

the Budget Committee and say here are our priorities. These are the one or two or three at the most things that we care about that we really want to see addressed in the budget.

I was asked over the break that we had in between the first session and the second session during the holidays, somebody came up to me in a shopping center and recognized me and said, hey, you know, how has the first year been? What are your experiences? What are you most proud of?

Without hesitating, for me, what I am most proud of that this Congress did last year was we had the highest funding increase for veterans health care in the 77 year history of the VA. We had to fight tooth and nail. We had to do it over multiple opportunities throughout the year. But in the end, the budget that we passed exceeded even the recommendations of the service organizations. The VFW, the American Legion, the Vietnam Veterans of America, Disabled American Veterans, those organizations every year present to Congress their recommended funding levels for what they feel that they are going to need. For the first time ever, this Congress exceeded that.

So I am very proud of the work that we did as a Congress on veterans. And it was a bipartisan effort. It is something we can be proud to have worked together on.

Well, what does this budget do for veterans, something that I have made my number one priority in this Congress. And I think we as Congress have a good record so far on veterans, and I want to keep that good record going, and I want to prevent the cuts that the President's budget talks about.

It cuts veterans health care by \$20 billion over 5 years. Let me repeat that. This budget cuts veterans health care by \$20 billion over 5 years and cuts funding for constructing, renovating and rehabilitating medical care facilities in 2009, for which this budget is authorized.

Now, for me, that is very parochial, because I have \$200 million of VA health construction going on in Western Pennsylvania, a lot of which is in my district. Two different projects, \$200 million. So the President is coming in here at a time when we have the opportunity in Western Pennsylvania to be the preeminent health care system in the entire VA, top notch facilities, he is going to cut the construction funding, and he is going to cut funding even more egregiously for veterans health care by \$20 billion.

I am sure the gentleman can agree, there is no group that should stand ahead of our Nation's veterans when it comes time to make funding decisions.

Mr. MURPHY of Connecticut. It just begs the question, Mr. ALTMIRE. What was going through the minds of the Bush administration budget negotiators when they were sitting at the table last year negotiating with us as we were insisting on the biggest increase in veterans funding in the his-

tory of the program? I mean, we pushed that and pushed that and pushed that. You were courageous from the very first day that you got here in making that a priority.

It is just so terrible to think that, well, the Bush administration was sitting there finally saying yes to that enormous and important increase in veterans funding, that all the while they were drafting that budget. All the while as they were agreeing just 60 days ago to the biggest increase in veterans funding since the VA program began, they were drafting secretly a budget that was going to reverse everything they just agreed to. That just speaks to the worst of what happens in Washington, D.C., Mr. ALTMIRE.

Mr. ALTMIRE. That is right. I thank the gentleman. We are going to wrap it up as our time has expired. I would only point out on that note that this is the sixth year in a row that this budget raises health care costs on 1.4 million veterans, imposing \$5.2 billion in increased copayments on prescription drugs and new enrollment fees on veterans over 10 years. I wish I had more time to talk about that.

At this time I am going to thank the Speaker for the opportunity to address the House this evening with my colleague Mr. MURPHY from Connecticut.

□ 2145

THE BUDGET AND NATIONAL DEBT

The SPEAKER pro tempore (Mr. ARCURI). Under the Speaker's announced policy of January 18, 2007, the gentleman from Kentucky (Mr. YARMUTH) is recognized for 60 minutes.

Mr. YARMUTH. I want to thank my freshman colleagues for the very insightful and compelling arguments they raised concerning our budget, the budget proposal by the President for the 2009 fiscal year.

Mr. Speaker, I will say that what we are dealing with here is a situation in which those of us who were elected in 2006, freshman Members, so known as the majority makers, came to this Congress because the American people in that election of 2006 thought that the country was going in the wrong direction, and it wasn't so much one thing, I know a lot of people think that we were elected because of the war in Iraq, and certainly that was a factor.

I think more than anything else, the American people collectively decided that the priorities that have been established by the administration that was in office, beginning in 2000, we were taking the country in the wrong direction, that we were spending money, that we were emphasizing things that did not represent the best interests of the majority of the American people. They sent us here, therefore, to set a new pattern of doing business, a new way of setting priorities.

They wanted us to put the American people first. They wanted us to recog-

nize the true needs of this society, to recognize that government is a way of reorganizing and organizing our responsibilities to each other, that we could, as a government, actually create an economy that worked for everyone and not just for a very few, but that we could, again, set the country on a different direction, that we could use the tax revenues that were flowing to the Treasury to empower all people to make the best of their lives, to contribute to a more dynamic society. We really have set a different direction in this Congress, and I think we need to do much more.

But let's think back to 2006 and think about what the American people were confronted with when they looked at Washington. They looked at Washington and they said, we have a government there that is arrogant, that tends to favor the richest people in the country, that tends to favor global corporations, that thinks that if we allow the wealthiest and most powerful people to do as well as they possibly can financially, that there will be a trickle-down effect and it will, quote-unquote, float everyone's boat, and that this is what the proper role of government should be.

The American people said, no, we don't buy that. We've tried that. We tried it under the Reagan administration. We saw then that trickle-down economics does not work. We tried that for a few more years under the Bush administration. We found that, no, that doesn't work because, in fact, what we have seen is that from 2001 to 2006, 100 percent of the income growth in this country accrued to the benefit of the top 5 percent of the population, that, in fact, 95 percent of the people in this country did not see their standard of living increase despite the fact that they are working harder, they are working longer.

The average family has been working, the average household, 95 hours a week. That's two people working more than full time and still not getting ahead. So the American people said to us, we want to go in a different direction. We think that government can be a tool for progress, it can be a tool to create a society that distributes its benefits more broadly, and that we ought to take the position that rather than trying to let this trickle-down theory flow to everybody's boat that we ought to make a society in which everybody has a really good boat, and that everybody can swim on their own. In fact, the way to create a society that truly works over the long term is to empower every individual to be productive, to contribute to society and to have the power and the freedom and the support to improve his or her way of life.

Now we are confronted, once again, with a budget from the President of the United States which does exactly the same thing that they have been trying over and over and over again with very

little success. We have a budget, deceitful in many ways because it pretends to reach a budgetary balance when it really doesn't, and they do it by very deceitful mechanisms, but it sets the wrong priorities.

