

gave him a chance to declare that such abuse is unacceptable.

Like so much else, however, it was another missed opportunity. As a result of many missed opportunities since 9/11, the United States is less secure than we could be. Osama bin Laden and al Qaeda are still in operation. The Taliban are feeling emboldened. We are bogged down in Iraq, and our weakened moral standing around the world has made it more difficult for us to influence events and protect our security. Let us stop missing opportunities to strengthen our security. We must not reduce our commitment to the people of Afghanistan, and we must increase our commitment to human rights.

Mr. Speaker, we can and should do better, much better.

THE PRESIDENT'S 2007 BUDGET

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

Mr. MORAN of Virginia. Mr. Speaker, I plan to yield to several of my colleagues. Mr. SCOTT from Virginia is also going to speak, and as soon as Mr. SPRATT, the ranking member on the House Budget Committee, comes out of an important hearing on the Dubai ports issue, he will be able to join us as well.

Mr. Speaker, the 2007 budget takes America down a wrong and unsustainable path. The decisions the President made in this budget favor the wealthy over the working class. These decisions reward those who live off what the IRS considers to be unearned income, while making those who have to work long hours every day, to support themselves and their families, pay far more in taxes. In fact, I think you would have found bipartisan agreement if we could have worked out tax cuts that were more in the interest of the working class and those hardworking families.

But, in fact, when you combine the focus of the tax cuts on those who live primarily off unearned income and the spending cuts that purportedly are necessary to offset the cost of these tax cuts, the majority of young people in this country will find it harder to go to college. It will be harder for low-income elderly to get the nutrition and health care they need, and it will be much harder for our grandchildren to pay for the future needs that their generation will face.

The decisions made in the President's 2007 budget, like his budgets since 2002, define a Nation, a community, if you will, that is not the America that we know. In fact, his priorities are just the opposite of what makes America great.

We heard from our colleagues on the other side of the aisle; they call it a so-called Republican truth squad. It boggles your mind.

But the fact is that the Bush administration has raised spending while they have cut taxes. You can't fight two wars on four tax cuts, ladies and gentlemen.

The gentlewoman from North Carolina suggested that the government never invests, it only spends. Well, what does she think is the purpose of the interstate highway system that enabled our economy to fulfill its potential during the Eisenhower administration and subsequent administrations, or the money that we have put into the public schools systems to empower our working class?

And that is what we are talking about, investment that will give us sustainable benefits versus tax cuts that are immediately lost, most of which seem to be invested overseas, and cuts in the real safety net that can make America achieve its greatness.

The conscious choices made in this budget reflect the flawed policies of an administration that has taken this country down a terribly wrong path, one that consists of waging an unnecessary and extraordinarily costly war, delivering huge tax cuts to the very wealthiest of this Nation, and taking the Federal debt to depths never before experienced, while reducing services to working Americans.

First, the 2007 budget is heavily impacted by the consequences of a reckless foreign venture, namely, the war in Iraq. The President's 2007 budget sets aside another \$120 billion supplemental to cover the cost of waging this war in fiscal 2007. Of course, this is on top of a regular defense budget of over \$450 billion. And, in fact, we have now allotted over \$400 billion, when you look through fiscal 2007, primarily for this war in Iraq, and very little for the war in Afghanistan that was referred to by our colleague from Maryland.

The money that is requested in these Iraq war supplementals is \$40 billion more than we request for transportation, \$33 billion more than we request for education and training, more than \$40 billion more than we request for the care of our military veterans, more than \$90 billion more than we will set aside to protect our environment and natural resources, and more than \$80 billion for what is considered diplomacy, but is spent on dealing with the AIDS crisis, on dealing with the ethnic cleansing, the genocide in Sudan and throughout the world, places where we could have such a constructive, positive effect.

The amount of money that is being requested in fiscal 2007 for this war in Iraq will bring the total amount requested by the Bush administration to \$490 billion, an enormous sum. The American people have to ask, has this been worth it, given the results to date? But we know the results are more than 2,300 Americans who have lost their lives in Iraq; more than 16,700 who have been wounded; tens, if not hundreds, of thousands of Iraqi casualties; and yet Osama bin Laden is still

on the run. Iraq now appears to be descending into an all-out civil war and al Qaeda recruitment levels are reportedly stronger than ever.

But while our men and women are risking their lives overseas, at the instruction of this administration, and of course, we have great regard for their courage and sacrifice, we are not being asked to sacrifice at home; and, in fact, the people who have been the most rewarded by this great economy—that was built on the investments that have been made in prior generations—they are being asked to sacrifice the least. In fact, they are actually being rewarded. The same time that these men and women are going to war, we are continuing trillions of dollars of tax cuts that primarily benefit the very wealthiest in our society. And yet these tax proposals are going to cost the American people about \$3 trillion, \$3 trillion over the next decade. The benefits from these tax cuts are heavily skewed toward the wealthy.

If they were to fix the alternative minimum tax for the middle class, that would be one thing. If they were to help working-class families deal with the vulnerabilities they face in providing for their families, that would be one thing. But that is not where most of it goes. More than half of these benefits go to the 4 percent of Americans who make over \$200,000 annually.

Four years from now, in 2010, taxpayers with incomes of more than \$1 million a year will receive average tax cuts worth \$155,000, 100 times the tax cut that the average taxpayer will receive. Is that fair? Is that smart? I don't think it is appropriate, and I don't think it reflects America's priorities. And they come at a huge cost to the fiscal security of this Nation; causing massive amounts of annual Federal deficits.

