

When we talk about economic policies and the economic expansion, I think that my young colleague over there might do well to realize Ronald Reagan and his economic policies led to that economic expansion, and we fondly remember that President.

As I said, we are talking about the security agenda. We are focused tonight on the economic security agenda and some of the things that we have been able to accomplish. As I said, spending reductions, we are working on across-the-board cuts, tax relief and tax reform, it has been a big, big part of that. The death tax repeal, marriage penalty relief, reducing marginal rates, all of those things; the child tax credit, marriage penalty relief, our colleagues want to talk all of the time and just say, oh, corporations are not paying their fair share. We need to tax corporations more. And that is all Republicans talk about in tax reform and tax relief. And they are just so wrong.

They are just so wrong on that because thousands of families in my district appreciate having sales tax deductibility. They appreciate having the child tax credit. They appreciate having marriage penalty relief. And so many who have, they are trying to save family farms and small business that they have started, they want to make the death tax repeal permanent.

We are going to continue talking about these as we move forward, and we are going to be continuing to work on these spending issues, because when government is taxing too much and spending too much, you stifle economic activity, and that does affect economic security of this Nation. Republicans are not willing to let government stifle economic activities.

Jobs growth and jobs creation is something that needs to be happening. We have seen 3 million new jobs created. That has happened because of the correct economic steps. It has happened because of a push to reform government. We have 98 programs that are targeted for potential elimination, a good first step there.

Our leadership is to be commended by taking these steps, and this is going to yield \$4.3 billion in savings, the budget that we passed. And I will remind my colleagues across the aisle did not get a single Democratic vote on this budget. It reduced \$35 billion in savings; \$35 billion dollars in that fiscal year 2006 budget, and now we are working to expand that. Not a single Democrat wanted to vote for that, but they wanted to spend more. And when they spend more, that is more money coming out of our taxpayers' pockets.

And, Mr. Speaker, our majority believes that we can do better, and I would certainly hope that our colleagues across the aisle will start to work with us on these spending reductions. We have got a great group of Members who are sick of having the liberals in this body tell us that there is no room to cut, and not a single Democrat has agreed to support even a

1 percent reduction. And they do not believe there is 1 percent of waste, fraud and abuse in government.

In fact, they have opposed our effort to get to that \$35 billion in savings. And I think that the people in my district know that you can find 1 percent of waste, fraud and abuse; and they are encouraging us to move forward and go maybe even more, find even greater savings.

I have said many times that I think that government needs to be streamlined, and that it could stop behaving and spending like the overgrown, unproductive behemoth that it has become over 40 years of Democrat control with growing program after program after program, and it could start functioning a lot more like some of our Tennessee companies, maybe FedEx or Comdata or the Tractor Supply Company or any of the hundreds and thousands of small businesses and small business manufacturers that are located across our wonderful Seventh Congressional District.

We have got agencies that spend without results and then do not want to tell us how they spend. We have got program after program that was created during the Great Society, and those programs put very little stock in achieving results. The Republicans in this House are working to reshape that, and we are going to continue putting our focus on spending reduction, reducing a little bit more and a little bit more every single year. And we hope that our Democrat colleagues across the aisle are going to join us and assist us with this.

I am pleased to note also, Mr. Speaker, I will have to note this even though the Democrats do not want to join us with across-the-board spending and reducing even 1 percent out of spending, I am pleased to note that today the President expressed support for taking a look at across-the-board cuts.

I was joined by two of my colleagues, the gentleman from Virginia (Mr. CANTOR) and the gentleman from Texas (Mr. HENSARLING), in filing three bills, a 1 percent, a 2 percent, and a 5 percent across-the-board cuts. And also I will have to note that in our work to reduce what the Federal Government spends, Citizens Against Government Waste has sent a letter encouraging Members of Congress to support our across-the-board cuts because they know that as we work toward fiscal responsibility, as we work to achieve and continue economic security in this Nation, a big important part of this is looking at what the Federal Government spends.

Mr. Speaker, I am joined by some of my colleagues tonight. And at this time I would like to recognize one of our colleagues from Texas who is our vice chairman of the Republican Study Committee and has been a leader in looking at the fiscal responsibility of this body and of the Federal Government. The gentleman from Texas (Mr. HENSARLING) has taken a lead on this. He helped with our freshman class as

waste, fraud and abuse became our class project. He came forward and helped found the Washington Waste Watchers so that we could begin to get inside these programs to target and look at specifically what was going on in these Federal programs, where the Federal Government spends its money, how it achieves its results.

The gentleman from Texas (Mr. HENSARLING) has worked on this issue for 3 years. And at this time I would like to yield to him for his comment about spending control and budget control and operations offset, having the Federal Government be accountable to the constituents.