It takes the money away from programs and policies that actually do empower individuals to improve their lives, to make a better society, to make a stronger economy, and it sends the money once again to basically non-productive activities. We have, once again, a budget that minimizes and disguises the cost of our involvement in Iraq and Afghanistan. Many of us differ very strenuously on our priorities in Iraq and Afghanistan.

We all understand that we have some serious problems in Afghanistan, and we need to focus there. We also understand that we are spending \$3 billion a week in Iraq, most of which we will never see. It never represents any investment in our future. It is money that is down the drain.

When you try to compare the benefits of our tax dollars being spent again to promote a vibrant and healthy economy and to help people who need to get their feet on the ground to become productive citizens versus spending money overseas in ways that do nothing to enhance our own standard of living, that we know we have a skewed sense of priorities.

That's what we are going to talk about for the next few minutes, and I am very proud to be here with one of my freshman colleagues, someone who is passionate about the need for this country to work for everyone, someone who is as passionate about working for working families as anyone in this Congress, JOHN HALL from New York.

I am proud to be his colleague, and I would like to recognize Congressman HALL to further this discussion.

Mr. HALL of New York. Thank you, Congressman. It's my pleasure to join you tonight.

I wish I had as much pleasure looking at the budget the President submitted as I do discussing it with you, and all of us, of course, earlier this week received a copy of the President's budget. Like all of us, I was disappointed by the questionable accounting and fiscal irresponsibilities contained within this budget. I wish I could say I was surprised, but unfortunately it represents the same missed opportunities and misplaced priorities that have highlighted this administration.

First of all, I would have to say for a President and an administration that claimed to be fiscally responsible and who constantly accuse Democrats of being fiscally irresponsible, it's really shocking and deserving of mention that this President, George W. Bush, has been responsible, his administration, responsible for the five biggest deficits in American history. Here they are. We all remember, of course, at the end of the 1990s when President Bush took over from President Clinton that we had a surplus, and we were, in fact,

paying down some of the national debt for a change.

But due to his tax policies and his overspending and his penchant for borrowing, our President and his administration have run up, in 2003, a deficit of \$378 billion; in 2004, a deficit of \$413 billion; in 2005, \$318 billion; 2008 actually is the next figure here, \$410 billion; and for 2009 is a projected \$407 billion budget.

We can't keep this up. Any family knows that they can't keep spending. In fact, too many families are finding this out, that the chickens eventually come home to roost. I, as a former school board president and school board trustee who had to balance the budget every year know that you can't go on spending more money than you take in without some kind of disaster befalling you.

Unfortunately, what's happening in terms of the value of the dollar, in terms of our exporting jobs, in terms of foreign interests buying up pieces of the United States or corporations or infrastructure in the United States, in terms of our weakened markets, and volatile and declining markets, all these things have to do with the basic foundation, the underpinning of our country being massive debt.

The other thing about the President's budget that I was surprised to see and disappointed to see, it does nothing to fix the alternative minimum tax, or the AMT, a tax which was originally designed, when it first took effect in 1970, to affect only 155 households, the most wealthy, the most affluent households in America who were using tax loopholes to avoid paying any tax at all. Congress wrote, in the late 1960s, this bill which the AMT took effect in 1970, to hit the very top of the most wealthy people in the country.

Now because it was never indexed to inflation, it was never given a cost-of-living increase, it was never allowed to float as the cost of living and the average salaries and income in the country changed, that AMT has dipped every year deeper and deeper and deeper into the American tax-paying public and dramatically increasing the tax rate paid by millions of middle-class families who were never intended to be hit by the AMT, over 20 million of whom will be forced to pay it next year.

Without a permanent fix, half of all taxpayers in this country will pay this AMT that was originally designed to hit 155 of the wealthiest households in the country.

But the President does nothing to stop this. Instead, he calls for more than \$1 trillion in tax cuts for the top 1 percent of all Americans.

Once again, we have 5 years in a row of record increases in the poverty rate, we have record increases in personal debt, we have record increases in national debt, we have record increases in our balance of trade deficit. Strangely enough, at the same time, I read in the paper that ExxonMobil has declared 40

point some billion dollars in profit, the largest single yearly corporate profit in the history of the world, breaking the previous record which was held by ExxonMobil themselves.

Some people in this economy and in this current fiscal and business financial scheme are doing very, very, very well and will continue to do very well. There are others, mainly the middle class and lower income Americans, who are being squeezed from all sides. Believe me, they are not being squeezed up, they are being squeezed down.

The middle class is having their options and their opportunities cut, whether it's the cost of sending their children to college, whether it's being the cost of purchasing health care for their families, the cost of property or property tax, the cost of fuel for their cars or for their homes. I mean, even the fact that the President in this budget slashed the low-income heating assistance program, LIHEAP, is scandalous.

At a time when we have families and seniors who are struggling to heat their homes in the northern parts of this country, I wouldn't have expected the President, a so-called compassionate conservative, to be so discompassionate as to cut heating assistance for low-income people in this current climate of economic uncertainty and astronomical fuel costs.

I would just say that I am happy to be here to discuss this, and, more importantly, to talk about how we are going to move to a real budget, not a fake budget that's based on some platitudes and some kind of ideological belief, some faith-based budgeting that has nothing to do with reality and nothing to do with the well-being of the American people.

Mr. YARMUTH. I want to thank my colleague.

He referenced the annual profit of ExxonMobil that was reported last week. And I was struck last week on February 1, when I looked at The New York Times on the online version, the list of the headlines of the day, and I thought it was striking because I think it painted a vivid picture of where we are in this world and in this country. The first story was, "Microsoft Bids \$44.6 Billion for Yahoo," a lot of money, two corporations vying for each other.

The next story, "U.S. Economy Unexpectedly Sheds 17,000 Jobs," the worst jobs report in several years. Then, "Dozens Killed in Worst Baghdad Attack in Months," then "Kurds' Power Wanes as Arab Anger Rises" and, then, finally, "ExxonMobil Profit Sets Record Again."

