate to. That is the way we approach things when we sit down around the family dinner table and talk about our own household budget. And if you are a small businessman, you figure out that you have to live within your means, and you make your adjustments and you make your decisions.

Until we put that structure in place here in Washington, my concern is we are not going to have people making those decisions. So I am, as I said, always pleased to join my Blue Dogs colleagues in the House of Representatives to have a discussion about how we can move ahead with fiscal responsibility, what it is going to take.

Here is the thing I find in politics these days. It is easy for people to talk about the problems. We are here tonight offering a solution. We are offering a plan that helps us get away from this pattern, this unending pattern of increasing debt, and that is the kind of thing that I think folks in this country want from their elected officials. They want ideas and they want solutions. And that is why I think this 12-point plan merits everyone's attention, and I think this whole issue of fiscal responsibility is one that ought to bridge across party lines because this is doing what is right for this country, not what is right for one party or the other. This is the right thing to do for this country. It is the right thing to do for all of our citizens. It is the right thing to do because every man, woman and child, as I said earlier, right now owes over \$27,000. And we owe it to them and we owe it to future generations to make

sure that we do not have an ever-increasing obligation of debt.

I am going to continue to participate in this conversation, but right now I am going to turn it back over to Congressman Ross. I appreciate his leadership in managing this hour discussion on the House floor. Congressman Ross, I look forward to continuing this discussion about moving ahead with the fiscally responsible country.

Mr. ROSS. I thank the gentleman from Utah, and the gentleman from Utah raises a couple of good points. First and foremost is that as members of the fiscally conservative Blue Dog coalition, 37 members strong, we are sick and tired of all the partisan bickering that goes on at our Nation's Capitol. It should not matter if it is a Democratic idea or a Republican idea. It ought to matter that it is a commonsense idea and does it make sense for the people that send us here to be their voice in our Nation's Capitol?

I see these Democrats that vote 98 percent of the time with the Democratic Party, and I see these Republicans that vote 98 percent of the time with the Republican Party. And I submit to you, you do not need a brain to do that. And I do not think that is why people sent us here. I think they sent us here to look at the issue and to judge it on its merits and whether it makes sense for the people back home.

There is a lot of criticism that goes on in this Chamber, a lot of people that criticize each other and each party. We are here tonight to point out that there is a problem: the largest budget deficit ever in our Nation's history. The largest debt ever in our Nation's history. More importantly, as the gentleman from Utah pointed out, we are here this evening to offer up our plan, our plan for a budget reform, our plan, a 12-point reform plan, for curing our Nation's addiction to deficit spending.

The gentleman from Utah raised two of 12 points very eloquently. One of those is require agencies to put their fiscal house in order. Again, that is just a commonsense idea. But as the gentleman said 16, 16 of 23 major Federal agencies cannot issue a simple audit of their books. Worse, the Federal Government cannot account for \$24.5 billion it spent in 2003. Government auditors should be doing a better job of tracking taxpayer dollars, and the Blue Dog Coalition proposes a budget freeze on any Federal agency that cannot properly balance its books.

Another point the gentleman from Utah raised was requiring a balanced budget. As he pointed out, 49 States in America require a balance budget. I served for 10 years in the Senate in Arkansas. We were required to provide for a balanced budget. My wife makes sure that we have a balanced budget at the Ross household in Prescott, Arkansas. And our banker requires us to have a balanced budget at our family pharmacy that we own back home in Prescott, Arkansas.

As members of the Blue Dog Coalition, we support a constitutional

amendment to require a balanced budget every year except in times of war or a national emergency. The Blue Dogs believe a balanced budget amendment is the only way, the only way to ensure fiscal discipline in Congress. The Blue Dog balanced budget amendment would require a three-fifths vote of both the House and Senate to increase the debt limit or to waive the balanced budget requirement. In addition, the Blue Dog balanced budget amendment protects Social Security from benefit cuts and forbids increases in Social Security payroll taxes in order to balance the budget.

Let me repeat: our amendment protects Social Security from benefit cuts and forbids increases in Social Security, payroll taxes in order to balance the budget.

Madam Speaker, again, the Blue Dog Coalition, who are we? We are 37 members strong. We are a group of fiscally conservative Democrats who are trying to offer up some common sense, some new direction, and some leadership on fiscal issues in this Congress.