Over the last 4 years, we have seen the largest deficits in the history of our Nation. Mr. SCOTT is going to show you what has happened over the last 5 years on a chart. I hope you will pay close attention. It is unbelievable.

The current fiscal year, 2006, is expected to produce the largest deficit ever in the history of our country at \$423 billion. And this doesn't even take into account the supplemental spending requests that the President will send up to the Hill any day now which will increase the 2006 deficit to well over half a trillion dollars. And fiscal 2007 will be another year of historic deficits predicted to be \$354 billion.

□ 1530

In fact, since President Bush took office, we have had the largest annual deficits in the history of this country, and those numbers are net numbers after you take the Social Security surplus and offset it against general fund deficits. So you can add another \$200 billion annually to each of those numbers.

So we are creating debt of over \$500 billion a year, Mr. Speaker. These deficits and the \$8 trillion in debt we now

have as a result of prior deficits will place on our children and grandchildren an unprecedented level of debt burden.

Because of these policies, every child born today automatically inherits \$28,000 as their share of the Federal debt. And under the President's budget proposals, a child born just 5 years from now will inherit a much larger share. In fact, they will be paying taxes for nearly the first 5 months of every year just to pay the interest on the debt that their parents' generation incurred.

The President's massive budget deficits also require us to borrow from foreign governments. Foreign investors now hold half of the country's publicly held debt. China alone holds \$250 billion of the public debt, which is more than 300 percent the amount that China held only 5 years ago. They have a fiscal guillotine over our necks if they chose to use it. We are so dependent upon China's being willing to borrow all this debt that we generate year after year.

Let me just show you a chart, in fact, of this foreign debt; Mr. Kahn, our very able staff director on the House Budget Committee, has put this together. This is the aggregate U.S. national debt held by foreign countries.

Now, the debt was climbing during the Reagan years in the 1980s, continued to climb during the Bush years. During the beginning of the Clinton years, it started to top off, and then with President Clinton having adopted the pay-as-you-go policy of the first President Bush, having to pay for tax cuts as well as additional spending, we got the budget under control. We had an estimated \$5.6 trillion surplus predicted for the succeeding decade. So foreign debt would have gone down just like this. And as our foreign debt went down, our national security would have gone up.

But this administration decided they did not want to adopt the policies of the father. They did not want any pay-as-you-go. They just wanted to cut taxes. The heck with paying it. We will send a credit card to the next generation. They can pay off our debt. That is their problem, not ours. We are going to live high off the hog. We are going to reward our contributors. And the fact is that that is exactly what has happened, and we have driven this Nation into debt.

But even more seriously, look at what has happened to foreign debt. Foreign debt has gone up like this to here. We are now at \$1.5 trillion. Here we are at \$1.175 trillion and here we are over \$2 trillion in 2005, a substantial share being purchased by China, as I just said, a 300 percent increase in China's share of the foreign debt. But imagine what has happened to foreign debt since 2001 when this President took office. Talk about endangering national security.

Now, who pays for all of this? Well, what happens is that the American

people obviously pay. Our children will pay most of it. But even today the sick and the elderly who need care that cannot be provided by their families will pay. We will have our college students pay in reductions in student loans, and basically the dignity and the upward mobility of the American working class is going to suffer for these policies. Mr. Speaker, this is a situation that is not sustainable, that has to be reversed.

Now, everyone is entitled to their own ideological opinions. I do not think they ought to be entitled to their own set of facts. This is factual information. You can check in any of these budget documents put out by the government. You can find that the amount of debt has skyrocketed. The amount of debt held by foreign nations has skyrocketed to an even greater degree. We are dependent on countries like China to keep us afloat.

And, in fact, the working class has suffered. Our children are going to pay the bill, and we are involved in a war that we are only paying for by borrowing from the future. We have not paid one dime of the cost of the Iraq war nor have we paid for the tax cuts that we have so blithely passed.

Mr. Speaker, with this, I would like to yield to Mr. SCOTT, who has been on the Budget Committee for several years, and he is going to show you some shocking charts as well.

Mr. SCOTT of Virginia. Mr. Speaker, I thank my colleague from Virginia for yielding to me.

My colleague from Virginia, you have done an excellent job in outlining what the problem is.

I like to use charts as I describe what the problem is. Our previous speaker indicated, the Truth Squad, as to what the truth is. I would like to point out exactly what he is talking about because this chart shows the deficit back through the Ford, Carter, Reagan, Bush, Clinton administrations, up to a surplus and what has happened in the last 5 years.

When they talk about bragging about fiscal responsibility from the Republican side, this is the line they are talking about, the one they are bragging about right here.

When they ask what the Democratic plan is to get us out of this mess, I would say, Mr. Speaker, the Democratic plan is this blue line right here. That is what we had under President Clinton. My colleague from Virginia will remember in 1993 the first budget passed under the Clinton administration. It passed without a single Republican vote, House or Senate, and we took that budget and took it up to a surplus.

In 1995, when the Republicans came in and took control of Congress, they passed a different kind of budget, and President Clinton vetoed that budget. In fact, they threatened to close down the government if he did not sign those tax cuts, and he vetoed it again and the government was shut down. President

Clinton would not sign an irresponsible budget. And as a result, we have almost a straight line up into a surplus.

When President Bush came in, everything collapsed. They stopped paying for tax cuts or paying for spending cuts. Pay-as-you-go dissolved, and here is what you have. And this is the line they are bragging about.

