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The Medicare prescription drug bill, there has been a lot of talk about it. It is now estimated to cost well over \$700 billion over the next 10 years. It went to a vote at 3 a.m., barely a day after the final version of the 500-plus-page bill was made available for Members of Congress to read. Now, I can promise you we cannot pass laws to make Members of Congress read the bills they vote on, but I can promise you that when you have got a 500-page bill and you give them less than a day to read it and study it, it is impossible to read it and thoroughly examine it.

We are saying give Members of Congress a minimum of 3 days to have the final text of legislation made available to them before there are votes. And you know what, Mr. Speaker? If we have made it just fine since 1776 without whatever piece of legislation we are dealing with at the time, we will probably be okay for another 3 days. Give Members of Congress time to read the bills they are voting on.

Require honest cost estimates for every bill that Congress votes on. Make sure new bills fit the budget, and make Congress do a better job of keeping tabs on government programs, which again goes back to our accountability legislation that is Blue Dog-backed, written by Mr. TANNER and Blue Dog members that we have talked about a great deal this evening.

We are not here just to criticize. In fact, we are not here to criticize at all. We are not here to be partisan. We are here to hold the Republican leadership and the Republican administration accountable for this reckless out-of-control deficit spending, the largest deficits ever in our Nation's history, and they are borrowing to the tune of about \$1 billion more. The debt is going up about \$1 billion every 24 hours, nearly half of which is being borrowed from foreign central banks and foreign investors. We are here to hold them accountable and to offer up what I call commonsense solutions.

I yield to the gentleman from Georgia.

Mr. SCOTT of Georgia. And finally, Mr. ROSS, we must begin to search and use our creativity to develop a way to put a curb, a ceiling, some restraint on how much we can borrow from foreign governments.

If there is one danger down the road that this country faces, history proves me out, the bleached bones of civilization that go far back of civilizations that waited too late to curb their borrowing from foreign countries. You look at so many of these great civilizations that have gone and nations, wars that happened. What happens if China over there just all of a sudden wants to sell our paper to another competing economy? When you have so much of your wealth, so much of your financial security in the hands of other countries who do not have your best interest at heart, we are asking for trouble.

So that is why I say, finally, we must put a curb on how much money we can

borrow and get in debt from these foreign governments.

Mr. ROSS. Mr. Speaker, I want to thank the gentleman from Georgia for joining me for this lively discussion this evening as we talk about these issues that are so important not only to our future but our children and grandchildren's future.

I yield to the gentleman from Tennessee (Mr. COOPER).

Mr. COOPER. The point that the gentleman from Georgia was just making about how much money we borrow from foreign countries, the American people need to know it is not just China we borrowed \$300 billion from. It is also countries like Iran, another part of what President Bush called the Axis of Evil. They own a big part of the American debt now, Venezuela, under Hugo Chavez, not exactly a friendly nation. Other nations like the Soviet Union with whom we do not have good relations these days. It is incredible our dependence.

And for President Bush to have borrowed more money from foreign nations than all previous Presidents put together going all the way back to George Washington, that is incredible. The average American back home just does not understand how much President Bush has borrowed from foreign nations. And that makes us terribly dependent on those nations. We do not want China or other countries trying to foreclose on America or any part of America, but that is the situation we are getting more into every day. We are borrowing 2 to \$3 billion every day from foreign nations.

Mr. ROSS. Mr. Speaker, I want to thank both of these fine gentlemen, very active leaders in the Blue Dog Coalition, for joining me this evening.

We raise these issues, the largest debt ever in our Nation's history, largest deficit ever in our Nation's history, borrowing \$1 billion a day, spending \$5 billion a day paying interest on the national debt, we raise these issues because as long as we are spending \$5 billion in interest payments each day that America's priorities are not going to be met, you can see here the red is the amount of money going to interest in our Nation. The light blue is the amount going to ensure that our children receive a world-class education. In green, a lot of talk about homeland security. Here is the truth: not much money in green that is going to fund our homeland in this post-9/11 era.

And, finally, a lot of talk about supporting our troops, and I hope we all do. I certainly do. But isn't the way to honor our troops, isn't one of the ways to honor them to support our veterans? Because we are creating a new generation of veterans in Iraq and Afghanistan and across the globe as we stand here this evening, and yet you can see compared to the red, the amount of money going to pay interest on the national debt, you can see what is going to cover the amount of money to fund our veterans.

It is time our government keeps its promises to our veterans.

#### MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed without amendment a bill of the House of the following title:

H.R. 4019. An act to amend title 4 of the United States Code to clarify the treatment of self-employment for purposes of the limitation on State taxation of retirement income.

The message also announced that the Senate has passed bills of the following titles in which the concurrence of the House is requested:

S. 403. An act to amend title 18, United States Code, to prohibit taking minors across State lines in circumvention of laws requiring the involvement of parents in abortion decisions.

S. 1950. An act to promote global energy security through increased cooperation between the United States and India in diversifying sources of energy, stimulating development of alternative fuels, developing and deploying technologies that promote the clean and efficient use of coal, and improving energy efficiency.

S. 2832. An act to reauthorize and improve the program authorized by the Appalachian Regional Development Act of 1965.

S. 3728. An act to promote nuclear non-proliferation in North Korea.

#### THE OFFICIAL TRUTH SQUAD

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Georgia (Mr. PRICE) is recognized for 60 minutes as the designee of the majority leader.

Mr. PRICE of Georgia. Mr. Speaker, what a pleasure it is to come back to the House floor this evening. On behalf of the Official Truth Squad, I want to thank the leadership and the conference for allowing me to host this hour.