Madam Speaker, if you have any comments or questions for us, I would invite you, Madam Speaker, to e-mail us at BlueDog@mail.house.gov. That is BlueDog@mail.house.gov.

At this time in this Special Order on the budget, the debt, the deficit, and the manufactured homes in Hope, Arkansas, a good example of a lack of accountability in this administration and this Republican-led Congress, I am pleased to call on the co-chair for communications within the Blue Dog Coalition. Someone that has been elected to a leadership position in the Blue Dog Coalition. Someone that I have a great deal of respect for, and that is the gentleman from California (Mr. CARDOZA).

Mr. CARDOZA. Thank you, Mr. ROSS. It is great to be here again with you as we talk about the fiscal challenges that face our country.

I was glad to hear you talk about how the Blue Dog Coalition has tried to, in a bipartisan nature, work with the other side of the aisle to bring about some fiscal responsibility. In fact, the Blue Dog Coalition sent a letter to the Speaker and to the President asking for a bipartisan working group to try and get to the bottom of balancing the budget and dealing with this fiscal irresponsibility. We have yet to hear from the President. We would certainly like to sit down with him and discuss our ideas to bring fiscal accountability to our Nation's government.

As moderates and fiscal hawks, the Blue Dogs are just trying to do the right thing for America. We are trying to get engaged in a real debate on fiscal responsibility because we need to return honesty and accountability to our Nation's finances.

I am deeply concerned with the continued deficit spending and the complete disregard for fiscally responsible policies and really a fundamental dis-

honest budget process. The President's proposed \$2.7 trillion budget will decrease domestic spending, yet still leave a massive \$355 billion budget deficit for this fiscal year. But the \$355 billion is not the whole story. The President's figure deliberately leaves out the cost of the effort of Iraq and Afghanistan and the potential future costs of rebuilding of the gulf region and fixing the alternative minimum tax that is plaguing more and more middle-class Americans every year.

All of these issues that were left off the budget are all known costs that will drive up the deficit more than what has been stated in the President's document.

□ 2320

Some would say that the President's budget is a nice break from reality television. The President's budget does nothing to make the Federal Government more accountable for taxpayer dollars.

Every year, the President issues two vital budgeting documents, the budget and the financial report of the United States. You have heard of the first but probably not of the second, and why is it completely ignored? The budget is widely distributed to every Member of Congress and the national press. The financial report, however, is distributed to fewer than 20 Members of Congress with no press release.

The budget says that the deficit is \$319 billion in 2005, but the financial report says it was \$760 billion, over twice as large as the budget that was distributed to all Members of Congress. The difference is that the budget uses a cash-based accounting which only the smallest businesses of America use because it hides future obligations, thus, painting a potentially unrealistic and misleading picture of the Federal Government's overall performance.

According to David Walker, the comptroller of the General Accountability Office, his statement was that it is painting a potentially unrealistic and misleading picture of the Federal Government's overall performance.

The financial report of America uses accrual accounting, the method required by law for every business in America with revenues over \$5 million. The financial report takes into account future obligations of the Federal Government and presents a clearer, more understandable picture of Federal finances.

So when Mr. ROSS is talking about the problems in our budget process, that is one of the things that the Blue Dogs want to highlight is that the true deficit, as you have on your poster down there, is \$760 billion for 2005, double what was in the President's budget.

The Blue Dog coalition believes that both the House and Senate should use a more realistic financial report number for its budget, rather than budget numbers that we talk about because it is a truer accounting, and this is not even taking into consideration some of the

other spending like we know we are going to have to spend to take care of some of the problems in Katrina and some of the devastated areas of the gulf coast.

I really appreciate you taking me down to Hope, Arkansas, to the airport down there a few weeks ago to see these trailers. I do not know if you have talked about them tonight since I just came down on the floor.

Mr. ROSS. Oh, yeah.

Mr. CARDOZA. The reality is that there is nearly \$1 billion in trailers throughout Arkansas, half a billion dollars in your district. It is really wasted. Those trailers should be used for folks who are in flood zones and need them, not sitting sinking in the mud in Hope, Arkansas. So I appreciate you highlighting this fact once again.

I appreciate those in the gallery being able to see the pictures of just wasted tax dollars, \$1 billion in your home State, and thank you for having me here tonight, once again, and for leading this hour, and I will be happy to engage with you as we go on.

