

Nature. "Our work is the first proof-of-principle study to show that altered nuclear transfer not only works but is extremely efficient."

First proposed by William Hurlbut, Stanford University professor and member of the President's Council on Bioethics, ANT has been described as an ethical alternative to somatic cell nuclear transfer (SCNT), also known as therapeutic cloning.

For SCNT, a donor nucleus, for example one taken from a skin cell, is implanted into a donor egg cell from which the nucleus had been removed. This egg cell is then tricked into thinking it has been fertilized. That causes it to grow into a blastocyst—a mass of about 100 cells—from which stem cells are removed. These embryonic stem cells can divide and replicate themselves indefinitely, and they can also form any type of tissue in the human body. However, to cull these stem cells, the blastocyst must be destroyed, which some critics insist is tantamount to destroying a human life.

The procedure theorized by Hurlbut is similar to SCNT, but with one crucial twist: Before the donor nucleus is transferred into the egg cell, its DNA is altered so that the resulting blastocyst has no chance of ever becoming a viable embryo. As a result, a "potential human being" is not destroyed once stem cells have been extracted.

Jaenisch—a firm supporter of all forms of human embryonic stem cell research—has shown that technical concerns about this approach can be overcome.

Jaenisch and Alexander Meissner, a graduate student in his lab, focused on a gene called *Cdx2*, which enables an embryo to grow a placenta. In order to create a blastocyst that cannot implant in a uterus, the researchers disabled *Cdx2* in mouse cells.

They accomplished this with a technique called RNA interference, or RNAi. Here, short interfering RNA (siRNA) molecules are designed to target an individual gene and disrupt its ability to produce protein. In effect, the gene is shut off. Jaenisch and Meissner designed a particular form of siRNA that shut off this gene in the donor nucleus and then incorporated itself into all the cells comprising the blastocyst. As a result, all of the resulting mouse blastocysts were incapable of implantation.

However, once the stem cells had been extracted from the blastocysts, *Cdx2* was still disabled in each of these new cells, something that needed to be repaired in order for these cells to be useful. To correct this, Meissner deleted the siRNA molecule by transferring a plasmid into each cell. (A plasmid is a unit of DNA that can replicate in a cell apart from the nucleus. Plasmids are usually found in bacteria, and they are a staple for recombinant DNA techniques.) The stem cells resulting from this procedure proved to be just as robust and versatile as stem cells procured in the more traditional fashion.

"The success of this procedure in no way precludes the need to pursue all forms of human embryonic stem cell research," says Jaenisch, who is also a professor of biology at MIT. "Human embryonic stem cells are extraordinarily complicated. If we are ever to realize their therapeutic potential, we must use all known tools and techniques in order to explore the mechanisms that give these cells such startling characteristics."

ANT, Jaenisch emphasizes, is a modification, but not an alternative, to nuclear transfer, since the approach requires additional manipulations of the donor cells. He hopes that this modification may help resolve some of the issues surrounding work with embryonic stem cells and allow federal funding.

This research was supported by the National Institutes of Health/National Cancer Institute.

BLUE DOG COALITION AND THE BUDGET

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

Mr. ROSS. Mr. Speaker, I rise this evening to talk about our budget, to talk about our debt, to talk about our deficit.

As a member of the fiscally conservative Democratic Blue Dog Coalition, a group of 37 fiscally conservative Democrats, we are here as a group to hold our government accountable for the reckless spending, the record deficits, and the lack of fiscal discipline that we see in our Nation's government these days.

A good example of that, Mr. Speaker, can be found in my district, in fact, in my hometown where I grew up and finished high school, Hope, Arkansas. As you may know, we had the most costly natural disaster ever in our Nation's history hit us about 6 months ago, that of course being Hurricane Katrina.

Mr. Speaker, let me tell you that my heart goes out for the victims of Hurricane Katrina, many who remain homeless today. I am real proud of the people of my congressional district, the 4th District of Arkansas, who opened up their arms and their homes and their communities. Some people referred to them as evacuees. We called them our neighbors, our neighbors from Louisiana and Mississippi who came to Arkansas to seek refuge.

A few weeks, perhaps a couple of months, after Hurricane Katrina, FEMA, the Federal Emergency Management Agency, showed up at city hall in Hope, Arkansas, and explained that they were aware that Hope owned an old World War II airport, airfield and accompanying pasture, and they understood that many of those runways were now inactive. And they proceeded to explain how they were buying some 20,000 manufactured homes, and they wanted to use the old World War II airport, the inactive runways at the airport there in Hope, Arkansas, as what they called a FEMA staging area, and that manufactured homes and they would be coming and they would be going, going to the people who lost their homes and everything they owned in Louisiana and Mississippi.

Well, Mr. Speaker, they did come. Here is an aerial photo of what has come to Hope, Arkansas. According to FEMA's most recent count, 10,777 manufactured homes have come to this so-called FEMA staging area in my hometown where I grew up, Hope, Arkansas. I now live some 16 miles from there in Prescott.

I have been there, Mr. Speaker. I have seen these 10,777 manufactured homes. They came. But not a single one left, not one. Not one home left for the people they were intended for. To put it another way, it is \$431 million worth of manufactured homes sitting in a cow pasture in Hope, Arkansas.

Now, originally what FEMA had intended to do was use this as a staging area and homes would be coming and homes would be going. They would have room for them on these inactive runways. But today only 25 percent of them sit on these inactive runways. As you can see, many of them, in fact 75 percent of them, are sitting in cow pastures around the airport.

If you were to stack these manufactured homes, a few of them are 80 feet long, most of them are 60 feet, if you were to stack them end to end, they would stretch 172 miles. They would stretch from the Texas-Arkansas border at the Red River all of the way to the Arkansas-Mississippi border at the Mississippi River.

