

mode. The bill that's proposed, from everything I know about it, will not do that.

I wanted to reference a report from Bloomberg Businessweek that has two sentences at the beginning of the article that are important, and I quote: "Legislation to overhaul financial regulation will help curb risk-taking and boost capital requirements. What it won't do is fundamentally reshape Wall Street's biggest banks or prevent another crisis." Well, if it can't do that, why would I want to vote for it?

So I want to ask my colleagues this: Does the proposed bill make the necessary changes to prevent the financial crisis of 2008? If it can't, why vote for it? Too many experts don't think it can. Look at your own communities and ask: For whom is our financial system working? When you pay your mortgage or your car loan, where do you send your money? If it isn't to your own community, is it to some distant player somewhere? Do they really care about you? If you're a small business and you're trying to expand your business—and that's the only place in our society creating any jobs right now—why should they get their loan from far away? Why shouldn't it come from an institution close to them?

This morning on the Marketplace Morning Report produced by American Public Media, Bill Radke was interviewing Henry Blodget, editor-in-chief of the Business Insider, on the subject of the financial regulatory reform bill. Mr. Radke stated, "You are one of those observers who believes that even with these new rules, we are at risk of another global crisis. What might that crisis look like?"

And Mr. Blodget responded, "I think the reason that people are saying that is that if you took this legislation and you enacted it in 2005, it would not have prevented the crisis we just had."

Well, if it can't prevent the crisis we just had, what are we doing? What are we about here? So Blodget said, if we enacted the bill that we are going to vote on in 2005, it would not have prevented the crisis we faced in 2008. This certainly can't be real financial regulatory reform. The bill doesn't appear to encourage prudent credit accumulation. It does not allow for that power to be devolved to Main Street.

The bill allows financial power to create wealth, the bankers' awesome power, to be closely held in a few Wall Street and Charlotte-based megabanks. The bill does not address the business model of credit rating agencies or how interwoven these nongovernmental agencies are with the institutions they rate.

The bill does not require that all derivatives be traded through transparent exchanges. The bill does not adequately support both agencies dedicated to finding and fighting fraud in our financial system, and it really doesn't do anything to address the continuing mortgage foreclosure hemorrhage, the crisis going on across our

country. So, if it doesn't do that, why are we just nipping at the edges?

Sadly, the so-called bill seems all too often, in the end, to support the very same big banks and not the American people and the communities in which we live, in the Main Street that all of us are sworn to represent.

The New York Times ran an editorial last week on derivatives, and I really want to reference it because it stated the following: "This is arguably the most important issue for the big banks because real reform will crimp their huge profits from derivative dealmaking."

That's where they take a dollar and turn it into \$35 or a dollar and turn it into \$100. That's gambling, actually. It's not banking; it's gambling.

"It is also arguably the most important issue for the public. The largely unregulated, multitrillion-dollar market in derivatives fed the bubble, intensified the bust, and led to the bailout. Unreformed, it will do so again."

The New York Times article says, "The final bill must ensure that derivatives are traded on transparent exchanges and processed through third-party clearinghouses to guarantee payment in case of default. That would end the opacity that masks the size and risk of derivative deals, like those that caused the bailout of American International Group," AIG. "But to be effective the new rules must be broadly applied."

Another Wall Street expert told a small group of Members of Congress that all derivatives should be openly marketed with transparency on exchanges, and if an institution creates an instrument that is too complex to go through such an open and transparent process, that institution should be subject to higher, in fact, extremely high, capital standards. The bill really doesn't do that.

The amendment offered by Senator BLANCHE LINCOLN in the other body would have forbidden any banks receiving Federal support, such as deposit insurance, from engaging in the trading of swaps. If the amendment had not been weakened, it could have resulted in banks having to spin off their swap businesses, but it seems like it's business as usual in Washington. The amendment was weakened and too many exceptions exist.

Goldman Sachs, Morgan Stanley, Bank of America, Wells Fargo, Citigroup, and their U.S. colleagues can continue to trade derivatives that are used to specifically hedge the risk that they are undertaking, as well as still being able to trade interest rates and foreign exchange swaps.

For other types of nonstandard instruments, like some credit default swaps, the banks have 2 years to move that business to a subsidiary which is capitalized separately, and some people say there's even language in the bill that would allow them up to 15 years to try to meet some sort of standard. Well, you can't really call that reform.

□ 1750

Bloomberg Businessweek reported last Friday, "U.S. commercial banks held derivatives—" get this "—with the notional value of \$216.5 trillion in the first quarter, of which 92 percent were interest rate or foreign exchange derivatives, according to the Office of the Comptroller of the Currency."

It is not a small amount of money, and very few institutions hold the power to trade them. There are five U.S. banks with the biggest holdings of derivatives, and you probably already know the answer. JPMorgan Chase, Goldman Sachs, Bank of America, Citigroup, and Wells Fargo hold \$209 trillion, or 97 percent of the total, the Office of the Comptroller of the Currency said.

You know, when you keep running into the same rhinos, you ought to start recognizing them out there. What is interesting is these very same companies are not doing mortgage modifications through their servicers across our country. So what is allowed in the bill accounts for 92 percent of the held derivatives, and our five biggest mega banks control nearly all of that 92 percent.

So who is this bill helping? Not only are the numbers staggering, but if this is as true as I think it is, did the bill really do anything about derivatives?

With essentially, if not every, commercial end user exempted, did we really do anything to restructure the financial system to avoid letting derivatives create such exposure for an institution that is too big to fail in that we, the government, representing the people of the United States—and you, the American taxpayer—must pay hundreds of billions of dollars to prevent its demise?

