

the Commandant of Cadets Department.

On leave from Valley Forge during World War II, General Medenbach served as Secretary of the General staff of the Army Air Corps Tactical Training Command and the Air Corps Training Command and later, in North Africa, Italy, France, Germany and Austria as a military government planner and officer under Field Marshal Alexander and General Eisenhower.

Following active duty, General Medenbach returned to Valley Forge and served in the Pennsylvania National Guard. His many decorations included the Legion of Merit, the European Service Ribbon with two battle stars, the American Defense Ribbon, the Meritorious Service Unit Award, and the Pennsylvania State Guard Reserve Distinguished Service Ribbon. He was also listed in Who's Who in America.

During his Valley Forge service, General Medenbach served in or assisted in the establishment of practically every department of the institution as an associate of the founder, Lieutenant General Milton G. Baker. He held the post of adjutant and chief of staff, as well as deputy superintendent, and served for more than 30 years as the commandant of cadets.

He became the president on the retirement of General Baker and retired as superintendent emeritus in 1971. More recently, he served the school as volunteer historian and archivist and as the vice president and secretary of the Chapel Foundation Board of Directors.

During the many years of his long service, General Medenbach was the driving force in establishing the high standards of character, personal discipline, drill, ceremonies, and individual fitness that have been the hallmarks of military excellence at Valley Forge.

It is with great sadness that we mourn his passing, and our thoughts and prayers go out to his family at this time, as we thank him for his service.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from American Samoa (Mr. FALEOMAVAEGA) is recognized for 5 minutes.

(Mr. FALEOMAVAEGA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MCCARTHY) is recognized for 5 minutes.

(Mrs. MCCARTHY of New York addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

THE BLUE DOG COALITION

The SPEAKER pro tempore. The gentleman from Arkansas (Mr. ROSS) is recognized for 60 minutes.

Mr. ROSS. Mr. Speaker, this evening, on behalf of the 44 member strong fiscally conservative Democratic Blue Dog coalition, I rise to spend an hour this evening talking with you and Members of this body about the Blue Dog Coalition's desire to restore fiscal discipline and common sense to our national government.

Over the next hour, we plan as members of the fiscally conservative Democratic Blue Dog coalition to talk on this floor about the Blue Dog Coalition's 12-point plan for budget reform. We plan to discuss our accountability measures, because we believe it is time to restore accountability, fiscal discipline, and common sense to our national government.

Before I begin the formal presentation this evening, and will be joined by other members of the Blue Dog Coalition, I would like to take a moment to recognize Sergeant Marcus Wilson. Sergeant Wilson grew up in Dermott, Arkansas, in southeast Arkansas, in our congressional district back home.

This afternoon I had the honor to go to Walter Reed Army Hospital where I was able to sit down and visit with Sergeant Wilson and his wife and his son and thank him for his service to our country. He is there because of injuries suffered in Iraq.

Before that he served in Afghanistan. All of us have different ideas about what we should be doing with this post-war Iraq policy. But one of the things that I believe is absolutely critical and important is that as Members of this Congress, and as American citizens, that we remain united in support of our men and women in uniform. This evening I pay tribute to Sergeant Marcus Wilson of Dermott, Arkansas, and thank him for his service to our country and pray for him as he recovers from injuries he suffered in Iraq.

Mr. Speaker, I wish you could have been with me there this afternoon in conversations with Sergeant Wilson because he makes all Americans proud with his attitude, his attitude of perseverance, his attitude of service to our country as a soldier in the United States Marines. Again, I pay tribute and salute Sergeant Wilson.

Mr. Speaker, on this day my brother-in-law leaves to go to Kyrgyzstan,

which is the entry point for Afghanistan, much like Kuwait is the entry point for Iraq, for his second mission there. I hope that all of us will keep him and all our troops in Iraq and Afghanistan and elsewhere across this globe in our hearts and in our prayers.

Mr. Speaker, the underlying purpose of the fiscally conservative Blue Dog Coalition is to demand a balanced budget in this country. Mr. Speaker, it was not too long ago from 1998 through 2001 that we had a President named Bill Clinton, from my native State, from my home State, who gave us a balanced budget.

One of the ways he did that was with PAYGO rules in place on the floor of the U.S. House of Representatives, rules that the Republican leadership threw out after they took control of the House and Senate and the White House in 2001, the beginning of the 107th Congress.

What we have witnessed over the past 6 years has been absolutely staggering, if not startling. We have seen the largest deficit year after year after year until we have accumulated the largest debt ever in our Nation's history.

As members of the fiscally conservative Democratic Blue Dog Coalition, we are committed through our 12-point plan for budget reform and through our accountability package to restore fiscal discipline to our Nation's government.

As we begin this evening, today the U.S. national debt is \$8,701,316,295,722.43. We ran out of room. For every man, woman and child in America, their share, your share of the national debt, \$29,035.60, what we refer to as the debt tax, d-e-b-t, which is one tax that cannot be repealed, cannot be cut until we go away and get our Nation's fiscal house in order.

If this is not startling enough, what's even more alarming is the fact that our Nation is borrowing about \$1 billion a day. On top of that, we are spending about half a billion every day paying interest on the debt we have already got before it increases by another \$1 billion a day. It is important that we get our fiscal house in order, that we return to the days of a balanced budget, that we restore fiscal discipline to our national government, because it is about priorities.

Many of America's priorities, honoring our soldiers, giving them the resources they need to get the job done, honoring our veterans and providing them the services that they were promised and so desperately need, especially with this new generation of veterans coming back from Iraq and Afghanistan and other parts of the world, the priorities in education, and so many other areas that are going unmet, half a billion dollars a day is not going to those priorities, they are going to simply pay interest on the debt we already got before it increases another \$1 billion just about every single day.

