May 17, 2007

CONGRESSIONAL RECORD—HOUSE

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The Speaker pro tempore (Mr. Markey) announced that the Speaker had received from Mr. MARCHANT a request that his recorded vote be changed on the concurrence in the Senate amendments to the conference report on H.R. 1300, the conference report on the Senate amendment to H.R. 1300, the National Defense Authorization Act for Fiscal Year 2007 and other legislation.

Mr. MARCHANT changed his recorded vote on H.R. 1300 from "aye" to "nay.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against: Mr. TIAHRT. Mr. Speaker, on rollcall No. 376 I was unavoidably detained. Had I been present, I would have voted "no."

Mr. DUNCAN. Mr. Speaker, I inadvertently voted "aye" on rollcall No. 376. I did not adopt the rule for the Conf. Rpt. on the FY '08 budget. I would like the RECORD to reflect that I meant to vote "nay."

CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO BURMA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 110-35)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Reg-
mandatory spending that is not paid for, and it funds “program integrity initiatives” to root out wasteful spending, fraud, and tax evasion.

Within this framework, our budget does more for veterans’ health care, more for children’s health care, and more to pay for our defense, the basics of this budget:

This budget comes to balance in 5 years and runs a surplus of $41 billion in the year 2012. Contrast that with the President’s budget, which remains always on deficit. This budget allocates $954 billion to discretionary spending, or about $75 billion more than this year, of which about $50 billion is for national defense. This total includes $450 billion for nondefense discretionary, or about $25 billion more than this year.

This budget not only abides by the PAYGO principles, it extends them, establishing a Senate PAYGO rule and calling for statutory PAYGO as well.

The concurrent resolution before us, like the House resolution, sets defense spending at levels the President requested, though it targets resources to the troops and conventional forces. It provides more for homeland security than the President requested and, it funds the recommendations of the 9/11 Commission. So it is strong on defense, internal and external.

This budget does all of the above, and I would emphasize this, it does all of the above without raising taxes or reducing tax cuts. In 2001 and 2003 all remain in force, unaffected in any way by this resolution. As originally written and enacted, most of the tax cuts expire on December 31, 2010. In our budget resolution, we separated out the middle income tax cuts and made it the policy of our resolution to extend those tax cuts when they expire.

In this concurrent resolution, we go even further. We install a trigger that facilitates the extension of these tax cuts so long as the House waives its PAYGO rule and as long as the tax cuts extended do not exceed 80 percent of the surplus projected by OMB for the year 2012.

This budget’s basic objective is to get back to balance. That is the bottom line. In such a budget, we can’t have everything we want, but we do believe that some promises should be kept above all others, for example, the promises we’ve made to our veterans. This resolution increases funding for veterans health care in 2008 by $6.7 billion, 18.3 percent above the current year.

We also do not believe that children’s health care and education should be sidetracked while we seek to work out ways to balance the budget. This budget accommodates an increase of $50 billion to expand the Children’s Health Insurance Program, so-called SCHIP, to cover millions of uninsured children. This budget also provides $4.6 billion over current services for education, job training and employment services. That includes more money for No Child Left Behind, for special education and student loans.

Lacking any other arguments, our friends from across the aisle, our Republican adversaries, will claim that this budget results in tax cuts, as they have repeatedly and wrongly. Let me answer that claim emphatically. This budget does not raise taxes by one penny. Period. Not by one penny.

On the other hand, my colleagues on the other side—on the Democrats’ side of the aisle—put themselves in a position where they have to raise taxes by one penny. Period. Not by one penny.

I would like to start off by congratulating Chairman SPRATT and the majority staff on the Budget Committee for reaching this point in the budget process. This is not easy. And they are to be commended for getting the budget up to this point.

I have long believed that the budget resolution is an important statement of congressional policy and a critical act of governing. So in a sense, I am glad to see this conference report here today. And the gentleman from South Carolina deserves credit for that.

That said, the choices in this budget, or some would argue, the complete lack thereof, represents an enormous missed opportunity, an enormous missed bipartisan opportunity.

The Democrats fiscal year 2008 budget sets off a vicious cycle, Mr. Speaker. Higher taxes fuel higher spending and greater spending demand. In order to meet this appetite for greater spending, we are going to have to raise taxes again and again and again. Let’s take a look at how this will work.

First, the linchpin of this budget, and numbers do not lie, check with the Congressional Budget Office, its only one binding fiscal policy is the same one that Democrats have been bringing to the floor time and again, “raise taxes.” This budget will raise taxes on the American economy and American workers by at least $217 billion. That is the second largest tax increase in American history. And to be clear, their $217 billion tax increase is just an opening bid. It will last only until the majority can raise the ante.

As you may recall, Mr. Speaker, the House Democrats wanted and included in their budget $400 billion tax increase. That would have been the largest tax increase in American history. And to be clear, their $217 billion tax increase is just an opening bid. It will last only until the majority can raise the ante.

First let’s look at the trigger. There is this so-called tax trigger. In short, this trigger will provide the majority with an immense loophole allowing them to remove millions of taxpayers who are the basics of this budget:

This is a budget that some promises should be kept even further. We install a trigger that facilitates the extension of the middle income tax cuts, pays for a 1-year patch to prevent the AMT from coming down on middle income taxpayers, and calls for reform of the AMT, consistent with PAYGO principles, to save middle income taxpayers from this stealthy tax.