I think that was just an incredibly vivid picture of where we are in this world and where this economy stands and how out of whack the priorities of this administration have become. That's why I am so thankful that we are, at least, in control of this House of the Congress so that we can help to set the priorities of this country on a much more sound course.

I know that I have had so many opportunities to stand on this floor and discuss these issues with my colleague from Florida (Mr. KLEIN). I am proud to recognize him now.

Mr. KLEIN of Florida. I thank the gentleman from Kentucky and the gentleman from New York. I certainly agree with all the statements you have made and would just share a few of my own thoughts on the budget.

A budget is a statement of our values, as Americans, collectively. We are not Democrats, we are not Republicans, we are not independents, we are Americans. We all are putting a lot of money, hard-earned money into the government. The question is what's going to be done with it. What is the best value that can be used to help people achieve a better life, help our economy, help job creation and all those things that are important to our communities.

□ 2200

The biggest concern that I have with the budget that is being proposed by the administration is to me it is more of missed opportunities. We know that we have a difficult economy right now. Certainly in Florida where we have had tremendous growth over the last number of years, all of a sudden things have stopped. The real estate market and all of the various businesses that are affected, and homeowners that are affected by a real estate market that has slowed to a standstill, we need to help people through the foreclosures and various other things. But what does this budget do, something that all of us said we were going to change.

In this body we have PAYGO, pay as you go. We can only pass legislation that is paid for in advance. My two friends here are fiscal hawks. We believe in a deficit that has to be brought down and a balanced budget. That is the way we live our personal lives. In the State legislature, we had balanced budgets. That is the way you run your business.

What does this budget do? First of all, it is over \$3 trillion. The amount of money going into the Federal Government is extraordinary from an administration that said they wanted smaller government and less spending.

Put that issue aside for a second, this continues the budget deficit and increases it by another \$400 billion. This is after, as the gentleman from New York said, this does not stop the biggest tax increase, the alternative minimum tax, which we tried to fix. We had a very good way of fixing it this year, and the President refused. Some people on the other side of the aisle in the Senate refused to do it. It has to be fixed.

The President in his proposal cuts Medicare and Medicaid. I don't know about you; I am sure you are hearing the same thing I'm hearing. Our doctors, our hospitals, our providers, they are taking care of our Medicare population in our communities, and they

are feeling it. They have been cut and cut and cut, and it is not keeping up with the cost of operating a practice. We know that they need to receive fair compensation. That is unacceptable. I don't think that is something that this Congress is going to support. So again, an assumption that doesn't have any bearing on where things are going.

The President, who has been a big supporter of the Iraq war, as we know, and has continued to ask for more and more money, hundreds of billions of dollars, interestingly enough, in this budget sets it up for \$70 billion of additional expenditures only through January 20. Now, what is January 20? That is Inauguration Day of a new President, whoever that may be.

But boy, is that an unrealistic way of looking at it, particularly after he has been criticizing Members of Congress saying that you can't put a date at the end of funding because you are going to cut off our troops, cut off funding of the bullets and all of the necessary support, which we are not prepared to do, but he is doing.

He is saying on January 20, if you pass this budget, there is no more money after that date to fund the Iraq war, not because he doesn't want to fund the Iraq war, but that is how he is creating a smaller amount of a big deficit. Instead of \$400 billion, it would be \$500 billion or something like that.

So the question is what can we do, because I think there are a whole lot of assumptions here that are incorrect.

I have a chart here that I have talked about before, and I think this is totally unacceptable. The lack of fiscal discipline of this administration over the last 6 or 7 years has resulted in increasing debt to an unacceptable amount in terms of us bringing our budget in line.

So, although the financing of the war, which has been off the books, the financing of all of these various things that the President wanted to fund, instead of cutting spending or being a little more fiscally responsible, we have been borrowing, and borrowing from foreign investors. Those are foreign countries. We are a debtor country to China and Mexico, and the list goes on and on.

Under this administration, in trillions of dollars we are talking about, in 2001 the amount of foreign-held Treasury securities was \$1 trillion. That is a massive amount of money. In the last 6 years, it has now doubled to \$2.3 trillion. Just to put it in perspective, the amount of interest that we are paying this year, strictly interest, not principal, not amortizing of the principal and interest together, just interest is over \$300 billion. To me, that is money we are just flushing down the drain.

If there was some fiscal discipline like the House leadership has been pushing, we could take that money and do a number of things. We could take care of Americans first. How about all of us, whether it is health care, job creation, job training, so many infrastructure issues in our communities; these are the issue of our day.

And instead of sending that money overseas to pay interest, not even principal, that is \$300 billion that is being thrown out the door offshore to some other country because we don't have the wherewithal, as we do in this House, because the President hasn't been willing to work with us in bringing this budget in line.

Mr. Speaker, there are many Republicans as well, but certainly the Democrats have stood together on this, and we welcome everyone as Americans to focus on this together. We have to get the budget in line. The budget that is being proposed by the President right now is something that is relying on a lot of unrealistic assumptions that will never pass because the American people don't want them to be cut, whether Medicare and a number of other things, and we have to find a way to get the budget deficit under control. That is essential. We can't mortgage the future of our country. We cannot allow our children to have to pay and our grandchildren to have to pay for something that this generation wasn't prepared to stand up and say, Yes, we can live within our means. Yes, we can have a strong economy and fight wars when necessary. And yes, we will take care of Americans when there are natural disasters, and it can all be done under a fiscally responsible way, and that has not been the record of this administration. We are going to work hard in a bipartisan way to get this under control.

I appreciate the fact that the gentleman from Kentucky brought this to us, and I look forward to working with him and the gentleman from New York on fixing this problem.

Mr. YARMUTH. One of the things that is most disturbing to all of us is when you hear deceitful discussion of the financial situation of this country. We sat and listened to the State of the Union address in which the President said if we were to not renew the tax cuts that went into effect in 2001 and 2003, that the average tax increase for an American would be something like \$1,200 a year. That is a very clever way of saying what the average tax increase would be. The problem is that the average tax increase would be very large because you are taking all of the people who are making a million, \$5 million, \$10 million a year, and if we re-instituted those tax rates prior to 2001, the 39.6 percent tax rate, some people at the very highest level would pay \$40,000, \$80,000, \$100,000, \$2 million a year more in taxes. So when you average that with the normal taxpayer, yes, it comes to about \$1,200 a year.

