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

STATE OF U.S. ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentlewoman from New York (Mrs. MALONEY) is recognized for 30 minutes as the designee of the minority leader.

Mrs. MALONEY. Mr. Speaker, there has been a great deal of happy talk lately from the Bush administration and its supporters about the state of the American economy. To hear them tell it, you would think that some kind of supply-side miracle has taken place in the past few months and that the economy is now performing so well that jobs are plentiful, workers are well paid, that the budget deficit is being slashed in half, and that the trade deficit, which happens to be the largest in history, is nothing to worry about.

□ 2300

Of course nothing could be further from the truth, and all we have to do is go out and talk to our constituents to know that. Tonight my colleagues and I want to set the record straight on the economic policies of the Bush administration.

We want to look at the real record of job creation, the continued presence of unemployment, the failure of wages to keep up with inflation, and the widening disparity between the haves and the have-nots which is tremendously troubling. We will document how ordinary workers have been shortchanged in this economy, which has gone through the most protracted job slump since the Great Depression.

This chart summarizes the point well. The Bush administration has the worst job creation record of any administration back to Herbert Hoover. This chart shows the average rate of job creation by this administration. For most of his term, President Bush was the only President since President Hoover to actually lose jobs. Now he is at least in positive territory, but with a very anemic job growth of just 0.2 percent per year. Compare that with the 2.4 percent annual job growth under President Clinton, which is more than 10 times greater. Compare this from the Clinton administration back to the Hoover administration.

The Bush administration and its supporters will not take responsibility for the failure of their policies. Instead they keep saying the same thing over and over again: tax cuts. But the Bush administration's economic program has not created an economy that works for America's ordinary citizens, and they have mortgaged our future.

Responsible analysts have shown that the Bush tax cuts were poorly designed for generating jobs and putting people back to work in the wake of the 2001 recession. They had very low ''bang for the buck'' in terms of job stimulus in the short run, but they were so massive, they created a legacy of large budget deficits and mounting debt that will be a drag on the economy in the long run.

President Bush has squandered the hard-won fiscal discipline achieved in the 1990s. He inherited a 10-year budget surplus of $5.6 trillion and turned it into a stream of deficits. This chart shows what has happened so far. This chart shows that when President Bush took office, the Congressional Budget Office was projecting that the budget surplus of $236 billion in 2000 would grow to over $433 billion in 2005. In fact, the latest projection from the administration is that the budget will have a deficit of $333 billion this year.

In their mid-session review, the administration proclaimed this a major improvement because they had projected an even larger deficit in their January budget. But $333 billion is still the third largest deficit in the history of our country and a far cry from the $435 billion surplus that was being projected at the start of the Bush administration.

The administration is portraying a future of declining deficits over the next few years, but that is not what responsible analysts say. They observe instead that special factors were probably the reason for the jump in revenue this year, and they point out how much is left out of the budget projections, including the ongoing cost of the war in Iraq and Afghanistan and a fix for the alternative minimum tax.

We have become a Nation of debtors, relying on the rest of the world to finance our budget deficits and the rest of our excessive spending.

Last year we had to finance a record current account deficit of $668 billion, and that deficit was even larger at an annual rate in the first quarter reaching 6.4 percent of our gross national product.

Foreign governments are holding large quantities of our public debt, putting us at risk of a major international financial crisis if they should decide that the benefits of holding dollars are no longer worth the risk.

Mr. Speaker, our future prosperity depends on increasing our national savings and making wise investments. It depends on being ready for the retirement of the baby boom generation and the pressure we know that will be put on the budget. But how is the Bush administration preparing us for this future? With more deficits and more debt. They want to make the tax cuts that have gotten us into part of this mess permanent, and they have a plan for privatizing Social Security that would cut benefits substantially and add even more to our debt. We need a better plan.

Mr. Speaker, in the remainder of our time, we will look more closely at the realities of this economy and the failures of the current economic policies, including the weak labor market that continues to be a major characteristic of the Bush administration economy.