Mr. ROSS. Madam Speaker, I thank the gentleman from California, and to clarify, it is about half a billion dollars. I believe it is about \$431 million worth of manufactured homes sitting there in that pasture at the airport.

Mr. CARDOZA. I believe if you take all the 20,000 throughout the entire State of Arkansas, it is about \$800 million.

Mr. ROSS. Some of those are in Texas, Arkansas, Louisiana, Mississippi, several staging areas, but by far, 10,477. When you were there, there were 10,777, and the good news is 300 have left. There is still 10,477 manufactured homes, brand new, fully furnished sitting there in a pasture at the airport in Hope.

The Inspector General had indicated they were sinking in the mud. Not true. Our farm families can just tell you, we have just faced the worst drought ever. Our farmers are used to 50 inches of rain. We did not get 25. We are not sinking in the mud yet. Instead of getting them off the pasture before winter weather sets in and spring weather sets in and they do begin to sink, instead of getting these homes to the people who need them, FEMA's response is we are going to spend \$4.2 million graveling, graveling, 170 acres out here so they will not just sit here on the pasture like they are doing right there.

Again, people like this in places like Pass Christian, Mississippi, continue 7 months later to live in a tent while our Federal Government, this administration, has 10,477 brand new, fully furnished manufactured homes sitting at the Hope airport in Hope, Arkansas.

I am convinced there is a lot more wrong with FEMA than Michael Brown, its former director, and I can tell you that if I was President of the United States I would be finding me a new FEMA director.

The gentleman from California pointed out the real United States 2005 deficit is \$760 billion and explained how we

come up with that. Again, the deficit for 2005, based on a cash-basis accounting is \$319 billion. We do not need to make it any worse than that. I mean, that is one of the worst budget deficits ever in our Nation's history. Again, it is hard to believe we had a balanced budget for the first time in 40 years from 1998–2001, but we did.

In 2005, on cash-basis accounting, which is what our government, our Congress, this administration, uses when it comes to the budget, the deficit was \$319 billion. When we say the real United States deficit for 2005 was \$760 billion, that is based on accrual accounting.

Again, it was former Senator John Glenn when he was a Member here in the United States Congress that passed the law that said the Secretary of Treasury must issue a financial report of the United States Government every year. Again, when they issued the budget, the budget is delivered with a lot of fanfare to Capitol Hill. You see it on the news and read about it in the paper and hear about it on the radio. Thousands of copies are delivered. There is at least one copy delivered, usually several, to every congressional Member's office.

But when it comes to the financial report of the United States government, only about 20 copies are delivered to Capitol Hill, and that is because this administration, this Republican Congress, does not want you to know the truth about the debt, the deficit and the budget.

Now, do not take our word for it. This is David Walker, who is the Comptroller General of the United States General Accountability Office. What did he say: The current financial reporting model does not clearly and transparently show the wide range of responsibilities, programs and activities. It provides a potentially unrealistic and misleading picture of the Federal Government's overall performance, financial condition and future fiscal outlook. That is David Walker, and obviously, as I indicated earlier, he is the Comptroller General of the United States General Accountability Office.

Now, when we talk about instead of using cash base accounting and accrual base accounting, what is all that about, well, I can tell you our government, our Congress, demands every business is required to use the accrual method of accounting if the business has inventory, if the business is a C corporation, or if there are annual sales of \$5 million dollars.

This accrual accounting is the method that this Congress demands businesses in America to use, including our family business back home in Preston, and if I do not use accrual accounting, I am trouble in with the IRS and our government, and yet, our own government that sets these rules in place does not use this method of accounting. They use the cash-base accounting method which is a way for them to

play games with the numbers and indicate that the deficit for 2005 was \$319 billion instead of \$760 billion.

I yield to the gentleman from California.

Mr. CARDOZA. Madam Speaker, one of the things that my constituents ask me when I go home is how we got into this mess, and they say, well, it was just a few years ago in 1997, we actually started paying down the national debt. Then when Mr. Clinton left office in the year 2000, we were actually making good progress paying down the debt and we had 4 years a row in balance and paying down.

But there is one very critical thing that happened in 2001, and that was that the PAYGO rules were suspended. Those rules were put in place by a bipartisan Congress in 1997, and those PAYGO rules said that you had to pay for what you spent, just like we have to do in our home budget.