So I say to my colleagues: Read the bill. Perhaps read my comments. In the end, ask yourselves the question I began with:

Which bankers do you believe should hold the awesome power to create money? Which bankers have been prudent in their practices? As this bill is debated, do we increase their power or do we decrease their power?

If all we do is abdicate more power to JPMorgan, Citigroup, Goldman Sachs, HSBC, Wells Fargo, Bank of America, and Morgan Stanley, have we really served the American people?

Madam Speaker, I yield back the balance of my time.

THE BUDGET, OUR DEBT AND THE DEFICIT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentlewoman from Wyoming (Mrs. LUMMIS) is recognized for 60 minutes as the designee of the minority leader.

Mrs. LUMMIS. Thank you, Madam Speaker.

I also would like to thank and congratulate the previous speaker for her

outstanding summary of some of the issues that will be facing this House later this week. It is, as she said, a bill that will enhance big banking at the expense of small community banking. Her hard work on this issue is appreciated on both sides of the aisle. Thank you very much to the gentlelady for that excellent summary of the bill. There are so many issues about which, if we could work together on a bipartisan basis, I feel we could come up with better legislation.

What I intend to talk about this evening is an area about which we have not had much bipartisan dialogue. That is, of course, over the budget, our debt and the deficit.

It is official now. We will not have a budget this year. This will be the first time since the Budget Act of 1974 was passed, creating the system we have for budgeting and for making expenditures now, that we will not have had a budget. It is the very first time since 1974. Every year, the House has passed a budget. I believe, almost every year, the Senate has passed a budget. There were years when they haven't agreed, but every year, the House met its obligation and passed a budget.

You know, the current chairman of the House Budget Committee, who, of course, is a member of the majority party, has said, if you can't budget, you can't govern. I couldn't agree more. If you can't budget, you can't govern. We are not going to budget this year. We, therefore, are not going to be governing this year in a manner that the American people expect and deserve, so it is a source of tremendous disappointment for me.

We were also told and learned last week that we will see none of the major appropriations bills before the November election. That is an indication to me that the majority party recognizes that it has overspent for 18 months, that the American people are tired of the overspending, that they are zeroed in on the debt and the deficit, and that they are not going to take it anymore.

There are ideas that the Republican Party has had to reduce the debt and the deficit in order to bring down the size and scope of the Federal Government and to divorce ourselves from the current strategy of big government, big unions, big business. Among the big businesses are those that the gentlelady from the majority party, from Ohio, just talked about in the last half an hour. Always supporting bigger government, bigger business, bigger unions takes away from our communities, which is where the creativity is, which is where the desire to create jobs and families and businesses and households and churches and charitable institutions really grows and thrives. It deletes those kinds of opportunities around our country. It discourages those kinds of opportunities around our country.

Our country is truly at a crossroads now.

We have seen very different reactions on the part of the people in, say, Greece, which is experiencing enormous financial problems—huge debts and deficits. The people there who are demonstrating, rioting and who are out on the streets are those who receive the benefits of the Government of Greece. They are those who are living off the very, very small private sector, which is trying to fund this behemoth of a government with all kinds of social services and entitlement programs that they can't afford because the programs and services are unsustainable, which is sending—plummeting—their country into the kinds of debts and deficits that have gotten them into such deep financial trouble.

All of the world is horribly concerned.

Take that image and compare it to the image of the United States in the last 18 months. You had the so-called Tea Partiers who were out on April 15. They were protesting big spending, protesting big government and protesting later in the year this enormous health care bill that Congress passed over their objections. These are the kinds of people who are up in arms in America and who are out demonstrating and protesting. They are the taxpayers. They are the people who want less government—smaller government—and more efficient government. They are the people who want business to be more accountable and who want government to be more transparent. These are the people who are protesting in the United States, and these are the people who we should be listening to.

In fact, I want to congratulate one Governor who was listening, who has listened and who did a miraculous thing in the last few months. He is the new Governor of the State of New Jersey, Governor Christie.

Governor Christie took over from a big-spending administration. He inherited a big-spending legislature in New Jersey. Yet he ran on an agenda that resonated with the people of New Jersey. He ran on an agenda to cut the debt in the State of New Jersey, and he has done so. He brought forward budgets that cut the government.

The majority in the legislature there said, Oh, my gosh. We can't do that.

So he said, Here is my budget. I am going to make these cuts, and I am going to make these cuts unless you submit to me a budget that is balanced.

Last night, very, very late—in the wee hours of the morning—that very legislature passed Governor Christie's budget. The State of New Jersey, in the signing of that budget by Governor Christie, has become among the most fiscally responsible States in the United States.

It is a miraculous story. It is a story of the American people—in their case, the people of New Jersey—winning out over big government, special interests, entitlement programs we can't afford, and giving new life to small business, individual initiative, freedom.

□ 1800

It is a great example of what this Congress can do come November.

I am going to put up a couple of charts that I want you to see.

This first one is about the changing priorities of this country with regard to spending over time, starting in the 1970s and moving into our current decade.

As you can see, during the late 1960s and early 1970s, the major portion of our budget, almost 50 percent of our Federal budget, was spent on defense. Obviously, this was at the height of and then followed by the waning of the war in Vietnam. This is when the draft was no longer in effect. Ever since then, defense spending has consumed a smaller and smaller part of our Federal budget. It is the brown line. So it is up a little bit with the war on terror, but compared to our other spending, it is still very, very steady, and within the realm it has been over the last 20 years.