Mr. Speaker, I yield to the gentlewoman from California (Ms. LORETTA SANCHEZ), an economist by training.

Ms. LORETTA SANCHEZ of California. Mr. Speaker, I thank the gentlewoman from New York (Mrs. MALONEY) for putting together this Special Order.

I think the chart that was just up is a very important chart to talk about. A lot of people ask me what is the most important thing you are worried about when you go to sleep at night. They know that I sit on the Committee on Armed Services and the Committee on Homeland Security. I tell them the problem is the debt and the deficits that we are creating in Washington, D.C. because they will come back to haunt each and every family in this United States.

The chart there shows that when President Bush took office we were running a surplus, a surplus in the annual budget that we had, in other words, our annual spending plan. President Clinton had structured our taxes in such a way that he brought down the deficit from earlier years, and we were in a surplus. We were collecting more taxes than we were spending in a year, which allowed us to take those additional taxes and bring down the debt, the actual debt that this country carried.

But what happened when President Bush came into office? He began to change that around because spending went up and we collected fewer taxes. We have given three large packages of tax cuts in the time that President Bush has been in office. His own controller has said that the reason we are running deficits, 70 percent of that is due to the fact that we just do not collect taxes. We do not collect enough taxes to pay for the programs that we are spending on an annual basis. So 70 percent is due to the fact of those tax cuts. And those tax cuts, quite frankly, were not even very good; they are haphazard. They were used to buy votes and to make everybody think they had gotten a tax cut, but when you look at the tax packages and what has happened to us as a Nation in order to invest in our future, they were very poorly written and really do not do very much for our overall economy.

But this deficit problem that we see on this chart, every year we are spending more than the moneys we are taking in in Washington, D.C. That is a problem because it adds to our debt. It is a problem because this just keeps growing and growing. Our debt is now over $7 trillion, and no one seems to mind here in Washington, D.C.

We can give you tax cuts, we can spend $1.5 billion a week on a war in Iraq, and everything will be fine. When will that happen? Who will pay this debt? Well, sooner rather than later we will, my generation. And then when we cannot get to it, our children. After our children, our grandchildren. This is a major problem for us. The reason it is a problem is because unless you invest in your country for the future, you are going to become disadvantaged economically compared to the rest of the world. What do I mean by that?

□ 2310

Every week that we spend $1.5 billion in Iraq, we get nothing back in return, not one little dime on that investment. Meanwhile, we do not invest in education, we do not invest in a health care system, we do not invest in telecommunications, we cannot even pass a transportation bill in this town, we do not invest in new technology. When you do not invest in those things that make you more productive, sooner or later the Chinese and people from India and other places will be smarter, will be better equipped, and will be better able to take over the global economy.

We are not investing in our children. We are not investing in ourselves. We are not retraining those people who have lost jobs. We are not helping them. We are not building the next new thing. We are not putting enough money into research because we are not taking in the money at the Federal level because of those tax cuts and because we are spending it on a war that is bringing nothing, no rate of return back to us.

Mrs. MALONEY. I thank the gentlewoman for her comments.

The great American jobs machine, which created over 20 million net new jobs under President Clinton, has been sputtering under President Bush. We are only just emerging from the most protracted job slump since the 1930s. Job creation is still sluggish. There continues to be substantial hidden unemployment. Wages are not keeping up with inflation, and there is a widening gulf between the haves and the have-nots. The benefits of the economic recovery are showing up in the bottom line of companies, but not in the paychecks of American workers.

Let us look at job creation. Last month there were 1.1 million more jobs on nonfarm payrolls than there were when President Bush took office in January of 2001. That is a paltry pace of job creation of just 20,000 jobs per month, 2/10 of 1 percent per year. That is the slowest pace of job creation under any President in over 70 years.