□ 2330

And if you were to spend more money, you had to either find a budget cut someplace, or you had to find tax revenues to pay for it. So for 4 years, on a bipartisan agreement negotiated between Newt Gingrich and President Clinton, the country lived within its means. Then in the year 2001, those rules were suspended.

Since that has happened, we have amassed some of the biggest deficits in the history of our country, all financed, or virtually all financed, unfortunately, through deficit spending. And that is being financed by foreign governments. In fact, our colleague, JOHN TANNER, is very often quoted as saying that we have borrowed more money from foreign governments in the last 5 years than in the rest of the history of the United States combined.

In fact, he is also fond of saying that if we were going to have to go in, if there was a war between China and Taiwan, and we went in to defend Taiwan like our treaties obligate us to do, we would have to borrow the money from China to defend Taiwan against China. That is how crazy this system has now gotten.

So we can see how dangerous this foreign obligation has become for our country. And I thank the gentleman for highlighting the budget problems in his speech, and I yield back.

Mr. ROSS. I would like to invite the gentleman from Utah (Mr. MATHESON), co-chair for administration within the 37-Member strong fiscally conservative Democratic coalition to join us. And one of the things we talked about is we want to point out the problem, and there is a problem.

Madam Speaker, if you have comments for the Blue Dogs, I would encourage you to e-mail us at [bluedog@mail.house.gov](mailto:bluedog@mail.house.gov). That is [bluedog@mail.house.gov](mailto:bluedog@mail.house.gov). We welcome, Madam Speaker, your comments, concerns, or questions.

One of the things that we have talked about is this debt, and let me just say

that the reason the debt should matter to you is because our Nation is spending a half billion dollars a day. A half billion, with a "b," dollars a day simply paying interest on the national debt.

You know, I have got a lot of folks in my district that have been waiting for longer than I have been alive for I-69 to be completed through Arkansas. It is going to take about \$1.5 billion to do that. I could build I-69 across Arkansas, across my district, and create jobs and economic opportunities with just 3 days' interest on the national debt. On the western side of my district, everybody has been waiting since I was a small child for I-49 to come through that part of my district, which my district is about half of Arkansas. Again, it is about \$1.5 billion. Just with 3 days' interest on the national debt, I could build I-49 through Arkansas. We could build 100 brand-new elementary schools every single day in America just on the interest we are paying on the national debt.

So it is what we refer to in the Blue Dog Coalition as the debt tax, D-E-B-T. The debt tax. And that is one tax that cannot go away until we restore some common sense and fiscal discipline to our Nation's government. As long as we have these massive interest payments hanging over our head as a Nation, then America's real priorities and America's future will hang in the balance waiting for an opportunity for us to meet America's real priorities.

Now, the gentleman from Utah indicated to us about the fact of what we are all about. We are not just here to criticize. We do have a problem. We have to acknowledge the problem, and we have to point out the problem; but we are here to offer up a solution. We have a plan, a plan for meaningful budget reform, a plan for curing our Nation's addiction to deficit spending.

I would welcome the gentleman from Utah to go through the other 10 points with us. And I would welcome the gentleman from California to jump in at any point, and I would love for us to just have a discussion here about the Blue Dog Coalition's 12-point plan.

I yield to the gentleman from Utah (Mr. MATHESON).

Mr. MATHESON. Well, I thank Mr. ROSS. I think it is important to talk about the fact that you ought to have a plan. You know, you have a family business you own back in Arkansas, a pharmacy; and when you borrow money to help take out a business loan, the bank asks you for a plan, how are you going to pay that back.

Right now, the Federal Government is borrowing money, and I do not know that there is a plan out there that has been articulated for how we are going to pay that back.

Mr. CARDOZA. We haven't heard about it, for sure.

Mr. MATHESON. And I think that is something we should expect. I think that is a reasonable request to ask.

I did want to reiterate one point that Mr. ROSS was making when he said

why this matters. He said some people say it doesn't matter. They say, ah, these deficits, it is really not that big a deal, and it is okay. We haven't seen any huge disruption in the economy with these deficits, so they don't matter. Well, the Blue Dogs think they do matter. We think they matter for a lot of reasons.