These manufactured homes, every single one of them, are fully furnished, beds, mattresses, box springs, dining room, sofa, end tables, coffee tables, fully furnished. Yet at the same time, FEMA has announced that they are planning on March 1 to evict, or in early March, they plan to evict some 12,000 people from hotel rooms, and yet FEMA is sitting, sitting on 10,777 brand-new, fully furnished manufactured homes. They are just sitting on them at the Hope airport in Hope, Arkansas, some 450 miles from the eye of the storm.

Stanley McKenzie is from the New Orleans area. I have been talking with Stanley. Stanley is one of the victims of Hurricane Katrina who, some 6 months after the storm, remains in a hotel room in Monticello, Arkansas. Stanley and I talked this evening. Stanley explained to me that he did not want to be in a hotel room. He wanted to be in a manufactured home and has a location in Monticello to put one of these manufactured homes which are being stored about 2 hours west of Monticello.

And yet FEMA says he cannot have one. FEMA says he cannot borrow one for the next 18 months, as the program calls for.

They do not give these things away. They let people use them for up to 18 months, which is a whole other issue; that being, FEMA says the 18 months start from the date of the Federal declaration, not the date that the people actually receive the home. So every one of those 10,777 homes have an expiration date on them. The date does not begin, the 18-month window for people to live in them while they try to sort through their life and find a place to live after losing everything they own in Hurricane Katrina, does not start from the time they receive a home, it starts from the time of the Federal declaration.

So each day those homes sit at the airport and at the pasture in Hope is a day that no one can ever live in them. So I am calling on FEMA to revise their policy for the 18 months to begin at the time in which people are able to actually obtain one of these homes.

Now, what they tell Stanley is, he cannot have one, even though he has

got a place to put it, because he has got a place to put it in Arkansas, that he would have to move back to Louisiana in order to be able to use one of these manufactured homes for 18 months. And they say that they will not put them in Louisiana because FEMA refuses to put these manufactured homes in a flood zone.

Well, you know, I have got news for FEMA. Everybody that lost their home and everything they own, there is a reason for it. They lived in a flood zone. And so they are saying, if you want to get a manufactured home, FEMA says we will let you use one for up to 18 months, but you have got to provide land. And people who own land own land in what? A flood zone.

And FEMA refuses to place these temporarily in a flood zone for 18 months, and yet they have amassed 10,777 of them just sitting in a pasture in Hope, an area that is prone and will probably be under a tornado warning about once every 10 days for the next 3 months.

It is time for FEMA to get their act together. And they are now saying that they are going to move some of these, some 300 to 400 as I understand will be moved from Hope, some 450 miles from the eye of the storm, to Louisiana. That is good. But they also announced they are getting ready to move another 2,200 homes into Hope on top of the 10,777 we already have.

I am asking FEMA to move all 10,777 of those homes out of Hope and to the people who need them, people who lost everything they owned in Louisiana and Mississippi as a result of Hurricane Katrina.

The last response I got from FEMA was, the travel trailers work great. They put out 72,000 travel trailers and are getting ready to put out 10,000 more. They have purchased another 10,000 travel trailers.

If that is not enough, they are now accepting bids. They are getting ready to spend between \$6 and \$8 million laying gravel, on up to 290 acres at the airport in this cow pasture at Hope, Arkansas. There have been reports that these manufactured homes are damaged, that they are sinking. Not yet, but it is true that they are literally sitting in a pasture, or at least 75 percent of them are sitting in a pasture.

And that is what they look like. You can see the fence, the cow pasture. They are just sitting there in a pasture, some 10,777 manufactured homes sitting in a pasture, when we have got 12,000 families about to be evicted from hotel rooms all across this country by FEMA.

It is time for FEMA to get its act together. And my response and my plea to FEMA is, you know, do not spend \$6 or \$8 million laying gravel in a cow pasture. Let us get these manufactured homes to the people who need them, to the victims of Hurricane Katrina.

Now, I raise this issue because as a member of the fiscally conservative Blue Dog Coalition, we have a 12-point

plan for budget reform. One of those plans is to require agencies to put their fiscal house in order.

□ 2145

Mr. Speaker, I believe it is time for FEMA to put their fiscal house in order. There is a lot of talk about the President's budget. As you may know, Mr. Speaker, the President has submitted to Congress a \$2.8 trillion budget. This budget provides us with the largest budget deficit ever in our Nation's history for the 6th year in a row. \$423 billion in red ink; \$423 billion in deficit spending. Compare that to fiscal year 2006 when the budget deficit was \$318 billion.

The current national debt today, just a few moments ago, was \$8,251,355,000,000. For every man, woman, and child in America, including those who have been born since I got up here this evening, each person's share of the national debt is \$27,674.

With each passing year this President and this administration and this Republican Congress have given us the largest budget deficit ever in our Nation's history.

It is hard to believe now, but in 1998 through 2001, President Clinton gave this Nation its first balanced budget in about 40 years. In 2001, we had a surplus and every year since we have had a deficit, not only a deficit but the largest deficit ever in our Nation's history.

Mr. Speaker, the total national debt from 1789 to 2000 was \$5.63 trillion. But by 2010 the total national debt will have increased to \$10.98 trillion. This is a doubling of the 2011 year debt in just 10 years.

Interest payments, this administration, this Congress is borrowing nearly \$1 billion every single day; \$260 million every day going into Iraq; \$33 million every day is going to Afghanistan. Other money that we are borrowing is going to pay for tax cuts for those earning over \$400,000 a year. But if that is not enough that we are borrowing some \$1 billion a day, we are also spending about a half a billion dollars a day simply paying interest on the national debt. That is what we call the debt tax, D-E-B-T; and it is one tax that cannot go away until we get our Nation's fiscal house in order.

A half a billion dollars a day going to pay interest on the national debt. Give me 3 days' interest on the national debt and I can build I-49 through Arkansas. Give me another 3 days' interest and I can build I-69 through Arkansas. I could build 200 brand-new elementary schools every day in America just with the interest that we are paying on the national debt.

Mr. Speaker, if that is not enough, if that is not enough, this President, this administration, this Republican Congress in 5 short year has borrowed more money from foreign central banks and foreign investors than the previous 42 Presidents combined.