We want to do something about this. We want to effect change. We are sick

and tired of all of the partisan bickering that goes on in our Nation's capital. As members of the Blue Dog Coalition we don't care whether it is a Democrat or Republican idea. We ask ourselves if it is a commonsense idea and does it make sense to the people who sent us here to be their voice.

We have pushed, for 6 years we have asked the Republican leadership to reinstitute the PAYGO rules on the floor of this House, and for 6 years they turned a deaf ear to us. We are really proud that this new leadership, the Democratic leadership, has listened to the Blue Dog Coalition. In the first 24 hours of the 110th session of Congress, we saw the new Democratic leadership on this floor institute rules that reinstated PAYGO, which is the first step in returning to a balanced budget and putting an end to deficit spending.

This evening, Mr. Speaker, I am honored to be joined by a former cochair of the Blue Dog coalition, a real leader within our group from the State of California (Mr. CARDOZA). At this time I yield to the gentleman from California (Mr. CARDOZA).

Mr. CARDOZA. Mr. Speaker, I would like to thank the gentleman from Arkansas for his leadership on the Blue Dog Coalition. I know you are talking tonight about the Blue Dog 12-point plan for fiscal responsibility. I am just so grateful to the gentleman from Arkansas for all his work on this.

I want to report to the House and to the country and to all of my colleagues in the Blue Dog Coalition that today in the Rules Committee for the first time we dealt with some issues. Actually, the PAYGO discussion came up, since our Speaker and the House reinstated PAYGO and the Democrats took over the Congress. In fact, today, we are going to be in just a few minutes having a reportable rule that will talk about the reduction and the interest rates that Americans will be soon paying on student loans.

In that discussion, it was ironic, because in the opening session where we debated the PAYGO rules, the Republican Members of Congress, or a number of them, criticized the Democrats saying we were not doing real PAYGO. Today in the Rules Committee, when the PAYGO rules in fact capped some of what we would like to do, we will not be able to do everything we want to do for student loans right out of the chute, but we will do a significant amount; but we did it under the PAYGO rules and we are doing what we can do under the PAYGO rules.

There was criticism that we weren't doing enough, that we should have done more, and we really didn't need to pay for it. We live by the spirit and the letter of the law of the PAYGO rules that we put in place on day one. In fact, we will have a good bill tomorrow that will limit the PAYGO rules. So it is ironic on day one they were criticizing us that we were not going to do real PAYGO. Then we live by the spirit and the letter of the law and they criti-

cize us that we should have done more and not pay for it.

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So, Mr. Speaker, I just came down here to point out that irony; to talk about how effective the PAYGO rules are that are already being put in place and how I think it is a tremendous testament to the work of all the Blue Dogs in the coalition that we have made this impact on the Congress, and we will continue to do so.

I yield back to my colleague from Arkansas, and thank him again for his work.

Mr. ROSS. Mr. Speaker, I thank the gentleman from California for joining us this evening as a member of the fiscally conservative Blue Dog Coalition to talk about the need to restore common sense and fiscal discipline and accountability to our Nation's government.

On the accountability front, Mr. Speaker, under the United States Constitution Congress has an obligation to provide Congressional oversight of the executive branch. Congressional oversight prevents waste and fraud, it ensures executive compliance with the law and evaluates executive performance.

What we saw, Mr. Speaker, for the last 6 years is a Congress that failed to uphold its constitutional duty to provide oversight of the administration. Rather, what we saw was a Congress that provided a rubber stamp.

The 110th Congress will be different. We will uphold the Constitution of the United States of America and we will provide oversight of the executive branch, as the founders of this country wrote into our Constitution. The reason we are doing that is because when Congress does not do that, it abandons its responsibility by failing to conduct meaningful investigations of allegations of serious waste, fraud, abuse and mismanagement of taxpayer dollars.

Mr. Speaker, it is time for this Congress to hold this administration and the Pentagon accountable for how your tax money is being spent in Iraq. Let me be clear about it: As long as we have soldiers in harm's way, we will support our men and women in uniform. As I mentioned earlier, my brother-in-law is in the U.S. Air Force, and today is headed from Fairchild Air Force Base in Spokane, Washington, to Kurdistan, where he will be serving for the next few months, if not the first year. My first cousin is in the U.S. Army. His wife gave birth to their first child while he was in Iraq.

This war has impacted all of us across this country in one way or another. I have had 3,000 National Guard soldiers, brave soldiers from Arkansas, spend more than a year in Iraq. I emailed today with a soldier from my district in Iraq. Make no mistake about it, as long as we have men and women in uniform in harm's way, we will support them and ensure that they receive the resources they need to get the job done.

But that should never be confused with holding the administration, the Pentagon and the Department of Defense, accountable for how this money is being spent. We are sending some \$9 billion a month, with a B, of your tax money to Iraq. The last report I got, it was some \$57 million a day to Afghanistan. It is time that this Congress held this administration and the Department of Defense accountable for how it is spending your tax money in Iraq, Afghanistan and other parts of the world.

Additionally, Mr. Speaker, it is time that we hold this new Iraqi government accountable. They must be accountable for their actions. If we are going to put soldiers in harm's way, if we are going to have soldiers dying and becoming injured and returning home without arms and legs and with other injuries that forever change their life, it is time we hold this new Iraqi government accountable for what they are doing or not doing in Iraq.