This budget is fiscally sound, a solid framework, is balanced from the top to the bottom, and I urge support for it.

Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

I would like to start off by congratulating Chairman SPRATT and the majority staff on the Budget Committee for reaching this point in the budget process. This is not easy. And they are to be commended for getting the budget up to this point.

In my time answer that claim emphatically. This budget does not raise taxes by one penny. Period. Not by one penny.

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This budget also provides $4.6 billion over current services for education, job
So what will taxpayers get in return for sending Congress ever higher cuts of their paychecks? Better working, more efficient, less wasteful spending? No. The majority doesn’t even pretend they are going to control spending.

The problem is not on the setting trajectory of spending we have in this budget. We are only 5 months into this Congress, and at every opportunity the new majority has chosen the path of higher spending. They increased discretionary spending nearly $6 billion in the omnibus appropriations $20 billion or so of extraneous spending in the supplemental, and now they’re increasing nondefense discretionary appropriations next year by another $23 billion.

For all we’ve heard about how the Democrats had to clean up the mess the Republicans gave them, their only response to this seems to be spend more and tax more. This formula has never worked for getting control of the budget in the past, and it won’t work now. But the reverse of this is going on in the rest of the world. Across Europe, governments are moving away from their welfare state, big government tax policies and toward more market-oriented policies. For instance, the most clear example is Greece. But here in the States, where we should be leading the tide toward free markets, Democrats are taking us in the other direction.

Finally, I think the biggest failure of this budget isn’t what it does, it’s what it doesn’t do. This budget does nothing to reform entitlement programs, to extend their solvency. We had a parade of witnesses from the left and from the right, Democrat witnesses, the Chairman of the Federal Reserve, the OMB Director, the CBO Director, all come to us and say, you’ve got to get a handle on entitlements. You have to reform the entitlement programs to make them more solvent, to stop this enormous unfunded liability that is hitting American taxpayers.

Even with the Democrats’ $400 billion tax increase, they had in the House-passed version, that would quickly outpace revenues, entitlements would swamp us.

So Mr. Speaker, even if we hit a temporary balanced budget, as this might achieve, it will be temporary because you can’t raise taxes enough again and again. It is the trajectory of entitlement spending growth. We will go back into deficits because this budget does nothing to control spending.

So why have the Democrats failed to even address this dire situation? Because as Senate Budget Chairman Senator CONRAD told 60 Minutes, “It’s always easier to defer, to kick the can down the road, to avoid making choices.” You know, you get into trouble in politics when you make choices. I appreciate that sentiment, and I know they don’t what budgeting is about. Budgeting is about making choices even when they’re tough, even when they are not politically popular because that is what we came here to do.

In closing, I believe this budget fails to make any real choices, let alone the right ones. It will impose on American families and businesses at least the second largest tax increase in American history, if the largest and immense new government spending, and put off critical entitlement reforms for at least another 5 years. Our House Republican budget proved we can balance the budget without raising taxes and stop the rate of spending.

It is my genuine hope that the House will vote today to change this dangerous course and send the Democrat budget back to the drawing board.

With that, Mr. Speaker, I reserve the balance of my time.

Mr. SPRATT. Mr. Speaker, before yielding to the majority leader, let me set the record straight with respect to revenue flows.

If you look in the Congressional Budget Office projections of revenues in the budget, you will see that for the period 2008 through 2012, cumulative revenues are projected to be $15.3 trillion. If you subtract 176 for that to account for the agreement we’ve made with the Senate, which will vitiate, in other words, the adoption and extension of the middle income tax cuts adopted between 2001 and 2003, then our number for total revenues, according to CBO is $14.828 trillion. The President’s budget, total revenue projection is $14.828 trillion; $2 billion difference. This is the biggest tax increase in history? Give me a break.

And how about the Republican’s own revenue stream. You start from the same baseline. They have to use CBO numbers too. $15.3 trillion. Deduct from that $447 billion, which they have in tax cuts during that period of time, the baseline number for them becomes $14.826 trillion. We are $14.828 trillion, the President is $14.826 trillion; $2 billion difference. This is the biggest tax increase in history? Give me a break.

As a Democrat and a conservative, I believe that every Democrat and every Republican should support veterans health care and provide more homeland security. The current Republican plan is a good starting point.

If we support our troops, we need to adopt an economic program that will bring the budget back into balance. One that respects our national security needs and the needs of our families. I urge every Member of this House, on both sides of the aisle, to vote for the responsible Democratic budget. I urge every Member of this House to vote for the responsible Democratic budget conference report. It will be a change from the past, because we will adopt a budget, and I say you are probably even going to adopt appropriations bills, unlike last year.

First and foremost, this Democratic budget provides robust defense spending levels, because our national security is our highest priority. This budget provides more homeland security funding than the Bush administration did. It funds the 9/11 Commission recommendations, and it increases funding for veterans health care and services by $6.7 billion.