At this time I would like to recognize the co-chair of the Blue Dog Coalition,

Congressman DENNIS CARDOZA of California, who just happened to have been on the trip with me to Hope, Arkansas, to see those 10,707 manufactured homes just sitting in that cow pasture and 450 miles from the people that really need them in Louisiana and Mississippi.

Mr. CARDOZA. Thank you very much for recognizing me, Congressman Ross. It is truly an honor to be your friend and to have traveled with you to your district recently. It was a shame that we had to witness what we did when we witnessed those trailers sitting there, a government expenditure of nearly half a billion dollars with no person in America being benefited by that. It was really an outrage.

I am so pleased that I serve with you as a member of the Blue Dog Coalition. I am very pleased I am one of the Blue Dog co-chairs.

The Blue Dogs are a group of 37 conservative Democrats who are committed to fiscal responsibility and reforming the broken budget process in Washington. Our top priority is fixing the gross mismanagement of our Nation's finances. As moderates and fiscal hawks, the Blue Dogs have tried to reach across the aisle and engage in a real debate for fiscal responsibility.

The 2006 budget is something of a sham. We need to return to honesty and accountability in this budget. I am deeply concerned with the continued deficit spending, the complete disregard for fiscally responsible policies and a fundamentally dishonest budget process.

The President proposed, as you said, Mr. Ross, a \$2.7 trillion budget which will decrease domestic spending a bit, yet leave massive \$355 billion deficits. This \$355 billion is not the whole story, though.

The President's figures deliberately leave out the cost of our efforts in Iraq and Afghanistan and the potential future cost of rebuilding this gulf region that we have talked about tonight that is in so dire need of our work. It also leaves out a growing problem for Americans and that is the alternative minimum tax. All these costs are going to drive up the deficit even further.

The President's budget is a nice break from reality TV, but it is a harsh reality for our Nation; and it does nothing to make the Federal Government more accountable to taxpayer dollars.

Mr. Ross, I just want to thank you again for your leadership and taking us down there and for having the gump-tion to bring camera crews down there and expose this national tragedy of these trailers in your district. I just hope that FEMA will listen to our pleas from that day when we talked about what needed to be done, what should be done. I applaud your efforts in this area and thank you for being such a worthy advocate for our Nation's fiscal policies.

Mr. ROSS. I appreciate the gentleman from California for his leadership as co-chair of the Blue Dog Coalition for joining us this evening for this

discussion of the budget, the debt, and the deficit. I appreciate your traveling to my district and witnessing something that is absolutely reprehensible. To have 10,777 brand-new manufactured homes, fully furnished, sitting in a cow pasture in Hope, Arkansas, when FEMA is getting ready to evict 12,000 people from hotel rooms in this country and their only response is, well, we are not going to put them in flood zones and everybody that needs them lives in a flood zone so we will spend 6 to \$8 million putting gravel on the cow pasture so we can store them for a future natural disaster.

That is the craziest thing I have ever heard of, and that is the kind of example of how we must require agencies to put their fiscal house in order and to get their act together. That is part of the 12-point plan for meaningful budget reform that is being offered up by the fiscally conservative Blue Dog Coalition.

I recognize the gentleman from Georgia (Mr. SCOTT), a fellow Blue Dog, my friend.

Mr. SCOTT of Georgia. Thank you so much, Mr. Ross. It is always a pleasure to come and be a party to our efforts here on behalf of the Blue Dog Coalition as we work very hard to try to bring some reason and sanity to this whole issue of our budget, our obligations, our responsibilities to the people of this country, and our allies and partners around the world.

I have just returned from Iraq and Afghanistan and Pakistan on an extraordinary trip. And I went firsthand so that I could see exactly what it was like on the ground, where I could talk to our soldiers, where I could be there with them, where I could also talk to the generals and see what was going on.

As I got there, it was very interesting for me to have one extraordinary experience. We went into Camp Victory, and I ate dinner with our soldiers. And this soldier grabbed me and hugged me so tight. It is a moment I will never forget as long as I live. As he was hugging me, we both were in tears and he said to me, Congressman SCOTT, when I am hugging you, it is like hugging a piece of home.

I can tell you I will never forget that.

Mr. ROSS, do you know what crosses my mind as we look at that situation with the debt? It is that that soldier that hugged me, those soldiers that are going out and giving their lives every day on the battlefields of Afghanistan and Iraq, their salaries are being paid for by borrowed money from Communist China, from Japan, from foreign countries. As a matter of fact, 90 percent of every dime that we are spending in this country today for our government to carry on its business is being borrowed from foreign countries.

Mr. ROSS. If the gentleman would yield, you make a very valid point. I have a chart here to demonstrate the fact that I mentioned earlier, this administration, this Republican Congress

has borrowed more money from foreign central banks, from foreign investors in the past 5 years than the previous 42 Presidents combined.

You want to talk about something that is critical to our national security, you let these foreign countries like China and Japan and OPEC, you wonder why gas prices are so high. If we let these countries continue to buy our debt, they are going to have a huge influence on our monetary policy. There you can see Japan, this is as of November 2005, it has gone up since then. Japan, \$682.8 billion of our loans that they own. China, \$249.8 billion; United Kingdom, \$223.2 billion; Caribbean, \$115.3 billion; Taiwan, \$71.3 billion; OPEC, \$67.8 billion; Korea, \$66.5 billion; Germany, \$65.7 billion; Canada \$53.8 billion.

To put it another way, if China decides, as my friend and founding member of the Blue Dog Coalition says so eloquently, we are in such a mess right now that if China which is loaning us money, if China decides to invade Taiwan, we will have to borrow even more money from China to defend Taiwan. That is the situation our Nation is in today as we continue to borrow about half the debt, which is running about a billion a day which means we are borrowing about a half a billion dollars a day from foreign central banks and from foreign investors to fund tax cuts in this country for those who earn over \$400,000 a year.