Mr. HENSARLING. Mr. Speaker, well, I certainly thank the gentlewoman for yielding, and I certainly appreciate her leadership in this body and truly being one of the great leaders in trying to reform government, bring about accountability, and to help protect the family budget from the Federal budget.

Obviously, many good points were made about fiscal responsibility and the fact that somehow the Democrats, those on the other side of the aisle that we tried to work with, tell us there is no room for reform in the Federal budget, no room whatsoever; that somehow we have to spend even more and more money. Mr. Speaker, it begs the question how much is enough?

Mrs. BLACKBURN. Mr. Speaker, if the gentleman will yield, I mentioned that we were working on finding some appropriate levels of spending reduction in our Committee on Energy and Commerce, and I have been called back to this committee.

So at this point I am going to briefly yield the time to the Chair, who will yield it to the gentleman from Texas (Mr. HENSARLING) to control our hour of time.

#### FISCAL RESPONSIBILITY

The SPEAKER pro tempore (Mr. KUHLMANN of New York). Under the Speaker's announced policy, the balance of the majority leader's hour is reallocated to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Speaker, again it is obvious that those on the other side of the aisle, the Democrats that we are trying to work with, somehow believe that we do not have enough government, that somehow there is no room for reform in the Federal budget.

Again, this chart shows that beginning in 1990 up to the present, that Washington is now spending over \$22,000 per household. This is for only the fourth time in the entire history of the United States of America that the Federal Government has spent this much money. It is the first time since World War II, yet the Democrats say there is no room for reform in the Federal budget; that instead we need to increase taxes on hard-working American

families, or, even worse, that we somehow have to pass on more debt to our children.

Mr. Speaker, we can do better. And, Mr. Speaker, this simply amplifies the point, when you think about families, and I think about them in my district back in Dallas and in east Texas, who work hard for a living, some small businesspeople who have gone out to risk capital and start a new business and maybe employ three or four people, look at what has happened in the last 10 years.

You see the family budget, median family income for a family of four has risen from roughly \$45,000 to \$62,000. That is this line here, Mr. Speaker. But look at the same time what has happened to the Federal budget? We have gone from about \$1.6 trillion in 10 years to almost \$2.5 trillion.

In other words, the Federal budget is growing at least a third faster than the family budget in just the last 10 years. And yet our colleagues on the other side of the aisle, the Democrats, say, no, there is no place for reform. There is just no place for reform in the Federal budget, that somehow it is going to have to come out of the family budget instead.

But we reject this, Mr. Speaker, and I guess because it is getting close to Halloween, all of the sudden people are thinking about what costumes are they going to go wear for Halloween. I have got a 3½-year-old daughter who has decided to be Snow White. My 2-year-old son is going to become Superman. And now I have noticed that the Democrats want to don a mask called "fiscal responsibility." The American people are not going to buy into that costume, because their plans are simply to spend more and more money because they do not believe in reform.

Every time that we have passed a budget in the last 10 years, Mr. Speaker, they have gone back and offered an alternative budget that spends even more, yet they call that fiscal responsibility? Let us just look in the past several years; for example, let us look at the budget for fiscal year 2004. On June 25 they offered an amendment to add a half a billion dollars to the Interior bill. On the same day they offered an amendment to add \$8 billion to our Labor-HHS appropriations bill; on July 16 an amendment for almost half a billion dollars to the Commerce bill.

Let us look at what happened last year. Well, on June 9, an amendment to increase subcommittee allocations by \$14 billion; on June 23, an amendment to increase subsidies to businesses by \$79 billion; and now for our physical fiscal 2006 appropriations process, an amendment to increase foreign aid by almost a half a billion dollars.

Mr. Speaker, I think the American people are seeing a pattern here. It is a pattern of increased spending.

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Again, as all this spending is done, sooner or later, somebody has to pay the piper.

Mr. Speaker, right now, as the Democrats have tried to fight every reform that we have brought forth, we know what is happening to our budget. We know that it is spiraling out of control, growing at a huge multiple over the family budget that one day is going to cause a day of reckoning.

This chart, for example, shows what is going to happen over the next generation when we look at Medicare growing at 9 percent a year, Medicaid at 7.8 percent a year, when we look at Social Security growing 5.5 percent a year. We know when the economy grows at a pretty good pace, that might be 3.5 percent.

Look at this chart here. Right now, the amount of money that we are spending, roughly 20 percent of the economy on government, in just one generation, if we do not engage in this process of reform, using the Washington term "reconciliation," which is a process we started today, if we do not engage in this reform process, this is the future that the Democrat Party wants to provide us. That is a doubling of the size of government in one generation, and that is if they do not come up with anything new. That is just on the programs that we have today, Mr. Speaker. I believe that is simply going to be unconscionable.