Now, unfortunately, it is going to get worse before it gets better. The President says that he wants to cut the deficit in half in 5 years. That is a fairly, what I would say, modest goal, taking into consideration the fact that you had a huge surplus to begin with to say that you are only going to clean up half of the mess, but the fact is he cannot even do it if we make the tax cuts permanent and do other things that he has suggested. And they are passing.

This is the line we are going to follow for the next 10 years. Deep into deficits. This green line is the promise, which is not much, but the red line is what we are going to probably do.

This little blue line up here is an interesting line because that is the budget from this administration in 2003 before they continued cutting taxes. They showed that by now we would be up into surplus. 2003 is significant because that is after 2001. After the war we still had projected, before we continued to mess up the budget, we were supposed to be in surplus now, but here we are deep in the ditch. In fact, as my colleague from Virginia has indicated, we had, when this administration started, a projected \$5.6 trillion surplus for the following decade. We have dropped almost \$9 trillion to, the same year, a \$3.3 trillion deficit, a turnaround of \$8.9 trillion.

Now, let us put that number in perspective because it is a big number. If you add up everybody's individual income tax, what everybody pays on April 15, every individual, what your individual tax is, it averages year by year to be about \$800 billion. An average deterioration in the budget, almost \$900 billion, deterioration in the budget. And when you talk about the war, the gentleman mentioned less than \$500 billion, 0.5.

Talk about Katrina, \$200 billion, we might want to pay for the Katrina aftermath, 0.2. An \$8.9 trillion deterioration; you cannot blame it on 0.5 and 0.2. And since that happened, it looks like you would have changed course somehow to accommodate it. No, you kept going straight. But you cannot blame 0.5 and 0.2 on a \$9 trillion deterioration.

Now, the Truth Squad indicated a blank slate of the Democrats who voted for the spending cuts in 1991. That is true. But they did not tell you what the spending cuts were. Food stamps and health care for the working poor, and I say "working poor" because when you cut, you cut from the top. The ones that are struggling, the ones that are just barely making it, you

whack them. The very poor are untouched; it is just the working, struggling poor that get whacked with food stamps and health care.

They also cut child care, child support enforcement, foster care. We had a group come into my office the other day talking about the effects on foster care. Many at-risk children who are in foster care now will not have resources to help them. These are the ones at most risk of getting into trouble, getting into other problems that we are going to have to deal with. Those are the ones that got whacked by that budget, as well as, as the gentleman indicated, student loans. That is what we did not vote for.

But he also did not say what that was a total package of. They had spending cuts and they had tax cuts. The spending cuts were less than \$40 billion. The tax cuts were \$70 billion. Had we passed the plan, we were going to be \$30 billion worse off, further in the ditch than we started off. These are some of the problems with the budget.

And let me get these other charts which point out that when you run up that kind of deficit, that is kind of esoteric, but at some point not only do you have to pay it back, but in the meanwhile, interest on the national debt. By 2010, compared to where we were on the line on interest in the national debt, we are going to be spending over \$200 billion more in interest on the national debt, \$227 billion more in interest on the national debt than we had projected.

At \$22,000 a year for a job, how many people can you hire with \$227 billion? Answer: 10 million. There are only 8 or 9 million people looking for work, drawing unemployment today. You could hire each and every one of them with a \$22,000 job and have money left over with the additional interest in the national debt that we are going to have to pay.

Now, as you have indicated, we are running up debt. This chart shows the Social Security cash flow. What we are spending now, the little blue line, shows that we are bringing in more than we are paying out. In 2017, we are going to start paying out more than we are bringing in. Right at the time we are deepest in the debt, paying the most in interest on the debt, we are going to need to come up with cash to pay for Social Security.

Now, there is an old adage that goes, "If you don't change directions, you might end up where you're headed." Let us look at what where we are headed with this budget. This black line shows the taxes if we continue making these tax cuts permanent, as the Republicans have continued to pass. Where are we headed? By 2040, this line goes across and shows that we could be able to pay for the blue, interest on the national debt; the yellow, Social Security, and we would have to borrow a lot of money to pay for that because you are not even covering Social Security; but we would also have to borrow for

the red, which is Medicare and Medicaid; and green, which is government spending like defense, education, FBI, and everything else we do, all with borrowed money.

□ 1545

Obviously, this is not a sustainable direction. We have to change directions, and we need to start now. It is not getting any better.

I thank you for leading this Special Order. We have a lot of work to do. Again, if people want to know what the Democratic plan is, the democratic plan is the blue. We dug ourselves deeply out of debt and ran up a surplus sufficient to have an over-\$5 trillion surplus.

Mentioning Social Security, to pay for Social Security for the next 75 years, we would need today \$4 trillion more in the trust fund, \$4 trillion more. We had over a \$5 trillion surplus squandered away, turned into a deficit. We had the Social Security problem licked because we had gone into surplus. We could have paid Social Security for the next 75 years. But, no, we went in a different direction.

We need to get back to the Democratic plan and certainly reject more of what we have been doing for the last 5 years.

Mr. MORAN of Virginia. I thank my good friend from Virginia. Let me just clarify a couple of points. In the Democratic plan, it was basically based upon the pay-as-you-go concept of 1990 with the first President Bush, a bipartisan plan to pay for any subsequent tax cuts, to have sufficient revenue to pay for whatever spending occurred, but to balance the budget each year. By those efforts to balance the budget, it actually created a surplus.

Now, I know that the gentleman voted after 9/11 to go to war in Afghanistan, to go after the people that attacked us, Osama bin Laden, as I did; but that is a small fraction of the money that we are spending on the Iraq war.