We talk about supporting our troops. If we support our troops, we need to adopt an economic program that will bring the budget back into balance. One that respects our national security needs and the needs of our families. I urge every Member of this House, on both sides of the aisle, to vote for the responsible Democratic budget conference report. It will be a change from the past, because we will adopt a budget, and I say you are probably even going to adopt appropriations bills, unlike last year.
Furthermore, after 6 years of fiscal irresponsibility, this budget will bring our budget back into balance in 2012. President Reagan, President Bush I and the 7 years of Bush II, never one balanced budget year in those 19 years. During the Clinton administration, 4, half of the budget years had surpluses. Now, the great falsehood, the great deceit, the great misrepresentation perpetrated by many of our friends on the other side of the aisle is that the budget somehow raises taxes. That is simply untrue.

Now, the Republicans pride themselves on not raising taxes. They simply borrow money from the Chinese, the Japanese, the Saudis, the Germans. In fact, they borrowed over $1.2 trillion over the last 65 years to fund their spending increases.

It is somewhat humorous, I think, that our Republican friends are claiming that this budget raises taxes by failing to extend cuts that the Republicans themselves designed to expire in 2010. By their logic, last year, when the Republicans still controlled both Chambers of this Congress and chose not to extend the taxes, in your budget proposal, remember that, my friends on the other side of the aisle, you do not suggest extending these tax cuts. It is ridiculous.

Don’t take it from me, just listen to the Hamilton Project at the Brookings Institution, which yesterday stated, “The budget conference report would not raise taxes. If anything, the budget resolution assumes that Congress will cut taxes.”

This is true. In fact, Mr. Speaker, the budget accommodates the extension of middle income tax cuts, as the chairman has said, and provides immediate relief for middle income taxpayers affected by the Alternative Minimum Tax. We want to fix the Alternative Minimum Tax. In fact we want to fix it by giving 81 million Americans a tax cut.

In addition, this budget increases funding for Head Start, LIHEAP, accommodates a $50 billion increase to cover millions of uninsured children, and rejects the administration’s harmful cuts to environmental programs.

Finally, Mr. Speaker, for our friends on the other side to complain that this budget provides for an increase in the debt ceiling strains credibility. The rule in the conference report was in your budgets repeatedly.

In just 6 years, this administration and Republican Congress turned a projected budget surplus of $5.6 trillion into an over $3 trillion deficit, an $8.6 trillion turnaround to the red side of the budget on your watch when you controlled all of the levers of this House. And you raised the debt ceiling 4 years in a row.

The new Democratic majorities in this Congress has inherited a fiscal debacle that today, through this conference report, we can begin to address and make right. This is a budget that we can be proud of, and it stands in stark contrast to the extraordinarily irresponsible policies of the last 6 years.

I urge all of my colleagues, vote for fiscal responsibility and a brighter future for our children and for our country. Vote for this Democratic budget.

Mr. RYAN of Wisconsin. Mr. Speaker, will the gentlelman yield?

Mr. HOYER. I will be glad to yield to my friend from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Speaker, just a point of clarification. I think the gentleman said that our budget did not extend the tax cuts. It did. In fact, it extended all the 2001 and 2003 tax cuts. I just wanted to state that for the record. That is all.

Mr. HOYER. Mr. Speaker, rekening my time, I don’t have it in front of me, but what your budget did was you assumed that the tax cuts were going to be extended. You did not extend them in your budget legally, which you could have done under the rules. You claimed you didn’t do it initially because of the rules in the Senate. I think that is inaccurate.

Mr. RYAN of Wisconsin. Well, I can go back into that, but I think we have belabored this.

Mr. HOYER. Mr. Speaker, I thank the chairman for his work, I thank him for yielding me the time, and I urge a yes vote on this responsible, effective budget for our country.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 30 seconds simply to ask a rhetorical question, if the Democrats chose to extend some of the tax cuts in this budget and therefore not all of the others, how is this not a tax increase? If the Senate said that the Democrat House budget raised taxes and they didn’t want to raise them as much and they forced the conference to negotiate to keep some of the tax cuts at bay, how is this not a tax increase? If they are saying they are preserving some of the tax cuts, then by definition they are raising the other taxes.

You can’t have it both ways.

Mr. Speaker, I yield 2 minutes to a young, earnest, conscientious Republican leader, the gentleman from Florida (Mr. PUTNAM).

Mr. PUTNAM. Mr. Speaker, I thank the young ranking member for yielding.

Mr. Speaker, unlike the majority leader, protocol does not allow me unlimited time to rebut his numerous inaccuracies, but let me lay out this fact first: The Democratic budget that we will vote on this evening raises taxes. And if you don’t believe it, just wait until your tax bill comes due in a couple of years when you are asked to pay more than you are today. And you will be asked to pay the largest tax increase in American history.

The marriage penalty will be back. The death tax, back. The bracket creep, back. The clarifications paying the 95% of Fortune 500 companies. It will crimp the economy that is robust and strong and creating a record Dow as we speak.

The majority leader said national security is their highest priority. If it is your highest and first priority, why are we now in May with troops running out of funds, running out of resources, and a President begging for a supplemental for men and women who are in harm’s way? If national security is your highest priority?