Now, again, the Democrats tell us that there is simply no place that we can reform and that somehow reforms lead to massive budget cuts for the poor. Well, we think there is another way that we can help poor people in America, and we believe it has a lot more to do with a paycheck than a welfare check. We want to ensure that the social safety net is there; but, Mr. Speaker, there is something better, and that is a paycheck.

Under the economic policies of this administration and this Republican Congress, all of the sudden we have created now 4 million new jobs. Four million new jobs have been created. People have hope. They have opportunity. They can put food on the table. They can put a roof over their head, and that had everything to do with the policies of this administration and this Republican Congress.

So in many respects, Mr. Speaker, it is not a debate about how much money we are going to spend on housing, how much money we are going to spend on education and on nutrition; but it is a debate about who is going to do the spending.

The Democrat Party can only measure compassion in the number of welfare checks. We measure compassion in the number of paychecks. We are helping empower the American people to have their nutritional program, to have their educational program, to have their housing program.

Mr. Speaker, I am very honored that we have been joined by a couple of other colleagues here tonight who I know have a great insight into our programs for fiscal responsibility, into our programs to try to bring some account-

ability to the Federal Government, to engage in reforms that could help the American people and actually deliver better health care at a cheaper cost, better housing at a cheaper cost.

One of these Members that we have been joined by, who is a great leader in the freshman class and who is no stranger here to the floor of the House, is the gentleman from Georgia (Mr. PRICE), my colleague; and I would be very happy to yield to the gentleman from Georgia.

Mr. PRICE of Georgia. Mr. Speaker, I thank the gentleman for yielding, and I just want to say how honored I am to join you this evening for what is such a contrast to what is being offered on the other side of the aisle. The calm and reasoned and logical and thoughtful approach that you and others have taken I think is just so wonderful and heartwarming, frankly, to all Americans to know that there are individuals that are as thoughtful and logical in their approach to, truly, the challenges that we have.

Before I begin, I do want to make a comment about what has seemed to become a nightly ritual, which is a level of personal attacks from the other side that frankly does a disservice to the discussion and the debate, and it really is a shame to see.

We have really a once-proud party on the other side of the aisle that has degraded into what may be known as the ABC game, which is accuse and blame and criticize, really with no positive outlook and no positive proposals for the future.

When they do offer alternatives, as my colleague from Texas just mentioned, what their alternatives do is significantly increase the tax burden on Americans, significantly increase the size of government and the scope of government; and as was mentioned, they have offered some significant increases just of late. So I would like to share with the Members, Mr. Speaker, a couple of graphics that will demonstrate that.

This demonstrates if the other side had their way, just so far this year in their proposals, for the next 5 years the amendments that they have offered would have added an increase in the amount of spending of over \$67 billion. This is actually out of date a little bit because we have not got another bit to share with the Members something that happened today in committee, but \$67 billion of increased spending.

What about the increase in taxes that they have proposed? As was mentioned, the only alternatives that they truly put on the table are an increase in the amount of spending and an increase in taxes, which certainly increases the size and scope of government. The amount of increased tax revenue that they have recommended to date, \$392 billion. Even in Washington, that is a lot of money, and many of these taxes obviously come out of small business and other business, which means jobs.

I think it is important that people recognize and remember what happens daily here and what has happened during this session alone.

We had a really very lean budget that was adopted by Congress, without a single vote, without a single Member of the other side, the Democrat Party, voting in favor of that budget. In fact, they were instructed by their leadership not to support it, and one of the members of their leadership bragged, I guess in essence, quote, they will not get a single vote on this budget. Now that is the kind of leadership that they are offering.

The level of change that we have to fight for here, although it is significant because it is moving in the correct direction, is really not huge, and there is a great graph that I have. This graph I think says so much. Pictures really can say so much more than just words.

This is the proposal for Medicaid changes that we have recommended, the savings in Medicaid, frankly, that increase and empower individuals; but you see the blue line here is without reform. The reform measures that we adopted and recommended you see are the red line. That is the difference over a 5-year period. That is what their screaming is all about. That is the hyperbole that they refer to when they talk about the kind of reform that we offer.

Today, in the Committee on Education and the Workforce, we were struggling with how to provide appropriate moneys to allow the 300,000 students who have been displaced by hurricanes Katrina and Rita the opportunity to go to school wherever they may now find themselves. The proposal that we put on the table had about 7 to \$9,000 per student, which is relatively consistent with the kinds of moneys being spent around the Nation. The Democrat proposal that they put on the table in our committee, and it was defeated, but the Democrat proposal was to spend over \$26,000 per student, adding literally billions to the cost of government. I do not know anybody that believes that that is a reasonable amount to spend on something that is as needed; but certainly, we do not need to increase the size and scope of government to do so.

The record of fiscal responsibility of the Republican Caucus and this Republican government really is very, very strong. What that fiscal responsibility has done is cut the budget significantly.