If you phrased it another way, and that would be the average American taxpayer would have his or her taxes increased by, it wouldn't be \$1,200, it would be like \$40 or \$50, because the average American working family earns \$55,000 a year. And that family, if we did not extend the Bush tax cuts, would see their taxes raised by a very small amount. The people at the higher end would pay a lot more taxes. So the average tax increase, yes, it would be a

lot, but the average taxpayer would not see his or her taxes increased. Of course, we are not proposing that in any event.

We have been talking that when we do revisit those tax cuts that we look at the highest income levels. But the point is, when we are getting all of these projections from the administration about what would happen in future years, as my colleague said, if we fix the alternative minimum tax and don't pay for it, and we don't have that additional revenue, yes, we can underestimate the deficit that we will be experiencing during those times. We can make the projections look good 4, 5 years out into the future, but that will not be the case.

One of the things I would like to talk about because Mr. KLEIN mentioned this, the cost of interest on the national debt, which has increased by an extraordinary amount. According to this budget, it would be \$4 trillion just since 2001; \$4 trillion based on a \$5.7 trillion starting point. So we basically have almost doubled the national debt, the entire history, 220 years of this Nation, we have almost doubled the national debt just in the last few years.

But here is where we really get a vivid depiction of what this means. We are talking about interest on the national debt of \$300 billion a year. The entire expenditure on education from the Federal budget is \$100 billion a year. Veterans care is less than that, and homeland security even less than that. This is what has happened to the priorities in our budget because of the irresponsibility of this government over the last 7 years.

So this is what we are talking about. This is what we are confronting, and this is why I think all of us in the majority party in the Congress say we need to speak honestly, openly, and intelligently about what confronts us, about the challenges that we face, but also about what has happened over the last few years.

All we ask of the administration is be honest about what you are saying, what you are telling the American people. We will have a legitimate debate with you and discussion about where our priorities should be. But first and foremost, we need to be talking about things in absolute terms and be honest and transparent as we discuss how we are going to spend the taxpayers' dollars.

I am also proud to be joined tonight by the gentleman from Minnesota (Mr. WALZ), the president of our freshman class and a great spokesman for the working families of America.

Mr. WALZ of Minnesota. Mr. Speaker, I had an opportunity to be at home and watch some of our colleagues speaking on this earlier. I think last night I saw in my State of Minnesota where we had caucuses, and we had four times the record number of people turning out. The American people are starting to listen. They start to understand the consequences of what we

have been living under, and I think all of what has been highlighted has been spectacular.

I will also say that each of us who have read this budget have no problem being up here late at night because it is hard to sleep after you see it. Each of you have highlighted critical issues and the things that we are getting done and prioritizing.

The idea of government is the collective will that we can do together, and our job is to prioritize the things that this country needs to do. I think Mr. YARMUTH's chart that he just showed shows that this Nation under this President has not prioritized. This President has set out an agenda that told us we could have something for nothing. He told us we can give tax cuts, and I appreciate you clearly illustrating the President's creative use of facts and statistics which he quite often does to theatrical effect but to huge detriment to this Nation.

I want to talk about this for a couple of minutes. We have done a wonderful job of highlighting the overall principles. I want to talk about how this impacts individuals. I want to talk about the idea of fiscal discipline and the incredibly shortsightedness of this administration, even in cases where they may be able to cut something to save a little bit, the incredible cost not just in the suffering and what it is doing to the Nation, that aside, what it is doing in terms of just plain poor financial decisions.

In my southern Minnesota district, which stretches from the plains of South Dakota over to the Mississippi River, and Minnesota as the Land of 10,000 Lakes is very diverse. The southwest corner of my State that borders Iowa and South Dakota was the place where the glaciers never reached, and it is one of the few places where you don't find a lot of the prairie potholes and lakes, and the shortage of water is important and on people's minds. This is the area of Laura Ingalls Wilder's "Little House on the Prairie." This is the land where people want to raise their children. We have prosperous communities that are incredibly diverse that are leading the Nation in things like biofuel production. We are the fifth leading district in wind production. These are innovative people, but the one thing that they are missing and what makes life so difficult is the lack of drinking water.

We have places where people are living in 2008 where they have cisterns to collect water in order to drink good water. Well, these communities got together in Iowa, South Dakota, and Minnesota and they came together with a creative solution. They were going to use, where the abundance of water was along the Missouri River in South Dakota, they were going to use the engineering skill of this Nation to provide drinking water and the lifeblood of communities for 300,000 people in a bipartisan manner.

□ 2215

They got together and they started doing this. It is incredibly important. In fact, it was so important that in 2001, on White House stationery that I might have, President Bush himself went to South Dakota and said, a priority is to work with States on important development projects, and the Lewis and Clark rural water project is a project that will be in my budget, and something that we can work on together.

Well, it sounded good, especially in South Dakota. The reality has been we have fought tooth and nail every step of the way. The good news on this is, whether it be Republican or Democrat, the bipartisan commitment to this has been absolutely unbreakable. The local communities have even done something that I think our constituents are asking us. We always hear when we're spending money, oh, you tax and spenders and all that. I think something that's important for people to know, Mr. Speaker, is that those of us who are here have paid taxes before, too. I'm a school teacher, and 2005 was the first year in my life that I filed taxes right at the \$50,000 a year range. I'm the person who takes pencils when they're available to make sure I can use them in my classroom. I use both sides of every sheet of paper. I want to see us get our money's worth, too. This project did that. Seventeen of these communities and municipalities and States decided what they would do is they would pay ahead to cut down on the inflationary value of this project. The project was scheduled to last approximately 15 years. It's a major reconstruction project, a major thing that's happening.

Well, the project got off and going, started running. People are very excited about it. Everything is going great, until we started running into the last 7 years of the Bush presidency. Last year in President Bush's budget he cut the funding for this project down to \$15 million a year. To give you an idea of what that would do, instead of the completion date of 2016 that was scheduled, and remember, States, municipalities have paid ahead. They have asked their taxpayers to pay taxes ahead to save money in the long run, and overwhelmingly they said that. And President Bush promised them that he would be there every step of the way. By the way, this is when he was sending off South Dakota's soldiers to go fight the war in Afghanistan. He promised them that he would be there for their families. By his budgeting cutting back to \$15 million last year, it meant that the project would not be finished until 2051, and the cost would go from about \$527 million to nearly \$900 million.