The Official Truth Squad kind of grew out of frustration on the part of the freshmen class a little over a year ago. We felt that there were a lot of things that were said on this floor that, taken at face value, might be seen as being accurate, but, in fact, if you look at it a little closer, they were not the truth. And we felt that there was not a whole lot of time allotted to refuting the inaccuracies. Now, some of those inaccuracies, Mr. Speaker, you have just heard.

So we are going to spend a little time over the next hour to talk about accuracy. We are going to talk about truth because truth is so doggone important in trying to determine what public policy ought to be. If you are not dealing with real facts, if you are not dealing with truth, then you cannot get to the right answer, cannot get to the right solution. So it is my privilege to be able to join some of my colleagues this evening and to, Mr. Speaker, talk about the kinds of issues that are of importance to the American people.

And tonight we are going to talk a lot about the economy. But I want to start by sharing with you, Mr. Speaker, and with my colleagues kind of a saying that we have adopted, a quote that we have adopted, and it comes from Daniel Patrick Moynihan. He was a former United States Senator from the State of New York, and he had a wonderful quote that I am very fond of quoting and it is: "Everyone is entitled to their own opinion but not their own facts." And there are a lot of opinions around here, Mr. Speaker, but as I mentioned, oftentimes the fact is far from the opinions that have been given. So it is my privilege to be joined tonight by some folks who will talk about some truth and some facts.

You have just heard some comments from some folks on the other side of the aisle, some good friends of mine on the Democrat side, who have decided to use some very specific instances and items that they would support, that they believe ought to be done if we are going to get our fiscal house in order.

We are going to talk about our fiscal house and how a lot of it is moving along pretty doggone well. But I want to mention a couple things because when given the opportunity to enact some of the programs, Mr. Speaker, that they have just within the last 15 minutes said were imperative to enact for our fiscal responsibility as a Nation, they do not come along. They do not help. And we need not just Republicans to be able to enact appropriate policies. We need Republicans and Democrats, everybody working on behalf of the American people.

One of the things that you have just heard about just a moment ago, Mr. Speaker, were PAYGO rules. PAYGO rules are rules that say you have got to be able to identify where the money is before you spend it. Sounds like a reasonable thing, Mr. Speaker. It is what you do in your home. It is what I do in my home. It is what all of us do in our homes if we are going to be fiscally responsible.

Well, not too long ago, Mr. Speaker, roll call vote 318, 2004; 318 is the roll call vote, Mr. Speaker. If you want to look it up, that is where you can find it. We had a proposal for PAYGO rules, and, again, that means that you have got to identify where the money is coming from before you spend it, for mandatory spending increases. And the vote on the floor of the House of Representatives, right here, Mr. Speaker, how many folks from the other side of the aisle that you just heard say how important this was, that this was important, how many folks voted for that? Roll call vote 318 in the year 2004: Not a single one. Not a single one voted for it.

Mr. Speaker, that is the truth. People can talk a good line. They can say that they need this thing or they need that thing or we need to do this or we need to do that. Oftentimes Members on the other side go home and say wonderful things about what they would do

if they were given the opportunity. Well, here was an opportunity that was given to all Members of the House, and what happened is the fact that they did not support it. Not one of them supported it.

I am a great fan of a balanced budget amendment. I believe that a balanced budget is imperative for us to be fiscally responsible. In my first term in Congress here I have recognized, as most folks have, that the vast majority of the inertia here is all for spending, that there is very little discipline in the programs themselves, in the process that we have here, to restrain spending. So I believe that we ought to have a balanced budget amendment. We ought to have a balanced budget. We ought to only spend what we take in.

Now, our friends on the other side of the aisle, as you have just heard, Mr. Speaker, within the last 15 or 20 minutes, said, oh, yes, that is important. That is important too. In fact, it is so important, one of them said it was the most important proposal of their group. The most important proposal.

Well, I have got a couple votes to share with you, Mr. Speaker, because these are the truth. When you have to cast a vote for the record, you vote green or you vote red, that is recorded. That is recorded in the CONGRESSIONAL RECORD, and we keep track of those things because they are important. They are important because they are the truth and they demonstrate where folks stand.

A couple votes here to make a balanced budget resolution binding. That means that if we say we are going to balance the budget that you have got to follow that resolution. You have to balance the budget.

Well, there was a vote back in 1994, roll call vote 343, 1994. How many Democrats voted "yes"? Twenty-four with 229 voting "no." As you will recall, Mr. Speaker, 1994 was when the House changed. The Republicans took over the majority.

Well, we have continued to give them multiple opportunities to enact this kind of resolution. In fact, relatively recently, in 2004, roll call vote 311, how many folks on the other side of the aisle voted in favor of a balanced budget resolution on mandatory spending? Ten. Ten folks. You just heard, Mr. Speaker, that they said this was one of the most important things in their fiscal program; yet you cannot even get more than 10 folks to vote in favor of it.

How about this year, Mr. Speaker, what happened this year when we had a balanced budget substitute amendment to the 2007 budget. Now, this was an important vote. This was an extremely important vote because what this said is, yes, we believe that we ought to be absolutely fiscally responsible and we need to enact programs that will take us to a balanced budget as soon as possible.

Roll call vote 156, just this year, Mr. Speaker, 2006, how many Democrats

voted "yes"? How many folks from the group that said that this was the most important thing in their proposal? How many folks? Zero. Zero.

Mr. Speaker, that is the truth. That is the truth. As Senator Moynihan said: "Everybody is entitled to their own opinion but not their own facts." And that is a fact, Mr. Speaker. That is a fact, and that is why the Official Truth Squad believes that it is important to talk about facts, to talk about the truth.