Leaving aside job creation in the government sector, there were just 161,000 more private sector jobs on U.S. payrolls last month than there were when President Bush took office. Within the private sector, manufacturing was particularly hard hit, with payrolls declining by 2.8 million manufacturing jobs between 2001 and 2005. That is 2.8 million manufacturing jobs lost. The job slump associated with the recession that began in March 2001 has been the most protracted job slump since at least the end of World War II. We only have consistent data back that far. But, in fact, one would have to go back to the 1930s to find a worse job slump.

As you can see in this chart, which focuses on the period after the end of World War II and shows the percentage change in employment after the start of a recession, job losses typically stop about a year after the onset of a recession, and employment begins to increase after about 15 months. Within 2 years, employment surpasses its prerecession level and is expanding at a healthy pace.

The most recent job slump has been dramatically different from that pattern and even more protracted than the so-called ''jobless recovery'' following the 1990–1991 recession. In the latest recession, which began in March 2001, job losses continued until May 2003, more than 2 years after the start of the recession. It was not until January 2005, nearly 4 years later, that payroll employment finally climbed out of the hole created by the recession.

The administration seems to think that it is evidence of a strong economic recovery that payroll employment has increased in every month since May 2003, but the pace of job creation over that period has been just 148,000 jobs per month. This is not the kind of job creation that you would expect in a strong economic recovery. In fact, it is only a little bit faster than the amount of job creation that is needed just to keep pace with normal growth in the labor force. We have to have between 125,000 to 150,000 new jobs created to just keep pace with the number of workers going into the labor force.

Compare this experience with the 1990s the long economic expansion of the 1990s under President Clinton, it was common to see job gains of 200,000 to 300,000 and, in some cases, 400,000 jobs per month. But months with job gains of 200,000 or more have been few and far between in this business cycle recovery. In May, 104,000 jobs were added and in June, 146,000 were added. These are not strong numbers because, as I said, we have to create between 125,000 and 150,000 new jobs just to keep pace with the new young workers moving into the job market.

The expansion of the 1990s started slowly, but the jobless recovery following the 1990–1991 recession pales in comparison with the prolonged job slump we experienced after the 2001 recession. At this point in the recovery from the 1990–1991 recession, the economy had created over 4 million more jobs than we have seen in this recovery.

Contrary to administration claims about the success of their policies in stimulating the economy and producing jobs, the facts tell a very different story about the Bush economic record on job creation. President Bush has the worst job creation record of any President since Herbert Hoover, and the economy under President Bush has struggled to escape from what has been by far the most prolonged job slump in the postwar period.

I yield to the distinguished gentlewoman from California for further comments on this issue.

Ms. LORETTA SANCHEZ of California. In fact, the Bush administration does try to paint things rosy, but we have to admit, you can feel it out there. You can feel it in towns. You know it. You can feel it within your family. During the Clinton years, everybody was making money. People had jobs. They had good jobs. We could see the economy expanding.

As an economist, I will tell you that in business school we learned that there are ups and there are downs in the economy. They are called cycles. A typical business cycle lasts 12 to 14 months. With Clinton in office, it lasted 8 years. There was a reason. He took the hard steps to bring in the money to pay down the debt of the United States. People realized that financially our house was in order, and it was sound, and it was getting sounder. But with Bush, it is completely the opposite. That is one of the reasons why we have an anemic job creation going on.

And other figures that they throw out, oh, unemployment is down. Let me tell you why unemployment would be down. After a while when you cannot find a job and you stop looking for a job because there is just not a job to be had in town, you come off the unemployment rolls, you are not considered unemployed anymore. You are just left. You are not in the figures. If you used to have a job that paid $25 an hour and had vacation time and had a pension, had health care paid, and you look and you look and you look for that job, but there is not a job to be had like that, and you are losing your home because you cannot pay your mortgage, and your kids need to be fed, and the only job you can get is to go down to McDonald's or something and get a minimum wage job, that happens, guess what, you are no longer unemployed. You are no longer unemployed.