Mr. SCOTT of Georgia. And when you mention those tax cuts, the other terrible stab at the American people is that to make these tax cuts permanent means to borrow more money from these countries on top of what we are borrowing. And to offset those tax cuts in the Federal budget, the President and the Republican administration is advocating cutting the very programs that the people of America need and are hurting for.

You mention Katrina in your district. I am from Georgia. We are the third largest recipient of evacuees from this terrible, terrible, terrible tragedy. But the fact of the matter is that we are not responding to the needs of the American people when we look at this budget and the cuts: \$19 billion cuts to student loan programs; over \$200 million just from the first phase to child care programs, for the seniors. On top of that, the cuts that hurt the most to me at a time of war is the cut to our veterans to offset for the tax cuts.

The point that I think we want to bring home to the American people tonight is that we have a terrible situation that is ratcheting at the foundations of our country and that is a lack of financial security and a lack of financial responsibility. The architect of our financial system was none other than Alexander Hamilton, and Alexander Hamilton it was who laid out the credit system, laid out the debtor system. He said, woe it will be to us in the future if we become dependent on foreign sources to finance our government. He was adamant about that.

□ 2200

Here we are in the 21st century, rocking and reeling from this unfortunate situation we find ourselves in of borrowing this exorbitant amount of money from foreign governments.

Mr. ROSS. I thank the gentleman from Georgia and welcome him to stay and join us in a conversation about the budget and the debt and the deficit as the evening goes on.

As I mentioned earlier, the Blue Dog Coalition is a group of 37 fiscally conservative Democrats. What we are all about is trying to restore some common sense and fiscal discipline to our Nation's government.

For those who have questions or comments for the Blue Dog Coalition, we are here every Tuesday night. It is not always the same time, but every Tuesday night, we are here. I am here with different members of the Blue Dog Coalition. If you have got a question or a comment for us relating to the budget, the debt, the deficit or my manufactured homes stacked up in a cow pasture in Hope, Arkansas, you can e-mail us at bluedog@mail.house.gov.

At this time, it is with great pleasure that I recognize a new Member of Congress, a real leader in Congress, a member of the Blue Dog Coalition, someone who came to Congress and said our budget, our debt, our deficit is out of control; I want to help restore some common sense and fiscal discipline. She is someone that has recently become an outspoken advocate for restoring common sense to our government, a new member of our fiscally conservative Blue Dog Coalition, Congresswoman MELISSA BEAN from Illinois.

Ms. BEAN. Mr. Speaker, I thank the gentleman from Arkansas (Mr. ROSS) so much for recognizing me and letting me join my colleagues on the important issue of the rampant fiscal irresponsibility in this Congress.

When I came to Congress, I came to bring what I thought was a real-world business perspective to government because, in the business world, I spent over 20 years in the high-tech industry, but it certainly was not unique. In that industry, accountability is more than just a word. Business leaders expect to be held accountable to their shareholders, their customers, their employees and to their communities. But in this Congress, accountability is just a catch phrase, usually directed elsewhere. Demands to personal responsibility or corporate accountability abound, but rarely congressional accountability or fiscal responsibility.

Instead of sticking to the motto, "If it is worth doing, it is worth paying for," this administration and this Congress has turned the largest budget surplus in history into the largest deficit in history, with a reckless borrow-and-spend profligacy.

For the last 4 years, our Federal Government has produced the four biggest deficits in history, and the estimated 2006 deficit of \$423 billion is projected

to be the largest of all. As our colleague, DENNIS CARDOZA, just mentioned, we are even leaving out some of the facts.

It would be a considerably bigger deficit if we considered an AMT fix, which is one that is important and will affect the constituents in my district who do not want to pay the higher taxes without that fix. It is also not including the realistic costs for ongoing operations in Iraq and Afghanistan.

The American people expect more from Congress. They expect fiscal responsibility and common sense. They expect us to return to the pay-as-you-go budget rules that we had enacted in the past that helped us establish a surplus, however briefly. It is a simple concept with a proven track record.

The budget enforcement rules of the 1990s were an important part of getting the budget back into balance. It was done on a bipartisan basis. Those pay-as-you-go rules were tested and they worked. We are now in a one-party system, and we have thrown them out.

Accountability in government should be more than a catch phrase, particularly when the national debt is now at \$8.2 trillion, which, by the way, computes to roughly \$27,000 of national debt per American.

I spoke to some seventh graders in my district the other day, and they were astounded to find that each of them, their personal share of our national debt is \$27,000. They were ready for us to do something about it. We need to do something about it and let them know that the buck stops here.

Mr. ROSS. Mr. Speaker, I thank the gentlewoman from Illinois for joining our discussion and debate this evening.

As we look toward the fiscal year 2007 budget that the President recently submitted to Congress, and this is what we are referring to here, the "Fiscal Year 2007 Budget of the United States Government," I cannot help but think about the fact that over the last 4 years this administration has produced the four largest deficits ever in our Nation's history.

The 2006 deficit of \$423 billion is projected to be the largest of all, \$105 billion larger than the 2005 deficit. The 2006 deficit, without the Social Security surplus, is over \$600 billion. They always like to count the Social Security trust fund to make it look like the deficit is really less than it really is. No wonder that I could not get a vote or a hearing on the first bill I filed as a Member of Congress, a bill to tell the politicians in Washington to keep their hands off the Social Security trust fund.

When this administration took office, it inherited a projected 10-year surplus of \$5.6 trillion. This surplus has become a \$3.3 trillion deficit, which now brings this to a total of \$8.2 trillion in deficit, an embarrassing reversal of some \$8.9 trillion. If that is not enough, the fiscal year 2007 proposed budget includes cuts to education, Medicare, Medicaid, transportation, justice, law enforce-

ment, housing, urban development, health and human services, while increasing fees paid by veterans and Medicare premiums paid by seniors.