Tonight we are going to talk a fair amount about the economy and about economic principles and about where this Nation stands as it relates to the economy, and I am pleased to be joined by one of my good colleagues and fellow members of the freshmen class, Representative THELMA DRAKE from Virginia, who, as a small business person, understands the extreme importance of fiscal responsibility and really has been a stalwart in calling forward the kinds of policies that we need in this House and across this Nation in order to make certain that we gain that kind of fiscal responsibility that all Americans, not just Republicans, not just Democrats, but all Americans believe are so important.

And I yield to my good friend from Virginia.

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Mrs. DRAKE. Mr. Speaker, I thank the gentleman for handling this hour this evening and for inviting me to participate. I found what you just went over with your numbers very interesting, because in coming here tonight to talk about the economy and the very good news of what America is facing with the growth in our economy because of the tax cuts of 2001 and 2003, I wanted to share with you that there was an excellent article in The Wall Street Journal today, and it went right along the same path of what you just said.

That article started out by saying that John F. Kennedy believed that an economy hampered by restrictive tax rates will never produce enough revenue to balance our budget, just as it will never produce enough jobs or enough profits.

In those days, when the Kennedy tax cuts were passed, 80 percent of Democratic Senators and Representatives voted for those Kennedy tax cuts. But the article goes on to point out that in 2003, when these most recent tax cuts were passed, only 7 of 205 Democrat Representatives voted for those tax cuts. And, more than that, the editorials across the Nation went on to call the tax cuts economically unsound and claimed they would increase the deficits by hundreds of billions of dollars and said they were unlikely to stimulate the wallowing economy.

What we have seen is absolutely the opposite of that.

We have also heard just recently that House minority leader NANCY PELOSI has promised that if there is an election of a Democratic House in November, that would result in the rollback

of tax cuts. It makes you wonder why, the article goes on to point out, when tax rates go down, that economic activity goes up.

I would like to share with my friend, and I know he will talk about it as well tonight, some of the facts of what has happened with those tax cuts, particularly since 2003.

In the past 33 months, the size of America's entire economy has increased by 20 percent. Incredible. Twenty percent. That is in the words of Larry Kudlow. In less than 3 years, the U.S. economic pie has expanded by \$2.2 trillion, an output add-on that is roughly the same size as the total Chinese economy. Incredible numbers.

In the 25 years before the 2003 tax cuts, economic growth averaged 1.1 percent annually. In the past 3 years, it has averaged 4 percent per year, and the first quarter of this year, we are on track for 5.6 percent for this year. Incredible numbers.

In those 36 months since the tax cuts became law, 5.3 million new jobs have been created. When we talk about Federal tax receipts, they are up 15 percent or \$274 billion last year, and when the capital gains tax was reduced from 20 to 15 percent, capital gains tax receipts grew 79 percent from 2000 to 2004.

Before I came to Congress I was a realtor, and I understood the capital gains tax on real estate. I can tell you there were many people I worked with, including myself as well, that would not have sold a piece of property at a 25 percent capital gains tax rate. We just would not do it. There is such a thing as taxpayer behavior and there is a breaking point.

What has happened with these tax cuts and the reduction to 15 percent is people are making different choices. They are now saying I can sell that rental property and I can go on and I can invest in something else.

Americans are doing that. They are creating new jobs, they are creating new opportunities, and our economy has grown incredibly.

Cutting the dividend tax rate from 39.6 percent to 15 percent has increased those revenues by 35 percent from 2002 to 2004 and tax receipts have tripled since 2003, reaching \$250 billion for the last 9 months.

I think that it is important to talk about that tax cuts truly do work. We have often heard it said that if you allow people to keep more of their own money, they will create jobs, they will create investments, they will spend the money. They will use it in our economy, all for the benefit of our Nation. But what we have today is 3 years of solid record to show that that model works.

I appreciate you giving me the opportunity to be here to talk to you. I appreciate the article this morning in *The Wall Street Journal*. I would encourage everyone to go back and read it and to really see what has happened in our economy, because often when we hear the rhetoric that we hear over and

over and over again, we don't realize the positive impact of these tax cuts.

You and I both understand that if these tax cuts are rolled back, that is a tax increase on the American people, and you and I disagree with the other side that says, well, revenues are good, let's just raise the rates and they will be that much better, because that fails to calculate what happens with taxpayer behavior and the negative impact on our economy.

Thank you for what you are doing. Thank you for giving me the opportunity to be here.

Mr. PRICE of Georgia. I thank the gentlelady from Virginia. What wonderful points you made and shed light on the Official Truth Squad and facts that you brought before us, the issue about the tax cuts, the capital gains and dividend tax cuts now at 15 percent, which we have attempted to extend and worked so hard to extend. If one would believe everything that they hear from the other side, you would believe that every single person on the other side of the aisle supported that continued decrease. Not the case, as you well know. Not the case.

There is really wonderful and good news as it relates to the economy, the remarkable economic growth that you have cited, and we will go through some of that in just a little bit.

Taxpayer behavior, I appreciate your mentioning that, because people across this Nation know what goes on here in Washington as it relates to tax policy, and they tailor what they do in their personal lives based upon that. There is no doubt about it.

I would be happy to yield for a moment, if you would like.

Mrs. DRAKE. I just want to thank the gentleman from Georgia again. I think that is an important point about taxpayer behavior. I think it is important that we allow Americans to keep as much money in their pocket to spend the way they see fit, and we now can show you that is the best model for increasing revenues for our government.

I think it is also important to talk about when those tax cuts went into effect, that they weren't anticipated, and it was \$2.2 trillion over the last decade that we had not anticipated because no one thought the tax cuts were going to do what the tax cuts actually did.

So, that, in itself, those \$2.2 trillion we had not calculated, is actually as if the residents of Florida didn't pay their income tax for 10 years. That is that amount of money. It is a huge amount of money.