That is why when they say unemployment is going down, what they mean is people are underemployed. They are taking whatever job they can find, without pensions, without medical health care for their families. These are not the same jobs that they used to have, that we used to have. That is why we feel it. We feel it in America. We know. Our gut tells us things are not as good today as they were back then under the Democrats.

□ 2320

Mrs. MALONEY. Mr. Speaker, reclaiming my time, I thank my colleague for her comments. And one of the things that we have talked about that is very troubling to her and me besides the sluggish job growth and the hidden unemployment which she talked about, the third most disturbing development in the labor market is the widening disparity in earnings between the haves and the have-nots. It is fundamentally unfair, and democracy works better when there are not huge differences between our people. And as Chairman Greenspan has testified before Congress many times his concern about this widening distance, he has argued that it tears at the very social fabric of our Nation.

And let me illustrate this with a few facts. The Bureau of Labor Statistics publishes data on the usual weekly earnings of full-time workers at different points on the wage ladder, and the chart shows that after adjusting for inflation, the usual weekly earnings at the exact middle of the distribution, real median usual weekly earnings, grew a paltry .2 percent per year from the fourth quarter of 2000 to the fourth quarter of 2004. That contrasts with the healthy 1.7 percent per year in the previous 4 years under President Clinton. In other words, the typical worker, whose earnings grew substantially faster than inflation in the late 1990s, has seen the earnings growth grind to a halt during the first 4 years of the Bush administration. The typical worker's earnings barely kept up with inflation.

Worse than the overall stagnation in earnings is the widening disparity of earnings between high earners and low earners. If we look at those same data on usual weekly earnings of full-time workers, but instead of just looking at the middle, we look at the top and bottom as well, we see a disturbing pattern. In this chart, the blue bars show growth in the Clinton years. Yes. There was very good growth at the very top of the distribution, but there was likewise substantial growth in the middle and at the bottom as well.

Compare that with the red bars showing the changes during the first 4 years of the Bush administration. Real earnings at the bottom of the distribution, the 10th percentile, actually fell at an average annual rate of .3 percent per year in President Bush's first term, while those at the top, the 90th percentile, rose the most, almost 1 percent per year. In other words, the earnings that lagged farthest behind for inflation under President Bush were those people with the lowest earnings to begin with, while the earnings that grew the fastest, faster even than inflation, were those for people at the highest earnings to begin with.

Finally, we come to the most disturbing trend of all. Things have been getting worse, not better, recently. During the period when the economy has finally started creating jobs, earnings have not been keeping up with inflation. In the past year, the only earnings that grew faster than inflation were those of people at the very top. Everyone else saw their cost of living grow faster than their earnings. And when we look at the facts of what is happening to most workers, it is hard to accept the President's argument that his tax cuts have worked to create better jobs and higher wages. That is not what we see when we look at this data.

It is very troubling to the people, and it is very troubling, I would say, to the future of this country. It is not good for anyone, whether they are at the top or bottom, to have this wage gap growing and this disparity growing in our Nation. It is an extremely troubling trend.

I yield to the gentlewoman from California.

Ms. LINDA T. SÁNCHEZ of California. Mr. Speaker, I believe that this chart really tells a great picture. We look at these blue bars. We start on one side and we see people who make the least amount of money, and we go across the way to people who are very rich and making lots of money. And the blue bars are during Clinton's time, and what they say about ''a high tide raises all boats,'' we can see that. See the blue. They all grow up.

The red represents the Bush years. The one under, the negative growth, are the poor people, the people who make the least amount of money. And the big red bar on the other end, those are the people who make the most money on an annual basis. Look at that. So that is what Bush has done. He has rewarded those who make the most money by increasing what they are making, and those households that make less money actually are losing ground.

But we do not have to look at a chart like that. We can see it every day. What is the biggest disparity that we have between those who have great jobs and those who have minimum-wage jobs? One of the major things is education, for example. Those who have a better education, they are probably, probably, going to make more money.