The gentleman knows a lot of people, men and women, who have been financially successful. Does he feel that if they had been asked to sacrifice to pay for the war to go after those people who attacked us on 9/11, that they would have readily foregone tax cuts so that we could keep the budget balanced and avoid deficits being passed on to future generations?

Mr. SCOTT of Virginia. If the gentleman would yield further, not only that, and the way the question is framed, it is significant, because the overwhelming portion of the tax cuts are going to people that make more than \$200,000.

There is one tax cut that goes into effect this year, colloquially known as PEP and Pease, dealing with standard deductions and other kinds of deductions that can be made. To make a long story short, it only affects the wealthy. If you are making more than \$1 million, you get out of this tax cut, when

it is fully phased in, about \$19,000. If you are down between \$75,000 and \$100,000, on average you will get \$1. If you are under \$75,000, you get zero. This shows how we are going to spend \$20 billion a year when this thing is fully phased in.

It would seem to me this is how we get into deficit, with those kinds of cuts. \$20 billion a year, let's put that into perspective. All the BRAC base closings that you suffered in Northern Virginia and I suffered in Hampton Roads, Virginia, all of the BRAC closings, we will be lucky to save \$20 billion over 20 years. \$20 billion a year, when people under \$75,000 don't get a dime; people over \$100,000 might get \$1; \$100,000 to \$200,000 might get \$25, over \$1 million, \$19,000. That is how we are spending \$20 billion a year in that tax cut.

It seems to me before we pass tax cuts like that, we ought to get the budget straight. Let's not be down here in the dumps talking about more tax cuts, particularly when they are weighted overwhelmingly toward the wealthy.

Mr. MORAN of Virginia. I thank the gentleman for illuminating those misplaced priorities, and I thank him very much for his extraordinarily illuminating set of charts and numbers.

Mr. SCOTT, do you have one further thing you wanted to share with the American people? I yield to the gentleman.

Mr. SCOTT of Virginia. I would say that if we had actually improved the economy with all those tax cuts, it might have been worth it. But this chart shows that the economic improvement, the number of jobs created since Herbert Hoover, it shows that after we have run the budget into the ditch, we still have ended up with the worst job performance since Herbert Hoover.

Mr. MORAN of Virginia. Unbelievable charts. So for all of those Presidents since Herbert Hoover who had a net loss of job creation because of the Great Depression, Presidents Roosevelt, Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, Carter, Reagan and the first President Bush, and then President Clinton, of course, they all created far more jobs than this Presidency, the worst job creation record in our lifetimes, in the last, what, 65 years. So, it is an unbelievable record. We thank you for sharing it with us, Mr. SCOTT.

We will now hear from the gentleman from Long Island, New York, TIM BISHOP, a member of the Budget Committee, and very much concerned about the fiscal policy of this administration.

Mr. BISHOP of New York. Mr. Speaker, I thank the gentleman from Virginia for yielding, and I thank both gentlemen from Virginia and Mr. SPRATT and all of our colleagues on the Budget Committee for their leadership and diligence in making the case against the Republicans' failed economic strategy and misguided budget priorities.

These shortcomings are conspicuous in the President's fiscal 2007 budget. If the last few years have taught us anything, the emerging Republican budget resolution to be considered by this House in the coming weeks will mirror the problems and missteps called for in the President's proposal.

On one hand, we are hopeful, even optimistic, that the promise of his competitiveness agenda represents a down payment on the long-term priority investments we need to make in order to maintain our competitive edge in the global economy. Yet, on the other hand, this budget is perhaps the single most disappointing, counterintuitive, and hypocritical proposal of his six requests thus far. Calling for deep cuts in education and health care, for example, while advocating a competitive workforce, represents a fundamentally incompatible strategy. Americans shouldn't be surprised, though, given this administration's history of cutting taxes for the wealthiest individuals and corporations at the expense of middle-class priorities.

After a dozen town hall meetings in my district in recent weeks, my constituents have spoken loud and clear about how these budget cuts are making it tougher for their families to stay ahead in today's economy.

Let me focus on two aspects of the President's budget proposal, each of which reflects deeply flawed policies.

First, education. Under the so-called Deficit Reduction Act and the President's 2007 budget request, student loan programs are cut by \$12 billion, Pell grants are frozen for the fourth year in a row, and the Federal portion of the Perkins loan fund is recalled. This decision alone will take out of the student loan system another \$600 million per year.

As a consequence, the rapidly expanding gap between the amounts of available student aid compared to the total cost of obtaining a college education is growing out of control. Yet this administration's response is that colleges should simply charge less.

But it is not making the same demands of other industries that are equally critical to our economy's infrastructure and competitiveness. While the budgets of college students and their families are stretched to increasingly thin margins and the dream of obtaining a higher education is placed farther out of reach, the administration isn't calling upon the drug companies or the oil and gas companies or those industries operating with banner profit margins to make the same sacrifices.

The central point is this: we can propose a competitiveness agenda, but it is simply an empty promise if our policies are going to make it more difficult for students to attend college. We can educate all of the AP students we want, we can have the best AP teachers in the world we want, but if once they finish those AP courses they don't have access to a higher education, our com-

petitiveness agenda is simply an empty promise. It is a sham.

Investing where the government's help is needed the least, including \$16.5 billion worth of tax breaks and generous subsidies for the most profitable oil and gas companies, at the expense of extending a helping hand to those Americans that need it the most is an economic strategy headed for failure.

Similarly, the President has chosen to scale back investments in the other pillar of America's competitiveness and critical infrastructure, health care. His plan to cut \$36 billion from providers through fiscal year 2011 could result in Medicare reimbursements to medical facilities in my congressional district of approximately \$28 million over the next 5 years, this on top of the \$1.2 billion in cuts already enacted.