I believe, and I know you do too, that our tax policy has got to support our economy, grow our revenues, and what you are seeing in the tax cuts, particularly from 2003, are doing exactly that.

Thank you for telling America.

Mr. PRICE of Georgia. Thank you so much. I appreciate your participation tonight in this edition of the Official Truth Squad, trying to bring some truth and fact and positive news to you, Mr. Speaker, and our colleagues.

I like charts, because I think that they oftentimes say so much more than I am able to put into words. We are going to go through some charts here.

This is one of my favorite charts, because it points out the time at which the tax relief occurred, the decrease in the capital gains and dividends and the consequence of that, the incredible economic growth, 12 quarters of 4 percent average growth since that point. We are going to talk about that. I am going to leave that up for a little bit because it is such wonderfully positive news that we need to be telling all of our colleagues about the importance of the changes in policy that indeed drive this kind of economic performance for our Nation.

Mr. Speaker, I have the privilege of serving on the Financial Services Committee, and we have an opportunity in that committee, as some other committees in Congress do, to hear from the Federal Reserve Chairman at least twice a year, sometimes more often, but at least twice a year.

Last week, the new Federal Reserve Chairman, Mr. Bernanke, came and spoke to our committee, and we had an opportunity to ask many questions. In response, he always gets the question, what is the state of the economy. How are we doing?

In response to one of those questions, I think he used the word "robust." The economy was robust. And I know that doesn't jive with what some folks will have you say, but I think it is important to appreciate that the numbers, in fact, demonstrate that that is indeed the case.

I would like to share, Mr. Speaker, a couple of the comments that the Federal Reserve Chair made to our committee just last week. He said that since our February report, the report of the Federal Reserve, the U.S. economy has continued to expand; that real Gross Domestic Product is estimated to have risen at an annual rate of about 5.6 percent in the first quarter of 2006; that with respect to the labor market, more than 850,000 jobs were added in the first 6 months of this year; and that the last unemployment rate stood at 4.6 percent, which is a remarkable rate, Mr. Speaker. We will go over that along with some other statistics that I think are important to point out as it relates to the economy.

When he comes to Congress, he brings with him and presents to all Members of Congress what is called the Monetary Policy Report of the Board of Governors of the Federal Reserve System, the group of individuals who set monetary policy for the United States. In so doing, they look at all sorts of different parameters that relate to our economic performance and whether or not they need to do something as it relates to the interest rate, to try to stem the potential tide of inflation.

I would like to share, Mr. Speaker, with Members of the House and you

some of the comments and statements made in this official Monetary Policy Report of the Federal Reserve, just some short portions.

Regarding monetary policy and the economic outlook, the report says, "The U.S. economy continued to expand at a brisk rate."

About economic projections for 2006 and 2007, "In broad terms, the participants expect a sustained moderate expansion of real economic activity during the next year and a half."

Mr. Speaker, that is good news, as far as I can tell. I don't know about others, what they think ought to occur, but I think any time that you have relatively reliable individuals predicting that real economic activity is going to expand over the next year and a half, that is good news.

Economic and financial developments in 2006, I found this fascinating, because if you look at the kinds of natural challenges that we have had as a Nation, one would think that the economy would have been not terribly vibrant. But here is a portion of a paragraph under the economic and financial developments in 2006. "Although last year's hurricanes caused the pace of aggregate economic activity around the turn of the year to be uneven, real GDP, gross domestic product, increased at an average annual rate of 3.6 percent for the final quarter of 2005 and first quarter of 2006, about the same pace that prevailed during the preceding year-and-a-half. Over this period, payroll employment posted additional solid gains and the unemployment rate declined even further."

Mr. Speaker, that is the kind of positive information, the kind of good news that we in this Congress ought to be sharing with each other about the tax policy that has been enacted and about the consequences of that tax policy and how that is benefiting the job performance and the job creation throughout our economy.

What about the household sector? This monetary report breaks down our economy in many different areas. The household sector, consumer spending, you have to have money in order to spend it, as you know, Mr. Speaker. Over the first half of 2006, rising employment and the lagged effect of increases in wealth continued to provide support for spending by households, the continued increase in household spending.

How about the business sector? Fixed investment, real business fixed investment increased at a solid rate on average during the final quarter of 2005 and the first quarter of 2006. Over that period, real business spending for new equipment and software rose at an annual rate of 9.75 percent, a pace similar to that over the first three-quarters of 2005.

It is why you see this chart that demonstrates the kind of economic growth. You can't have economic growth without investment in our economy, and the business sector continues to believe

strongly in our economy and the positive effects that their investment will continue to have.

How about the government sector? That is something that folks kind of track to make certain that resources are available for the Federal Government and State and local governments to be able to cover the needs of our society. In terms of the Federal Government, the quote here in this Monetary Policy Report is that "The deficit in the Federal unified budget narrowed further during the past year. Over the 12 months ending in June the unified budget recorded a deficit of \$276 billion, about \$60 billion less than during the comparable period last year."

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Mr. Speaker, as you know, the kind of tax policies that have been put in place have resulted in a decreasing level of deficit, a decreasing level of deficit. When I am home, I know it is kind of like you, Mr. Speaker, when you meet with civic groups and neighborhood groups and constituents, and they are concerned about spending at the Federal level, and rightly so.

As President Reagan used to say, we do not have a revenue problem in Washington; we have got a spending problem. And we do. And we are working to decrease that level of spending. But we are also appreciating and realizing that tax policy has consequences, and that good tax policy results in economic growth and increased revenue to the Federal Government in order to cover the kinds of appropriate expenses.