The President said in his State of the Union that he was committed to providing affordable health care for Americans. However, this budget includes increases in Medicare premiums, cuts to Medicaid and Medicare, and a misguided plan for health savings accounts that will shift more of the cost of health care onto beneficiaries.

The fiscal year 2007 budget includes tax cuts for those earning over \$400,000 a year, but it fails to include a repair to the alternative minimum tax, which affects way too many middle-income people year after year after year after year, and should be addressed by this Congress.

In fact, the only good news I can find in the budget is, according to the President's budget, we will have won the peace and brought the troops home from Iraq and Afghanistan by October 1. What I mean by that is, the President, according to his budget, has not provided for a single dime in funding for our operations in Afghanistan or Iraq beginning October 1, which obviously means one of two things: that he has provided us with a phony budget, one that is not meaningful; or that he really believes that we are going to actually have brought all the men and women in uniform home and completed our mission and won the battle and created peace and democracies in those regions in Afghanistan and Iraq between now and October 1.

The Blue Dog Coalition used to offer up a budget every year. It is difficult for us to do that now because we refuse to provide a budget that is not meaningful; and it also does not make sense for us to provide a budget that compares apples with oranges. If this administration and this President would give us a meaningful budget, one that accounts for the cost of Iraq and Afghanistan, one that addresses Medicare and all the other pressing issues in this Nation, then we could do the same.

But what we believe must happen as fiscally conservative Democrats, we are tired of all the partisan bickering that goes on in this place. It does not matter if it is a Democratic idea or a Republican idea. I want it to be a common-sense idea, and I ask myself does it make sense for the people that send me here to be their voice and to represent them.

What we believe must happen, before either party can offer up a meaningful budget, is, we have got to have budget reform, and that is what the Blue Dogs are offering up, 12 points to budget reform. We have discussed them in the past. If time permits, I will discuss them even more here this evening, but I yield to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Absolutely, and just responding to your very eloquent description of the status quo, of the situation and the landscape that

the American people are faced with today with a budget that is squarely not responsive nor responsible to the needs of the American people, with an administration that, quite frankly, on so many important issues, has demonstrated that they are completely out to lunch and out of touch.

The point is that the American people deserve better. There is a day of reckoning coming, and I assure you that that reckoning is coming this year, in the year 2006. I think this is going to be one of the most important elections that we have had in a long, long time, because all of the facts that you have just pointed out, in terms of FEMA, in terms of what is happening in the Middle East and here lately in terms of those who were asleep at the switch when the deal was cut, in terms of the port security, all show a considerable lack of judgment and a lack of responsibility to the American people.

That has been a characteristic within this administration, especially in the area dealing with one of the most precious responsibilities we have, which is determining and being responsible for how we spend the taxpayers' money. For this administration in the last 5 years to have squandered a surplus, the facts are there. They are plain as one can see.

When the Clinton administration left office, there was a surplus of billions and billions of dollars, and now in this last year the deficit has been shot up over \$4 trillion. There is a reckoning for that, and I am here to tell you that as a Member of Congress, the American people are looking for Members of Congress to stand up for them and to do what it is we need to do, that we were elected to do. It is Congress that is charged with the responsibility of oversight. It is Congress whose decision it is, by the Constitution, to determine how the tax dollars are spent. That is our responsibility.

I am here to tell you that collectively, as a body, we have not done our job. We need to correct that, and under the leadership of the Blue Dogs, we are asserting that leadership, to say bring it home to us.

We have got the plan, pay-as-you-go. Parents, families, all across this country, they cannot go out here. We tell them all the time, be responsible. Mom and dads that are sitting at the kitchen table tonight scratching their heads, how are we going to pay this without money, they do not have the luxury of putting out a debt ceiling. They do not have the luxury of going and borrowing unlimited amounts from foreign governments for our most basic services.

When you combine that with the trade deficit and you combine that with our willingness to turn our security for our ports over to foreign countries, and especially countries with Arab and Islamic roots and connections, when we are in a terrorist war with Islamic and Arabic countries, let it be said and let it be plain, we do not

wish to discriminate against anybody because you are Arab or Islamic.

But does it make good judgment to turn our security over to a country that has had a record of financial transactions supporting terrorists or a country where two of the terrorists came from that attacked this country? That is sort of like after the bombing of Pearl Harbor, turning over the security of Pearl Harbor to the Japanese.

The only reason I am mentioning that is to show that the same mind-set that allowed this to happen for our ports, the same mind-set that allowed the FEMA to happen, to have those trailers setting up unused in Hope, Arkansas, at Fort Gillem in Georgia, failure after failure of judgment, it is the same mind-set that has gotten us into this record deficit and debt. There is a reckoning.

America's looking for leadership on this, and that leadership must come from us, Blue Dogs, and the Democratic Party.

Mr. ROSS. Mr. Speaker, I thank the gentleman from Georgia.

I might mention part of our 12-point plan for meaningful budget reform, and we are still waiting for the first Republican Member of Congress to sign on to our bills that address these issues, but point number one is real simple: Require a balanced budget.

I spent 10 years in the State Senate. Forty-nine States in this Nation require a balanced budget.

□ 2215

I know in our home in Prescott, Arkansas, my family and I, we sit around the kitchen table and work out our family budget. My wife and I own a family pharmacy and home medical equipment business in our hometown, and our banker requires us to have a balanced budget. I don't believe it is asking too much for our Nation and its leaders here in Congress to do what 49 States do, what most companies and businesses, large and small, in America do, and what most families sitting around the kitchen table struggle to do but must do and do, and that is have a balanced budget. That would address a lot of our problems.

Another is don't let Congress buy on credit. The gentleman from Georgia mentioned earlier PAYGO. That is Pay As You Go. If you want to create a new program that is going to cost money, you have to show us at the same time where you are going to cut spending somewhere else. If you are going to cut taxes, you have to show us in times when we don't have a surplus where you are going to cut programs to pay for those tax cuts. It is called Pay As You Go.