Reasonable people simply have to ask what kinds of priorities are revealed by these policy initiatives. More importantly, what kinds of values are revealed by these policy initiatives? Cutting funding for medical facilities doesn't save taxpayer dollars; it passes the costs on to local communities and places a greater strain on the middle class. Our health care system is already in tatters. The Medicare part D drug benefit remains in shambles, and more families are joining the ranks of the 46 million uninsured Americans.

These are the consequences of the Republicans' flawed policies. America needs a new prescription for competitiveness, one that we should rewrite as we take up the budget resolution in the weeks ahead.

If we are truly committed to sharpening our competitive edge and meeting the goals set forth in the President's budget, I suggest that we back up our promises by fully funding our health care and education priorities.

Mr. Speaker, this budget reflects priorities and values that simply cannot be supported. We can do better, and I look forward to working with my colleagues towards that end.

Mr. MORAN of Virginia. Mr. Speaker, we are very appreciative of the gentleman's comments. Thank you very much, Mr. BISHOP.

I yield to the very distinguished gentleman from Washington State, BRIAN BAIRD.

Mr. BAIRD. I thank my good friend and colleague. This is an important topic, because it strikes at so many issues important to our families back home and the people we represent.

This administration has said repeatedly, no new taxes. What they are not telling you is while they say on the one hand no new taxes, they are in fact passing a host of hidden fees that are tantamount to taxes onto the backs of the American people.

Let me give you some examples that directly impact my constituents, the first of which is, indeed, according to the administration, a new tax. If you listen to President Bush and our friends on the other side of the aisle, they will tell you that if we do not ex-

tend the capital gains and dividend tax cuts that go to the wealthiest Americans, that is equivalent to raising taxes. In other words, if you don't extend the tax cut, then you have effectively raised taxes. Yet the President's budget does not extend deductibility of the State sales tax that affects people in my State of Washington and six other States across the country.

How much is this matter worth? Last year our deduction for sales taxes, which we fought to put in on a bipartisan basis, saved the taxpayers of Washington State alone \$500 million. If the President believes that we don't need to extend that, then the President, according to his own logic, would raise taxes on Washington State taxpayers to the tune of \$500 million a year, which would be \$5 billion over the next decade.

A second effective tax increase that is going to strike the Northwest comes from the President's ill-conceived proposals for dealing with Bonneville Power Administration revenues. The President would force Northwest taxpayers and the Bonneville Power Administration to take additional revenues from Bonneville and send them to the Federal Treasury to disguise the true cost of the deficit, rather than using them to lower the power rates, which currently are 50 percent higher than they were before the 2001 energy price crisis, which, not coincidentally, was precipitated by the actions of this very administration.

Friends, if policies of this administration increase your utility bill 10 percent above the current levels, that is equivalent to a tax from an administration that swore it would have no new taxes.

□ 1600

The President also is going to shift critical fees and expenses that also amount to an effective tax onto our local communities through their proposals to cut dramatically the Secure Rural Schools Initiative.

In my district, two of the highest recipients in Washington State, two counties are the highest recipients, Lewis and Skamania Counties, absolutely depend on this money to make their counties operate.

As we have seen curtailments in timber harvests and resulting revenues, these counties have come to depend and desperately need this money for public infrastructure, education and safety, yet this administration would first cut the funding for this program and, second, require that we sell off Federal lands again in a short-term effort to disguise the deficit, that we sell off Federal lands in order to provide the meager funds that would remain.

Our local communities depend on this creative, collaborative effort by environmentalists and timber companies and timber interests to get responsible, practiced harvests in the woods, that would be decimated. We cannot let this go forward.

That the Federal Government would also renege on its fundamental commitment to community safety by cutting this figure is astonishing, up to 80 percent of Federal support for local law enforcement programs.

Come to my district, Mr. President and my friends on the other side of the aisle. Talk to my local sheriffs and police officers who fight the daily battle against the scourge of methamphetamine, other drugs and other crimes. Ask them, can you do without Byrne Grants? Can you sustain the kind of cuts we are talking about in the COPS program? Can we really support further cuts in the High Intensity Drug Trafficking Area? We are making progress in the battle against methamphetamine, but increasingly international supplies are coming through our virtually open borders.

Our young people, even middle-aged people are getting addicted to this horrific drug, and this administration says, now is the time to cut funding that the Federal Government provides local communities. It is bad policy, friends, and it amounts to a tax on our local communities because they will be left to pick up the tab of the reduced Federal dollars. And it is a tax on you if your home is burglarized, if your family is assaulted, if your workplace no longer functions effectively because of the effects of this drug. It is a tax, my friends, and it is being levied by the policies of this administration.

Finally, last month, we had a number of folks from our local school boards in my office. And they talked to me about the proposed cuts to critical education programs and the shortfalls in key educational opportunities. We all know that this administration and this Republican-led Congress has proposed to increase the cost of student loans even as college costs are skyrocketing.

But we need to know too that folks who are not planning to go to college, the folks who need a vocational education, who want to learn a trade or a skill will be dramatically and adversely impacted by this ill-conceived budget.

The President has proposed zeroing out the Perkins Grant program which local high schools and community colleges and voc programs absolutely depend on to sustain their voc education program.

It happened to me last month that we had school board members and community college board members in my office one day talking about how devastating these cuts would be. The next day I heard from Josh Bolten, the President's OMB Director, who said everything is going to be just fine.