Now let's look at Medicare and Medicaid. This is the red line. This is the line that started out as a very small 5 percent component of our budget in the 1970s and has been steadily climbing, and is climbing still to the point where Medicare and Medicaid are going to choke out all other spending if we project it forward.

The two in the middle, Social Security, which has been tremendously flat and pretty steady, actually is going to be funded until the 2030s. But when we hit the 2030s, we are going to see a 25 percent reduction in the benefits paid to those who have paid into Social Security, another problem this Congress needs to address on a bipartisan basis. Then the other, of course, is non-defense discretionary, which over time has followed a wave in between.

So the big changes are the decline in defense spending as a portion of the Federal budget and the massive replacement of this spending in Medicare and Medicaid.

Now, one could say that is a good thing, and indeed it is, that we are not having to spend as big a portion of our Federal budget on defense. But the scary part is that the growth in entitlement programs, Medicare and Medicaid, is going to be unabated and is going to crowd out other investments in our country, because we are going to have to, in addition to all the other things we do, debt finance these programs.

When we debt finance and are paying interest out of every year's budget for interest on the debt, we are crowding out other investments, and by crowding out other investments in our economy, we are marching down the road towards Greece, towards Italy, towards Spain, towards the kind of problems the U.K. has been having, but is changing course on and is going to address, and we wish them the best in those efforts.

Now, where did the money go? These are components of the 2009 deficit

growth in billions. Here is the Federal budget deficit, the places where the Federal deficit tripled in one fiscal year as tax revenues fell and Congress pumped out large sums to stabilize financial institutions and stimulate the economy, creating a tripling in the Federal deficit in one fiscal year. Furthermore, the policies we have enacted will double the debt in five years and triple the debt in 10 years. So the situation that we put ourselves in in the last 18 months creates dire circumstances.

So the components of the 2009 deficit growth occurred due to lower tax receipts, and that is part of our recession, and stimulus, half in spending and half in lower taxes. The Republicans, quite frankly, had a stimulus package that would have created twice as many jobs with half the size of a stimulus, and doing it by infrastructure spending through private sector investment.

The next item, bailouts for financial institutions and the auto industry, bailouts for Fannie Mae and Freddie Mac. Unfortunately, we are not addressing the structural problems with Fannie Mae and Freddie Mac in the financial reform bill, in the conference committee, which has concluded its efforts. Then we have unemployment benefits due to the recession which have been running steadily until recently. Then the remainder is a collection of aggregation of other spending. So that explains how our Federal budget has trended the way it has.

This was before we passed ObamaCare. This budget was passed before the health care reform bill, which adds a huge other component to the debt and the deficit. We know that that bill, if you take the years 2010 to 2020, is going to cost over \$1 trillion, half of which is going to come out of cuts in Medicare and the other half out of tax increases. But we are only paying out, as you will recall, six or seven years of benefits for 10 years of taxes and Medicare cuts.

When you combine the first 10 years, where we are actually collecting taxes, cutting spending on Medicare, and combine that 10 years with 10 years of benefits, we are talking about a deficit of \$2.4 trillion, and that would be what it would be going forward.

In other words, we created a program that we knew had a long-term structural deficit that was enormous and did it knowingly, leaving for future generations the tough decisions about how to pay for it.

Creating an entitlement that you know you can't pay for and that creates structural deficits for our children kicks the can down the road to a generation that deserves to inherit a better country. No wonder when you poll the American people, they will say that we inherited a better America from our parents, but our children will not be inheriting as high a standard of living from us as we inherited from our parents. That is unconscionable.

I have been joined this evening by the gentleman from Pennsylvania, who has made his career in health care and may wish to comment further on that or anything else. I am so pleased you have chosen to join me this evening, and I yield the time to you.

Mr. THOMPSON of Pennsylvania. I thank the gentlelady from Wyoming for hosting this very important hour on this very important need.

The number one issue right now, as you have very appropriately pointed out, is the growing and massive Federal debt. Independents in this country overwhelmingly identify the debt as being the biggest threat to the future well-being of this country.

As I travel around, and the fact that the Democratic majority has not even introduced a budget, the first time since 1976, I raise the question: America is really at a critical crossroads in history. We have a choice. We have a choice to continue the path of taxing, and spending, and borrowing, and the lack of transparency that will result in a choice between that and accountable government. So America really has a choice between becoming Greece or New Jersey.

□ 1810

And Greece, we have all witnessed the fiscal meltdown and chaos that resulted in that country as a result of the massive social spending and out-of-control government. And we've all seen most recently in the Garden State, with the election of accountable and transparent and fiscally responsible leadership, where that State has really started to put its house in order. So this is a little hard for someone who is a lifetime Keystone Stater to say I would choose New Jersey when it came between those two.

We have confirmed that the Federal budget plan for fiscal year 2011 really has been canceled. The cause? Washington Democrats' out-of-control spending spree. This is really a betrayal of hardworking American taxpayers. The House of Representatives has passed a budget every year since the Congressional Budget Act took effect in fiscal year 1976. To be completely accurate, there have been times under Democrats and Republicans when a finished budget was not passed by both Houses, but this is the first time that the House of Representatives has simply decided there's too much peril for the American public to see the numbers that they are pursuing. So they're going to stop the game before the coin is even tossed. We have more than \$13 trillion in debt and a Presidential budget that puts the deficit at \$1.6 trillion and spends \$3.8 trillion. Even the Fed chairman, Ben Bernanke, said this debt is "unsustainable."