And you can see here we did not have PAYGO rules in place in this body, in this United States House of Representatives Chamber; those rules were not in place during the Reagan years. You see the red. We had deficits ranging from \$128 billion in 1992. They hit \$221 billion in fiscal year 1986. It was \$290 billion

under former President Bush in fiscal year 1992. And then under President Clinton we started seeing the debt, the deficit, come down. Finally, in fiscal year 1998, we had the first balanced budget in about 40 years, \$69 billion in the black. In 1999, \$125 billion in the black. The year 2000, \$236 billion in the black. Fiscal year 2001, \$128.2 billion in the black.

Then, under this Republican-led Congress, this administration, \$157.8 billion in the red, \$377.6 billion in the red, \$412.1 billion in the red, \$319 billion in the red, \$323 billion in the red; and, of course, for fiscal year 2007, we all know that unfortunately the deficit is projected to be \$423 billion. And that is not counting what it would be if they counted the Social Security trust fund. If they were to count the Social Security trust fund, it would be well in excess, well in excess of \$600 billion.

It is time to restore some fiscal discipline to our Nation's government. We have a 12-point plan that will accomplish that.

Mr. Speaker, I yield to the gentleman from Illinois.

Ms. BEAN. I thank my colleague, Mr. Speaker. It is interesting, I mentioned earlier that I spent some time with some seventh graders in my district; and when we are with these young students, as my colleague mentioned, they are looking to us to demonstrate leadership and to also act like the adults they would expect us to act like and demonstrate some fiscal sense.

When I talked to them about the \$27,674 of the national debt that they each share, they were saying, well, then, how come you guys keep spending more than you have? And I said, because we are not adhering to the rules we once did before that forced us to do that, that forced us to make tough decisions. And we talked about how in their family budgets they have to make those decisions. Sometimes going to the movies fits in the budget and sometimes it doesn't. But Mom and Dad try to make sure that they are not spending more than they have personally so as to avoid getting into debt. They understood what that meant in their families, and they were, frankly, pretty shocked.

But it is not just the kids that are worried. I talk to businesses in my district, and they are very concerned. They understand that deficits matter. Not everybody understands it, but business people understand that access to capital fuels their growth; and that while at this moment interest rates have been kept down, that can't last forever while we become even more dependent on foreign capital to float our spending habits. So business people have concerns.

My colleague also mentioned the debt tax, and I think that is an important issue that most people don't appreciate. I have one chart here, and I don't know if my colleague has this up there, but I don't think people realize that net interest is projected to be at

such a higher rate than education spending, than homeland security spending, and than veterans benefits in the President's 2007 budget. And when they realize those are the priorities that we are making and those are the decisions we are making, and as more people understand this, they are going to become even more frustrated.

Mr. ROSS. Very good points, and I thank the gentlewoman for sharing that with us.

In this new budget the President has given us, domestic non-homeland discretionary spending is cut by \$5.3 billion below the 2006 level and \$16.8 billion below the level needed to maintain the purchasing power at the 2006 level.

Over 5 years this budget includes reductions or eliminations in 141 Federal programs, 91 of which are eliminated in their entirety, and 42 programs in the Department of Education alone. That is 42 programs within the Department of Education that are eliminated under the President's budget for fiscal year 2007.

The budget includes \$77 billion in gross mandatory spending cuts over 5 years through a combination of service reductions and fee increases, as we talked about, increasing deductibles and copayments and premiums for our Medicare beneficiaries, and increasing prescription drug copayments and enrollment fees for America's veterans. For America's veterans.

I submit to you, Mr. Speaker, that it is time for this Nation to keep its promises to our veterans, especially at a time when we are creating a new generation of veterans that are coming home from Iraq and Afghanistan, veterans that we should embrace and support and provide them the health care that they deserve and that they were promised when they signed up to serve and protect and defend our Nation.

I mentioned Medicare. The President's budget calls for cuts to Medicare to the tune of \$36 billion over 5 years and \$105 billion over 10 years. Meanwhile, Medicare part D, as we all know, is failing our seniors and has serious flaws in the system that must be ironed out. And Medicaid, in addition to last year's budget reconciliation package that just passed this body, budget cuts to Medicaid include \$17 billion more over 5 years and \$42 billion over 10 years. That is in the President's budget for fiscal year 2007.

In my home State of Arkansas, half of the children are on Medicaid. Eight out of 10 seniors in a nursing home are on Medicaid. One in five people in my home State of Arkansas, at some point during the past 12 months, have been on Medicaid. Medicare and Medicaid are the very programs we should be funding, not cutting.

And I submit to folks that if you think Medicaid is something that provides health insurance for folks on welfare and that it will never apply to you, think again. If you have a quarter million dollars in the bank the day you retire, and most people where I come

from don't, and if you go in the nursing home the day you retire, not 10, 20, or 30 years later, in less than 8 years you are on Medicaid, the health insurance program for the poor, the disabled, and the elderly. That is wrong.

It is wrong to cut taxes for those earning over \$400,000 a year when you have to cut Medicaid, whereas eight out of 10 seniors in my State are on Medicaid if they are in a nursing home. It is wrong to cut health care for the poor, the disabled, and the elderly to pay for tax cuts for those earning over \$400,000 a year.

And, look, back in times of surplus, when we had a surplus before 9/11, before Iraq, and before Afghanistan, I voted for the largest tax cut in over 20 years. We had a surplus. We really were giving people some of their money back. But we no longer have a surplus. We have had 9/11, we have had Iraq, and we have had Afghanistan. It may make for good politics, but it makes for horrible fiscal policy to borrow money from China to give those earning over \$400,000 a year a tax cut and leave our children with the bill.

No Child Left Behind is funded at \$15.4 billion below the authorized level. And you know how things work in this town. If it were a Democratic idea, I would understand the President cutting it; but this is his plan. He came to Washington on this idea of No Child Left Behind and reforming education. It is his plan. He told us what it would cost, and now he has even cut his own program by \$15.4 billion below the authorized level.