So what has Bush done during these years? If we look at this budget that he proposed this year, cutting moneys to community colleges, a place where people who have lost their jobs can go and get new skills, get retrained, the money is not there anymore. Places for immigrants who want to learn English at night, for example, cannot get into those classes anymore. The Republicans are trying to cut the student loan program, a way in which people, people who do not have money, are able to go and finance an education. I know because I had student loans, Pell grants. Those are the out, and scholarships that we give to people who want to go get a higher education, he managed to raise it by only $100. Think about that. Tuition going crazy at colleges and universities. Anybody who has got teenage kids and is looking at this can see the trend: $100, that is the increase that the President says is going to fix everything.

But the biggest disparity that has happened from this President is the fact that he put in a signature package called No Child Left Behind where he was going to look and measure how our kids were doing in our kindergarten through 12th-grade system, and if they were not doing well, if they were below the level where they should be, we were going to tutor them, get more people in to help them, take extra care of these kids so we can bring them up to the average where they were supposed to be. Guess what? Nine billion dollars short. In other words, he passed the program, but he forgot to fund it. And then people wonder what is wrong with education?

We are not investing in one of the most important things we have to do, and that is to get our people up, to make them scientists and mathematicians. Go to the universities. Go to the universities and look and see who is teaching our math and science classes. They are foreigners. And then take a look at who is in the class. They, too, are foreigners. And it used to be that these foreigners stayed in the United States, and they became Americans, and they helped us to make the new, new things and the new industries and the new technology, but now our very own companies are getting them and sending them back to India or China or wherever they come from, and they are competing against us.

Mrs. MALONEY. Mr. Speaker, reclaiming my time, the gentlewoman has pointed out a good fact there.

But let us talk a little bit now about the American jobs machine, which brought the unemployment rate down under President Clinton.

The SPEAKER pro tempore (Mr. PRICE of Georgia). Under the Speaker's announced policy, the gentlewoman is recognized for an additional 30 minutes.

Mrs. MALONEY. Mr. Speaker, the great American jobs machine, which brought the unemployment rate down under President Clinton from 7.5 percent in 1992 to 4 percent in 2000, has been sputtering under President Bush. We are only just emerging from really the worst job slump since the 1903s, and job creation is still sluggish. There continues to be substantial hidden unemployment. Wages are not keeping up with inflation, and there is a widening disparity, as we talked about, in wages and incomes.

□ 2330

The benefits of the economic recovery are showing up in the bottom line of companies, but it is not showing up in the pocketbooks of American workers.

Let us look at hidden unemployment. The good news is that the official unemployment rate has come down from its high of 6.3 percent in June of 2003 to 5 percent this last month. The very bad news is that a 5 percent unemployment rate is still nearly a percentage point higher than it was when President Bush took office.

But, it is worse than that, because there is an additional hidden unemployment. People have not come back into the labor force the way they usually do in an economic recovery. Last month, 7.5 million people were officially counted as unemployed, 1.5 million more people than were unemployed when President Bush took office in January of 2001.

To be counted as unemployed, a person must be actively looking for work, but in a weak labor market, there can be considerable hidden unemployment and underemployment if people who want to work have been discouraged from looking for work, and if people who want to work full-time can only find a part-time job. In a typical business cycle recovery, people come back into the labor force as the prospects of finding a job improve but, this time, the labor force participation rate has remained depressed, compared with what it was in the start of the recession.

Last month, 5.2 million people who were not in the labor force said they wanted a job. About 1.6 million of these are considered ''marginally attached'' to the labor force because they have searched for work in the past year and are available for work, but they are not counted in the official unemployment rate, because they did not search for work recently enough. In addition to people who are not in the labor force but say they want a job, 4.5 million people were working part-time in June because of the weak economy. They wanted full-time work, but they were not able to find it.