Finally, Mr. Speaker, it is important, it is absolutely critical, that we stop this nonsense of passing supplemental after supplemental in funding for the Iraq war when we know that this is a long-term deal. It is time for the President to quit playing games with the American people, to stop this nonsense of passing supplements. It is my understanding he is going to ask for billions more in a supplemental just days, if not weeks, before the budget comes out for fiscal year 2008. It is time to make the cost of Iraq and Afghanistan clear to the American people, provide a level of transparency, and include it in the budget.

This is what we are talking about when we are talking about restoring accountability to our national government. Once we demand accountability we will see these deficits begin to disappear.

When I was a small child growing up, I always heard it was the Democrats that tax and spend, and yet I come to Congress and we have got for 6 years a Congress that is controlled by Republicans in the House, the Senate and the White House, a country controlled by the Republicans, and what do they give us? They gave us the largest deficit ever in our Nation's history, year after year after year, in fact, the largest deficit ever. \$413 billion in hot checks occurred in 2004; in 2003, it was \$378 billion in hot checks; in 2005, \$318 billion; in 2006, \$296 billion in hot checks.

It is time to restore fiscal discipline to our Nation's government. It is time for this government to have a balanced budget once again, because where is this money coming from? It is not only coming from taxpayers, but we are spending more than we are taking in. It is coming from foreign central banks and foreign investors. In fact, this administration has borrowed more money in 6 years from foreigners than the previous 42 Presidents combined.

Mr. Speaker, I am pleased to be joined this evening for this discussion

by the cochair of the fiscally conservative Democratic Blue Dog Coalition, the gentleman from Florida, Mr. BOYD.

Mr. BOYD of Florida. Mr. Speaker, I want to thank my friend Mr. ROSS from Arkansas for leading this discussion.

Mr. Speaker, for 10 years now I have been in the Congress, and for all of those years, and specifically the last 6 years, the Blue Dogs have been taking to this very floor almost on a weekly basis to discuss this issue of deficit spending. For those last 6 years, the Blue Dogs, as Democrats, have been in the minority party and able to do little about the deficit spending in terms of the final legislation that was passed. But things have changed now, Mr. Speaker, and I am not sure that the country realizes how tough this job is going to be.

We have created a horrible fiscal mess over the last 6 years, which has been described by my friend from Arkansas, Mr. ROSS, with the deficit spending. Many of the decisions that have been made on this House floor and in the Senate in the last 6 years it seems like were without regard to the long-term economic health of the country and deficit spending.

So I think the task before us is a task that is going to be very, very difficult, and it is going to affect all aspects of what we do here in the next few months as we begin to try to develop a budget and then a spending plan, an appropriations plan, for how this country will organize itself and perform the functions that should be performed as a government.

We know what those are: National security, transportation, education, environmental protection. We have a farm bill coming up that has to be reauthorized this coming year. All of those items are going to run right head on into the red ink that has been displayed here and talked about by Mr. ROSS.

There are going to have to be some very, very tough decisions made. It is not going to be easy. There is going to be a lot of sacrifice on the part of the American people, just like we did in the nineties when we found ourselves in a similar situation. So, I just want to tell the American people, viewers, our listeners tonight, that it is going to be tough and it is not going to be easy.

The first thing we need to do, obviously, as Mr. ROSS talked about, is make sure that the dollars that we take from the American people to fund the programs that we need are spent wisely and they are accounted for and they are not wasted. He has talked a lot about that, particularly in terms of the Iraq war situation.

We have to put in place accountability standards. But we also have to put in place some tools that we can use to get us into balance in the long run. It is not going to be easy. Many of the things that we want to do, that we are interested in, such as the farm bill,

such as education spending, such as environmental protection, that we have neglected over the last 3 to 4 years and that we need to deal with are going to run directly into conflict with these issues.

So I think it behooves us to remind the American people that it is going to be a tough, tough task, but it is one that in terms of the long-term health of this country is extremely critical. It is critical that we don't spend more than we take in.

I remember when I first came here I attended a press conference with some folks who were advocating a balanced budget amendment to the Constitution. A Member of this House showed up who I wouldn't have expected would have been at such a press conference, because he was what we might consider a little bit on the left side of the political spectrum. When I asked him later on why he was there, he said, "Listen, Allen; unless we get our spending, our deficit spending under control, we don't have money to spend on the priorities that I want to spend them on, education, environmental protection, health care and those issues that make America such a great country."

So I think that is important to remember and remind our listeners that we are spending a huge percentage, maybe in excess of 15 percent, of every dollar, every tax dollar that we take in, on interest to service the Federal debt that we are carrying, a debt that is approaching, as we have been shown here tonight, \$9 trillion. We have to get that number under control. We have to stop the increase in that number.

That is the first step, stop digging, stop making that number bigger. Let's figure out how to balance an annual budget. We know we can't do that in one or two years. It may take a 5-year plan, a 3-year plan or maybe even a 7-year plan. If we get our heads together and work across the aisle in a bipartisan way, and we have a divided government now, we can do that. We can work together, just like we did in 1997 when we stopped the bleeding, so-to-speak.

So, I am here to support my friend from Arkansas, Mr. ROSS, in his leading of this discussion, and thank him for his leadership on this issue, and remind my constituents back home and the American people that this is not going to be easy. This is going to come in conflict with many of the things that we feel like we need to do as a country. But it is critically important for the long-term economic health of this country that we do stop this deficit spending, and I am proud to be a part of the Blue Dog Coalition, which has advocated this for so long.

Mr. ROSS. Mr. Speaker, I thank the gentleman from Florida, a real leader in the fiscally conservative movement, cochair for administration in the Blue Dog Coalition, for his insight this evening.

Mr. Speaker, if you have any comments, questions or concerns for us,

you can e-mail us at bluedog@mail.house.gov. That is bluedog@mail.house.gov.