Now, this was the President that came to us with an M.B.A. He was the CEO president. And what he's saying is that he is not going to be able to make the same fiscally responsible decisions to keep these communities alive.

Well, what we did, as a joint delegation, between Iowa, South Dakota and Minnesota, Republican and Democrat, said that is wrong. And we went and asked, guess what, one of those awful earmarks appropriations to put the Federal Government's responsibility back to where it was supposed to be or near where it was supposed to be at \$27 million.

So now we're approximately 5 years from completion of this, and this wonderful document that the President sent out this week set his budget for the Lewis and Clark rural water project, zero dollars. He shut the project down. So I guess what he's telling us is, the \$300 million we've spent, the 300,000 people, communities, where, in my district, they cannot issue another building permit in their cities because they don't have enough water. He is telling them, leave the pipes half finished. Let the people move elsewhere. And you know what I said in 2001, I didn't really mean it because I've got other priorities.

Now, remember, this is the same President that told us that our fiscal crisis now is simply being caused by our inability to make permanent the tax cuts on 1 percent of Americans that actually aren't expiring until 2011.

Now I stand here in front of the people, Mr. Speaker, and with my colleagues to ask in a totally bipartisan manner, what sense does this make? What sense is this about prioritizing? What do these mayors tell their people when they made this decision based on what good government is? And if this President is going to think you're going to do this alone, who's going to dig the 400-mile long trench from the Missouri River to feed these areas of Iowa and Minnesota and South Dakota?

I guess the President's message has been what it's been all along, whether it's been SCHIP, whether it's been our veterans, whether it's been anything. I'll be there until it comes time to make some prioritizing decisions. At that point you're on your own. He's given us his ownership society which truly does mean you're on your own, and now we have a situation where we're going to go as a delegation and have to fight for every dollar of something as basic as infrastructure to deliver water.

So I will have to tell you on the sacredness of this House floor, it's been an overwhelming challenge to keep my tongue on some of this, and I applaud my colleagues in the same way.

But I can tell you, Mr. Speaker, and tell my colleagues, I will not rest for 1 minute until this budget starts to reflect the priorities of this Nation. There is nothing in this budget that reflects the priorities of this Nation. There is nothing in the people of my district, and I don't care what political party they belong to, that reflects their values. And there is absolutely no vision in this. I don't know if maybe this is just a cruel joke on the way out,

leaving the White House; we'll see what can happen if we do this. But I can tell you this: The people of Iowa and South Dakota and Minnesota aren't laughing about it. And I can darn sure guarantee you that each of us is going to fight to make it right.

I thank you for indulging me on this, Mr. YARMUTH. You've done a fantastic job. You always lead a very important discussion. And I thank you and my colleagues for their open-mindedness.

I agree with you. I'll have this discussion. I will debate with any member of this administration or this House of Representatives on why, after the investments that we've made, the importance of this project and the agreement of constituents and the promise that was made by the President, why I'm just supposed to accept this, and why people say, can't you all just get along and get something done?

If there was some sanity coming from the administration, I would say yes. But right now at this point I think the answer is no because this is going to be fought tooth and nail until this wrong is corrected.

Mr. YARMUTH. I thank my colleague and want to yield again to Mr. HALL from New York. But before I do, I just wanted to add that, again, sitting and listening to the State of the Union address and talking about the honesty that we need to have when we have this discussion, and all of a sudden the President for the first time in this State of the Union address takes on the question of earmarks. And all of a sudden he's critical of the Democratic Congress because we had 11,000 or something earmarks. But he never said a word for 6 years while the earmarks expanded to somewhere in the realm of 16,000.

Now we can have debates over earmarks. I happen to think, as my colleagues mentioned, that there are some very valid reasons to have earmarks. And I think they have been demonized probably unreasonably. But all of a sudden the President finds fiscal religion this year under a Democratic-controlled Congress when he was silent for 6 years. And the same is true of his passion now for balanced budgets when over the first 6 years of his administration with the Republican-controlled Congress, he never issued a veto, never threatened a veto of any spending bill as we accrued \$3.7 or so trillion more in debt, and he was silent.

All of a sudden now you have to suspect that the only reason is partisanship. That's what we're trying to get away from in this country, and that's what we are trying to get away from as we discuss the priorities of the country. Because, as you said, we're interested in where the rubber meets the road, programs that help the American people, doing the best for the American people and not necessarily what means doing the best for a particular party.

I think what we're seeing, as you mentioned, in the turnout in voters in primaries throughout the country is

that's what American people want. They want people who are going to deal with our problems and not deal with partisanship.

With that, I will once again recognize my distinguished colleague from New York (Mr. HALL).

Mr. HALL of New York. Thank you, Mr. YARMUTH. I appreciate your leading this discussion. I also want to acknowledge my colleague from New York (Mr. ARCURI). Thank you for serving as Speaker pro tem during this period of time.

I'd just like to respond to Mr. WALZ's comment about what kind of sense does it make for this cut in the water program in your district. Well, I can say it makes about as much sense as the President's completely eliminating the Byrne Grant program and the COPS program, both of which are vital to my district to provide cops, additional policemen on the streets in the 19th District of New York. It makes about as much sense as cutting the important programs that provide local and State law enforcement agencies with funds to fight terrorism and crime, including almost \$140 million that were cut from bioterrorism preparedness. They make as much sense as the President cutting Medicare and Medicaid at a time when health insurance costs are skyrocketing, when more and more Americans are forced to live without health insurance. This budget cuts \$200 billion out of health insurance from Medicare and Medicaid. At a time when we're facing one of the most damaging housing crises in our history with foreclosures and evictions due to the subprime mortgage crisis, it makes as much sense as this President cutting the Nation's largest rental assistance program. It makes as much sense, as I mentioned before, as cutting the Low Income Home Energy Assistance Program by almost 25 percent, preventing people in the lower income segment of our economy from being able to heat their homes during the winter.