If you care to honor the veterans, then in addition to paying for veterans health care, in addition to dealing with veterans retirement, why are you not similarly honoring those veterans by resolving entitlements? When those young veterans come back, that every think tank in this town is in agreement that Social Security and Medicare will be bankrupt before those young veterans are eligible to receive those promised benefits, and you do nothing about it.

Why don’t you honor those young veterans, why don’t you honor those future generations, those first year teachers, this spring’s graduates from high schools and colleges, why don’t you honor them by dealing with the cuts that our country faces in Social Security, Medicare and Medicaid consuming the Federal budget? It already makes up over half of Federal expenditures.

This budget raises taxes, skyrockets the spending and does nothing to deal with the generation and put us on a path toward in entitlements. I urge you to defeat this irresponsible document.

Mr. SPRATT. Mr. Speaker, I yield to the gentleman from Texas (Mr. GENE GREEN) for the purpose of making a unanimous consent request.

Mr. GENE GREEN of Texas. Mr. Speaker, I support the conference committee report and thank both the chairman and the Budget Committee for their good work.

Mr. Speaker, I rise today in support of the conference report and agree that the fiscal year 2008 budget resolution. This budget resolution represents a return to fiscal soundness for our country, which has operated without a budget resolution in 3 of the last 5 years. This budget will help our country emerge from a sea of red ink and put us on a path toward a budget surplus in the next 5 years, with a $41 billion surplus projected for 2012.

Key to the fiscal responsibility in this budget is the inclusion of critical budget enforcement provisions known as PAYGO. This budget extends to the Senate the PAYGO rules adopted earlier this year in the House, which ensure that any future tax cuts or mandatory spending are offset elsewhere in the budget. This budget hews to that principle and does not include any new mandatory spending that is not offset.

Mr. Speaker, I also applaud our House and Senate Budget Committee Chairmen for their attention to the domestic needs of this country and the resources this budget dedicates for health care programs and research that have suffered in previous budgets. The conference
report provides a reserve fund of up to $50 billion for the reauthorization of the State Children's Health Insurance Program. As a member of the Energy and Commerce Committee, which is working to reauthorize the SCHIP program, I want to make sure the program is available to the 6 million American children who are currently eligible but not enrolled in the program. The reserve fund in this budget will allow us to expand the program for these children while also maintaining fiscal discipline under PAYGO.

On the discretionary side, the budget resolution includes an additional $20 billion over last year's level for health programs. In years past, worthy health care programs like trauma systems funding, Emergency Medical Services for Children, Health Centers and NIH research funding have been forced to compete for funding that was not sufficient to meet our health care needs. This budget recognizes the importance of adequately funding domestic priorities like health care and education programs that are true investments in our country's future.

I thank our House conferees for their work on the budget resolution and congratulate them on this truly balanced budget, in terms of both the deficit and the needs of the American people.

Mr. SPRATT. I yield 2 minutes to the gentleman from California (Mr. GEORGE MILLER).

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, how remarkable and refreshing it is finally to see a budget that ends the Republican commitment to endless seas of red ink and deficit spending. Finally a budget that ends the Republicans' commitment to squandering the $5 trillion that they inherited from the Clinton administration.

But more remarkable about this budget is it takes us in a new direction. It takes us in a direction where once again we see ourselves as a country and a nation investing in the young people in this country, investing in their education, investing in the effort to make college more affordable for families and students who have to borrow money. That is what this budget does.

With a $9 billion increase over and above the President's budget, for the first time we are able to change the trendsline from reducing the expenditures on behalf of students with disabilities, the elementary and secondary education of America's students, on behalf of job training. That is what this money does. This is an investment in the future of our young people. This is an investment in the elementary-secondary education system of young people in this country. This is an investment in reducing the cost of college.

That is a markedly different direction than we have been going over the last 6 years, where we just headed headlong into seas of red ink, where it overwhelmed everything else the government was about to do, where it started taking its toll on the education

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It is a new direction, and it is the right while meeting our Nation us on a course to pay down our debt our future workforce has the education

It expands SCHIP to provide for the increasing needs of our families. It provides funding that will enable America to provide for the increasing needs of our veterans.

Third, our budget recognizes the priorities of hardworking Americans. It provides tax relief to middle-income families by fixing the AMT, extending lower tax rates, and continuing the earned income and child tax credits. And it expands SCHIP to provide health coverage to 7 million uninsured children in this country of middle-income families.

Fourth, our budget enhances our Nation’s economic competitiveness and makes key investments to ensure that our future workforce has the education and skills needed to compete in the global economy.

Our budget is fiscally disciplined. It ends the unsustainable borrow-and-spend policies of the last 6 years, and it balances the budget in 5 years, setting us on a course to pay down our debt while meeting our Nation’s obligations. We should all be proud of this budget. It is a new direction, and it is the right direction for America.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HERGER), a member of the Ways and Means Committee.

Mr. HERGER. Mr. Speaker, I recently served on the Budget Committee for 8 years, and restored we have in the only four balanced budgets in recent history. I am sad to see, however, that today’s budget envisions what could amount to the largest tax increase in American history to pay for higher spending.

The budget would increase discretionary spending at roughly three times the inflationary rate while failing to achieve real savings for taxpayers. Taxes will grow by at least $217 billion as pro-growth tax relief is allowed to expire. Even the child tax credit and mortgage penalty relief may not be extended. I urge Members to reject this budget.