First of all, they matter because right now this is one of the fastest growing parts of the Federal budget. And so what you are doing, what you are doing with the Federal budget growing so fast, in terms of the interest component, is you are saying, you know what, we are not going to do other things. So there is an opportunity cost, if you will, or lost opportunities, where we are not going to invest in important programs, investing in people, in their education, and investing in transportation infrastructure in the country. We are crowding that out because interest is growing as part of our national debt.

Secondly, you are taking away capital that otherwise might be invested in the private sector. It would help our economy grow. Instead, we are taking it in to pay back government debt here. If the government wasn't asking for that debt, then investors would be investing that much more in the private sector. Our economy could very well be doing better with that increased investment in the economy.

Thirdly, I don't like to pay taxes. I don't think that anybody likes to pay taxes. And what we are doing is we are ensuring a tax burden for generations to come, probably in perpetuity, quite frankly, if we don't turn this thing around, in terms of the tax burdens to pay this interest cost.

And, finally, the fourth reason I think we ought to be concerned. Actually, I will give two more. The fourth reason why I think we ought to be concerned about this debt is because while it hasn't happened yet, in the overall context of supply and demand, the more we are gobbling up debt and asking people to invest in debt instruments in this country, there is going to be an upward pressure on interest rates. And that is not good for our economy.

The final point, the one that my colleague, Mr. CARDOZA, raised, is that this country is entering a new situation they have never faced before in this country, and that is an increasing reliance on foreign government owning the debt of the United States of America. This raises some economic security issues we have never faced before that are hard to get your arms around, but I think it causes concern for all of us.

So there are five quick reasons I offer for why you ought to be concerned about the debt and you ought to be concerned about deficits. And if you don't feel some negative impact of it immediately today, those five reasons I just listed all ought to be cause for concern about why we ought to be fis-

cally responsible and we ought to get our arms around the debt.

I yield to Mr. CARDOZA.

Mr. CARDOZA. One of the things that you said that I want to dig in a little deeper to is it really precludes our options in times of crisis. If we were to have another September 11 hit tomorrow, and 2 weeks later another Hurricane Katrina hit someplace on the gulf coast, could we afford the \$200 billion we spent after September 11 again on top of everything else? And would we be so willing or even able to bail out another gulf coast situation?

We know that calamities are going to happen. In fact, that is one of the 12 points in our Blue Dog plan is to put away a rainy day fund because we know, as sure as the next drought or the next monsoon comes, the next rain storm, there will be another calamity that will befall us. It may be wildfires in the West or a flood in the Midwest. We have challenges that will continue to face our country, and, frankly, the world. And oftentimes the world looks to our country to solve these issues, like the tsunami and other things.

But we are becoming stretched thinner all the time; and the point you raise, Mr. MATHESON, on not being able to have the options because we are running out of dollars, is one that I think we have to think about as a country.

Mr. MATHESON. And let me put a human face on another aspect where investment is being crowded out that just occurred in my office today, and may have occurred in your offices too. A lot of us on Capitol Hill had visits from families today with folks who generally have a child with diabetes, so it is the Juvenile Diabetes Foundation. And they were visiting Congress to plead for investment in basic research dollars to help pursue both better treatments for those who have this disease and also looking for cures as well.

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That is the type of investment in public money that pays such huge dividends for us as a country. But growing interest expense is crowding out wonderful investments like basic health research. That is a wonderful opportunity we heard about today on Capitol Hill from families that are passionate on pursuing that interest. But with interest crowding out that the opportunity to make that type of investment, that is another reason to be concerned about the debt.

Mr. ROSS. I have to give it to this President, who has managed to give us the largest budget deficit in our Nation's history, while at the same time cutting programs that are important to people, programs for education, programs for farm families, and the list goes on and on. How does he continue to do that? He proposes tax cuts for those earning more than \$400,000 a year. I do not have many folks in my district who earn \$400,000 a year. I have voted for tax cuts in the past. Back in times of surplus, before 9/11 and before

Iraq and Afghanistan when we really had a surplus, I thought it made sense to give people some of their money back.

But for us to continue to borrow money from foreign governments to give tax breaks may make for good politics, but it makes for bad fiscal policy. But what the gentleman is talking about in terms of the foreign debt, again the debt \$8,270,385,415,129 and some change. Who owns that debt? Who do we owe that money to?

Well, we owe \$2.174 trillion to foreign lenders. Compare that to only \$23 billion we owed to foreign holdings back in 1993. As the gentleman from California pointed out earlier, this administration, this President, this Republican Congress, has borrowed more money from foreign central banks and foreign investors in the past 5 years than the previous 42 Presidents combined.