We were talking about your district. I'll talk about something specific to mine. We have, many of us think due to climate change, suffered from three 50-year floods in the last 3 years in the 19th District, the Delaware River, the Walkkill River, the Ten Mile River, all flooding farms, homes, businesses, golf courses, which might not sound too important, except they do employ people and they're a source of economic input into the local economy. And, but as importantly, lives were lost. In Congressman HINCHEY's district in Sullivan County, there was a drastic, catastrophic flood shortly after the April 29 nor'easter, which was the third in 2007, the third in a row of our 50-year floods that came within 3 years.

So last year, when I was new, I was a freshman, wet behind the ears, just been sworn in for my first term, we got into the appropriations process. And you know what it's like. People come into your office from different departments of the government asking to

have funding restored to these different important programs that have been cut by the administration. One of those who came to my office was the general who is the Army Corps of Engineers director of the Philadelphia district, which includes the Delaware watershed. Now, the Delaware Corps of Engineers offices go by watersheds, not by State lines or any kind of political jurisdictions. Her district, the general's, ran from Philadelphia up to Delaware and into New York from Pennsylvania and all the way up to the reservoirs that feed New York City's drinking water system. This is one of the rivers that has had, at that point in time, three 50-year floods in a short span. She came in to ask if I could help restore funding. And I said, well, what was it cut to? And she showed me in the President's budget it was cut to zero. It was a goose egg.

Now, flood control, in the days after Hurricane Katrina, we all know is a serious matter. This obviously is not a serious document any more than last year's budget was a serious document. This document is a fictitious document that is aimed at pretending to balance the budget in 2012. And we all know that can't be done. And, in fact, the general and others who have come from different departments to my office and others have said, off the record, that it's done with the knowledge that the Democratic majority will restore some of these funds at least to be able to keep the programs going and to protect people, and then we'll get blamed for being big spenders.

Well, in terms of being big spenders, I just want to bring out this chart which I happen to have here which shows the surplus that was the United States budget surplus when, in 2001, the Bush administration began its term. There was a \$5.6 trillion surplus. In the time since then, there's red ink of \$8.8 trillion, so that at this point in time we're at a \$3.2 trillion deficit, including omitted items.

Now, we all know there are items that are not included in this. For instance, the war is off budget. We fought wars in the past, World War II or the Korean War or the Vietnam War, World War I, during which time people were asked to sacrifice. People were asked to pay for the war as they went.

This is a war that we're borrowing money to pay for, and Congressman KLEIN's chart that he showed before, of the increasing foreign ownership of our debt, I think, is really important and really interesting for several reasons. Obviously it's not healthy for us to have this much debt and to accumulate an ever-growing interest payment that eclipses anything we can do for education or for housing or for veterans or for homeland security and that we're going to pass on to our children and our grandchildren.

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That's really unconscionable.

But the other thing that that does to have that kind of huge debt to the Chi-

nese or to the Saudis or to the Mexican or Japanese Governments or investors from other countries is it loses our sovereignty when we can't talk to China about Darfur or when we can't talk to China honestly about human rights violations in their country or about the obliteration of the history of Tibet or about whether they're being as tough with North Korea about their nuclear problem as we want them to be or about lead in toys that are being imported for our children to play with or about contaminated food or animal feed or contaminated medicine. When we can't talk to the Saudis honestly about human rights violations in their country or about their funding of the madrasas, we have suffered what I call a loss of sovereignty. When you no longer can make honest, diplomatic, economic, military, international decisions or really state what is in your best interest because you are afraid that your hands are tied for want of getting a commodity from one place or the money to pay the debt off from another place, then you have lost some of your sovereignty.

And I'm telling you, in this country, the American people are not aware of the extent of it yet, but they better get aware of it because this is already a major factor in our foreign policy, but it will be more and more of a problem and restrict our options more and more in the future if we do not get back to a surplus in terms of our budget, if we don't get back to a surplus in the balance of trade, if we don't start producing things here. I, personally, am especially fond of the options of renewable energy technologies and high tech and computer and medical advances and so on that we have traditionally led the world in.

But we need to invest in education, we need to invest in these innovation approaches to technologies and especially to invest in new forms of energy to get us away from the billions of dollars a day that go to import oil.

But all of these things are our freedom, and they equate our future sovereignty. And I hope we make the right decisions, as opposed to the wrong decisions, that are embodied in this budget that the President just released so that our children and grandchildren will enjoy being a truly sovereign country and a leader in the world in these things rather than being subservient to whatever foreign interests happen to own our debt.

Mr. YARMUTH. I appreciate him mentioning the field of education because you can have, as I mentioned earlier, two forms of expenditure in government. You can have expenditures that are nonproductive, and one of those, I think, is the war in Iraq. Interest on the debt is another one, because there is no long-term payback to those expenditures. Education, investment in infrastructure, as Mr. WALZ was discussing, those are the types of things that over the long run do produce increased revenues for society

productivity, and they are the type of investments we need to be focusing on.

And when we look at this budget, the field of education, and I'm on the Education and Labor Committee and we are dealing with trying to decide whether to reauthorize the No Child Left Behind Act which is already \$55 billion below its authorized levels in funding. And the President, once again, has no increases in funding for education in this budget, which means we fall further and further behind.

So while he called his act No Child Left Behind, where, in fact, we are leaving more and more children behind because we are not meeting our obligations to make the kind of investments in people and in an infrastructure that really will pay off over the long run.

And I know this is something that is an entire range of topics that Mr. KLEIN has dealt with and has had to set priorities in his own legislature in Florida, and I would like to yield to him to advance the discussion.

Mr. KLEIN of Florida. Thank you. I think both of you were talking about two priorities of our country and the shortfalls and where we need to be, where we've been, and where we are going as a country. And I think we look at ourselves, and you hear this in the Presidential debates right now about the vision. And any Presidential candidate that comes forward and talks about the vision of what our country needs to be, where we need to go, the heritage of our country, the legacy of all of the great innovation that's happened and the fact that maybe we've missed a couple of steps. Not to say we can't regain and continue to move forward, because that's exactly what we are going to do. But it is going to take some new leadership through the Congress, through the Presidency and through the American people, and through our business community as well. It is a cooperative effort.