Mr. SPRATT. Mr. Speaker, I yield 1 1⁄2 minutes to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Mr. Speaker, I rise in strong support of this conference report. We can be proud that this budget finally produces a vision for our future that reflects our hopes and dreams and the promise of economic prosperity and security in the years ahead.

I commend my distinguished chairman and his staff for their hard work, which has resulted in a balanced budget within 5 years, and restoration of middle-class priorities to the budget process. While restoring fiscal responsibility, we also raise funding for veterans, for health care, and for education.

This budget contains reconciliation instructions regarding education expenditures. I believe we have the opportunity to use these instructions to the benefit of students and their families. This budget guarantees that increasing college affordability is a paramount goal of our majority, and prove that we have followed through on our promise to set a new direction for America.

As our chairman has said repeatedly, if you can’t budget, you can’t govern. With this budget conference report today, we demonstrate our commitment to govern.

Mr. Speaker, I urge my colleagues to vote for this conference report. Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1 1⁄2 minutes to the gentleman from Texas (Mr. CONAWAY), a member of the Budget Committee.

Mr. CONAWAY. Mr. Chairman, I want to speak to one issue in this budget, and that is the tax trigger. I believe this is a ruse to hide behind a tax increase.

I know my colleagues on the other side will argue it is not a tax increase, but I can assure you that American families in 2010 whose financial circumstances are similar in 2011, will pay more in taxes in 2011 than they pay in 2010. Call that what you may, but I believe it is a tax increase.
same folks who in 3 of the last 5 years couldn’t even pass a budget resolution through the House and Senate.

We are putting America on a new course, the right course for our country and for our veterans.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1 1/2 minutes to the gentlewoman from California (Mr. CAMPBELL), a member of the Budget Committee.

Mr. CAMPBELL of California. Mr. Speaker, I have been listening to this debate and listening to the arguments on the other side of the aisle. If I am waiting for David Copperfield to show up as a member of their Budget Committee because what they are doing is magic. They are over here bragging about all of the additional money they are spending. And bragging, which they are, and bragging that they are balancing the budget, which they say they are, but then saying they are not raising taxes. Which they are.

This budget contains over $200 billion in tax increases. That is about $1,000 for every taxpayer in America. And oddly enough, isn’t it strange that it also contains about $200 billion in additional spending over the President’s proposed budget.

So they want to raise Americans’ taxes by $1,000 a taxpayer so they can spend it on new spending. Make no mistake about it, a vote for this budget is a vote for at least the second largest tax increase in American history, if not the largest.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, the defense spending in this budget is much, much, much higher than I would like. But I rise today in support of this conference report and the very good work of Chairman SPRATT, of his committee, and his staff.

Thanks go to Chairman SPRATT and the conferees for including my language in this bill to steer more defense dollars to military personnel for their health care, including Walter Reed and TRICARE, and away from outdated, misguiding, and unneeded weapons systems that are still being built to fight the threat of the Soviet Union, to protect against the Cold War.

This budget also takes on waste at the Pentagon, insisting that DOD presses ahead in implementing over 1,300 unaddressed suggestions from the GAO to reduce waste, fraud and abuse.

Mr. Speaker, whenever any Member of this Congress has to stand on the floor and suggest what they did in the past, you know it’s pretty sure that they made some big mistakes. This budget is a big step in correcting the fiscal mess that the Democratic majority inherited, and I urge my colleagues to support this package.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1 1/2 minutes to the gentleman from Texas (Mr. HENSARLING), a member of the Budget Committee.

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding, and when my friends from the other side of the aisle do something that I think is laudatory, I want to laud them for it.

They have taken a budget that contained the single largest tax increase in American history and turned it into a budget that has the second largest tax increase in American history, but before I get too effusive with my praise, they have something in there called a trigger which tells the Americans that if you can prevent us from spending all of your money, maybe, maybe you can get a little of it back. So I suspect, Mr. Speaker, we are again looking at the single largest tax increase in American history.

Now, speaker after speaker on the other side get up and tell us, oh, we’re balancing the budget, we’re increasing spending that they call investments, but no, no, no, we’re not raising taxes. Mr. Speaker, thank you. Mr. Speaker, you can’t speak. The numbers don’t add up. I have got a 5-year-old daughter who can perform better math than that, and she’s not very good at it. You can’t balance the budget, increase spending and then claim you’re not raising taxes. It’s shameful.

Mr. Speaker, this is an easy conclusion that the Americans should draw. If they believe that the growth of the Federal budget is more than the growth of their family budget, they should support this Democrat budget. And if they can sleep well at night knowing that this budget is going to double the taxes of their children and grandchildren, they should embrace that budget. But if they want freedom and opportunity for the next generation, reject this budget.

Mr. SPRATT. Mr. Speaker, I yield 2 1/2 minutes to the gentleman from Illinois (Mr. EMANUEL), the distinguished chairman of our caucus.

Mr. EMANUEL. Mr. Speaker, I’d like to thank my colleague from South Carolina for his leadership and, most importantly, his leadership because the Democrats promised in November that we’re going to bring a new direction and new priorities to Washington.