Mr. Bolten, Mr. President, please come to my district. When we finish talking to law enforcement about what you are going to do to them, we will come talk to our educators about what your proposals will do to them. It is a tax on our schools. It is a tax on our students. It is a tax on our families if you cut these resources.

You cannot continue to do this. You are funding a war without paying for it. You are funding tax cuts without paying for it. You are passing the debt onto our children and our grandchildren, and all the while you are cutting vital and essential services and you are trying to disguise the costs of our cuts by increasing the rates on our northwest electrical ratepayers, by shifting costs to local communities, and by trying to sell off the Federal lands.

None of that is responsible policy. The American people should know about it. And we must reject this ill-conceived budget plan by this administration, and our friends on the Republican side. I yield back to you.

Mr. MORAN of Virginia. I thank the very astute gentleman from Washington State. And now we have our very diligent, conscientious member of the Budget Committee from the Commonwealth of Pennsylvania, Ms. SCHWARTZ.

Ms. SCHWARTZ of Pennsylvania. Madam Speaker, the President's budget is fiscally irresponsible and cuts services vital to American families. I rise today in opposition to the President's proposals to cutting funding for homeland security.

I represent the Port of Philadelphia, the world's largest freshwater port and one of the Nation's strategic military seaports. Over 3,000 ships load and offload at the Port of Philadelphia each year, making it one of the busiest ports on the Atlantic coast, and the fourth largest port in the United States for the handling of imported goods.

In addition to the port, the greater Philadelphia region is home to other critical transportation economic infrastructure, such as a large portion of Amtrak's northeast corridor, SEPTA and PATCO high-speed lines, and major highway infrastructure.

Situated around this transportation hub are almost 5.7 million people. These factors led to the Insurance Services Office, which assesses risks for the insurance industry, to conclude that Philadelphia is among the 10 cities most vulnerable to a terrorist attack.

Madam Speaker, the President's cuts to port security and first responder funding will adversely affect the ability of Philadelphia and cities across the Nation to protect those who live, work and visit the city, to protect them from traditional and emerging threats.

Specifically, the President's budget slashes funding by 25 percent for first responders. These are the very dollars that allow American cities to equip, hire and train police officers and firefighters. The President's budget eliminates funding for law enforcement terrorism prevention, and the President's budget eliminates funding for port security grants which were created by Congress in 2002 as a means of directly funding the installation of security perimeters, surveillance technology, and

other very important counterterrorism measures at our ports.

These cuts come at a time when the administration is allowing our major ports, including Philadelphia, to be managed by Dubai Ports World, a UAE-owned company, a company located in a country whose key agencies, including security and monetary agencies, al Qaeda has claimed to have infiltrated since 2002.

While the President justifies this decision by saying that the Federal Government, not Dubai Ports World, will be responsible for security, he has proposed to eliminate funding for port security by the Federal Government. Neither justification nor the President's proposals will make Americans safer.

My colleagues, while it is good that the Nation is finally focused on the critical issue of securing our ports, our rhetoric and our passion about Dubai must be matched by the funding necessary to keep our ports and our citizens safe.

That is why when the House Budget Committee votes on the President's proposed budget in the coming weeks, I will lead the fight to restore these and other harmful cuts to port security. The security of our Nation depends on our making the right investment and the right funding choices to protect America.

I yield back.

Mr. MORAN of Virginia. I thank the Congresswoman from Pennsylvania.

I am happy to yield to the Congressman from Alabama, Congressman ARTUR DAVIS. Thank you for your leadership, particularly on the Budget Committee.

Mr. DAVIS of Alabama. Madam Speaker, I want to thank the gentleman from Virginia (Mr. MORAN) for what you and Mr. SPRATT and Mr. SCOTT and so many others do.

Mr. MORAN, Mr. SCOTT, one of the helpful things about these colloquies and these special orders at the end of the day is that they have enormous nutritional content for people who really want to understand the budget issues. They expose some of the argument that happens on the floor.

As you know, when we have our full-fledged budget debate, we match each other in bits of 1 minute, 2 minutes, and it is hard to get clarity in 1- and 2-minute exchanges. These kinds of conversations allow for a lot more light to be shed.

And one of the points that you have made, that my friend from Virginia has made, and others have made, is exactly how fundamentally unserious the administration is about restraining spending. That is the point we ought to make over and over again, Madam Speaker, because when people hear these budget debates, they often think that folks on our side of the aisle are enamored with spending, they think the people on the other side of the aisle are resistant to it.

Well, you cannot be serious about spending cuts when you pass a reconciliation package that cuts spending

by about \$45 billion, and then you push just as hard for revenue cuts, for tax cuts to the tune of \$70 billion. That is a simple matter of math and arithmetic. You cannot be fundamentally serious about spending cuts when your administration has presided over the largest rise in discretionary spending in the last 10 years for a variety of programs.

So the American people ought to understand, this is not an argument about who wants to spend more and who wants to spend less. It is an argument about a far different set of issues. That is what we value and what we prioritize.

As so many have pointed out during all of these debates, Mr. MORAN, the reconciliation packets that passed a few weeks ago, the budget that we will debate in committee next week will not make much of a dent in the deficit when all is said and done. But it will wreak havoc with a lot of families in this country.

Just a few weeks ago, this body thought it was so important to start this session of Congress out by passing a bill, a reconciliation package, that will mean that 13 million working poor and poor families will have to dig deeper in their pockets to go to the doctor.