Mr. Speaker, we are often asked how we got the name Blue Dog Coalition if we are just simply a group of fiscally conservative to moderate Democrats. Quite frankly, Mr. Speaker, ironically, after the Republicans took control of Congress in 1994, we were a group, which I wasn't yet a part of, I came here in 2000, but the conservative-moderate movement in this Congress was a group of Democrats that, you have heard the phrase "yellow dog Democrat," well, the Democrats to our left were choking us blue and the Republicans to our right were choking us blue, and we found ourselves in the middle, which is where we believe America is and where we are trying to bring our country, or at least our Congress as we try to restore fiscal discipline to our national government.

But on this accountability measure, if you think with me, Mr. Speaker, no business in our country could succeed financially if it failed to fully report to its shareholders on how it is spending its money. However, that is exactly how our Federal Government has been operating for the past 6 years. This administration is not telling its shareholders, the American taxpayers, how it spends the money coming into our Nation's capital.

In 2004, \$25 billion of Federal Government spending went absolutely unaccounted for, according to the Treasury Department.

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The Bush administration was unable to determine where the money had gone, how it was spent or what the American people got for their tax money. Even worse, the Republican-controlled Congress at the time failed to hold the executive branch accountable for this omission. Again, a rubber-stamp Congress year after year. The 107th Congress, a rubber-stamp Congress; the 108th Congress, a rubber-stamp Congress; the 109th Congress, a rubber-stamp Congress; the 110th Congress, no more rubber-stamp Congress.

You are going to see a Congress that upholds its constitutional duty given to it in the Constitution of the United States of America to provide oversight. That does not mean go on witch hunts. It means do our job that we have been elected to do in providing oversight and accountability on how the American people's tax money is spent.

In fact, in 2005, the General Accountability Office reported that 18 of 24 major Federal agencies had such bad financial systems that they do not even know the true cost of running some of their programs. Yet the Republican-controlled Congress at the time did not force these agencies to fully account for how money was being spent before doling out billions more of your tax money, Mr. Speaker, to the same programs.

Clearly, Congress year after year has failed to ask the serious questions

about the Bush administration's fiscal irresponsibility and record-high deficits 4 years in a row and have now pushed the Federal debt to nearly \$9 trillion.

The time has come to hold this administration accountable for its reckless behavior here at home, as well as in Iraq, Afghanistan, and other parts of the world. You are going to see this 110th Congress do that under the leadership of the fiscally conservative Democratic Blue Dog Coalition.

I believe Congress must act now to renew its constitutional responsibility to serve as a check and balance for overspending, waste, fraud and financial abuse within the executive branch. Wasteful government spending has forced the national debt to its current record level; and future generations, our children and grandchildren, have to pay that bill. Future generations will have to pay back with interest the money the Federal Government is borrowing from other countries due to this administration's fiscal recklessness.

The time has come to restore commonsense and fiscal discipline to our Nation's government. As members of the Blue Dog Coalition, we have a plan to restore accountability to our government and we have a 12-point plan for budget reform.

At this time, Mr. Speaker, I yield to a new Blue Puppy, if you will, a new member of the Blue Dog Coalition from Ohio (Mr. WILSON).

Mr. WILSON of Ohio. Mr. Speaker, I rise to point out some of the issues why I believe I was elected by the people in Ohio to come to Congress to help with the deficit spending and the problems that we have.

How we have gone from a surplus in 6 years to a record deficit under this administration, I believe that is why we had the turnout at the polls that we had this year.

Mr. Speaker, I believe the American people are concerned. They are worried about the amount of money that is being spent on interest, on the money we owe on this deficit. They are concerned about the money that is being taken away from the education of our children. They are concerned about the money that is taken away from the health care of our families because of the interest that is paid on this debt.

It is just irresponsible; and at this point, Mr. Speaker, every man, woman, and child in this country owes \$29,000 in this deficit budget that we have, or lack of budget that we have.

There has to be a change, and I truly believe that is what the people in America said all across America when they changed the face of Congress. It is now that we need to be responsible for what is going on.

I believe that by being a member of the Blue Dogs that I have the honor of being one of the frontrunners in asking for fiscal responsibility and demanding that we know what we are buying before we go forward and we know what we are paying for and that we use

PAYGO in such a way that we do not start buying new things until we figure out how we are going to pay for them.

I believe that is one of the pledges that I and many of the new Congressmen that have come to this body made to the people that we dealt with on the campaign trail on a regular basis. We are concerned about what is going on.

It concerns me, Mr. Speaker, that people in this administration have said there is nothing to be concerned about with the deficit, that what has been spent, it will take care of itself. I believe that all of us know that that is not really how it works.

I know myself, as a small businessman, I have to be concerned that my spending does not overcome my income, and I realize the government has to live within those same means. We have to be sure that what we are doing is the right thing for the people in America, and even though it has been reckless and we find ourselves in a difficult situation, it starts with this 110th Congress, that we move forward to try to do responsible things for the people in America.

I believe that starts with thinking about what money could be directed to the education of our children. I cannot stress enough the fact of the money that is being taken away from programs that will improve people's lives in America because of the debt we have. For that reason, we feel that fiscal responsibility is a major thrust of this 110th Congress, and we believe that the Blue Dog Coalition is one of the leaders in what is going to happen in the future.

This is the difference, Mr. Speaker, that we make sure that new bills are going to fit the budget of what we have. We are not going to just be radical in spending money and not caring about what is in the future and what we need to do.

I am happy, Mr. Speaker, to be part of this Blue Dog Coalition and to be a new Member of Congress to try to bring about fiscal responsibility, and I look forward to working with the other 43 members of the Blue Dog Coalition to bring about this result.