We’ve accomplished in 6 months what my colleagues have failed to do in 6 years, and that is produce a budget that produces a surplus.

Mr. Speaker, let me tell you the first rule of a surplus is since you’ve had such a recognition of not being able to produce one. Surpluses are the fact when the government puts its fiscal house in order and matches up its needs with the American people and produces a surplus, because your fiscal legacy is $4 trillion of new debt.

When it comes to economic policy, the one thing that can be said about the Republicans’ fiscal mess is that we will forever be in your debt. That is the single largest tax increase in 6 years, the largest increase in the Nation’s debt in the shortest period of time is your legacy, and I don’t think you’ve quite gotten the recognition for what you’ve done to America, left it nothing but red ink.

This budget is not only in balance, but it’s in balance with our values, our values that ensures that 8 million children do not have health care but. Our parents work full-time, they will get health care; in balance with our values to make sure that we’re not subsidizing the financial industry by making sure that middle class parents have the financial resources to send their kids to college; making sure that when it comes to our veterans that in fact we are rewarding our veterans who have fought for this country and say the proper recognition for their service to America or a third job to send their kids to college.

I commend my colleagues for this new direction budget, a budget that is in balance and is also in balance with our values. But it is one that also shows us that the American people do not deserve a $217 billion tax increase in the one year of debt left for the Americans to clean up that mess, and we have produced in 6 months a budget that’s balanced, and at the end of the process also creates a surplus.

There are different and stark choices. President Kennedy once said, to govern is to choose. We’ve made the choices to make sure that middle class families get a tax cut, kids get health care, veterans get the respect and the resources that they need to move on with their life, and our families who know that an education and a college education in an era like this where you earn what you learn, that a middle class family does not need a second mortgage or a third job to send their kids to college.

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to fund more bureaucracy and more bureaus in Washington, D.C. If you think that there are not enough bureaus, enough bureaucrats in D.C., vote for this budget. If you think the American people deserve a tax cut, reject this high spending, highly irresponsible budget.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS asked and was given permission to revise and extend his remarks.

Mr. ANDREWS. Mr. Speaker, I thank my friend from South Carolina, the chairman, for producing an excellent budget for which every Member should vote.

Responsible people do not pay their bills by borrowing from their children. Responsible people analyze what they can afford, spend only that and save what they can.

For too long, this Congress has labored under a culture of irresponsibility: focus on the next election, spend what you want to, hand out tax bills by borrowing from their children. Responsible tax raising budget.

The easy thing to do around here is to extend the tax breaks for middle class families that help them survive, but when we do so, we will do so without borrowing more money. Most of us absolutely are committed to extending the tax breaks for middle class families that help them survive, but when we do so, we will pay for it without borrowing more money.

The gentleman will state his inquiry.

Mr. RYAN of Wisconsin. Mr. Speaker, by operation of rule XXVII, upon adoption of this conference report by both the House and the Senate, this joint resolution adjusting the debt limit will be considered as passed by the House and transmitted to the Senate?

Mr. SPRATT. The SPEAKER pro tempore. The gentleman is correct.

Mr. RYAN of Wisconsin. Further inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. RYAN of Wisconsin. Will there be a separate vote in the House on passing this joint resolution adjusting upwards the debt limit?

The SPEAKER pro tempore. Not by operation of rule XXVII.

Mr. RYAN of Wisconsin. Further inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. RYAN of Wisconsin. Mr. Speaker, by operation of this rule, will the vote by which the conference report is passed by the House be considered the vote on passage of the joint resolution adjusting the debt limit?

The SPEAKER pro tempore. That is correct.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, what we have just learned is that if a Member votes for this conference report, and it is adopted by the Senate, then they will be recorded as having voted for the joint resolution raising the public debt limit to $9.815 trillion, an increase in the public debt of borrowing of $850 billion. If a Member votes against this conference report, and it is adopted by the Senate, then they will be recorded as having voted to increase the debt limit or borrowing by $850 billion.

So it's very clear that the passage of this budget increases borrowing by $850 billion and that is, in fact, the effect of this.

Mr. Speaker, I reserve the balance of my time.

Mr. SPRATT. Mr. Speaker, could I inquire of the Chair how much time is left and who has the right to close?

Mr. RYAN of Wisconsin. Mr. Speaker, it's my understanding that pursuant to rule XXVII of the rules of the House, upon adoption of the conference report by both the House and the Senate, the Clerk of the House will be instructed to prepare a joint resolution adjusting the public debt limit; is that correct?

The SPEAKER pro tempore. That is correct.

Mr. RYAN of Wisconsin. Further inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. RYAN of Wisconsin. Am I further correct, that by operation of rule XXVII, upon adoption of this conference report by both the House and the Senate, this joint resolution adjusting the debt limit will be considered as passed by the House and transmitted to the Senate?

The SPEAKER pro tempore. The gentleman is correct.

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Mr. Speaker, I reserve the balance of my time.

Mr. SPRATT. Mr. Speaker, could I inquire of the Chair how much time is left and who has the right to close?

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. SPRATT) has 8 minutes left and will have the right to close. The gentleman from Wisconsin (Mr. RYAN) has 9½ minutes remaining.

Mr. SPRATT. Mr. Speaker, I yield myself 3½ minutes.