This year alone, the fiscal year 2005, which is already done, this is not projection, this is already done, cut the budget by nearly \$100 billion, cut the deficit by nearly \$100 billion, from \$412 billion to \$319 billion. So it is a remarkable demonstration of the resolve that we have.

When we have the challenges that we have had with the hurricanes and the like, I think it is important for people to appreciate that the Republicans always return to principle. Always, and

first and foremost in the area of government spending for our side, as a principle, is that the taxes that Washington collects are not government money. They are the people's money. So we need to be absolutely as responsible as we can be with that.

As I mentioned, we decreased in 2005 the deficit by nearly \$100 billion. What other results are there that we can point to that demonstrate that fiscal responsibility? Nondefense, nonhomeland domestic discretionary spending this year in the House is on track to be below last year's level, and that is for the first time since the Reagan administration. That is true fiscal responsibility.

House Republicans have passed legislation trying to find 35, and hopefully 50, billion dollars in savings in the mandatory programs. This is the first time since 1997. House Republicans have recommended zeroing out the budget, the funding, for 98 Federal programs that are wasteful, that duplicate services, and that are out of date. Anybody in America, if they were to look at the kinds of programs that are offered, I am certain would agree that there are government programs that are certainly wasteful, that there are government programs that offer the same thing that another program does, and many, many programs are out of date.

We have identified 98 of those Federal programs, and we are trying to make it so that we zero the funding for that so those programs are no longer on the books and no longer have that government waste. These savings themselves would save about \$4.3 billion.

For the first time since 1994, Congress has temporarily funded the government at the lowest level that is possible by law as we complete our work on the budget process; and last year we held the growth in nonsecurity discretionary spending to 1.4 percent, less than inflation.

So that is true, I believe, fiscal responsibility; and the record is clear. The record shows that the party of fiscal discipline is the Republican Party.

You say, well, what kind of results are we seeing in the economy with those kinds of policies? The gentleman from Texas alluded to many of the positive items that we are seeing in the economy.

Real GDP grew by 3.8 percent in the first quarter of this year, but what we are seeing is the strongest growth performance and one of the strongest growth performances in the past 20 years.

Payroll employment, that was mentioned, is up by nearly 3.7 million jobs in the past months. That is 3.7 million people that have employment that did not have it before.

The unemployment rate is down to 4.9 or 5.1, depending on the month, over the last quarter. We used to learn in economics that an unemployment rate of between 5 and 6 percent was full em-

ployment because you have got folks that are either moving or they are changing jobs or the like, make it so that 5 percent unemployment is essentially full employment. That 5 percent is less than the average for the decade of the 1970s, the 1980s, and the 1990s. Again, fiscal responsibility and true results from that kind of responsibility.

Manufacturing industrial production is up 3.4 percent over the past year and by 9.5 percent in the last 2 years.

Real business equipment investment has increased by 13.5 percent at an annualized rate over the past 2 years. That is the best sustained growth in over 6 years, truly a remarkable performance, and the economy is the beneficiary of the programs that have been put in place by this Republican Congress and this Republican administration.

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One of the things that I think is so incredibly important, when we look at how does it get down to the community and down to those people on the street, what we are seeing in terms of personal homeownership, it is at an all-time record rate, 70 percent or thereabouts. That record rate stretches across all demographic categories of our society. So the results of this fiscal responsibility are very clear.

The results of the policies that have been put in place by this Republican Party, this Republican Congress, and this Republican administration have demonstrated clearly there is greater success for greater numbers of people.

So I am proud to stand before my colleagues tonight and to participate in this discussion of what is truly fiscal responsibility in a thoughtful and a reasoned and calm manner, and I commend the gentleman from Texas for organizing this hour. I look forward to being back to talk about these issues and more.

Mr. HENSARLING. Mr. Speaker, I appreciate the gentleman's leadership and sharing his insights with us. I would like to try to amplify a couple of his points.

Again, there is a big debate and all of a sudden the Democrats are claiming to be the party of fiscal responsibility. They are claiming something that they have claimed for 50 years, that somehow the Republicans when we try to reform government, that we are engaging in massive budget cuts that will hurt the poor.

Mr. Speaker, we are engaged in this process in Washington known as reconciliation, which is really a Washington term that means that we go back to our committees and say find a way to do it better. Let us be more accountable. Let us be more respectful of the family budget and figure out a way to do things better in the Federal budget. So we have something that is known as mandatory spending, which includes a lot of the welfare programs.

Mr. Speaker, as we attempt to reform a number of these programs, as we attempt to get better health care and

better housing at a lower cost, look at what we are trying to do. In the next 5 years, if we are successful in this plan, and so far our colleagues on the other side of the aisle, the Democrats, have said that none of them are going to help us, at the end of the day what we call mandatory spending is going to grow at 6.3 percent a year instead of 6.4 percent a year. That is the massive budget cut?