The official unemployment rate was 5 percent in June. The Bureau of Labor Statistics estimates that if marginally attached workers were included, the unemployment rate would have been 6 percent, and if those working part-time for economic reasons were also included, it would have been 9 percent. A new study by Katherine Bradbury of the Federal Reserve of Boston reaches similar conclusions: labor force participation has not rebounded in this recovery the way it usually does, and the unemployment rate would be 1 to 3 percentage points higher if those missing participants were in the labor force.

Mr. Speaker, the President and his supporters seem to think that a 5 percent unemployment rate shows the success of their economic policies in creating jobs, but the facts tell a very different story. Employers are not hiring as though they believe the economy is strong, and potential workers are staying out of the labor force. The unemployment rate is still almost a percentage point higher than it was when President Bush took office, and there is considerable hidden unemployment. Employers are not hiring as though they believe the economy is strong, and potential workers are staying out of the labor force.

So these numbers are not strong, and I ask my colleague if she would like to elaborate.

Ms. LORETTA SANCHEZ of California. Well, almost everywhere you look in the economy, if you really understand what is going on, the numbers are not strong; the numbers just are not strong. Again, one of the things we need to do as a country is to invest in our people and invest in our country, make ourselves economically strong, because other countries are doing it. China is investing. They are not spending $1.5 billion a week in Iraq. They are investing in their people, they are building their water systems, their sewer systems, their transportation systems, their telecommunications systems; they are making themselves stronger. That is what countries do in order to bring up their standard of living.

Now, I have already told my colleagues that we are really not putting the money into education. Even the chairman of the Federal Reserve Board, Chairman Greenspan, said the other day in front of our economic committee, after everything he said and we had all kinds of questions, all kinds of things to say, and he kept coming back to the same thing: there is a problem in education in the United States, and if we do not fix education, nothing else matters. That is what he said to us, pretty much over and over: nothing else matters. It is productivity.

So we are not investing in education, we have not been able to pass a transportation bill to put people to work in their own communities, building their transportation systems so they can be more productive, so they do not spend as much time in traffic, for example, and those are good-paying jobs. Those are good-paying jobs that spin off other jobs, but we are not doing it from here. Why? Because we are sending the money out. Meanwhile, we are talking about building schools in Iraq and building transportation systems in Iraq, and building water systems in Iraq, but we are really not doing it here in the United States. We are not putting the money where we need to have it put. And, let me also add that we have another major problem, and that is called the trade deficit. The trade deficit.

Just earlier this year, when the tariffs came off of textiles with respect to China, our trade deficit went crazy against that country. And it will continue so until we figure out how to invest in ourselves, how to invest in our country, how to collect the taxes and pay down our debt, bring down the deficit every year, so that people will begin to believe us again, that we understand how to run a financially sound household here.

I am sure that the gentleman from New York is probably going to talk a little bit about the statistics with respect to trade and what that is doing to us.

Mrs. MALONEY. Mr. Speaker, I really want to point out that the President and his supporters are trying to make the case that the economy is thriving and that their policies are responsible. But when we look at the facts that we have pointed out tonight, we see instead that American workers are still waiting to see the benefits of the economic recovery in their paychecks, and that we have large and unsustainable budgets and trade deficits.

In fact, this administration has set a number of records, only the problem is, they are the wrong records. They have raised the debt ceiling 3 times so that now, we have a staggering debt of over $7.6 trillion. This is the largest debt in the history of our country, and that breaks down to each American's share being over $26,000. That is what we are giving to our children and our grandchildren.

And, as was said earlier, the trade deficit is again another record, only the wrong kind of record; another record of over $619 billion, the largest in the history of this country, and growing. And, we have a staggering deficit of over $333 billion.

I remember when I ran for office back in 1992, the country had a deficit of $250 billion, and everybody said it was the worst they have ever seen. If I had told them, ''vote for me, I am going to go to Congress, I am going to work with the democratic Congress to pay off that deficit, and in a number of years you are going to see a huge surplus,'' they would have said, well, she is a nice little girl, but she does not know what she is talking about.