Mr. ROSS. Mr. Speaker, I thank the gentleman from Ohio, and we welcome him to the fiscally conservative Blue Dog Coalition and appreciate his commitment to restoring accountability, commonsense, and fiscal discipline to our national government.

A lot of times when people think of conservative Democrats, they think of the South; and you will find with the Blue Dog Coalition that we come from every region of the country, Arkansas, Ohio, Long Island, Burbank, Florida, California, and everywhere in between, and we share a common value, and that is, to be responsible stewards of the tax money that is sent to this capital and to ensure that we leave this country just a little bit better than we found it for our children and grandchildren.

Mr. Speaker, what brings us here this evening is, as this poster demonstrates,

the national debt, \$8,701,316,295,722 and some change. Again, you divide that number by every man, woman and child in America, everyone's share of the national debt is \$29,035. A lot of money, a number we need to pay down by going back to the days of a balanced budget, as we had in this country from 1998 through 2001.

Mr. Speaker, as you walk the Halls of Congress, it is easy to detect when you are walking by the office of a Blue Dog member because you will see this poster as a welcome mat by their door to constantly remind Members of Congress and the American people of the national debt. This number, unfortunately, not only changes daily but will go up some \$40 million during the hour that we are on the floor this evening discussing this crisis.

Mr. BOYD of Florida. Mr. Speaker, would the gentleman yield?

Mr. ROSS. I would yield to the gentleman from Florida.

Mr. BOYD of Florida. Mr. Speaker, would the gentleman tell our viewers what that number was 6 years ago when the administration changed, when the new administration came in in 2001.

Mr. ROSS. Mr. Speaker, I guess a good way of putting that was the total national debt, not just 6 years ago, but the total national debt from 1789 to 2000 was \$5.67 trillion. Today, it is approaching \$9 trillion; and by 2010, it is estimated to total more than 10 and approaching \$11 trillion. Put it another way, it is doubling, a doubling of the 211-year debt in the past 6 years.

The reason the debt should matter, Mr. Speaker, is because interest payments on this debt are one of the fastest growing parts of the Federal budget, which means less money for education, less money for veterans benefits, less money for health care, less money for roads, and on and on and on.

So deficits do matter. Deficits reduce economic growth. They burden our children and grandchildren with liabilities. They increase our reliance on foreign lenders who now own a sobering 40 percent of our debt.

I yield to the gentleman from Florida.

Mr. BOYD of Florida. Mr. Speaker, I thank the gentleman for yielding, and that is the point. Over the last 6 years, we have increased that national debt by over \$3 trillion. That is the tune of about a half a trillion dollars, \$500 billion per year. That is after we include all of the surpluses that we might collect in the Social Security trust fund or any other Federal employee retirement trust fund, such as our military retirees.

So we have a very serious problem that we have got to deal with. I mean, most of us who have been in business understand that you cannot continually deficit-spend year after year after year without damaging your businesses. Eventually, your banker pulls the plug on you.

The gentleman made reference to the fact that we are borrowing this money

in some nontraditional places, if you will. The bulk of this money is coming from foreign countries such as China and Japan. The bulk of that money has been borrowed from those countries over the last several years, and we think that creates a long-term national security issue.

Mr. ROSS. The gentleman makes an excellent point. In fact, I have a list here. I guess it is like David Letterman's top 10 list. It is the top 10 current lenders. These are the countries that the United States of America are borrowing money from, and for the past 6 years, we have literally gone out and borrowed money from foreign central banks, foreign investors to give folks in this country earning over \$400,000 a year a tax cut and leaving our children and grandchildren to foot the bill to pay back these foreigners, if you will.

But the top 10 current lenders are Japan, \$640 billion; China, \$321.4 billion; United Kingdom, \$179.5 billion; OPEC, imagine that one, \$98 billion. The United States of America has borrowed from OPEC to run our government. It is time we learned to live within our means again. Korea, \$72.4 billion; Taiwan, \$68.9 billion; Caribbean banking centers, \$61.7 billion; Hong Kong, \$46.6 billion; Germany, \$46.5 billion. And are you ready for this? Mexico. Mexico, our Nation has borrowed \$40.1 billion from Mexico to fund this reckless spending that we have seen in this Chamber and in this government in the past 6 years.

Mr. Speaker, I can assure you, this is every bit as critical to our national security as anything else we have got facing us today because it is a threat to our Nation. It is a threat to our Nation for us to owe this kind of money to so many foreign countries and their central banks and their investors.

I yield to the gentleman from Florida.

Mr. BOYD of Florida. Mr. Speaker, I thank the gentleman for yielding, and I think the point is not lost on many of us that we are the greatest Nation on the face of the Earth. We have the greatest economy on the face of the Earth. This is a country that, with 5 percent of the world's population, Mr. Speaker, that is one out of every 20 people that exist on the Earth live in the U.S., we control 25 percent of the world's wealth.

So when we have to go borrow money, certainly the countries that may have surpluses, they want to lend it to us, but when they see a country that deficit-spends year after year after year, and I suppose we have been spending in the red now for six consecutive years, at some point in time, they as lenders will begin to question the long-term health of our economy.

I am not a pessimist, Mr. Speaker. I believe that we have the greatest economic model in the world in this country, and I think the American people will make the adjustments as time goes on.

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I think the first adjustment was made back on November 7 in which the American people said we want a divided government, we want a more accountable government. We think the way we can have that is to have both parties working side by side in Washington with equal power.

So the gentleman with his charts, I hope that the viewers will study those and understand them because they are very important charts. And if you were on the board of directors running a business whose management brought you a chart like this, it would be somewhat scary and you would know that there would have to be corrective action taken, and taken quickly.