First, there is no cut. Only a liberal Democrat or an accountant for Enron would call 6.3 percent increase in the growth of mandatory spending a cut. All we are trying to do is reform programs, make them more accountable to the American people, and slow the rate of growth. People are entitled to their own opinions, but they should not be entitled to their own facts. Even after we do this, we will end up spending more of the people's money next year than we did last year.

When you think about the charges that our colleagues on the other side of the aisle are lodging, we should also remember that these were the very same people who said that welfare reform would be horrible, that it would be the end of the world as we know it. We had such quotes like from the Democrat leader in the House at the time that a million children would be forced into poverty. One of the Democrat leaders in the Senate said that if we have welfare reform, we will have trauma that we have not known since the cholera epidemics, and the rhetoric went on and on and on.

Mr. Speaker, what happened? I can tell Members what happened. Case loads fell in half and millions and millions and millions found jobs, hope, and opportunity. The poorest 20 percent of single-mother families had a 67 percent increase in their earnings once we had welfare reform. Millions were able to leave the rolls. Child poverty fell when we reformed the welfare programs, and 1.4 million children have been lifted out of poverty due to welfare reform.

So we kind of have to check the source. Reforms can work, and they must work for the American people. There are so many different ways that we can improve health care and housing and do it in a way that saves American families money. Right now we could save \$1.5 million a year in Medicaid if we just based drug payments on actual acquisition costs. We could save 2 to 3 billion a year if we would stop improper payments for States that do not qualify for the payments.

Mr. Speaker, if we would pass a simple, meaningful medical liability reform bill, we could save 5 to 10 percent on the cost of health care in America.

In 2003, the Federal Government can now not account for \$24 billion that was spent, and yet the Democrats say we cannot reform government.

The Department of Housing and Urban Development in 2001 in the last year of the Clinton administration spent \$3.3 billion paying out money to people who did not qualify for the pro-

gram. That was 10 percent of their entire budget, yet the Democrats tell us there is no room for reform in the Federal budget.

The Advance Technology Program spends \$150 million annually subsidizing private businesses, 40 percent of which goes to Fortune 500 companies. Yet the Democrats tell us there is no room for reform in the Federal budget.

There was a time quite recently when Medicare would spend five times as much on a wheelchair as the Veterans Administration. Same model and manufacturer. Why? Because one would competitively bid and the other would not, and so they just wasted that money. Yet the Democrats would tell us that somehow we are hurting Medicare recipients when we cease to pay five times as much for a wheelchair as we should have. Fortunately, we have caught that one, and we have remedied that; but we have 10,000 Federal programs spread across 600 agencies. There is so much room for reform.

When families are working hard to make ends meet, we need to be leaders in finding reforms in the Federal budget. I am very happy that tonight we are joined by one of the great deficit hawks and fiscal hawks that we have in the United States Congress, a real leader in helping root out a lot of the duplication and waste and fraud, a lot of the abuse that we find in the Federal budget.

Mr. Speaker, I yield to the gentleman from Virginia (Mr. GOODE).

Mr. GOODE. Mr. Speaker, I want to salute the gentleman from Texas (Mr. HENSARLING), the gentleman from Georgia (Mr. PRICE), and the gentleman from Tennessee (Mrs. BLACKBURN) for their being here tonight and focusing on the need to reduce spending.

I have heard from a number of citizens as we are discussing our budgetary situation facing this Congress, this Nation, and our country. Many have said, please, the problem is not taxes too low; the problem is spending too high.

The gentleman from Texas (Mr. HENSARLING) is vice chairman of the Republican Study Committee. The Chair is the gentleman from Indiana (Mr. PENCE). These gentlemen and others, the men and women that make up the RSC, were leaders in focusing on Operation Offset. Our Nation has faced expenditures this year that 6 months ago, 8 months ago were not expected. I believe that their focus on Operation Offset is a correct approach.

The first thing we need to do in looking at the aftermath of hurricanes Katrina, Rita, and Wilma and the other hurricanes that have hit the United States this year is do not spend unnecessarily in dealing with these tragedies.

After that, we need to focus on savings in any way we can to deal with those problems and to manage our fiscal affairs as best as possible.

One area that I think needs to be trimmed is foreign aid. Foreign aid for

the last 3 fiscal years has hovered around \$20 billion. In fiscal year 2005, it was between 19 and \$20 billion. But that does not include the hundreds of millions that were in the supplementals that were passed in fiscal year 2005. We can look at across-the-board cuts in that area of appropriations and I think have very little negative impact on American citizens.