But that is exactly what we did. We came to Congress with President Clinton, we paid down that deficit, and he left office with a surplus, a huge surplus. That is what the Bush administration inherited. And what have they given us? They have given us a staggering deficit, a staggering trade deficit, and the largest debt in the history of our Nation. What kind of legacy is that?

Mr. Speaker, I say to my colleagues that on top of this burden that they are putting on our children and our grandchildren, they now plan to privatize part of Social Security that would also add to the debt without increasing our national savings. And, according to Chairman Greenspan, this privatization that they proposed for Social Security would not do one inch of help to help the solvency of the Social Security plan. It does not help the solvency; it just adds to the staggering debt.

□ 2340

And on top of this, they proposed cuts to traditional Social Security benefits that would undermine the economic security of future retirees. And I say to my colleagues, this is not the legacy that I want to leave to my children or to my grandchildren. It is a burden that will have a huge impact on their quality of life.

That concludes my remarks.

Ms. LORETTA SANCHEZ of California. I will just say that the whole issue of Social Security, by the way, pension plans that many of our retirees are on or believe that they are going to be on in a few years, are really due to be lost under the Bush administration.

Some of the policies that they have and some of the ideas that they have of really the security, the financial security, of people is really up for grabs with this administration with some of the ideas that they have, but that is another night. We can talk about what they plan to do to the American people on another night.

I want to finish off by saying, you know, again, we feel it. You feel it. We feel the difference between what we experienced under President Clinton and what we are experiencing under President Bush.

President Bush would have you believe it is because 9/11 happened, and because the terrorists are after us, and because we are now having to spend money in the war. And he is trying to tell you that that is why we have this malaise going on in our economy.

I have got news for you. That has very little to do with it. It has to do with the priorities of where you put your money. The priorities should be in investing in America. The priorities should be in trade because we are in a global economy, but in fair trade, not free trade, in fair trade with countries who will not have slave labor competing against us, the American workers.

It is about people who hold to promises, if we have trademarks, if we have copyrights, if we have intellectual property. If we spend the money to make a software system, it should not be pirated and copied the next day over in China and then back in our markets to compete against us. But other countries do that, and we sit here as an administration and they do nothing. They do nothing.

So they have forgotten to fund education; they are cutting it back, in fact. We have not even begun to get into the whole idea of health care. If you are not a healthy country, you are not going to be a productive country. We have not talked about investing in technology and transportation and in telecommunication. Those are all issues that are important for us. But these issues of not understanding and not standing up to other countries who are mistreating us when we trade is another reason why this trade deficit is against us, and that in return hurts us economically and builds this debt and this deficit.

But one of the biggest reasons why we have deficits and why we are adding to the debt is because again this President has told us that we can go to war, that we can do everything, that we should continue to spend, that we do not need to save as a country, and that somehow or another everything is going to work out, oh, and by the way, we do not have to pay taxes. That is his message. Well, we are smart people. Americans, we are smart people. We understand what is going on.

The answer is we need to begin to change this, and we need to get our financial house in order. And I thank the gentlewoman for having taken the time tonight to discuss some of these issues.

Mrs. MALONEY. Well, I thank the gentlewoman for her comments. And I would just like to conclude by noting that this Monday was President Clinton's birthday. And I authored a resolution congratulating him on his birthday, which emphasized his strong economic program for this country.

Although many of my colleagues or some of my colleagues may not agree with all of his policies, the facts speak for themselves. He inherited a deficit; he left office with a surplus. And while he was putting our economic house in order, we balanced our budget, and we invested also in child care, in health care, in education and helped the people in our country.

During the Clinton years there was a very important economic factor, that the distance between the haves and the have-nots came closer together. In other words, everyone prospered, which is good for the Nation. It is not good for only one segment to prosper and others to fall behind. That really could destroy the social fabric of this country. It is very disturbing to me.