Now, faced with similar challenges in our personal budget—and that's something we families do around this country each and every day—there would be a talk around the kitchen table and the children's allowances would be cut,

along with many other luxuries. It is that discussion that the majority party in this Chamber really seems only willing to have under the theory that if they ignore it, it'll go away, or frankly, if they ignore it, maybe the American people won't notice the massive amount of debt that has been accrued over these past 18 months. Unfortunately, the debt will not go away. It is a legacy of debt for our children and grandchildren. And the pain will be transferred to those future generations in the hopes that, frankly, they'll have the guts to face reality. So I thank the gentlelady for hosting this hour on a very, very important topic.

Mrs. LUMMIS. I thank the gentleman for joining me. As some of you are aware, AmericaSpeakingOut.com is a Web site where all Americans can go to weigh in about their views on the American debt, deficit, and about ideas to reduce the size and scope of government, and right-size it, make it more efficient, and anything else you have in mind about shaping the activities of this Congress. We very much want to hear from you. AmericaSpeakingOut.com gives you a chance to share your ideas with Members of Congress. And we very much commend it to your attention.

I have a bill that I'd like to discuss that I'd like you to put in a plug for on AmericaSpeakingOut.com, and that is a bill called the Federal Workforce Reduction Act. It is a bill that I'm sponsoring and that I've used this information to help explain.

This year in Congress, when you add up all the spending we've done in the last 18 months, the great growth sector in terms of employment has been government. In fact, when we passed the stimulus bill—and we were told that if we pass the stimulus bill it will keep unemployment under 8 percent, and employment since this has been hovering at around 9.7 percent and as high as 10, 10.1 percent. During that time, 9 million private sector jobs were lost. The entrepreneurial economy lost jobs, and yet the only sector that grew was government.

Government employment has increased by 15 percent during the time when 9 million jobs were lost in the private sector. And this shows you what is happening to Federal Government employment. It actually was pretty high back in 1993, but over the decade of the nineties it declined. Then it experienced right after the 9/11 bump in employment associated with homeland security, it experienced tremendous stability in 2003, 2004, 2005, 2006, 2007.

And then you get to 2008 and 2009 and then 2010, where it goes off the charts. It shows that Federal Government employment has absolutely skyrocketed. And further, Federal Government employment has grown in terms of the salaries that are paid. They far exceed average salaries in the private sector. Even here at the U.S. Department of Education in Washington, the average

employee makes twice as much as the average American teacher. Imagine that. The people here in Washington are making twice as much—the bureaucrats dealing with education issues—making twice as much as the classroom teacher in America who's actually teaching the students.

So for these reasons I sponsored the Workforce Reduction Act. And this bill does a couple of things: one, it freezes Federal Government employment; and, secondly, for every year we're running a deficit, we will take vacant positions. When someone retires or someone moves to another job, their position is vacated. Those positions then will go into an employment pool and agencies will have to seek reinstatement of that position so they can hire someone into that position from the employment pool. They'll have to justify it and they'll have to compete for those positions because for every two people who leave their job and vacate a position, only one position survives in the pool, thereby reducing the number of Federal employees through attrition.

We're not firing anybody. We're doing it through attrition. When people retire or leave their job, the number of Federal employees would diminish. The exempt agencies from this plan are Homeland Security, Defense, and Veterans Affairs. Every other agency is subject to it. And this will continue for as long as we run deficits.

The fact that Federal employment has grown by 15 percent when the private sector lost 9 million jobs is just completely unconscionable. It is in furtherance of the big government, big unions, big business agenda that is being advanced through this Congress in the last 18 months, when we should be having small, efficient government. We should be encouraging small business where the job creation is. And we should be encouraging union membership in small relationships that can deal directly with employers on the job site rather than the huge national organizations that have their tentacles in every aspect of every bill that we pass.

So please go to AmericaSpeakingOut.com and weigh in on your thoughts.

We have been joined now by the gentleman from Florida, who is also a distinguished member of this conference. I will yield time to the gentleman from Florida. Thank you for joining us.

Mr. MARIO DIAZ-BALART of Florida. Let me first thank you for bringing us together tonight to talk about such an important issue. The news recently has been full of pictures of the G-20 meeting, where the leaders from around the world got together to speak about the economic situation in the world.

And it was rather, I thought, ironic that you had on one side the Canadian leader, plus many European Union leaders, talking about how we have to control spending, we have to control debt and how the world economies are

going, frankly, are on a path towards not being sustainable. And on the other side, pretty much alone, you have the President of the United States, who continues to insist that we need to spend more money and borrow more money in order to have the economy prosper.

Now, we know how well that has worked so far. Think about it. We had the TARP bailout of Wall Street. We had then the so-called "stimulus." And the gentlewoman from Wyoming just spoke about the results of that almost trillion-dollar borrowed money that the Federal Government took from the American people, from small businesses, from families, to spend it because they said they promised that it was going to fix the employment situation and that unemployment would be capped at 8 percent and 3-plus million jobs will be created.

And we know that the only place where jobs have been created, as the gentlewoman just said and showed so eloquently, was government jobs. Yet, private sector jobs have not been created. But wealth has been taken away from families and small businesses in order to spend and mispend and to waste that money.

□ 1820

And then we had the second part of TARP, the second expenditure of TARP, and then we had the Son of Stimulus. We're continuously told that, Well, yes, that's really helping, and it's worked.