Another area that we need to focus on is stopping illegal immigration. This costs the United States taxpayers billions of dollars every year. Now, I have seen wide estimates on how much the cost is to the Federal Treasury each year because of illegal immigration. The Center for Immigration Studies has estimated \$10 billion. The Federation of Americans for Immigration Reform estimates \$45 billion. A few months ago, I heard Bill O'Reilly on Fox News state that the figure was \$68 billion. There may be disagreement as to the exact figure, but there can be no disagreement that the cost is billions upon billions of dollars to the American taxpayer.

This Congress and the Republican conference have been very supportive of community health centers. They have gotten significant increases in their budgets each of the last several fiscal years. But they have a situation that confronts many other health care providers. When persons come in the door, they have to treat those persons. I believe that some of the governments of those countries south of us have steered their citizens to those entities and to our hospitals, and they know the ropes. Emergency care cannot be denied anyone, whether they are legally or illegally in the United States, particularly emergency room service. A person has to be served.

One way we can stop the influx of those who are not supposed to be in this country to our health centers, to our emergency rooms, to other health care providers is to stop them before they get here. I and others are working on legislation. Some would focus on a fence. I have a bill that would provide for a fence along the southern boundary. Other have suggested much tighter border enforcement, increased border patrol, while others say we need greater enforcement in the interior. We need to have the local sheriff and local chief of police, municipal officers, all have the authority to deal with this situation and have a partner with immigration services if they are detained or held at the local level, that they would be assured of cooperation and removal from the locality back to their home countries.

We also have an impact on social services, and that is billions of dollars. So one area where we could save a lot of money would be to simply enforce our laws against illegal immigration, stop it at the border and in the interior, remove those that are not here legally with a proper visa or proper green card or other proper work permit.

Another area of concern to me is the overuse of government credit cards.

Another member of the RSC has proposed the Government Credit Card Sunshine Act. Following Hurricane Katrina, we had to raise the limit on credit card maximums. Now, I understand the need for our FEMA officials to have the use of credit cards, but in the Federal Government I believe we have overused credit cards. I know in my office, I do not use credit cards. Our congressional office is certainly not like FEMA, it is not like law enforcement, and it is not like the DEA. I know you have to have them in some situations, but I support the Government Credit Card Sunshine Act, which would require the posting, except in classified situations and certain law enforcement situations, of expenditures by government credit cards within 15 business days after the expenditure goes through.

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A check of some of the credit card abuses involve payment for Ozzie Osborne concert tickets, tattoos, gambling, cruises, exotic dance clubs, car payments, and the like. This is an example of waste in the Federal Government that needs to be stopped, and I think this act would go a long way to stop that.

This evening I have covered areas where we can focus on that will reduce the amount of Federal expenditures. But I want to close by emphasizing something that the gentleman from Texas (Mr. HENSARLING), the gentleman from Georgia (Mr. PRICE), and the gentlewoman from Tennessee (Mrs. BLACKBURN) emphasized. We are focusing on the savings by curtailing the rate of growth. We are not even saying there shall be no growth. We are saying we just do not want the rate of growth to continue at such a rapid and accelerated pace. By curtailing the rate of growth, we can do a tremendous benefit for all of the taxpayers of the United States of America.

Mr. HENSARLING. Madam Speaker, reclaiming my time, I thank the gentleman for his comments, and I certainly thank him for his leadership.

Madam Speaker, we have now heard just example after example of waste that is in the Federal budget, fraud that is in the Federal budget, not to mention the duplication which is in the Federal budget.

We need to remember, Madam Speaker, that when it comes to paying for government, there are really only three different places where we can find money as we go forward and try to balance this budget.

Number one, we are either going to increase taxes on the American people, or we are going to continue to pass even more debt on to our children because we care more about the next election as opposed to the next generation, or we will engage in this process that we are engaged in today to find reforms in the government. And we have heard example after example after example,

Madam Speaker, I now would like to talk about really the tax side of the equation, because so many of our friends and colleagues from the other side of the aisle say the root cause of all of America's fiscal problems lie in tax relief, that tax relief somehow has caused and fueled all these deficits. We hear it speaker after speaker after speaker.

Well, Madam Speaker, first let me say this: If tax relief is the source of all of our problems, as we can see by this chart, let us assume for a moment that tax relief does absolutely no good, that all we are doing is wasting money when we allow small businesses and the American family to keep more of their hard-earned money. Even if that was true, Madam Speaker, we can see by this chart here that out of the budget we have passed, tax relief is less than 1 percent. Less than 1 percent. So even if Members accept the fact that all we are doing is taking this tax relief money and throwing it away, 99 percent of our challenges in fiscal responsibility actually sit on the spending side.