Schoolteachers, parents, students, every weekend when I'm home, talk to me about how No Child Left Behind has failed them and failed their school. It is time for this Congress to properly and adequately fund education. Because I can tell you, as we continue to lose these muscle jobs to places like Mexico and China, it is the brain jobs, the jobs that are going to require our children to be competitive, that are the jobs of the future in this Nation, and we've got to better prepare our children for them.

I yield to the gentleman from Georgia.

Mr. SCOTT of Georgia. What a great challenge and what a great opportunity we have at this time in history in this country to move us forward to the next phase, to a higher calling, to a more significant meaning of the greatness of this country, to build on that foundation that we have. But before we can do that, I agree with my colleague, we have got to balance our books.

We cannot go on this way, running our government and running our Nation on borrowed money from these foreign governments. That has to stop, especially at a point when we are in the shape that we are in in the rest of the world. Double that with our trade deficit. Double that with our war on terror. Double that with our fight for petroleum and energy costs, which we are so dependent on foreign countries for as well.

Now, you mentioned a couple of points that I think the American people need to perhaps home in on. One you mentioned was the veterans. It is so important for us to point out that these budget cuts that the President is offering to offset tax cuts, which he is going to have to borrow most of the money for, are not offset by these budget cuts. But the one that hurts me so much is the veterans. You pointed it out.

Another issue that the administration is standing and blocking the door of is this: I was over in Iraq and Afghanistan, hugging the soldiers, looking at them facing death every day, sent in harm's way. If those soldiers get hurt, if they get a wound, shrapnel, a bullet and they get disability and then they have to resign from the Army and retire, do you know that they have to go and make a choice between whether they get their retirement pay or their disability? That is wrong. That is shameful.

Our veterans should not have to choose. We should pass this concurrent receipts bill. And I might add that we have both Democrats and Republicans, over 300 signatures. Why hasn't that bill passed?

Mr. ROSS. If the gentleman will yield. Let me make sure I understand this correctly. If you serve your country and earn a pension, but you also are injured while you are serving your country, then you have to choose one or the other? You cannot receive both?

Mr. SCOTT of Georgia. That is what it is right now, yes.

Mr. ROSS. So the gentleman is telling me that over 300 Members of this body have signed onto legislation to fix that?

Mr. SCOTT of Georgia. Yes, both Democrats and Republicans.

Mr. ROSS. And it only takes 218 to pass a bill?

Mr. SCOTT of Georgia. Yes, sir.

Mr. ROSS. And yet the Republican leadership fails to bring the bill to the floor for a vote?

Mr. SCOTT of Georgia. Absolutely. And the President of this country has not lifted a finger to move it. If they did, it would move. At a time when we are depending so strongly on these veterans, on our military.

And let me just add, these are men and women who have braved this opportunity by volunteering. And these are men and women that we have to set a standard for in the future to get other young men and women to volunteer. Not only in terms of benefits such as this and putting their lives in harm's way, but our military is becoming so sophisticated, so technologically savvy. Our instruments, our equipment, our weapons systems require trained computer savvy, technically trained and equipped, skilled personnel that are in high commands elsewhere. So the least we have got to begin to pay close attention to is how we are treating our resources right here at home.

The other point that you mentioned that I want to bring attention to is the children. And my colleague just mentioned it about our children, those children that you talked with in school. And I know when you looked in the eyes of those children, I know you had to say, what a shame it is that this deficit, that this budget, that this bill is going to have to be paid for by them. Somebody has to pay this, and it is our children that have to pay it.

Ms. BEAN. It is so true. And essentially what they were saying and what we talked about is much like if I were to go get a credit card in my children's name and go out and spend money on things for myself and my husband but say to my kids, my daughters, when you are 18 and you get a job, you get to pay for what I have spent on the credit card. That is what we are doing with these future generations.

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And kids understand the injustice of that. They expect better from us, absolutely. And they were wishing they were old enough to vote so they could do something about it.

Mr. SCOTT of Georgia. I will tell you one thing. I have just come back from my district and I have talked and had town hall meetings, and I have had opportunities to meet people at our churches, and people are in tune. They are tuned in to what is happening in this capital.

I am here to tell you they are very concerned about the port security situation. They are very concerned about this deficit. They are very concerned about the failure and inaction in Katrina. This is a whole region of this great country that has been devastated, and the response has been extremely wanting. And the American people are expecting us to respond to that.

Now, President Bush does not have to run again. He does not have to face the voters. But you do, Mr. ROSS, and I do, and you, Ms. BEAN. We have to do that. The Framers of the Constitution made it clear. That is one of the reasons why we in this House are, in my estimation, the most powerful body, because we have to go out every other year and reget our contract. That gives us an awesome power. That is why this Chamber is more directly in touch with the American people, because we have to go out there every other year.

Mr. ROSS. Every weekend.

Mr. SCOTT of Georgia. Every year, but we are on the ballot every other year where they have to give their verdict.

And, finally, Mr. ROSS, you made the point concerning the deficit, the debt, the money we are borrowing from foreign countries. But I think it is important for the American people to understand that just the interest, just the interest that we are paying Japan and China and Germany and other countries in the Middle East, just the interest we are paying them is more than

what we are paying for our own homeland security. And that is a very unfortunate situation, but it drives home the point of the very dangerous position that we are in. Should any of these countries feel that they could get us, they can get us because of our lack of financial responsibility and fiscal security.

Mr. ROSS. Mr. Speaker, I thank the gentleman from Georgia for joining us this evening, and I thank the gentlewoman from Illinois for joining us.

As members of the fiscally conservative Blue Dog Coalition, we are 37 strong. There are 37 of us in this town that are committed to trying to get our fiscal house in order, to once again have a nation that knows how to live within its means.

If you have questions or comments that you want us to answer next Tuesday night, you can e-mail them to us at bluedog@mail.house.gov.