We will talk about spending in just a little bit, Mr. Speaker. How about State and local governments? "The fiscal positions of States and localities continue to improve through early 2006. In particular, revenues appear on track to post a relatively strong gain for a third consecutive year."

Mr. Speaker, that kind of quote in the Board of Governors Federal Reserve System Monetary Policy Report to Congress, one would think if you read that, understood that, and believed that to be true, which I believe it to be true, that you would not hold the kind of "Chicken Little" attitude that many folks around here hold, about saying that the sky is falling.

In fact, the economy is ticking along pretty doggone well. We are going to go through a lot of numbers tonight to demonstrate that in fact we have good news to tell the American people. Good news to tell the American people.

How about international trade? This is an area of great concern to me and many of my constituents. What about what is going on in the area of international trade? "Real exports of goods and services increased." Exports increased, Mr. Speaker. You do not hear that often. You certainly do not see it on the nightly news.

Real exports of goods and services increased 14¾ percent at an annual rate in the first quarter of 2006, far faster

than the 6½ percent rate recorded in 2005.

In the labor market. How about the labor market, unemployment and employment? Conditions in the labor market continued to improve in the first half of 2006.

Payroll employment increased 176,000 new jobs per month, on average, during the first quarter, a rate roughly in line with the relatively brisk pace that prevailed during 2004 and 2005.

Mr. Speaker, I wanted to share those with you and with Members of the House so that they would understand and appreciate that when you talk about the truth and when you talk about facts and you have individuals whose job it is to shoot straight with the Congress and straight with the American people, the kind of information that you can derive here leads one to believe that the economy is doing pretty doggone well.

Now, some folks say, well, it may be doing well, but it probably is not doing as well as it is elsewhere. You have heard that. Mr. Speaker, I know there are some folks who believe that. But thank goodness there are groups of folks who are looking at our economic performance as it relates to the rest of the world, especially the major industrialized nations of the world.

This is a report from the Joint Economic Committee that compares the economy in the United States with the economies in the major Western countries, Canada, European countries, European nations and the Japanese economy.

And this was comparing the performance since the year 2001. That is the last 5 years. I want to share with you, Mr. Speaker, a few quotes: "Although some people have expressed dissatisfaction about the performance of the U.S. economy, the economic data show that since 2001 the United States economy has outperformed every other large developed economy."

Mr. Speaker, did you catch that? The United States economy, since 2001, has outperformed every other large developed economy. That is good news. That is good news. But it is news that isn't often shared here on the floor of the House, certainly is not news that you see in your newspaper, or that you see on the nightly news. That is remarkable news, as a matter of fact.

There is a reason for it. I believe it to be the policies that have been put into place by this Republican Congress, especially the tax policy that was proposed by the President and enacted. But that quote, again, Mr. Speaker: "The United States economy since 2001 has outperformed every other large developed economy."

Real GDP growth. We rank first in economic growth in the world in terms of industrialized nations. First place in job creation. First in job creation. Largest cumulative increase in industrial production. Largest cumulative increase in industrial production, 4.6 percent. First in labor productivity growth.

Mr. Speaker, that is all wonderful, wonderful news, remarkable news as a matter of fact. Again, it astounds me that we do not have this kind of discussion going on on the floor of the House more often. Because these are all good news items.

They are the kinds of things that when shared with the American people result in a different kind of attitude about our Nation, about the direction in which we are headed, about the kinds of consequences that occur with appropriate and responsible economic policy, not the kinds of economic policy that has been proposed by some in this Congress which is to increase your taxes, because they believe that in order to increase revenue to the Federal Government you got to increase taxes.

We have demonstrated time and again if you decrease taxes, if you put more money back in the hands of people, in the purses of Americans across this Nation, and the back pockets of Americans, what happens? The economy flourishes. The economy flourishes.

We are going to go through some other numbers here, and I am going share a number of different charts again because I think that oftentimes these charts just explain a lot that brings things to focus. You have heard a picture is worth a thousands words; that certainly is true when you are talking about some economic figures.

I mentioned that there had been stronger than expected economic growth in the opening quarter of 2006. The economy has grown 18 consecutive quarters, and real GDP grew at an annual rate of 5.6 percent for the first quarter of the year.

Since the beginning of 2003, Mr. Speaker, real or inflation-adjusted, not counting for inflation, GDP growth has averaged 4 percent per year, which exceeds the World War II, post-World War II average of 3.4 percent per year.

So since the end of World War II, the average GDP growth annually in this Nation has been 3.4 percent. And since the beginning of 2003, because of the economic policies enacted by this Congress and by this President, we have seen an average growth of 4 percent, greater than the average over the last 60 years.

That is positive news, Mr. Speaker. That is positive news. This chart demonstrates much of that. Along this axis here we have the quarters. The green dotted line, vertical line here, is when the tax, appropriate tax relief, tax reductions went into place, and what you see after that is 12 straight quarters of 4 percent average growth.

Good news. Good news, Mr. Speaker. This demonstrates business investment over that same period of time. Prior to the tax cuts, again the Tax Savings Act was put into place at this point where the green vertical line is. Prior to that, the kind of business investment in the economy, and, you know, Mr. Speaker, that business investment

is so remarkably important to be able to increase the number of jobs, to have our economy flourish.

Before that point, there was not positive business investment in our economy. There was uncertainty. We had 9/11. We had come through a recession. And business wanted to have some predictability to our economic policies. And what happened with the tax reduction is that they gained that predictability, that reliability of a positive economic policy from this Congress and from this President.

What happened since then? Twelve straight quarters of positive business investment. What has happened with that is that we have seen remarkable, impressive job growth and economic expansion. As I mentioned, the economy has created 5.4 million jobs since August of 2003.