Mr. ROSS. I thank the gentleman from Florida. As you can see, in 2000 we had a surplus, in 2001 we had a surplus, and then in 2002 you can see what happened. And the purple demonstrates that we have been in the red, deficit spending year after year after year, record deficit after record deficit.

I think it is important to note that what we are trying to do here is set the stage, explain the mess we are in, and we are not here to simply criticize the Republican leadership of the past 6 years; we are here to offer up commonsense solutions to fix this mess. I think the American people want us to fix it.

As members of the Blue Dog Coalition we have tried to spend the last half hour framing how we have gotten to where we are, because a lot of people remember when we did have a balanced budget in this country. We want to get back to those days, and the way we believe we can do it is through the Blue Dog Coalition's 12-point plan for budget reform.

Point number one is require a balanced budget. Blue Dogs support a constitutional amendment to require a balanced budget every year except in times of war or national emergency. We believe a balanced budget amendment is the only way to ensure fiscal discipline in Congress. Forty-nine States require a balanced budget. Holly Ross requires a balanced budget. And I don't believe it is asking too much and I believe the American people expect it from us to provide them a balanced budget with their tax money and how we run our government here in these United States of America.

Mr. BOYD of Florida. If the gentleman would yield. When you said 49 States require that, many of them constitutionally, I was in the State legislature in Florida and under the constitution you could not deficit spend. And I think that is the point that my friend Mr. Ross from Arkansas is making, is that we don't seem to have the will to get a balanced budget without putting in place a constitutional amendment, and that is why many of us have supported that. As a matter of fact, I know when I first came to the House after the 1996 election, we had many votes on a balanced budget amendment that we took, but those votes stopped after January 2001.

We really need to consider a balanced budget amendment, and I think it is something that you obviously have to understand that if you get a national emergency situation you have triggers to override it that can be done. But all that can be worked out constitutionally if you are willing to abide by fiscal responsibility.

There are 12 points to this plan that the Blue Dogs have adopted and advanced to the Congress for its consideration. The second item after the balanced budget requirement is don't let Congress buy on credit. Don't let Congress buy on credit. In other words, if we are going to have a new spending program, then you have got to find a place to pay for it. And the good news is that we have made great strides in the last 2 weeks since Congress reconvened after the election and put in place a PAYGO rule in the House rules package, and we have a promise from the leadership of this House of Representatives that they will consider and put up for a vote a PAYGO statute. That would be a critical part to putting us back on the road to fiscal responsibility.

Mr. ROSS. If the gentleman would yield. When we talk about PAYGO rules, that is an acronym used on the floor of Congress; but to a lot of the folks of America they probably ask, what is this PAYGO business? It means pay-as-you-go. It was the policy that was in place in this Chamber when we saw the first balanced budget in 40 years, and it went out the window with the Republican leadership of 2001 and we have seen record deficit after record deficit since then. And for 6 years we begged the Republican leadership to listen to us conservative Democrats and work with us to reinstate this PAYGO rule, and for 6 years it fell on deaf ears. And I am very pleased that one of these 12 points for budget reform, in fact a couple of them, have now been implemented as a policy in the rules of this House under the new Democratic leadership, and I want to thank them for not only listening to us but heeding our call and doing it in the first 24 hours of the 110th Session of Congress under the Democratic leadership, which demonstrates that our message is getting out. People are identifying with our message of restoring fiscal discipline to our national government.

But many folks on the Republican side still don't get it, Mr. Speaker. I will never forget when we were down here debating the PAYGO rule, and PAYGO means pay-as-you-go; it means if you have got some new idea for a new program, you have got to show us. And I watched Member after Member on the Republican side get up and say that it is nothing more than a disguise for a tax increase, because if you are going to have new spending, you have got to have more money. They don't get it. They are the party that used to believe in cutting spending, and now they think the only way to pay for a

program is raising taxes. Not so, Mr. Speaker. We are talking about paying for programs, paying for ideas that are good for the American people by cutting other programs, cutting the waste out of government.

People say, well, there is really waste in the government? Yes, sir, Mr. Speaker. I have got \$400 million worth of waste sitting in a cow pasture at the Hope Airport in Hope, AR, in some 8,000 brand-new, fully furnished, manufactured homes that FEMA ordered for Hurricane Katrina victims that never got to those victims. They still are sitting there in a hay meadow at the airport in Hope, AR. That is just one of many examples of waste. That is a \$400 million example. It is a symbol of what is wrong with FEMA and what is wrong with this administration.

I yield to the gentleman from Ohio (Mr. WILSON).

Mr. WILSON of Ohio. I thank the gentleman for yielding.

Mr. Speaker, I would like to respond also to some of the things that both of these gentlemen have been saying, and that is in regard to putting a lid on the spending that is going on in our country today.

In 2001 through 2003, our spending just soared. And from that point the Blue Dogs have been saying that we need some spending caps, we need to be able to evaluate what we are spending on various programs.

The Blue Dogs feel that the purpose of holding the line on discretionary spending is where we need to go with fiscal responsibility. We feel, Mr. Speaker, that our budget needs to be held in place. And as was said earlier, 49 of our 50 States have budgets that they operate by. And I can only tell you from the State of Ohio, that we had a budget, and we even had a budget surplus, which was a savings account that we could use when there was a special need that came up in our State.

And that is the kind of plan I would like to see us do in Congress as well, is to not only stop the runaway spending, put the lids on spending, but then also create a mechanism where we would have a safety valve if a special need came up that we needed to be able to do for the people by having a type of savings account that we could use, and that would be something that I think would be very much in order.