We can't have this debate without having a few charts on the floor, and it always bears reminding what's happened over the last 6 years because it is truly a fiscal phenomenon. When President Bush came to office in 2001, he had an advantage that few Presidents in recent history have enjoyed, a budget in surplus. I'm talking big-time surplus, $5.5 trillion by his estimate, over the next 10 years, $5.5 trillion. That was the year 2001. In the previous 8 years, a Clinton year, we ran a surplus of $236 billion. By the year 2004, under the stewardship of this administration and this Congress, because Republicans controlled the House, controlled the Senate, and controlled the White House, under their stewardship, the $5.5 trillion surplus was converted to a $2.5 trillion deficit, an increase of $8 trillion in the wrong direction, and that $236 billion surplus in the year 2004 became a deficit of $142 billion.

Incredible, but that is what we have had for the last 6 years. That's the record over the last 6 years which cannot be denied. Here it is right here. As a consequence of the deficits that have been run, this simple little chart that I bring down here again and again, because it bears reminding everybody what's happened over the last 6 years, shows that when Bush came into office we had a debt of $5.7 trillion. The debt today is over $12 trillion. $3.8 trillion. That means there's been an increase in the national debt of $4.1 trillion and if we continue upon the fiscal path that this administration has taken, by the time they leave office the debt of the United States will be $50.6 trillion.

Look at the accumulated debt over this 8-year period of time. We've never seen anything like it. These are the people who would criticize what we are doing.

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Now, there has been a lot of talk about tax increases. Let me show you this little chart here, because it shows graphically, and emphatically, something called debt service. The increase in the interest on the national debt that has to be paid, talk about entitlement reform, this is the one true entitlement. It's obligatory, it has to be paid. Interest on the national debt has increased from about $156 billion a couple of years ago to $256 billion, and it's on its way north to $300 billion in a short period of time. This is a debt tax.

Yes, you may have cut taxes in 2001 and 2003, but, because you have borrowed to make up for the loss of revenues and added to the debt of the United States, you, we, our children and their children, will be paying this debt for years to come, and compare this huge mountain of debt service, interest on the national debt, to other priorities.

Education, the light blue block; veterans health care, the green block; Homeland Security, the blue block, all of them are dwarfed by interest on the national debt for years to come, and compare this huge mountain of debt service, interest on the national debt, to other priorities.

Mr. SPRATT. Mr. Speaker, could I inquire of the Chair how much time is left and who has the right to close?
Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 30 seconds to the gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. I want to thank Mr. RYAN for yielding to me.

There is a group of Democrats here who came to be fiscal conservatives. They call themselves the Blue Dogs. They have a budget reform plan, a good budget reform plan. Point 7 of the Blue Dogs' point budget reform plan calls for not hiding votes on the debt limit increase.

Yet a vote for this conference report is a vote to automatically raise, without a separate vote, the national debt by $850 billion. Where are the Blue Dogs today? They are not here on the floor talking for this. Where will they be when we have this vote?

Mr. SPRATT. Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield now to our distinguished minority whip, Mr. BLUNT.

Mr. BLUNT. I thank the gentleman for yielding.

Mr. Speaker, we will be talking about this budget for a long time. Everybody has their own view of this, but you can’t have your own view of the facts. One of my good friends got up a minute ago and talked about the size of the deficit.

This budget is going to add $850 billion this year to the deficit. I think that’s almost $1 trillion, though I am sure people who are listening to this here in the Chamber and anywhere else are confused now by all these numbers they are hearing. This budget, without a single other vote, adds to the national debt.

It raises the debt ceiling. In spite of the many Members in this Chamber who ran for office saying they would never try to hide this vote on the debt, that’s exactly what this vote does today.

Entitlement reform, one of my other friends said, we hadn’t passed a budget. Well, my friend, you can’t have entitlement reform unless you pass a budget. You can’t have reconciliation.

We cut the growth of the entitlement spending $40 billion in the last Congress. By definition, to do that, we had to have a budget. So somebody who suggested we hadn’t had a budget also was the person who had some explanation as to why this budget doesn’t do entitlement reform.

In fact, then we even make entitlement reform somehow the interest on the national debt. The programs that are growing out of control are the programs that this budget refuses to address.

Then the very interesting topic of tax cuts, tax policies in 2001 and 2003 that have produced record levels of income to the Federal Government: 2005, 14.5 percent more income than 2001; 2006, 11.8 percent, more income than 2005. These tax cuts grew the economy. That grew Federal income. If you raise the wrong taxes, you will reduce Federal income.

This whole budget debate, our friends in the majority have said, there is no tax increase in this budget. But suddenly, in the budget report, we are told that the Senate imposed 9 levels of tax increases, so we are only raising tax revenue by $217 billion for sure instead of $400 billion.

This is a huge tax increase. It doesn’t deal with entitlements. It raises, without a vote, the national debt ceiling. I urge a “no” vote on this budget. Let’s get a blueprint that really works for the future.

Mr. SPRATT. Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, may I inquire of the chairman, the gentleman from South Carolina, is he the last speaker on their side? You are reserving the right to close?

Mr. SPRATT. I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, may I inquire how much time is remaining on the Republicans?