This House thought it was so vitally important to open this session of Congress by passing a package of cuts that took the heart out of the Federal Government's efforts to collect child support, that took the guts out of a program that the administration said was one of the best performing programs in the government.

And you will see it again and we will see it again in committee next week. You will see a budget that does very little to rein in spending, when all is said and done, but yet will have a disproportionate impact when it does make cuts on the people who are struggling in our communities right now. And that is what the people ought to understand this debate to be about.

We can do all kinds of things, cut spending that will attract support from both sides of the aisle. We can do all kinds of things to rein in the deficit that would attract support from all sides of the aisle. But every choice that the administration and the majority have made has been aimed at one set of people, the weaker people, the older people, the younger people, the people who are struggling to get by. And it is just wrong to put them in isolation. It is wrong to make them bear the brunt of these kind of cuts.

So as we move through this budget debate next week and over the next several weeks, I hope the American people understand, it is not an argument about cutting spending, it is an argument about what we value. It is an argument about what we prioritize. And finally it is an argument about who we give value to.

We know who the administration and our friends on the other side of the aisle often value. They often value peo-

ple who are doing rather well in this society and they often reward that. They do not put a lot of value in some of the people who are living in my district, which happens to be the fifth poorest district in the United States. They do not put a lot of value in their needs.

So if you believe in a better way of looking at the American people, if you believe in a more principled way of understanding that everyone should count and not just some people, you will vote against this budget, you will reject this budget. And that is the kind of debate that we ought to be having in the next several weeks.

So, Mr. MORAN, I thank you for your leadership. Mr. SCOTT, I thank you for your leadership, and I yield back.

Mr. MORAN of Virginia. I thank the gentleman very much, and particularly for revealing the real effects upon the hard-working people in your congressional district. Many of them are poor because they have not had the opportunities to be as prosperous as others. And that is a situation perhaps more pronounced in your rural district, but it is the case through so many parts of the country.

We need to be investing in as strong an America as we can possibly create. Our strength is in America's workers, and the education our children receive, in the roots that our families put into their communities.

And I know your total commitment to the people of your district as well as to the country and I appreciate your input. Thank you, Congressman DAVIS.

We now call upon the gentleman from North Dakota (Mr. POMEROY), the former State insurance commissioner who watches this budget very carefully. And he is going to share with us some of his concern about the direction our fiscal policy has taken over the last 5 years.

Mr. POMEROY. Madam Speaker, I thank the gentleman for yielding and thank him and all of my colleagues, Democratic colleagues, on the House Budget Committee.

I have previously served on the House Budget Committee and the task before you points out the absolute lunacy of the Republican budget plan. This is extremely important. Thank you for the time you are spending on it today.

Earlier this morning I was at an event where we heard from several Republican Congressmen and the Vice President of the United States. They were sharing the same talking points. Because even the phrasing was identical in speech after speech. And it was something like this: The economy is going great. Growth is strong. Unemployment is down. We deserve a lot of credit.

What they did not tell you, what they did not tell the crowd this morning, made no mention of it at all, is that this crowd is funding the government on borrowed money.

□ 1615

The good times we are seeing today are very much like someone that might

be living down the street, living high and mighty, driving nice cars, wearing fancy suits and doing it all on borrowed money.

There is a wonderful television commercial that has a very self-contented man. He says, I have got a nice family. I have got a nice house. I have got a nice car. And then he looks at the camera and says, And I am in debt up to my eyes. Because what they are doing is artificially creating today the appearance of prosperity while they mask the depth of debt they are pushing our country into. That is what is so important on this chart.

We have had the most significant financial swing in the history of our country going from projection of surpluses as this crowd took over to the deepest deficit we have ever had in the history of the country. Record deficit in 2003. Record deficit in 2004. Record deficit in 2005. And this year the biggest kahuna of them all, the deepest deficit ever, which is why they have brought this case in the national debt. It seems like this crowd and their wonderful economy have borrowed so much money the Nation has maxed out its credit card limit. They are at the edge of what we have authorized them to borrow.

Now, we have already increased this debt limit by votes of Congress on three different occasions under this President. I feel like the loan officer as a Member of Congress. They keep coming back for more and more and more. And now even while they proclaim how wonderful things are, they are presiding over the deepest deficit in the history of the country and an increase in the national debt limit authority down to \$3.3 trillion of debt.

This is going exactly the opposite of the values of the families I represent. Household after household in North Dakota and across the country, you have got moms and dads at the kitchen table working hard to make ends meet and sharing a conviction that, no matter what, things are going to be better for their children; no matter what, they are going to make sure that their children have more opportunity.

Do you know what? A recent survey shows that more than half of the people in this country believe that it is going to be worse for our children than we ourselves have had it. Now, I ask you, why should Congress run this "live for today economy," racking up debt for our children, doing exactly the opposite, living for today, reducing the prospects for tomorrow for our kids when individually the families of America would do anything to leave things better for their children than they themselves had it? In my opinion, that is the heart of this budget debate.

Are we going to pay our way? Are we going to take the stand now to leave things better for our kids? Well, you sure would not have known from this morning. They are crowing about the happy economy and not saying one word about pushing our Nation into the

deepest debt it has ever been in, leaving our children to clean up this mess. I believe they should be ashamed of themselves.

As I prepare to yield back, I again want to express my appreciation for the efforts of the House Democrats on that Budget Committee fighting this fight and getting the word out. We should not fund today's good times based on tomorrow's debt that our kids are going to have to take care of. We ought to pay our own way, and I intend to work with Republicans and Democrats to get us back to that point. I thank the gentleman.