You know, how do you know if what you're being told isn't quite accurate? Well, just listen to what they're telling you. The President himself stated that if the so-called stimulus were to pass that unemployment would be capped at 8 percent, would not reach 8 percent. Those are his numbers. That was his benchmark—not mine, not yours, not the gentleman from Pennsylvania's benchmark. That benchmark was established by the President. He established what he said was going to happen, and yet we all know what has happened.

Unemployment is way above that. Job creation has been dismal. We've actually lost millions of jobs after the stimulus passed, and yet we see our President in front of the world saying, number one, it's worked and that we need to do more of it, as if we're living in some weird time warp. Does he and does the leadership in the House not understand what's going on in Europe right now with Greece, for example, where Greece has had to get bailed out by the European Union because, frankly, their debt is so high and their expenditures are so out of control that they've had to bail them out? Do they not understand what's going on in Spain now where everybody says that they are the next one to, frankly, implode economically because their debt is so high, because their expenditures are so high?

It is my understanding that the President of the United States even

called Spain and said, Hey, you have to cut back on expenses. And yet here he pretends as if we live in Disney World, that you can continue to spend people's money—let me restate that. It's not people's money anymore. It's borrowed money—and that there are no consequences, that it's fake, that the words of just about every economist that says this is unsustainable are just, frankly, not true.

So, by the way, if that were not bad enough, where have they spent this hard-earned money? Where has it gone? Now, if I were to tell you all that—I don't know. Pick your government. Pick a government, a neighboring government. I don't know, Guatemala, Argentina, wherever you want. If we said, Hey, you know, the administration there just established a Web page, and the Web page cost \$5 million. We would all go, Oh, my gosh. What have they done? There's a word for that. It's not "waste." I mean, if that happened someplace else, we don't call it waste. We call it corruption. If we see that some government, some President has created a Web page for \$5 million, we'd look at it and we'd say, Something strange is happening here.

The Web page that was created by this administration to track the failed stimulus didn't cost \$1 million. No, it didn't cost \$5 million. The Web page cost \$18 million. Now, you know, I ask the American people, Have you ever heard of an \$18 million Web page? Does that sound like efficient use of your money? Does that make any sense? So you are wondering why it hasn't created jobs. Well, because the money has been wasted. And I am not going to use another word for it, a word that we would use if it happened someplace else. I'm not going to use the word "corruption" for an \$18 million Web page. But it sure smells funny, and it sure shows you that the money is wasted, and it sure demonstrates why it has not created jobs. And we could go on and on and on and on about money going to campaign consultants, stimulus money going to campaign consultants.

And what is the answer? Is the answer of this administration, of this Congress, "Let's take a step back. Let's look at what we've done. It hasn't worked. Our debt is unsustainable, and everybody has told us that"? When Europe tells us that our debt is unsustainable, that becomes pretty evident and pretty obvious; right? When they tell you that we're spending too much money, the Europeans, for God's sake, tell the United States that we're spending too much money and we are incurring too much debt, that should make us at least take a step back. Let's take a step back and figure out it hasn't worked. The administration has spent all this money. They said it would keep unemployment at 8 percent. It is now way over that. They said it was going to create 3.5 million jobs. That hasn't happened. The only jobs created were bureaucrats in Washington.

So you would think they would take a step back and say, okay, the American people have suffered enough through this irresponsibility. Let's do something different. No. They continue to do more of the same thing. They continue to double up, because it's not their money. It's the American people's money. So they say, Let's just double up on it. We wasted all this money and it hasn't created jobs? We're going to do more. We're going to waste more of the taxpayers' money. It is, frankly, totally unacceptable.

I just want to throw out some numbers, and I will yield back. I want to thank the gentlewoman for allowing me to have this time.

What's the problem here? Look, in 2010, the President's budget, what he submitted—and, by the way, Congress did—was \$3.6 trillion. That's the budget that was submitted. Here's the problem: The revenues for that year were \$2.4 trillion. It doesn't require a NASA rocket scientist to understand what the problem is. But that wasn't enough. This year, the President submitted a budget—the President did—and he submitted a budget that's \$3.8 trillion. But here lies the problem: The estimated revenues for this year—remember, \$3.8 trillion. That's what he submitted after he did it last year again, and all of the reasons why last year was a special year and all the past sins and that's why it had to be done last year. Well, now, this year he submits a budget for \$3.8 trillion. But what are the revenue estimates for this year? \$2.6 trillion.

Now, if that was a company or if someone did that at home, they would be bankrupt. And that's precisely where this is leading the greatest, most prosperous, most generous, most decent nation on this planet. And that's not acceptable. That's why even the Europeans are saying, What are you guys doing? And not only are they doing this, but we have results to show how well it's worked. It has been a dismal failure—not because I say so. Because the President established the benchmark, and under the President's own benchmark it has been a dismal failure. There are consequences of this misspending of money. There are consequences for this debt.

I just want to leave you with one last number. Just in the interest payments alone—not the principal—to pay the interest payments by the year 2020, the American people are going to have to pay almost \$1 trillion just in interest payments. That's the President's budget. That's what they claim is going to be the expensing, the cost, the numbers that are going to have to be paid by the American people just to pay the debt that they are incurring.

□ 1830

You know, I want to thank the gentlewoman for bringing us here today to explain, to talk about, this is not monopoly money. This is real. This is our children's and our grandchildren's fu-

ture. This is the future of this, the greatest country on Earth. And we can take a step back. We can salvage the situation. We can create jobs. We can stop this path towards bankruptcy. But we need to do so now.