And I think about a few of the things that are the priorities that help us get there. Education, as you just said, is one of them. And one of the things that concerned me about the budget was the fact that the President had dropped the amount of college grants and the tuition assistance programs in the budget. And again, once again, this Congress, bipartisan, came forward and increased the Pell Grants and increased the college tuition, because if there's one thing I think we can all agree on as Americans, every student, every teenager, every adult who wants to get a higher level of education and create a greater level of workforce training which will only make their lives more productive and make their country more productive, that's a good thing. It always has been. Education has been the great equalizer in the United States, and we ought to be doing everything we can to make sure that we are giving that access and that opportunity for every student.

So, again, a misdirection in this budget which needs to be corrected.

Another thing that I think is extremely important, and all of us have some family history of illness whether it is Alzheimer's, whether it is kidney disease, or whether it is cancer or heart disease. And one of the things that our government has consistently done working with the private sector is research, basic research, which will hopefully find cures.

I know my mother passed away at a young age of 52. She was a very vibrant person and developed cancer, and after she went through some treatments over a period of time, we lost her. But it certainly gave me that commitment, and I know I fought along with many Members of the Congress, and the people who are listening tonight have their own family histories. And we know that collectively, we have to find ways of curing diseases.

Cuts in this budget to the grants for research, wrong direction. Really wrong direction. I feel extremely strong about this that we need to have the National Institute of Health grants to work with scientists or universities in our health institutions to find the therapies, to find the cures, to help make people's lives better. It's also a wonderful way of expanding our economic opportunity in exporting and licensing and creating technologies to help people around the world and selling those products around the world as well. So, again, something we need to fix in this budget.

I think the gentleman mentioned the COPS program, which is something that is very much on our streets, and that's, of course, the ability to have safety and public safety and security in our communities. I know in my local community, \$8.5 million in our area would be cut from that funding. That's real dollars that affect real people in terms of putting police and security on our streets. It is one of the most important things our government can do to provide for the public safety.

These are the kinds of things that are misdirections. They can all be fixed. It is a question of all of us coming together, putting a budget together, hopefully persuading the President that these were mistakes and we need to come back and fix them.

And lastly, of course, I just want to touch on the fact of our economy, and the people back home are hurting right now. And we hear it every day, whether it is subprime, whether it is foreclosures, any number of things; and the Congress is working right now, and we will be passing, in the next number of days, an economic stimulus, which is designed to be short term. It's designed as a little bit of a prop up and a support of people. It will give them some cash and hopefully retire some of those responsibilities and pay for some of the necessities.

But long term, we have got to work together on energy issues. It's already been discussed. Paying \$50, \$60 for a tank of gas on someone who is earning \$30,000 a year is a real issue. And at a

time, as we already talked about, when energy companies are making incredible, historic amounts of money, we need to work together to substitute those resources for renewable energy programs, which I know the Congressman from New York has been all over and all of us feel very strongly about.

This is our moment. This is our time. This is our "Sputnik" moment. This is our putting-the-man-on-the-moon moment. This is the time for the American people to work together with the business, private sector, and government to create the markets and to do it. But we have to do it and start that process now.

So I think there are long-term and short-term issues on our economy. I look forward to working on infrastructure issues with everyone else, recognizing, as our Speaker said last week, in 1806 you had the Louisiana Purchase period of time, and that was a moment when President Jefferson said, This is the time we are going to start building our country: the Erie Canal and the canal systems, the road systems that got our country going in the industrial revolution.

A hundred years later, 1908, President Roosevelt coming forward and saying, This country is building and developing. Let's preserve some of our great areas, and we developed the National Parks System.

Now 100 years later, to her credit, Speaker NANCY PELOSI saying this is our time to now focus on rebuilding this country: our road systems, sewer systems, bridge systems, all of those kinds of things. It has everything to do with the economy. It has everything to do with the quality of life. Our commerce, people's quality of life, these are the things that we need to be working on together. Where there's a will, there's a way is my attitude, and I know we are going to do this all together.

Mr. YARMUTH. It's always wonderful to discuss these issues with my colleague on the floor.

And we have just a few minutes left. We have a fundamental decision to make in this country, and it is a basic choice, and that is what the role of government is, what the role of the Federal Government is. And on the one side, I think we have those that believe the role of the Federal Government is to get out of the way and to let whatever happens happen. And the other side, and I think most of us in this room would agree, that there is a legitimate role for the government to try to promote the type of progress through investments and the proper priorities that will make this a better country, and, basically, whether you believe government has a role in setting the direction of the country or whether it is basically just to get out of the way and let the most powerful people and the biggest corporations decide what is going to happen and let kind of a Darwinian atmosphere prevail.

So I would like to allow everyone to close briefly to whatever they have to say kind of related to that fundamental choice we face or to talk about the issue of priorities as we look forward to this budget process again this year.

Mr. WALZ of Minnesota. I so enjoy listening to the eloquence and thoughtfulness of this. The gentleman did sum it up about the priorities, and both gentlemen from Kentucky, Florida, and New York focusing on education and seeing it as an investment.

Of course, being a high school teacher, every chance I get to get into a classroom, I jump at it. And Monday I had the chance to teach a government class in a small town actually in the area served by the Lewis and Clark Rural Water Project. And I will just leave you this, and you can decide, again, what sense does this make.

The teacher was very excited about their first-year teaching job. They started out making \$28,500 a year. Because of the decisions that have been made here and the decisions that have been made in St. Paul, the insurance for that family for him to provide for his wife and children was \$14,100. So before taxes, our schoolteachers are making \$14,400. If you take taxes out of this, we probably have a violation of minimum wage that's happening. That's the decisions that have been made.

But I go back to, once again, the President is not talking about that. The President is asking for how can we make tax cuts permanent for millionaires, and this Nation needs to decide what is our next generation going to do if we're not willing to invest.

Mr. YARMUTH. I would like to yield to my colleague from New York.

Mr. HALL of New York. I would like to close by saying as college costs rise, this President eliminates programs to help pay low-income students for higher education. As health care costs rise, this budget proposes a significant cut in both Medicare and Medicaid. It actually cuts funding for the Environmental Protection Agency, which would endanger the health and welfare of all Americans.