Who are they? Japan is the top 10. Japan, we owe them \$682.8 billion. China has loaned our government \$249.8 billion. The United Kingdom, \$223.2 billion. The Caribbean Banking Center, they have loaned us \$115.3 billion. Taiwan, \$71.3 billion. OPEC, and we wonder why gasoline is \$2.25 a gallon, OPEC has loaned our government, \$67.8 billion. Korea, \$66.5 billion. Germany \$65.7 billion; Canada \$53.8 billion; and Hong Kong \$46.5 billion.

I am very concerned about what that means to our national security as these foreign countries will be able to have such a tremendous and dramatic influence on our monetary policy. I find that appalling. I find it reprehensible, and I find it something that we need to correct and we need to correct it now by getting our fiscal house back in order.

Madam Speaker, I yield to the gentleman from California as we go through our 12-point plan.

Mr. CARDOZA. Madam Speaker, I was going to say, one of the things that I like about being a Blue Dog and fighting for fiscal responsibility with the Blue Dogs, we do not just criticize but we also have a plan. Mr. MATHESON gave the first two planks in our 12-point plan to restore fiscal sanity to the United States, which is to have a balanced budget and don't let Congress buy on credit. We call it PAYGO, pay as you go.

There are a number of other things that we have like the third plank in our plan is to put a lid on spending, to have a freeze on additional spending until we can get our fiscal house in order.

Fourth, we require Federal agencies to put their fiscal house in order. As you said, 16 or 17 of the Federal departments cannot balance. They cannot even tell you where the money is going.

The fifth plank of the plan is make Congress tell taxpayers how much they are spending in the bills we pass. We do not tell taxpayers how much we are continuing to authorize every year.



The sixth point in the plan is we are going to require a rainy day fund so we set aside money for the natural disasters that befall our country on a regular basis.

Number seven, and this is really important because we are getting ready to do this as we speak, and that is do not hide the vote to raise the debt limit. Right now under the rules of this House and in the Senate, we are going to raise the debt limit without taking a vote of this House on a recorded vote so each Member of Congress has to put their voting card in and be recorded on raising the debt limit. That is just not appropriate.

Number 9 is to ensure that Congress reads the bills it is voting on. What a novel concept. We actually believe each bill should have to sit on the Speaker's desk for 3 days to give us time to prepare and actually know what is in legislation. It was 2 years ago that we passed the Medicare prescription drug bill. We got that bill 20 hours before we were voting on it and that bill was 680 pages, 678 pages long. I can tell you one thing for sure, no Member of Congress was able to read that bill and know what was in it. And that is probably why it cost the American people double what they told it was going to cost.

The next plank is to justify pet projects. We believe that every earmark passed in this Congress should be justified by the Member of Congress that is asking. There should be a paragraph written about every request and that the Member should have to sign it and say they stand by that earmark.

We would not have the scandals of Mr. Abramoff and all of the other problems that are befalling this Chamber if every Member had to justify their pet projects and earmarks.

Number 10, we require an honest cost estimate for every bill.

Number 11, be sure that every bill fits within the budget that we pass at the beginning of the year. We pass a budget, and we never look at it again. We continue to pass bills that most likely will not fit into that budget, so we just keep expanding the budget with every bill that comes through here after the budget is passed.

The final plank is that we do a better job of oversight. Right now, Congress passes oversight and frankly, we never go back and look at what we have passed to make sure that it is doing the job that we intended when we passed that legislation.

Those twelve points are just the first step in restoring fiscal accountability and making sure that we live within our means.

As I said before, in September, I joined my colleagues in the Blue Dog Coalition in writing a letter asking President Bush to host an emergency bipartisan budget summit to put our Nation's fiscal house back in order. Unfortunately, our genuine effort to engage the Republicans in a reasonable discussion on the budget was brushed

aside. We have yet to receive a response to our letter. I think even this White House should be able to pen a letter back to us in the months since we sent it to them. I know they have gotten it. We have talked to them about it on this floor. We have talked to our colleagues in this Chamber on a regular basis requesting cooperation to get together and work together to solve the problems facing this country, and we have not gotten a response.