So I wish that we would return to really the financial policies that we had under President Clinton where we balanced our budget, we invested in our people, in education, and health care, and we had a surplus. Yet under this administration the surplus is gone, and we have a staggering debt, the largest in our history. This is not the legacy that I want to leave to my children.

CONFERENCE REPORT ON H.R. 2361

Mr. TAYLOR of North Carolina submitted the following conference report and statement on the bill:

(H.R. 2361) making appropriations for the Department of the Interior, environment, and related agencies for the fiscal year ending September 30, 2006, and for other purposes:

CONFERENCE REPORT (H. REPT. 109–188)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2361) "making appropriations for the Department of the Interior, environment, and related agencies for the fiscal year ending September 30, 2006, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior, environment, and related agencies for the fiscal year ending September 30, 2006, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For necessary expenses for protection, use, improvement, development, disposal, cadastral surveying, classification, acquisition of easements and other interests in lands, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau, and assessment of mineral potential of public lands pursuant to Public Law 96–487 (16 U.S.C. 3150(a)), $860,791,000, to remain available until expended, of which $1,250,000 is for high priority projects, to be carried out by the Youth Conservation Corps; and of which $3,000,000 shall be available in fiscal year 2006 subject to a match by at least an equal amount by the National Fish and Wildlife Foundation for cost-shared projects supporting conservation of Bureau lands; and such funds shall be advanced to the Foundation as a lump sum grant without regard to when expenses are incurred.

In addition, $32,696,000 is for Mining Law Administration program operations, including the cost of administering the mining claim fee program; to remain available until expended, to be reduced by amounts collected by the Bureau and credited to this appropriation from annual mining claim fees so as to result in a final appropriation estimated at not more than $860,791,000, and $2,000,000, to remain available until expended, from communication site rental fees established by the Bureau for the cost of administering communication site activities.

WILDLAND FIRE MANAGEMENT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for fire preparedness, suppression operations, fire science and research, emergency rehabilitation, hazardous fuels reduction, and rural fire assistance by the Department of the Interior, $766,564,000, to remain available until expended, of which not to exceed $7,849,000 shall be for the renovation or construction of fire facilities: Provided, That such funds are also available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes: Provided further, That persons hired pursuant to 43 U.S.C. 1469 may be furnished subsistence and lodging without cost from funds available from this appropriation: Provided further, That notwithstanding 42 U.S.C. 1856d, sums received by a bureau or office of the Department of the Interior for fire protection rendered pursuant to 42 U.S.C. 1856 et seq., protection of United States property, may be credited to the appropriation from which funds were expended to provide that protection, and are available without fiscal year limitation: Provided further, That using the amounts designated under this title of this Act, the Secretary of the Interior may enter into procurement contracts, grants, or cooperative agreements, for hazardous fuels reduction activities, and for training and monitoring associated with such hazardous fuels reduction activities, on Federal land, or on adjacent non-Federal land for activities that benefit resources on Federal land: Provided further, That the costs of implementing any cooperative agreement between the Federal Government and any non-Federal entity may be shared, as mutually agreed on by the affected parties: Provided further, That notwithstanding requirements of the Competition in Contracting Act, the Secretary, for purposes of hazardous fuels reduction activities, may obtain maximum practicable competition among: (1) local private, nonprofit, or cooperative entities; (2) Youth Conservation Corps crews or related partnerships with State, local, or non-profit youth groups; (3) small or micro-businesses; or (4) other entities that will hire or train locally a significant percentage, defined as 50 percent or more, of the project workforce to complete such contracts: Provided further, That in implementing this section, the Secretary shall develop written guidance to field units to ensure accountability and consistent application of the authorities provided herein: Provided further, That funds appropriated under this head may be used to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service for the costs of carrying out their responsibilities under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) to consult and conference, as required by section 7 of such Act, in connection with wildland fire management activities: Provided further, That the Secretary of the Interior may use wildland fire appropriations to enter into non-competitive sole