So to quote from this President Bush's father, the first President, Herbert Walker Bush, when he was responding to the invasion of Kuwait by Saddam Hussein, This will not stand. I will say, as far as this budget being brought to this Congress, this will not stand. It will be changed, and I hope the next time around on the floor of the House we will be talking about the positive changes that we've made to reflect the priorities of the American people which we were elected to espouse.

Mr. YARMUTH. I thank the gentleman for his comments, and I'd like to call on Mr. KLEIN from Florida for closing remarks.

Mr. KLEIN of Florida. I am an eternal optimist, like everyone in the Chamber, Democrats and Republicans.

I feel the American people are up to the challenge. We are up to sacrifice. And we're going to do this. And we will convince the administration along the way here that it's the right thing to do. And we're going to continue to rebuild our country and be successful. But let's put our nose down and work hard. And I look forward to working with all my colleagues to accomplish that.

Mr. YARMUTH. I thank all my colleagues. And I'd like to end where we began, and that is that when these majority makers, our freshman class, was elected in 2006, we were elected because the country thought that the government of the United States had the wrong priorities, that we needed a new set of priorities, we needed a new direction. We've committed ourselves to that new direction. I think as we approach this budgetary process and all areas that we have to do, we will seek a new direction for the American people.

OMISSION FROM THE CONGRESSIONAL RECORD OF WEDNESDAY, DECEMBER 19, 2007 AT PAGE H16940

Lorraine C. Miller, Clerk of the House reported that on December 13, 2007, she presented to the President of the United States, for his approval, the following bill.

H.J. Res. 69. Making further continuing appropriations for the fiscal year 2008, and for other purposes.

Lorraine C. Miller, Clerk of the House also reported that on December 18, 2007, she presented to the President of the United States, for his approval, the following bill.

H.R. 6. An act to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources, promoting new emerging energy technologies, developing greater efficiency, and creating a Strategic Energy Efficiency and Renewables Reserve to invest in alternative energy, and for other purposes.

OMISSION FROM THE CONGRESSIONAL RECORD OF FRIDAY, DECEMBER 28, 2007 AT PAGE H16954

Lorraine C. Miller, Clerk of the House reported that on December 19, 2007, she presented to the President of the United States, for his approval, the following bills.

H.R. 797. To amend title 38, United States Code, to improve compensation benefits for veterans in certain cases of impairment of vision involving both eyes, and for other purposes.

H.R. 1585. An act to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

H.R. 2408. To designate the Department of Veterans Affairs outpatient clinic in Green Bay, Wisconsin, as the "Milo C. Huempfer

Department of Veterans Affairs Outpatient Clinic".

H.R. 2671. To designate the United States courthouse located at 301 North Miami Avenue, Miami, Florida, as the "C. Clyde Atkins United States Courthouse".

H.R. 2761. An act to extend the Terrorism Insurance Program of the Department of the Treasury, and for other purposes.

H.R. 3648. An act to amend the Internal Revenue Code of 1986 to exclude discharges of indebtedness on principal residences from gross income, and for other purposes.

H.R. 3703. To amend section 5112(p)(1)(A) of title 31, United States Code, to allow an exception from the \$1 coin dispensing capability requirement for certain vending machines.

H.R. 3739. To amend the Arizona Water Settlements Act to modify the requirements for the statement of findings.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BOUCHER (at the request of Mr. HOYER) for today and the balance of the week.

Mr. RUPPERSBERGER (at the request of Mr. HOYER) for today and the balance of the week on account of medical reasons.

Mr. TANNER (at the request of Mr. HOYER) for today and the balance of the week on account of tornado devastation in the district.

Ms. WOOLSEY (at the request of Mr. HOYER) for today and the balance of the week.

Mr. WYNN (at the request of Mr. HOYER) for today after 6 p.m. on account of a family emergency.

Mr. GINGREY (at the request of Mr. BOEHNER) for today on account of attending a funeral.

Mr. KUHL of New York (at the request of Mr. BOEHNER) for today on account of personal reasons.

Mr. PETRI (at the request of Mr. BOEHNER) for today on account of severe winter storms in Wisconsin preventing him from making votes.

Mr. RYAN of Wisconsin (at the request of Mr. BOEHNER) for today on account of severe winter storms in Wisconsin preventing him from making votes.

Mr. WHITFIELD (at the request of Mr. BOEHNER) for today on account of surveying tornado damage in the First Congressional District of Kentucky.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. SUTTON) to revise and extend their remarks and include extraneous material:)

Ms. WOOLSEY, for 5 minutes, today.

Ms. SUTTON, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. BISHOP of New York, for 5 minutes, today.

(The following Members (at the request of Mr. POE) to revise and extend their remarks and include extraneous material:)

Mr. FRANKS of Arizona, for 5 minutes, today and February 7, 8, and 12.

Mr. POE, for 5 minutes, today and February 7, 8, 12, and 13.

Mr. JONES of North Carolina, for 5 minutes, today and February 7, 8, 12, and 13.

Mr. BURTON of Indiana, for 5 minutes, today and February 7 and 8.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 550. An act to preserve existing judgeships on the Superior Court of the District of Columbia; to the Committee on Oversight and Government Reform.

S.J. Res. 25. Joint resolution providing for the appointment of John W. McCarter as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Ms. Lorraine C. Miller, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker on Thursday, January 31, 2008:

H.R. 5104. An act to extend the Protect America Act of 2007 for 15 days.

On Monday, February 4, 2008:

H.R. 4253. An act to improve and expand small business assistance programs for veterans of the armed forces and military reservists, and for other purposes.

SENATE ENROLLED BILL SIGNED

The Speaker announced her signature to an enrolled bill of the Senate of the following title:

S. 2110. An act to designate the facility of the United States Postal Service located at 427 North Street in Taft, California, as the "Larry S. Pierce Post Office."

BILL PRESENTED TO THE PRESIDENT

Lorraine C. Miller, Clerk of the House, reports that on January 30, 2008, she presented to the President of the United States, for his approval, the following bills:

H.R. 5104. To extend the Protect America Act of 2007 for 15 days.

ADJOURNMENT

Mr. YARMUTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 45 minutes p.m.), the House adjourned until tomorrow, Thursday, February 7, 2008, at 10 a.m.