At the beginning of our hour, I pointed out that the debt as of today is \$8,251,355,000,000. That is \$8,251,355,000,000. Every man, woman, and child in America, their share of the national debt is \$27,674. And it continues to grow. It continues to grow. In fact, just in this last hour our Nation's debt has increased by \$41.666 million. So, obviously, you see when we started an hour ago it was \$8,251,355,000,000, and, unfortunately, it has increased to \$8.293 trillion. Just another example of how our Nation must get its fiscal house in order.

I think it is very appropriate that we spend a little bit of time changing these numbers and letting people see that in the hour that we have stood here talking about our Nation's debt and deficit and getting our fiscal house in order, we have seen the Nation's debt go up by \$41.666 million. The debt now in our Nation \$8,251,293,000,000.

AMERICAN HERITAGE

The SPEAKER pro tempore (Mr. DAVIS of Kentucky). Under the Speaker's announced policy of January 4, 2005, the gentleman from Georgia (Mr. PRICE) is recognized for half the time remaining until midnight, approximately 42 minutes.

Mr. PRICE of Georgia. Mr. Speaker, I appreciate the opportunity to come and chat with the House and to maybe set the record straight a little bit.

As a freshman Member of the House, we have 24, 25 freshmen on our side of the aisle, and over the past 13 months we have grown a little weary with what we see as the amount of misinformation and disinformation that we so oftentimes see brought by the other side, so we have developed what we call the Official Truth Squad. And so I am here to bring you some messages with some of my colleagues from the Official Truth Squad, which is an effort to try to embrace the American Dream, to embrace the American vision, and to present to the American people and our colleagues the story that Congress is

working in a positive manner, that we are optimistic about the Nation's future in spite of some things that you hear from some of our friends on the other side of the aisle.

When I go home and I talk to constituents, I oftentimes hear them say, What is going on up there? Why all the negativity? Why all the pessimism? Why all the misinformation that we appear to hear all the time? And I commiserate with them. So this Official Truth Squad is an attempt to try to bring some light to truth, to some of the information that we believe the American people ought to have in contrast to some of the things that you have heard, even here tonight.

I am pleased to hear the Blue Dogs present a proposal or two. They talk about being fiscally conservative. They talk about being fiscal hawks. But my recollection is a little bit to the contrary of that. There is a wonderful quote that I like from Daniel Patrick Moynihan, a former United States Senator from New York, Democrat. And he was such a cogent individual. He was one of those individuals who worked for the truth regardless of where it led. And he had this wonderful quote. He said, "Everyone is entitled to their own opinion but not their own facts." Everyone is entitled to their own opinion but not their own facts. And I really think that that kind of crystallizes what we have heard in this Chamber over the past few minutes.

You have heard the other side talk about deficit spending and how we ought not be spending into the deficit, and they are right. They are right. But when they had an opportunity to decrease spending by nearly \$40 billion just a few short weeks ago, not a single one of them, not one of them, voted for it. A \$39.8 billion decrease in spending and not a single one voted in favor of it.

You heard them talk about the alternative minimum tax and how it is an unjust tax and it needs to go away, and they are right. They are right. A colleague of mine, Congressman ENGLISH, has a bill, H.R. 1186, that would repeal the alternative minimum tax. Not a single Democrat on that bill, not a single cosponsor from that side of the aisle.

You hear them talk about the need to balance the budget and not spend so much money, and they are right. They are absolutely right. But when the proposals are put on the table to do away with programs that are wasteful or do away with programs that have significant abuse, where are they? Nowhere to be found.

So you are entitled to your own opinions, but you are not entitled to your own facts. And to crystallize that a little more because the disinformation that we heard over and over about budgetary cuts really does a disservice to the debate, does a disservice to the discussion, does a disservice to the American people, because when you look at the numbers, when you look at the truth, that is not what is going on.

And this evening you have heard the other side talk about budgetary cuts in the area of defense spending and spending on veterans. So, at home, if I were sitting there listening, I would say, well, my goodness, they must have addressed the amount of money that was going to the military or decreased the amount of money going to veterans.

Mr. Speaker, is that not what you would think? That is what I would think if I heard that. But here we have the Defense Department appropriation, budgetary authority from Congress from the year 2000 projected through 2007. In 2000 it was \$287 billion. In 2001 it was \$303 billion. That does not sound like a cut to me. In 2002, \$328 billion. That is real money. That does not sound like a cut to me. In 2003, \$365 billion.

Remember, down here in 2000 we were at \$287 billion.

So these are the actual numbers. Fiscal year 2006, \$411 billion of budgetary authority for the Department of Defense. Mr. Speaker, that is not a cut. That is responsible spending on the part of the United States Congress. And I am proud of the support that we have given to our military. And I am proud of the support that we continue to give to veterans.

You have heard this evening that veterans' budgets were cut. Here are the numbers, the actual numbers, from 1984 through 2005, and I want to draw your attention to what has happened in the last 10 years. In 1994 discretionary spending for veterans: \$17.2 billion; 1995, \$17.6 billion; 2005, \$30.7 billion.

Mr. Speaker, I do not know what arithmetic they are using. I do not know where they went to school, but I do know that that is not a cut in anybody's book.

So when we get this kind of misinformation, this kind of disinformation, it does not contribute to the public debate. It is not honest. It is not truthful. So the Official Truth Squad is here to try to bring some truth to the situation.

This is veterans' medical care, and you heard it talked about this evening, how we have these incredible cuts in medical care for veterans. Mr. Speaker, here are the numbers: 1994, \$15.6 billion; 2005, \$29.9 billion. Mr. Speaker, that is not a cut. It is an appropriate, responsible move by Congress to take care of those who are protecting our freedoms.

So remember what Mr. Moynihan said, You are welcome to your own opinions but you are not welcome to your own facts.

So I would like to highlight this evening what is called the politics of division that seems to be practiced by so many here in Washington, and it is disheartening and it does a disservice to all of us. We are going to talk tonight in a positive way about America. We are going to talk in a positive way about our future. We are going to talk in a positive way about our Founding Fathers and about our history and about our heritage.