And the reason the Democratic Congress is not even going to present, it seems, not even going to try to attempt, it looks like, to pass a budget out of the House is because these numbers—they're not my numbers, they're the official numbers—and they must be embarrassed to show the American people the truth so, therefore, they're not even going to present a budget.

I haven't been here that long. But, in the time that I've been here, that's never happened. It's never happened. Not even attempting to present a budget because the numbers are so dismal under their watch. This is not inherited. Under their watch the numbers are so dismal that they don't even want the American people to see those numbers.

Well, you know something? The American people are wise. They're not dumb. You can try to hide the facts, but the facts are there. You can try to not show the numbers, but the numbers are there.

So, again, I want to thank you for this opportunity to speak to the American people, directly to the American people, as to what their government is doing with their money, with their children's money, with their grandchildren's money and with the future of our Nation. I'm sure that we'll be able to reverse it, but we need to start now.

Thank you. I yield back.

Mrs. LUMMIS. I thank the gentleman from Florida, Mr. DIAZ-BALART, for his very succinct summary of why we haven't seen a budget and why we're not going to see a budget this year. And the answer, of course, is that it is so out of balance, we are spending so much more than we take in that there is a level of embarrassment. Instead of cutting spending, instead of even making a beginning to cutting spending, the answer of the majority party is to not present a budget at all.

I return, again, to the Budget Committee chairman's own words: If you can't budget, you can't govern.

I understand that there used to be, within the Congress, a committee that was, in essence, a counterbalance to the Appropriations Committee. Since the Appropriations Committee spends money, that there was actually a committee that would determine where we could cut, what Federal agencies could be eliminated, which ones could be downsized, which ones could be more efficient. And maybe that's an idea that needs to be resurrected. If you believe that, please go to Americaspeakingout.com and let us know. Weigh in on these ideas. Give us your creative ideas.

I want to especially encourage people who have served in their state legislature to go to Americaspeakingout.com.

States are the great incubators of good ideas. States try out ideas that give the Federal Government a chance to see whether they work or fail. New Jersey's doing that right now. New Jersey's taking the lead. New Jersey's cutting spending. New Jersey's doing it at the request of their constituents. The people in New Jersey are once again in control of the government in New Jersey. And if it works in New Jersey, it's certainly worth a try here in Washington.

One other point I'd like to make that the gentleman from Florida also hit on, and that is, when we're borrowing money from other countries, and have to pay it back with these extraordinary numbers, such as \$1 trillion, every time we borrow we're putting ourselves in the position where we have to pay higher interest.

In the last month, the U.S. Treasury issued some Treasury bonds, and that issue went undersubscribed, which means there were not enough buyers to buy U.S. Treasuries at the interest rate at which they were being offered.

Now, the alternative we have when that occurs is to raise the interest rates because, for heavens sakes, we're on track to need the money, to have to borrow the money. The Treasury can't come back to Congress and say, we couldn't sell them at that interest rate. You all are going to have to cut. That's not the Treasury's job.

The Treasury's job is to issue U.S. treasuries to cover our debt. But when nobody will buy them at the rate for which they're being offered, their only alternative is to raise the interest rate and issue them again.

So the borrower, the purchaser of those debts gets a higher return, and they get it from people who are paying taxes. So more and more of your tax dollars is going to go to pay interest on the national debt.

Problem is, as the gentleman from Florida pointed out, we're not taking in enough money this year to pay what we're going to spend this year. We didn't take in enough money last year to pay what we spent last year. We're not going to take in enough money next year, under current projections, to pay what we're spending next year. And on and on and on.

This is a structural deficit, in other words. There's no end in sight to spending more than we're taking in every year. The only way to fill the gap is to borrow more money. And when we can't sell those debts at an interest rate that will attract buyers, we have to raise the interest rate to attract more buyers. The circle is vicious. It is ugly. And the American people are going to foot the bill, especially the young people that are coming up. And they don't want this on their tab. We're hearing from younger Americans now. They don't want this on their tab. I don't want this on their tab either.

I yield again to the gentleman from Florida.

Mr. MARIO DIAZ-BALART of Florida. I think you just brought up, frankly, something that's very scary, should be very scary to us. And you mentioned what happened there is—that's how it started in Europe. That's how it started in Greece, and eventually it basically started to collapse, which is why then the European Union had to bail out Greece, and then they had to talk to Spain about not spending any money, about cutting their spending, et cetera. And so when we talk about how—and not us, when economists—around the country, now even around the world, and leaders around the world say it's unsustainable, it's because that's where we are headed if we don't change that.

But you know what adds insult to injury to me?

I represent the great State of Florida. I will tell you it's probably the greatest place to live in the entire planet.

We have a lot of senior citizens, many of whom depend on Medicare for example. Well, we know that Medicare will be going insolvent in I think just, you know, a handful of years—2016 or 2017 is when it goes insolvent. So here we are borrowing and borrowing and spending and spending and borrowing and spending. Are we using that money? Is the Speaker and is the President using that money to shore up Medicare for our senior citizens? Are they using that money to shore up Social Security for our seniors?

No. They've now created a new entitlement that we know we can call the mother of all entitlements. So not only are they not solving the problems that we have, they're creating new entitlements, which is going to add to the fiscal problem that we're already in. So not only are they borrowing and spending more, they're doing so recklessly, while not dealing with the issues that we all know, everybody knows we have to deal with. So that just adds insult to injury.