Also, if I may, Mr. Speaker, I would like to mention about the auditing of the various programs that we have in the government. It just makes good sense to know how they are doing, and if they are not doing well we need to hold people responsible for that. That is part of the Blue Dog Coalition approach, is to how we can audit and test where we are doing well and where we are not, and certainly to limit our spending where we are not doing well. This is all part of the future and part of the fiscal responsibility that we need to be doing.

Mr. ROSS. The gentleman from Ohio is exactly right. In fact, that is point

number 4 in the Blue Dog's 12-point plan for budget reform: Require agencies to put their fiscal houses in order. Number 3 was put a lid on spending. Number 5: Make Congress tell taxpayers how much they are spending.

Mr. BOYD of Florida. I think the gentleman has ripped off the first four, and actually number 5 is have Congress tell taxpayers how much they are spending. That seems like a novel idea, that we would let the public know how much of their taxpayer dollars we are spending and when a bill comes to the floor how much it is going to cost, and that is a pretty simple thing to do. Many are the times in the years I have been here that a few bills have come sliding through the process without any debate and without any disclosure about how much they might cost, and Members are forced to vote up or down on that bill. So we think that transparency is a great tool. We think that if the sunshine can shine on something, that is the greatest purifier to have people understand what really is going on.

The sixth point of the 12-point plan by the Blue Dogs is one that Mr. WILSON already alluded to, and that is a rainy day fund, a contingency fund. Most businesses and most homes have a rainy day fund set aside so if there is some emergency like we have in this country on a regular basis, hurricanes, floods, earthquakes, anything that is maybe unexpected that we might have to respond to as a nation, there should be a rainy day fund there to draw from. So that concludes the first six.

Mr. ROSS. I want to thank the gentleman from Florida for helping me go through the first 6 of our 12 points for budget reform that we believe can go a long way toward cleaning up this mess here in Washington. And next week, Mr. Speaker, we will be going through the other six points for budget reform. And the gentleman is right, a rainy day fund makes so much sense. No more of these supplementals, which is another word for skirting the budget and skirting the normal appropriations process. We are kidding ourselves if we don't believe there is going to be some kind of disaster or need for a rainy day fund in America every year. These are 6 of the 12 points that we believe can lay a foundation to return to the days of a balanced budget to restore fiscal discipline and accountability to our government.

A lot of people, Mr. Speaker, want to know, what is this Blue Dog Coalition? We are 44 members strong. But what exactly is the Blue Dog Coalition and what exactly do they stand for? And Mr. Speaker, if you have got any comments or concerns for us, you can e-mail us at BlueDog@mail.house.gov.

I am pleased to be joined this evening by a real leader of the Blue Dog Coalition from the State of Tennessee, Mr. LINCOLN DAVIS, who in these closing few minutes is going to tell us exactly what the Blue Dog Coalition is all about and what we as fiscally conservative Democrats stand for.

I yield to the gentleman from Tennessee.

Mr. LINCOLN DAVIS of Tennessee. When we talk about different coalitions, obviously there are many in this particular Congress, probably some several hundred different caucuses that deal with health care, deal with many different issues. But the one caucus in this House that deals with fiscal responsibility and a strong national defense basically is the Blue Dog Coalition. And when the Blue Dogs were established, here is basically what they said:

We are dedicated to the financial stability and national security of the country, notwithstanding partisan political positions and personal fortunes and do hereby agree to organize a Coalition to serve the interests of our country;

That government has an important and constructive role to play in defining an equal opportunity society built upon principles of individual rights and freedom and dedicated to creating conditions that serve the general welfare and prosperity of the people;

That the people have entrusted the representatives of our country to transcend politics, personal careers and fortunes in order to pursue the common good;

That a government too large and intrusive stands in the way of an opportunity society;

That government must live within its allotted resources;

That the burden of the American taxpayer should be reduced whenever possible;

That government agencies are created to serve rather than to restrict, regulate, and punish the American people;

That government should encourage work over idleness, personal independence over government dependence, and a free market which is not controlled, dominated, and excessively regulated by the government;

□ 2045

That the American Tax Code should be simply structured and designed to create incentives for income earning, saving, and investments in jobs and in expanding opportunities;

That personal responsibility is essential to the preservation of freedom and that government must strictly hold accountable those who are victims of criminal and irresponsible behavior;

That government should be a force that affirms traditional American values and stands against the forces that threaten them;

That government should always be aware that it is a creature of the American public, that it answers to the public for its failures and successes and should never be so arrogant as to use its powers to diminish personal rights and freedoms guaranteed in the Constitution.

Sounds pretty ambitious, doesn't it? But in fact we hear those who serve in

this House Chamber. We hear those of different party persuasions talk about these particular ideas and how they have enacted those.

Let's talk about fiscal responsibility. I went back and did a little research. In the early 1990s, government was taking about 22.1 percent of gross domestic product in 1992 of the American worker's paycheck, of business paycheck. That is 22 percent-plus. For the next 8 years under the Clinton administration, we saw government reduce itself, or be reduced not by itself, let me correct that quickly. I have never seen government reduce itself, but we saw those in government, Democrats and Republicans, working together to reduce the spending in government to 18.5 percent of gross domestic product as of the 2001 budget area, in that 8-year period of time.

It has now climbed back up to where it is 20.8 percent, and that is gross domestic product. There has been more increase in spending in the last 6 years in the budgets of the United States than in any time in history other than the Great Society years of the Johnson administration.

The principles I just read are ashamed of that, and those of us who serve here who are Blue Dogs are ashamed to say that the code that we have established for those of us who serve as Members of Congress of the Blue Dog Coalition are ashamed of what has happened in the last 5 to 6 years. Deficits have skyrocketed. We have gone from \$5.8 trillion in national debt to where it is a little over \$8 trillion of national debt.