And if you see the job growth that has occurred over that period of time, it is impressive. That is why I like charts, Mr. Speaker, because they just speak volumes. Again, time is down on this axis down below here: 2003, 2004, 2005 and 2006. This vertical green line is when the tax, appropriate tax reduction policy went into effect.

You see the growth in jobs. What has happened since that point is a steady growth in jobs over that period of time. 5.3 million new jobs; 5.3 million new jobs over that period of time. Just remarkable. I mean truly, truly remarkable.

Now, some folks say, well, how is that cause and effect? Do they really have anything to do with one another? This chart is a little busy, but I think that it demonstrates what all of us know kind of in our instinct, and that is the business investment, these are the bar graph here, the red portion of the bar graph is the business investment. Remember we had 12 straight quarters of business investment after the tax reductions, the appropriate tax reductions that stimulated the economy so well, 12 straight quarters.

This line, this blue line that goes up and down, and follows, frankly, if you watch closely, follows business investment. As businesses invest, back in early 2000, what happens? You have an increase in new jobs. As businesses withdraw and retract and decrease their investment in the economy, because of unpredictability, because of concern about the economy, then what happens is that jobs decrease.

With the tax reductions, with the appropriate tax reductions, allowing more Americans to keep more of their hardearned money, what happens is that business recognizes that that is a good thing. They invest and jobs increase remarkably, 5.3 million new jobs created since 2003, since August of 2003.

I think it is also important, Mr. Speaker, to concentrate a little bit of time on the unemployment rate. When I originally studied anything about economics a number of years ago, the economists at that time would say that if you had an unemployment rate of 6

percent, your unemployment rate was 6 percent, that that was considered full employment, that because of people changing jobs, between jobs, considering looking for a job in a different area, that an unemployment rate of 6 percent was full employment.

Well, Mr. Speaker, at this point, as you well know, we have an unemployment rate of 4.6 percent. I have got a chart that demonstrates that in comparison to historical average. 4.6 percent unemployment rate. And you see here that the 40-year average is 6.0. That was considered full employment, certainly over that period of time, 40-year average. In the 1990s the average was 5.8 percent.

But what is it now at this point? 4.6 percent. Mr. Speaker, that truly is full employment. Remarkably positive news to share with the American people. But you just do not hear that as often as one ought. When you see those kind of statistics, 4.6 percent is below the average unemployment rate for the 1960s, for the 1970s, for the 1980s, and for the 1990s, phenomenal. And again the reason for that is appropriate tax policy, appropriate economic policy, put in place by this Republican Congress and by this President.

So the robust economy has been truly remarkable. Job growth has been impressive, especially when you think about it, Mr. Speaker, think about what has happened over the last 5 years, over this period of time when those policies have been in place and the challenges that we have had to our economy.

Just to name a few, we had the stock market decline beginning in 2000. The recession that we had at the beginning of this decade, the terrorist attacks on 9/11 certainly affected the economy to a huge degree.

The consequences and the responsibilities that we have clearly, that all of us believe are so remarkably important in waging the global war on terror, the hurricanes, devastating hurricanes of last fall and before. We oftentimes, because of the magnitude of Hurricanes Katrina and Rita, we oftentimes do not recall the kinds of annual hurricanes and storms and natural disasters that oftentimes sap much of the resources.

And then the higher energy prices. All of these things, and just one could be thought to have affected in a remarkably adverse way our economy. But what has happened, Mr. Speaker? What has happened is that economic policy in place, appropriate tax reductions in place, allowing the American public to keep more of their hardearned money. And what happens is that the economy flourishes and we have an unemployment rate of 4.6 percent.

Now, it has been said that in order to increase tax receipts to the Federal Government, in order to increase revenue that is coming into the Federal Government, you got to raise taxes. You hear that all of the time from

folks who say, we need more money, we need more of your money, America. We need more of your money in order to pay for the kinds of programs that the Federal Government has to run.

But President Kennedy knew it, President Reagan knew it, President George W. Bush knows it, this Republican Congress knows it, and that is that when you decrease taxes, kind of counterintuitive, but when you decrease taxes, what happens is that the economy flourishes, we have talked about that a lot this evening, the economy flourishes, the number of jobs increase, the amount of money that is being paid to individuals increases, the number of folks who are employed increases, and because of all of that, the tax receipts actually increase.

And it is important to appreciate that, because unless one understands that, Mr. Speaker, unless you appreciate that the lower taxes are, the higher tax revenue you get, then you are going to draw a wrong conclusion about how we ought to proceed as a Nation.

The CBO forecast, the Congressional Budget Office forecast down there on the far right was for 16.8 percent of a share of the GDP for tax receipts. The forecast for the budget in fiscal year 2005 was the same. What happened? What happened because of the tax policies is that we have a remarkable increase in tax receipts to the Federal Government.

That is good news, Mr. Speaker. That means that the tax policy is working. You allow Americans to keep more of their hardearned money, then what happens is that the Federal Government sees more tax revenue, and hopefully we will be able to continue to decrease taxes on Americans, all across the spectrum, all across the spectrum.

Mr. Speaker, I think it is always important to talk, when we talk about taxes, and when we talk about the economy, you oftentimes hear our friends on the other side of the aisle trying to divide people between the haves and the have-nots, the rich and the poor, upper class and middle class, lower class. They will oftentimes say things like, people need to pay their fair share of taxes. You hear it all of the time, Mr. Speaker. I know you do.

Well, I think it is incredibly important to demonstrate who, in fact, is paying taxes at this point in our Nation. This chart just speaks volumes. Absolute volumes. On this axis here we have the percent of taxes that are paid by what percent of individuals who are in our Nation.