And this, Madam Speaker, is a very important chart because, again, we will hear from our friends on the other side of the aisle speech after speech about how tax relief is driving the deficit. Well, since we passed tax relief under President Bush and a Republican Congress, Madam Speaker, look at what has happened. Tax revenue has gone from \$1.7 trillion in 2003 to \$1.8 trillion in 2004, to \$2.1 trillion in 2005. And, Madam Speaker, if people do not want to believe me, they should go to the United States Treasury report. Look it up. Individual tax revenues are up 15 percent. Corporate tax revenues are up almost 50 percent.

How is this happening? How do we cut tax rates and somehow get more tax revenue? It is pretty obvious to me, Madam Speaker. For example, I look at people in my district back in Texas, east Texas. I went to visit an industry called Jacksonville Industries. It is aluminum and dye cast business in Jacksonville, Texas. They employ 20 people. Prior to having the tax relief, due to competitive pressures they were on the verge of having to lay off two people, which in their case, a small business, was 10 percent of their workforce. But because of tax relief, Madam Speaker, they were able to go out and buy a huge new machine, and I do not remember what it is called. I could not even tell the Members what it does. But it is big, it is noisy, and it made them more competitive. And instead of having to lay off two people, they hired three new people.

Think about it, Madam Speaker. Listening to our friends on the other side of the aisle, they would say, wait a second, that is five people who could have been on welfare, and that is five people who could have, those are five people who could have been on food stamps, those are five people who could have been on a government housing pro-

gram, and that is how they measure compassion: How many government checks do we write?

But, Madam Speaker, under our program, under the tax relief, not only do we have more tax revenue, but guess what? We have created jobs. Four million jobs across America. Got a few more in Jacksonville, Texas, at Jacksonville Industries. So instead of having five people on unemployment, five people on welfare, we have five people who have good jobs. They are able to put a roof over their head. They are able to put food on their table for their children.

Madam Speaker, that is what compassion is. Compassion is not measured by the number of welfare checks we write. It is measured by the number of paychecks we create.

So I just cannot believe how we continually hear this argument that somehow tax relief is driving the deficit, and somehow tax relief is causing all of America's fiscal woes. Madam Speaker, it is simply not true.

But, Madam Speaker, what is true, again, even if all of the big spending plans of the Democrats, if we are able to fight them back, even with the programs that we have on the books today, unless we reform, unless they will work with us in this reconciliation process, again look at what is going to happen. In just one generation, government is going to grow from 20 percent of our economy to almost 40 percent of our economy, in just one generation. We are on the verge of being perhaps the first generation in America to leave our children a lower standard of living because we cannot work together and reform some of these out-of-control programs that are growing way beyond our ability to pay for them.

Now, our friends on the other side of the aisle want to rail against our tax relief, but what they will not own up to are their own tax increases. In order to pay for all of this government, all of this out-of-control, growing government, this is what is going to have to happen: And that is these are tax increases needed to fund all of our current projected spending without deficits. They say they want to balance the budget, but they refuse to reform any government program, notwithstanding all the waste and fraud and abuse and duplication that we have pointed out this evening. They just refuse to join with us in that process.

So what is the consequence of their unwillingness to help reform government? Taxes are going to go up, on a family of four in just one generation, \$10,000. We are going to have to double taxes on the American people just to balance the budget in 30 years, and it is going to go up and up and up.

And, Madam Speaker, that is why it is so critical that we come together, Democrat, Republican, Independent. This is the future we are looking at. It is like the Dickens of "Christmas Carol." This is the ghost of Christmas yet to come. There is still time to do

something about this. Again, there are so many ways that we can get better health care, better housing, better nutrition at a lower cost. But we are going to have to come together as a Congress, as the American people, and find smarter, better ways to run a number of these programs.

We cannot simply measure compassion by the number of government checks that are written. True compassion is empowering people. True compassion is creating new jobs so that the American people can fund their housing program, their nutritional program, their education program.

Madam Speaker, it is not a debate, again, about how much money we are going to spend on these worthy goals, but it is a debate about who is going to do the spending. Democrats clearly want the government and government bureaucrats to do the spending. We want American families to do the spending, and that is the difference. It is really two different visions about the future of America. One wants more government and less freedom. Our vision is one of less government and more freedom and greater opportunity throughout this land, Madam Speaker.

So I think it is going to be a very important debate that takes place in the weeks to come. But, again, in order to avoid the future of either passing debt on to our children or doubling taxes on the American people, there is only one alternative, and that is to come together and reform these out-of-control programs before we leave the next generation a lower standard of living than we enjoy. That is unconscionable, Madam Speaker, and there can be a better, better future for all of our children if we will work together and reform out-of-control spending.

#### THE POOR, THE MIDDLE CLASS, AND THE WEALTHY

The SPEAKER pro tempore (Miss MCMORRIS). Under the Speaker's announced policy of January 4, 2005, the gentleman from Vermont (Mr. SANDERS) is recognized for 60 minutes.