A lot of that has been because the 12 principles that we have and hopefully will be putting in place in this U.S. Congress in the next 2 years, had they been implemented and been in place, we would not have seen this outlandish spending, nor would we have seen the American taxpayer be obligated to the debt they have.

My chief of staff just had a newborn baby who he says cries a lot. I said, Beecher, have you explained to him, little Willis, that he just inherited \$29,035? That debt is going to be his to pay.

Mr. ROSS. I thank the gentleman from Tennessee for joining us for this Special Order as we talk about the fiscally conservative Blue Dog Coalition's 12-point plan for meaningful budget reform, what we believe can lay a foundation to return us to the days of a balanced budget, to put an end to this reckless spending, to put an end to this deficit spending, and as we discuss our plan for accountability.

We are here to offer up commonsense solutions to many of the challenges facing this country today, Mr. Speaker. As I conclude, I would just remind you that the national debt as of today is \$8,701,316,295,722. And that debt during the past hour while we have been on the floor of this House has gone up by an estimated \$40 million. It is time to restore fiscal discipline to our national government.

TAX INCREASES PROJECTED UNDER DEMOCRATS

The SPEAKER pro tempore (Mr. WILSON of Ohio). The gentleman from Pennsylvania (Mr. SHUSTER) is recognized for 60 minutes.

Mr. SHUSTER. Mr. Speaker, I rise tonight to talk about and make the American people aware that we have 1,446 days counting down to the tax increase to the American people which will occur on January 1, 2011, if the new majority, the Democrats in Congress, don't act to extend the tax cuts that the Republicans put in place in 2001 and 2003.

So in 1,446 days, we will see that tax increase. The Democrats don't have to act, all they have to do is run out the clock. Run out the clock, and we will see a \$200 billion tax increase. It will be money taken out of American people's pockets between now and January 1, 2011, if they don't act.

Those tax cuts as I said were enacted in 2001 and 2003. And what we have seen is an expansion in our economy, a great expansion that continues to this day that has created over the last 4 years 7.2 million jobs. Just in the month of December, 167,000 jobs were created in this country. The unemployment rate is down to 4.6 percent. It is the lowest average we have seen in 4 decades, and that is directly attributable to the tax cuts that we passed in this Congress in 2001 and 2003.

Again, if we don't extend them, which I believe is the responsible thing to do so we see this economy continue to grow, we are going to take money right out of the pockets of the American taxpayers.

Mr. Speaker, we will be debating tomorrow a tax increase. It has not taken longer than 20 days for the new Democratic majority to increase taxes. There will be a great debate here, and there are many in this country who think we should increase taxes on our oil companies. But it is the reduction in the tax on our oil companies that has allowed them to go out and look for new oil reserves to decrease our dependency. Yet the Democrats are, as I said, in less than 20 days, are going to put a bill on the floor that is going to increase taxes already on a segment of our economy. We will talk more about that later this evening.

If we don't extend those tax cuts that we put in place in 2001 and 2003, you are going to take money right out of the American taxpayers' pocket, anywhere from \$2,000 to \$4,000, right in that middle income of America. That is money that they can save to put away for their children's college. They can save to put a downpayment on a car, or buy a new washer and dryer. But the most important thing is if we take that money out of the American taxpayers' pockets, it will be some bureaucrat deciding how to spend that money, and not an American family.

We removed 10.6 million low-income Americans from paying taxes in this country all together. We need to make

sure that those people stay in that position, that they are not paying taxes when they are low income. We lowered the tax rates on small businesses and employers, the critical employers in our Nation that create the jobs.

I hope that those on the other side of the aisle, the Democrats, will take a lesson from history from one of their own. Jack Kennedy, President Kennedy decreased taxes in the 1960s. What happened, there was increased revenue to the Federal Government. President Kennedy in the 1960s did the right thing. As I said, the revenues to the United States Government increased.

Ronald Reagan did that in the 1980s, and revenue increased to the Federal Government. Once again, history repeats itself. In 2001 and 2003, we cut taxes and what has happened is the levels of revenue the government has received are at greater levels than ever before in our history. That is what happens when you cut taxes.

By raising taxes, all we will do is stifle economic growth in this country. We will take money out of our small businesses; we will take money away from the American taxpayer. Once again, this economy will stop growing. It will stop creating the jobs it has created over the last several years.

I know I am joined here tonight by one of my colleagues who is a former small business owner and a former Army Ranger.

Mr. Speaker, I yield to the gentleman from Kentucky (Mr. DAVIS).

Mr. DAVIS of Kentucky. Mr. Speaker, we both had the opportunities to pursue the American Dream, to start our own businesses and create jobs. I look back on the last time there was a large increase was in the administration that came in in 1993 that passed one of the largest tax increases in American history. What that meant to our business was less jobs, money that could have been reinvested and employed more people. The one thing we need to understand is that people know how to spend their money better than government does, to keep it in their local communities, to stimulate that local economy. And the tremendous increases in taxes just went to further Federal spending.

I think the thing that we have seen by policies that allowed people to keep more of their own money is we don't raise taxes, we create more taxpayers. One of the things that is lost in much of the political noise that has gone on over the course of the last year is that revenues from income taxes have been at the highest point in American history because the most jobs have been created by allowing people to keep more of their own money.

But in the aftermath of the last election, what most folks don't realize is that the average working-class family making between \$30,000 and \$50,000 a year has voted themselves a tax increase of over \$2,000 that will take place in 1,446 days unless Congress acts as a majority.