The top 1 percent wage earners. Mr. Speaker, the top 1 percent wage earners in our Nation pay over 30 percent of the taxes. The top 1 percent pay over 30 percent of the taxes. You see that the top 5 percent pay over 50 percent of the taxes. And you go on down and appreciate that largest bar there is the top 50 percent of wage earners in this Nation pay over 96 percent of the taxes in this Nation.

That is a progressive tax rate. That is the kind of tax policy that we have in place. I think we ought to decrease a lot of those taxes. But it is important for people to appreciate that folks in the bottom 50 percent of the wage earners who are striving to get into this area up here, and we are working as hard as we can to have policies in place that will allow them to do that, but the bottom 50 percent of wage earners in this Nation pay about 3½ percent of the taxes in this Nation.

I do not say that to belittle anybody. I say that to bring truth and fact to the discussion and to the debate. So when you hear people say, people need to pay their fair share of taxes, well, I would suggest to you, Mr. Speaker, that folks are paying their fair share and then some, and then some of taxes that we have in this Nation.

Now, we hear a lot of talk, Mr. Speaker, about the deficit, about the deficit, and how the deficit is too high and how we are not being responsible in our spending. I would agree with folks that the deficit is too high. Because I believe, as I have mentioned earlier, that we ought to have a balanced budget, that we ought not spend any more money than we take in.

But you hear people all the time saying this is the worst deficit in the history of the Nation. In fact, Mr. Speaker, in fact, remember it is the Official Truth Squad, in fact what we have seen over the past 12 months is a Federal deficit as a percent of GDP, Gross Domestic Product, of 2.1 percent.

Now the average in the 1990s, the average in the 1990s, 2.2 percent. That is higher Federal deficit as it relates to percentage. You can talk about absolute numbers. But absolute numbers do not compare apples to apples, because of inflation and expansion in the economy, and the level of Federal revenue.

See, it is important to talk about percent of gross domestic product when you talk about what the Federal deficit is. Again, this is not where I would like it to be. I would like it to be zero. And you remember the policies that we put on the floor of the House to vote on, the PAYGO policies and the balanced budget policies that we put on the floor of the House to vote on? Our friends on the other side of the aisle overwhelmingly rejected them, overwhelmingly. That is the kind of cooperation, we need greater cooperation in order to bring that down.

□ 2120

But in spite of that, in spite of their reluctance to assist us in appropriate fiscal decisions, what we see is a 2.1 percent Federal deficit as it relates to gross domestic product. Ten years ago what was it? 2.3 percent. And, remember, the average for the 1990s was 2.2 percent.

So I think it is extremely important, Mr. Speaker, for us to be honest when we talk about the economy, to be honest when we talk about the budget, and to be honest when we talk about where

the problem is as it relates to the budget. Where is the big money being spent? Where is it going? And I have got a few charts that I would like to share with you on that, Mr. Speaker.

These are pie charts that demonstrate where Federal monies go when the Federal Government spends the large pot of money that it does every single year, where does it go? Where does it go? And this breaks it into three different areas in the pie chart and over a 20-year period of time, 1995, 2005, and 2016. And the three different areas, the green is the discretionary portion of the budget, the red is the interest, and the yellow is the mandatory portion.

The mandatory portion is primarily Social Security, Medicare, and Medicaid, those programs that are oftentimes called entitlement programs. I don't like to call them entitlement programs because I think that means that you absolutely can't reform them, that there isn't any way to be able to change positively those programs for the beneficiaries and for all members of our society. But Medicare, Medicaid, and Social Security.

In 1995, those mandatory programs, automatic programs oftentimes I like to call them, spent 48.7 percent of the Federal budget. 48.7 percent of the Federal budget. Now, these are programs that are on kind of an automatic spending course. If we as a Congress don't act, then they continue to increase at a rate greater than inflation. In 2005, those three programs, Medicare, Medicaid, Social Security, basically those three programs spent 53.4 percent of the Federal budget. Mr. Speaker, that line continues to increase. In 2016, if no changes are made or put in place, those three programs will incorporate 63.9 percent of the Federal budget. And in 30 years, Mr. Speaker, if I had a pie chart that had us 30 years down the road, the entire pie would be yellow. The entire pie would be yellow, because those three programs, Medicare, Medicaid, and Social Security, would consume the entire Federal budget.

Now, I point that out because I think it is important for people to appreciate that one of the responsibilities that we have in Congress is to make certain that that kind of economic policy doesn't occur. We are living in a changing demographic in our society, and one that will not sustain that kind of mandatory spending. And so the President 1½ years ago or so and many of us in Congress felt that it was appropriate to begin moving in a direction of greater fiscal responsibility when it comes to spending in the area of Social Security and Medicare and Medicaid, and we selected Social Security to begin that debate.

And as you will recall, Mr. Speaker, as so often happens regretfully and regrettably is that the folks who oppose any responsible spending here from Washington demagogue that issue to a

degree that they scared every single individual across this Nation into believing that the kind of policies that were being proposed were going to destroy the program. Well, nothing could have been further from the truth.

What we were attempting to do was to make it where that kind of growth curve in a mandatory or an automatic spending program didn't occur so there was greater fiscal responsibility here at the level of the Federal Government and we were attempting to empower individuals in their communities to a greater degree with the kind of resources that they would gain from their employment.

If we don't, if we don't make certain that we address and fundamentally reform those three programs, Social Security, Medicare, and Medicaid, we will not be able to sustain the kind of Federal Government, the kind of policies either in defense or in transportation or in energy, all of the things that we need to be doing as a Nation in a positive way to move forward, we will not be able to do those things unless, unless we responsibly, responsibly, go ahead and reform the mandatory spending.