Mr. MORAN of Virginia. I thank the gentleman from North Dakota (Mr. POMEROY) for his extraordinary leadership and his very deep and genuine concern over the fiscal policy direction of this country.

Even beyond the immorality of this wild, profligate spending and then sending the bill to our children to pay, what American family would take a credit card, max it out, and then tell the credit card company, Do not worry about it. Send the bill to my kids after I die.

And that is what is going to happen. The amount of debt and even the interest on that debt is going to cripple generations to come.

30-SOMETHING WORKING GROUP

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

Mr. MEEK of Florida. Madam Speaker, I would like to yield to my good friend from Virginia.

Mr. MORAN of Virginia. I thank my good friend from Florida, the son of one of our most distinguished Members, who is rapidly becoming a leader in his own right.

I mentioned to him that yesterday I stood transfixed at the television set watching his speech on the floor, and it brought up the issue of security. And I trust the gentleman will underscore the national security implications of this budget deficit, because the only way that we are able to spend so profligately, get away with it, is that we have found people who are willing to buy our debt. Not here, but overseas. And for some reason, China seems just as happy as they could be to increase the amount of American debt that they hold by 300 percent over the last 5 years. Billions of dollars they hold; and all they have to do is to say, we do not think that we are going to buy your debt in the manner and to the extent that we have in the past, and our stock market, our economy would crumble.

Imagine putting this country into that kind of vulnerability where we are dependent upon a communist nation buying our debt just so we can continue this misguided fiscal policy.

I thank the gentleman for his leadership, and I look forward to watching

him and reading his statement in the CONGRESSIONAL RECORD tomorrow too. You have been terrific on this. Thank you, Congressman MEEK.

Mr. MEEK of Florida. Thank you. We in the 30-something Working Group, and as other Members come to the floor, we talk about these issues that are facing Americans and this issue of selling off our country, borrowing off of our country to foreign nations. You start talking about China, Japan, Saudi Arabia, even the Caribbean countries. They cannot do it by themselves. They have been able to accumulate over 45 percent of your debt thus far because the Republican majority has handed it to them.

I must say, you are a part of Congress, and a number of you who are part of Congress were on the floor when we balanced the budget. The Republicans are talking about cutting it in half. We actually have experience in following through on our side. So we have to continue to come to the floor and share not only with the Members but with the American people about what we can do and what we want to do. We do not want to sell off our country, and that is what it is all about.

The work that you all do in the Budget Committee is so very, very important to us all.

Mr. MORAN of Virginia. I thank the gentleman.

Mr. MEEK of Florida. You are welcome. I must say, Madam Speaker, it is an honor to come to the floor once again. I know that the Members appreciate the information that we provide to not only the Democratic Members but also Members of the Republican side, the majority. I think it is also important for us to point out issues that are working against Americans and those issues and bipartisan pieces of legislation that are working for America. And we have to see more of that.

I think it is important for us to also reflect on the fact that right now more than ever we need to have a forward lean in getting our fiscal house in order as we start moving through this budget process and also making sure we come clean with the American people on all fronts.

This afternoon we are going to not only talk about our fiscal house but we are also going to talk about making sure we are straight with the American people. The whole reason we come to the floor is there are so many disturbing things that are happening in our country. I am not talking about everyday Americans. I am talking about those who are elected to come here and represent, need it be a lack of oversight or need it be something that the executive branch has done, that this Congress, the majority side has rubber stamped.

Here on this side we have a number of examples of how we have tried to put America back on the right track, not only in leveling with them on homeland security, leveling with the American people as it relates to protecting

our ports and our airports and seaports, but also as it relates to the dollar. A lot has happened in the last 4 years, and we have to share that information with them.

I am so glad my good friend and also a part of the 30-something Working Group, Mr. ARTUR DAVIS from Alabama, is continuing on. I know you were part of the last hour with the Budget Committee. I appreciate the work that you all have done thus far, the work that you are doing, looking at what the President has done.

I was hoping maybe you could shed some light on when we start talking about the President during the State of the Union. We were both here. He talked about innovation. He talked about it; and when he released his budget, I heard the talk, but I did not see the walk afterwards as it relates to the fiscal situation. But I appreciate your work on the committee, and maybe you can shed some more light on this, sir.

Mr. DAVIS of Alabama. I thank the gentleman for yielding. I am always pleased to see you and Mr. RYAN and Ms. WASSERMAN SCHULTZ lend your eloquence on these issues.

Let me make a couple of points. You touched on something enormously important about the President's commitment to more competitiveness in the economy and the strengthening of our workforce. You and I remember, we both came one Congress ago. We came here in January, 2003, and I remember the President's first State of the Union. He was standing not far from where we stand now. And the only line, frankly, I recall from that speech was a rather memorable one.

He said that this Congress should not put off what future Congresses would do and this generation should not put off for future generations what it could do for itself. That sounded good. It sounded like a bold President saying that we have real opportunities today if we are daring. Well, you look several budgets later. You have a verbal commitment to make the economy stronger. You have a pattern of cutting student loans and making them harder to get, and by the way, changing the eligibility outside the budget process in the dead of night in a way that it is not even debated by this Congress.

You have a promise of more effort to make the country competitive. You see reductions every year in workforce development programs. You see promises every year to strengthen our schools, and you see continued cuts in all of the educational programs in this country or so many of them, and the outright elimination of many of those programs. In fact, almost half of the title items in No Child Left Behind are gone with the wind now as we approach reauthorization.

And you see a promise by this President to make America stronger; but it appears, Mr. MEEK, that making America stronger does not include making our workers stronger and creating