Mr. SANDERS. Madam Speaker, let me begin by suggesting that as the only Independent in the House of Representatives, my view of things is a little bit different than my Republican friend; in fact, some of my Democrat colleagues.

When I look out in America today, what I see that is important are not just statistics, but what is going on in the real lives of real people, of what is going on in the middle class in America, the vast majority of our people, what is going on in our communities. And in a broad sense, when I look at America today, I see an economic reality which includes the shrinking of the middle class, the reality that ordinary people in my State of Vermont and all over this country are working longer hours for lower wages. I look out at a time when in family after family it is absolutely necessary for two

breadwinners to be working in order to pay the bills and often at the end of the week have less disposable income than a one-income family had 30 years ago.

So I look out and I see that despite a huge increase in worker productivity, a huge explosion in technology, which makes us a much more productive society, that at the end of the day, despite all of that, the middle class is shrinking.

And when I look out in my State and I look throughout this country, I see another phenomenon, and that is that poverty is increasing; that in the last 5 years alone, since George W. Bush has been President, over 5 million more Americans have entered the ranks of the poor. And when I look at what is happening in America today with the middle class shrinking, with poverty increasing, I see another reality, a reality, in fact, that is not talked about terribly much on the floor of this House or, in fact, in the corporate-owned media, and that is that the wealthiest people in America today have never had it so good. Poverty increasing, the middle class shrinking, and people on the top doing phenomenally well.

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That is the economic reality of America today.

Madam Speaker, since President Bush took office, the average annual household family income has declined by \$2,500, approximately 4.8 percent. Furthermore, earnings also declined last year. This decrease in earnings was the largest 1-year decline in 14 years for men, but women also saw a decline in income. So what we are seeing in America, despite all of the rhetoric, all of the statistics being thrown around, is that people are not keeping up with inflation.

Madam Speaker, a recent income analysis by the IRS showed that in 2003, the last year that they studied, only those Americans in the top 1 percent saw an increase in their income above inflation; and amazingly enough, it was not just the top 1 percent that did well. It was the top one-tenth of 1 percent that really made the increased income. Meanwhile, while the top 1 percent in 2003 was the only group to earn more money above inflation, 99 percent of the American people were unable to earn enough income to keep up with inflation. In fact, the IRS data shows us that the wealthiest one-tenth of 1 percent earned more income than the bottom one-third of American taxpayers.

So what we are seeing in our country today is a decline of the middle class, an increase in poverty, and a growing gap between the rich and the poor. In fact, with the exception of Russia and Mexico, the United States today has the greatest gap between the rich and the poor of any major country on Earth, and that gap today is substantially wider than it was at any time since the 1920s in this country.

When we talk about the growing gap between the rich and the poor, when we talk about increase in wealth among the very wealthiest people in our country, it is rather incredible to understand that the richest 400 Americans, the wealthiest 400 Americans, are now worth \$1.1 trillion. Madam Speaker, that incredible amount of money among 400 families equals the annual income of over 45 percent of the entire world's population, or 2.5 billion people. On the one hand, 400 families have more wealth than is the income of 2.5 billion people in this world.

In 2004, when we talk about the growing gap between the rich and the poor, what we see is that in 2004 the President of the United States said, yes, we have a serious problem here. What is the answer?

Well, the answer is that in 2004, American families making more than \$1 million a year received tax cuts averaging \$123,000 a year. So we have a situation where the gap between the rich and the poor is growing wider, where the wealth of the upper-income people, the wealthiest people in this country, is getting bigger; and this White House and Republican leadership responds by giving those particular people huge tax breaks.

Madam Speaker, when we talk about what is going on in America, it is important to recognize that in 1980, the average pay of the CEOs of the largest corporations in America was 41 times larger than that of what blue collar workers then earned. By 2004, the average pay of those CEOs increased to 431 times larger. So in 2004 we have a situation where the CEOs of the largest corporations in America are now earning over 400 times what blue collar workers in this country are earning.

Is that what America is supposed to be about? Are we supposed to be a country in which the wealthiest 1 percent own more wealth than the bottom 90 percent, where the richest 13,000 families earn more income than the bottom 20 million families, where the people on top are able to use their wealth to make enormous political contributions that shape policy that benefits them, that the wealthiest people are able to own the media which describes reality for ordinary people in a way that benefits them? Is that what America is supposed to be about? I think not.

Madam Speaker, I am delighted that I have been joined by a very good friend of mine, in my view one of the outstanding Members of the United States Congress, a leader, fighting for the middle class, fighting for our environment, the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Madam Speaker, I thank the gentleman for yielding and appreciate being here tonight to talk about this important topic.

It was interesting, I watched a little bit of the hour before with the gentleman from Texas and others, and they were prattling on about the reckless spending of the Democrats. What