And when you mentioned that about remember what happened in Greece, it got to the point where then the market said, we're not going to—your debt is so high that we're not going to buy it unless you pay much higher interest rates. And it gets to the point where then it becomes this vicious circle where all you're doing is paying interest, you know, like people get into with credit cards. This administration, this President are doing exactly the same thing to our country. And the American people are starting to understand.

World leaders are starting to tell the United States, slow down. What are you guys doing?

And yet, this Congress, and our President who, I guess—I don't know—I just don't exactly understand what they're looking at. They're looking at the same numbers that we're looking at. And the things they've done have been dismal failures. I mentioned obviously the stimulus.

But let's talk about one more. How about the billions of dollars that the taxpayers dished out to the car companies, automobile companies? Remember, in order for them to not go bankrupt, all right? So what happened? They didn't go bankrupt? No, they actually did go bankrupt, but after the taxpayer, who's struggling, by the way, and they're losing their jobs, and there's no Federal bailout for them, and they're losing their homes, and there's no Federal bailout for them. No, no, no. Take their money to bail out the auto companies because we can't let them go bankrupt. And they went bankrupt anyway.

□ 1840

So I don't know. That's not a failure? Only in Washington do you say I'm going to spend all this money and it's going to stop unemployment from going above 8 percent, and then it goes way above 8 percent and they don't call that failure. Only in Washington. Only in Washington do you take taxpayers' hard-earned money, say that you are going to stop these auto companies from going bankrupt, and then they go bankrupt anyway and you say, oh, we got to do more of the same. It's nuts. It's insane.

But everybody has realized, everybody, including world leaders—again I repeat myself, and then I will stop—but when you have world leaders of France saying to the United States of America you are borrowing and spending too much, if that's not a wake-up call, then what will it take for this President and this Congress to wake up? And you are right, that's why they are not presenting a budget, because their numbers are frankly unsustainable. The American people would go ballistic if they saw their proposals. But you know something? The American people know what's going on anyway. Thank you for your time.

Mrs. LUMMIS. I thank the gentleman from Florida. Mr. DIAZ-BALART has been a powerful spokesman for responsible Federal budgeting.

I now once again would like to recognize my colleague from Pennsylvania (Mr. THOMPSON), who will be talking further about this issue. And I want to remind people, please do go to AmericaSpeakingOut.com. Also go to the whip's Web site, Mr. CANTOR, who has YouCut on it. Or you can go to the Republican Conference Web site. YouCut is the icon you want to click so you too can vote on ways to cut the Federal budget.

We have identified half a trillion dollars' worth of cuts, and we want to know whether you think they are the right cuts. So please go to YouCut in addition to AmericaSpeakingOut.com.

And again I yield to the gentleman from Pennsylvania.

Mr. THOMPSON of Pennsylvania. I thank the gentlelady for yielding.

You know, there is a very important number here that the American people need to identify with, and it's a num-

ber that brings it home. It's a number that's very personal in terms of personal responsibility, and that is over \$40,000 per person. That's the amount of debt that each man, woman, and child in this country is responsible for. And that doesn't include entitlements. If we got into Medicare and Social Security, that number would be much larger. But just keeping it within the scheme of excluding entitlements, over \$40,000.

Now, you look at the young people that we have today, and the fact is that we are not—we don't come to each American and collect a check. If we did that, it all would be divided up evenly. And that's a heck of a lot of money. That's a tremendous amount of debt to start your life out with for a young person.

But the fact is, that's not how we do things. You know, we kind of kick the can down the road, as I heard you use that phrase earlier. You know, we divide things up. You know, not everybody pays the same amount. And so this legacy of debt we are really following the next generation, our children, our grandchildren, future generations disproportionately. So what was \$40,000 today will just grow exponentially.

And that legacy of debt is not a legacy—you know, there is not a generation that doesn't want to leave this country better than what we received from our parents. But we are failing. With this Congress, with this President we are failing at the legacy that we are leaving: today, in 2010, a debt of \$40,000 per person.

Now, I really appreciate you pointing out AmericaSpeakingOut and the YouCut. YouCut is just a wonderful tool. It gives the American people voice. Because you know who the experts are in terms of cutting today? The experts at living within their means, of pulling that belt a little tighter? That's the American citizens and the American families. They are the ones that live within their means. They know that in difficult times you have to make difficult choices. That's called showing leadership. That is not something this Congress has done.

And so YouCut, and YouCut, it really is brand new. It's 5 weeks old. It hasn't been around that long. The gentlelady from Wyoming pointed out that you can access that through the Republican whip's Web site. And in the first 5 weeks we have identified over \$100 billion in cuts to government. Now, that's the way to tighten the belt on the budget. And that's something the American citizens, the American families do each and every day. They live within their means.

And so that's what's so exciting about AmericaSpeakingOut and YouCut. This gives the American citizens a voice in this process. The Federal Government and the budget is not something that they are removed from. It's something that they have a voice, they are able to weigh in and share their ideas. And I can't wait to hear

what ideas they submit in the future. And as those ideas come in, they get vetted, they may see their ideas wind up on the YouCut list, where they will have a chance to really, they can vote, go in and pick on where are the next level of cuts that we should levy in terms of making sure that the Federal Government lives within its means just like the American families do.

So I thank the gentlelady for just pointing out those very important resources for the American citizens.

Mrs. LUMMIS. I thank the gentleman from Pennsylvania for joining me this evening, in addition to the gentleman from Florida.

We have been trying to point out the structural deficit and debt that this country can no longer absorb and that we have to address. So it does my heart good to see the gentleman from Pennsylvania get so excited about the notion of cutting spending. And we want the American people to share our enthusiasm for cutting spending. We want the American people to weigh in. AmericaSpeakingOut.com and YouCut are two ways that you can do that.