Mr. ROSS. As we wind down this hour that we do every Tuesday night, as members of the 37-member strong fiscally conservative Democratic Blue Dog coalition, I would like to remind you, Madam Speaker, the reason why deficits matter, deficits reduce economic growth. They burden our children and grandchildren's liabilities. They increase our reliance on foreign lenders who now own some 46 percent of our publicly held debt.

It matters because as a Nation, at a time when we are spending half a billion dollars a day simply paying interest, not principal, just interest on the national debt, we are also increasing that debt. We are increasing it to the tune of about a billion dollars a day, \$260 million every day going to Iraq, \$33 million every day going to Afghanistan, but do not dare ask how a single dime of your tax money, \$260 million a day going to Iraq, \$33 million a day going to Afghanistan, do not dare ask this administration how it is being spent. Do not dare ask them because they will say you are unpatriotic.

As taxpayers, I think this administration has a duty and an obligation to let the taxpayers understand that he has, that this President has a plan on how this \$260 million a day is being spent of your tax money.

□ 2350

We all want to make sure that our soldiers get the equipment they need and get taken care of and can get back home to their families as soon as possible. And the President, if he is going to spend \$260 million in a day to Iraq, he ought to give us a plan. He ought to give us a plan. He owes it to the American taxpayers. He certainly owes it to our troops.

Mr. CARDOZA. Would the gentleman yield?

Mr. ROSS. Yes, I would.

Mr. CARDOZA. I just want to highlight that there is precedent to doing it a different way. During World War II, then-Senator Truman formed a commission that actually did an audit and went after wartime profiteers and, in fact, did a great job at getting to the bottom of the fact that there were people trying to profit irresponsibly on the backs of our soldiers during World War II. So he went in and got to the bottom of the overcharging and the contracting fraud and really cleaned up those who were trying to take advantage of the situation that the world found itself in.

That is the kind of accountability that we need today, Mr. ROSS, and I ap-

preciate that you are bringing this up. It is not unpatriotic to question how our taxpayer dollars are being spent. In fact, if we don't waste our taxpayer dollars, then there is more money available to actually spend doing the right thing by our troops. Thank you for raising that issue.

Mr. ROSS. I want to thank the gentleman from California (Mr. CARDOZA), the co-chair of the fiscally conservative Democratic Blue Dog Coalition, for joining me this evening. I want to thank the gentleman from Utah (Mr. MATHESON) for joining me this evening, the co-chair for administration within the Blue Dog Coalition.

And, Madam Speaker, if you have got comments, concerns, or questions regarding our discussion this evening about the budget, the debt and the deficit, the manufactured homes sitting in a pasture in Hope, Arkansas, I would encourage you to e-mail me. [Bluedog@mail.house.gov](mailto:Bluedog@mail.house.gov). That is [bluedog@mail.house.gov](mailto:bluedog@mail.house.gov).

As we finish this Special Order each week, it is a very sobering thing that we do. As you can see, when we started this hour, the national debt was \$8,270,385,415,129-and-some-change. Just in the hour that we have been on the floor this evening discussing the budget, the debt, the deficit and, yes, a solution, a 12-point plan for budget reform, the deficit has increased by approximately \$41,666,000. It is a very sobering thing that we do at the end of this hour each Tuesday night. But the national debt, 60 minutes later, is no longer this number here. It is \$8,270,430,081,129. So, again, the deficit now, at the beginning of this evening it was \$8,270,385,415,129-and-some-change. One hour later it has increased approximately \$41,666,000. The national debt now stands at \$8,270,430,081,129-and-some-change.

Madam Speaker, we will be back next Tuesday evening. Well, Congress is on recess next week. But the following week we will be back on Tuesday evening to continue this discussion about the budget, the debt, and the deficit. We raise these issues because, you see, my grandparents left this country better than they found it for my parents. And my parents left this country better than they found it for our generation. And, Madam Speaker, I believe we have a duty and an obligation to try and leave this country better than we found it for our children and our grandchildren. That is why we are here.

#### THE OFFICIAL TRUTH SQUAD

The SPEAKER pro tempore (Mrs. DRAKE). Under a previous order of the House, the gentleman from Georgia (Mr. PRICE) is recognized for 5 minutes.

Mr. PRICE of Georgia. Madam Speaker, I appreciate the opportunity to come before the House this evening and appreciate the leadership granting me the opportunity to share a few words with the Speaker and with the House.