This chart points out the fact that the growth in those mandatory spending programs, if the law isn't changed right now, if we don't act positively together as a Congress, if we don't change that, these programs will grow at a rate of about 6.2 percent every single year.

Now, you see that the rate of inflation is estimated to be about 2.4 percent. Well, those programs will outpace the rate of inflation. They will also outpace the growth in membership in those programs. That is again, Mr. Speaker, an economic policy that is truly unsustainable. That is not something that we can continue as a Nation.

Mr. Speaker, I just want to point out that we are continuing to try almost weekly to encourage our colleagues on the other side of the aisle to assist us in being fiscally responsible, helping to solve many of the challenges that we have. This week is no different. We will have on the floor of the House this week H.R. 5766, which is an act called The Government Efficiency Act. And what it does is sets up a framework to target inefficiency, waste, fraud, and abuse in the Federal Government to make certain, to make certain that we route out that kind of waste, fraud, and abuse.

I want you, Mr. Speaker, to make sure that you watch how our friends on the other side of the aisle vote on that, because you heard them earlier say that making certain that we decrease inefficiency, waste, fraud, and abuse is so incredibly important as a Federal Government. I believe that to be true. We have got a bill that will do that. We are going to give them the opportunity to vote "yes," vote positively and vote "yes" on something. So I encourage you, Mr. Speaker, to keep an eye on H.R. 5766 as it comes up for a vote this evening.

I have got just a few moments left, but I am pleased to be joined by my good friend and colleague from Georgia, Representative LYNN WESTMORELAND, who is a wonderfully fiscally responsible member of the freshman class, and I yield to my friend from Georgia.

Mr. WESTMORELAND. Thank you, Mr. PRICE, and I appreciate you doing this tonight.

I have listened to the other side and your debate, and basically, Mr. PRICE, wouldn't you just assume that this basically comes down to a difference in philosophy? I heard about the deficit, I heard about the spending. But I believe that this Republican majority and the leadership in this House has given the other side every opportunity in the world to reduce that deficit. I believe we had the Deficit Reduction Act that the Republican majority had to pass themselves. And their philosophy is, to reduce the deficit, they would raise taxes. None of us like the deficit. We need to cut our spending. But every opportunity that the majority has had to cut spending, we have been opposed by the other side.

So I think what the people, Mr. Speaker, and, Mr. PRICE, need to realize is that this is a difference in philosophy about how this government should be run and about where the priorities for our spending are. And I know you had the chart up there about Social Security and Medicaid and Medicare. And we all want people to get their benefits, but there is going to come a time of reckoning, and the majority party in this House has taken the leadership to try to address some of those things.

□ 2130

Not by cutting them but just by slowing the growth, and yet at every turn, at every turn you know that we have had opposition from the other side. So there has got to be a point where they come to the realization that they need to help us. They need to become part of the solution, rather than just being a party of "no."

Mr. PRICE of Georgia. Madam Speaker, I appreciate those comments so much, and I appreciate you reminding me about the Deficit Reduction Act. It was in my notes, and I wanted to make certain we pointed that out. We had that bill passed earlier this year in January. It would save the American people \$40 billion.

Mr. WESTMORELAND. If you do not mind me interrupting, but that was at no cuts. This was just a decrease in the spending, a decrease in the growth of our government; and they spoke about sitting around the kitchen table and talking about your budget. We all do that. We all have to do that. The American family has to do that, but at the same time, if we know we are going to get a 5 percent pay raise or whatever, we cannot spend more than that. Sometimes we have to rein in our spending, and this is what the Republican majority has tried to do here.

So I want to thank you for bringing the Truth Squad to the floor and for explaining to all of us exactly the good things that this majority party has done to put this country in the right direction, and I might also add that our deficit has come down over the last quarter and the last months due to these tax cuts that we gave the American people because they know so much better about how to spend their money than we do as a Congress and as a government.

But I want to thank you for taking this opportunity to bring the Truth Squad to the floor and to bring truth to some of the things that are said here.

Mr. PRICE of Georgia. Thank you so much. I appreciate that, appreciate your comments, your pointing out again the Deficit Reduction Act that we passed on the floor of this House earlier this year with not a single vote from other side, again \$40 billion in savings, which is just simply decreasing the increase that is going up in those mandatory programs, many of those mandatory programs.

So I appreciate you pointing that out, and it just really is a privilege for me to be able to, on behalf of the leadership and behalf of the Republican Conference, to be able to come to the floor tonight and to share some positive news, to share some facts and share some truth about the American economy, about the importance of allowing Americans to keep more of their hardearned money; and when you do that, when we do that as a Nation, as a national policy, what happens is that the economy flourishes and people are better off.

Madam Speaker, I look forward to being able to share more comments at some point in the future. I appreciate the opportunity to be with you tonight.

### 30-SOMETHING WORKING GROUP

The SPEAKER pro tempore (Ms. FOX). Under the Speaker's announced policy of January 4, 2005, the gentleman from Ohio (Mr. RYAN) is recognized for 60 minutes.

Mr. RYAN of Ohio. Madam Speaker, I appreciate the opportunity to kick off the 30-something Working Group, and my good friend Mr. MEEK from Florida, who was delayed for a minute, will be here any second to talk about taking America in a new direction.

We have heard a lot tonight, and I want to agree with my colleagues on one thing that they said earlier, just a few minutes ago, that the American people know how to spend their money better than the United States Congress, and I agree with that.

If you look at where this Congress has given the money, \$16 billion in subsidies to the oil companies, hundreds of thousands of dollars in tax returns, tax breaks for millionaires, Madam Speaker, I agree that the American people would not do that, and that is why it is time to take the country in a new direction.