I talk to people in Wyoming every weekend when I go home, and they share with me their thoughts about reducing spending. They see irresponsible spending, inefficient spending. They know where it is. And there are people all over this country who know where it is. So please share with us your ideas so we can create an exciting new agenda for this country that actually takes a slice out of inefficient government, and we get leaner and more able to maneuver, and give more room in our economy to a growing entrepreneurial sector that can create jobs and that isn't shackled by oppressive taxes, but pays an amount of taxes that are commensurate with their ability to unleash their creativity and create jobs and have the money available to borrow and expand and grow and create a vibrant America in our communities, in our churches, in our States, where the great incubators of ideas, where the great spirit of entrepreneurship is really alive and well.

I thank the gentleman from Pennsylvania for joining me. Do you have any concluding remarks?

Mr. THOMPSON of Pennsylvania. Well, I thank the gentlelady. Just the fact that we have, as our good friend from Florida pointed out, there are many nations across the western world that are working very hard to put their fiscal house in order. They have actually recognized that they have to stop the spending. They have to stop the borrowing. They can't be levying these tremendous taxes on the shoulders of their citizens. They have taken a better path, a path of fiscal responsibility.

Yet in this Congress, with our President, that's not a path we have taken. He went to the G-20 trying to encourage the other world leaders to spend more, to spend their way into prosperity. And really what you do when you spend too much, you spend your

way out of prosperity. And, frankly, this is a country that we have always been the most prosperous Nation in the world, and we are on the wrong path to sustain that. That's something we need to change.

You know, when I travel home, people talk about the spending, they talk about the borrowing, they talk about the taxing. And the thing that they talk about most as a result of that is the word "uncertainty" and how this has created uncertainty within our economy. There are over 20 million small businesses in this wonderful Nation of the United States of America. And these small businesses were created and are grown by entrepreneurs who are willing to take a risk. They work hard, they work long days, they work most days. And many times they do that and take no revenue for themselves. They reinvest in their business to grow the business and grow more jobs and create jobs, family-sustaining jobs.

But today, because of the policies we've seen over the past 18 months, they choose—they are uncertain. They don't know what's coming next. Is it more health care mandates? Is it a premium on energy under cap-and-tax, cap-and-trade? Is it more taxes levied on small businesses? You know, many small businesses are organized as limited liability corporations in such a way that they have been the victim of the increased taxes that this Congress, the Democratic majority, has passed in the past 18 months; the burdens, the tripling the size of the Environmental Protection Agency, agencies such as that that put tremendous regulatory burdens on our job creators.

□ 1850

Well, this uncertainty has created—these folks are, you know what? They're sitting on the sidelines today because they're afraid of what's coming next. As opposed to being a company, an organization, that normally would take a good portion of their profits—and that's not a bad word; that is a good word—and reinvesting those profits—instead of taking those profits, they reinvest them in their company and grow the company; they buy new capital; they build new facilities; they hire more people—they're not doing that right now, and that's why any kind of an increase that we're seeing in rebound in unemployment, which obviously isn't much because we're just under 10 percent, it's been public. It's been all those temporary jobs of the census workers. It's been temporary jobs sustained by the stimulus. And yet the private sector has really been suffering under uncertainty, and the American people deserve better.

I just thank the gentlelady for hosting this hour this evening.

Mrs. LUMMIS. I thank the gentleman from Pennsylvania for joining me.

You've been hearing about our concern that this year, for the first time

since we had the Budget Act in 1974, we are not going to pass a budget in the U.S. House, and it's because the majority party does not want the American people focused on how serious the situation is, how huge the gap is between the revenues we take in and the amount of money we're spending.

Imagine a Congress that gets together and is more excited about reducing spending, saving money, finding efficiency, reducing the debt, cutting the deficit, and celebrating it with the American people, in concert with the American people. Imagine going to a tea party where everyone is celebrating the fact that for the first time ever the Federal Government cut spending. That's going to be something to celebrate. That will be something to be proud of.

You can help with it. Go to americaspeakingout.com; go to YouCut, give us your ideas. Let's build the momentum so this Congress can celebrate with the American people the return to a more stable, vibrant, robust American economy, driven by the American people. The American people are still in control of this country. It can get really discouraging sitting around here voting and getting defeated on vote after vote after vote. That's been happening to me for the last 18 months. But the great reward is I know the American people are in control, and I thank you for the opportunity to discuss these issues with you this evening.

TOO MUCH GOVERNMENT CONTROL

The SPEAKER pro tempore (Mr. CRITZ). Under the Speaker's announced policy of January 6, 2009, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes.

Mr. KING of Iowa. Mr. Speaker, it's a privilege to have the opportunity to address you here on the floor of the House, and a lot of subjects come up here. About every imaginable thing has been debated here on the floor. I've listened to a lot of the dialogue that's unfolded in the previous hour, and I appreciate my colleagues' presentation or discussion of especially the economic and the spending situation, the dire straits that America is in.

And it seems ironic to me, Mr. Speaker, that about a year ago, in fact a little more than a year ago, I sat in the office in Berlin just outside Reichstag and had a conversation with the Chancellor of Germany, Angela Merkel, who made the argument to us that the United States is spending too much money, that the financial crisis—this, I believe, was actually February or March of 2009, and she made the argument that the solution for our economic crisis was not the Federal Government spending more money, Mr. Speaker, but it was about some targeted tax cuts that they had provided for their socialized economy.