The SPEAKER pro tempore. The gentleman from Wisconsin has 6 minutes remaining. The gentleman from South Carolina has 4 minutes remaining.

Mr. RYAN of Wisconsin. At this time I would like to yield 2 minutes to the distinguished chief minority whip from Virginia (Mr. CANTOR).

Mr. CANTOR. I thank the ranking member, Mr. RYAN.

Mr. Speaker and Members of the House, you know, when I sit here in almost astonishment and thinking, it’s the fact that even though we are witnessing the massive tax hikes that are embedded in the Democrat budget, in fact, the largest tax increase in American history, what the majority’s budget fails to do, it fails to stop the raid on Social Security.

In the year 2012, the Social Security fund will be running a surplus of $99 billion. The Federal Government has experience and has collected more in Social Security taxes than it pays out in benefits since 1984. Instead of using this money to shore up Social Security, instead of using it to do something to honor the contract that this government has made with the seniors, the Democrat budget spends that cash surplus on other programs.

What is astonishing is the fact that this Congress is working very hard in the Republican motion to recommit to stop the raid on Social Security, this House, in an overwhelmingly bipartisan vote, supported the end of that raid. But here we have the Democrat budget that goes back on that word represented by the bipartisan vote and starts again with the raid on Social Security surplus.

In contrast, the Republican budget that was offered several weeks ago does just the opposite, and, in fact, uses the surplus that was in 2012 to begin to shore up the Social Security system and to improve and enhance the vitality of that program for today’s seniors.

Mr. Speaker, I strongly recommend a “no” vote on this conference budget report.

Mr. SPRATT. Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 90 seconds.

Mr. Speaker, let’s just be really clear. You are hearing this debate about taxes. Nowhere is the difference between the two parties ever clear than it is right now. We brought a budget to the floor that not only did not raise taxes, it kept taxes low, and it reduced spending, and it balanced the budget, and it finally stopped the raid of the Social Security Trust Fund.

That’s what we proposed. We are not in the majority. Our view did not prevail. The Democrat budget did prevail. What did that budget do? It passed the largest tax increase in American history. That’s not what we say, that’s what the Congressional Budget Office says, our spokespeople. What did they do in conference? They decided to accede to the Senate and have a slightly smaller tax increase. They started off with the red line, largest tax increase in American history as measured by the Congressional Budget Office. After what you say, the numbers in the budget just don’t lie.

Then they said, let’s have a trigger. If we don’t spend too much money, and if the surplus is big enough in 2010, then maybe more seniors could get some tax relief, and we won’t raise all of their taxes. We will extend the marriage penalty and the child tax credit, 10 percent bracket, but will all the other tax increases occur? So we will have the second highest tax increase in American history.

That’s what their proposal does. They simply cannot have it both ways. They cannot say there is no tax increase in this budget and then say we are preserving some of the tax cuts and not others. You can’t have it both ways.

Here is what this budget does. It puts us on a vicious cycle of taxing and spending. They start off by spending $24 billion, next year, brand new spending.

Then they have a $217 billion tax increase. Then they have 23 reserve funds, 23 wish lists, which equal $190 billion in new spending. Then they put no entitlement reforms, which means our entitlement programs are going to grow and grow and grow at unsustainable rates. Guess what, $190 billion in wish lists, 23 new wish lists of spending. What do they get? If they get the spending, they get another $190 billion tax increase to pay for it, a vicious cycle of new spending.

The trigger tax says we would like to give some people some tax relief, but if we continue to whet our appetite, taxpayers won’t get it. All this trigger says is it puts the taxpayer at the back of the line and the government and spending at the front of line. We have a different core set of values.
We believe the money that people make is their money, not the government’s money. If you are making money, working hard and paying taxes, that’s your money, not ours. We have a different set of beliefs. They believe the opposite. They believe that more and more money would come out of workers’ paychecks. They believe that they can spend your money better than you can.

That is not what we believe. The reason that we don’t believe it is because if you have more money in your paycheck, you have more for yourself and more freedom for your family, we know, by golly, the American economy grows. We succeed. We improve in the global economy.

We created 7 million new jobs since this last run of tax cuts. We increased revenues to the Federal Government from these lower tax raises, 3 years in a row, double digit revenue growth. Let’s not turn that recipe upside down. Let’s change nothing.

Defeat this budget.

Mr. SPRATT. Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield the remainder of our time to the distinguished minority leader, Mr. BOEHLER.

Mr. BOEHLER. Mr. Speaker and my colleagues, here we go again, a higher spending, higher taxes, and people don’t think there is a difference between the two major political parties. One only has to look at what’s happened so far this year. We have the continuing resolution that was passed in February, there was $6 billion worth of excess spending in it.

Now we have got an emergency supplemental to fund our troops in Afghanistan and Iraq that has another $22 billion worth of excess spending in it. If you look at the discretionary spending levels in this budget for this next fiscal year, we have another $22 billion worth of adding on what’s outlined.

Now if that’s not bad enough, we are only 4½ months into this calendar year, and my friends across the aisle have authorized an additional $62.5 billion of additional spending. How much spending and how many taxes do we want to impose on the American people?

We all know that the tax cuts of 2001 and the tax cuts of 2003 have led us to one of the most robust economies that we have seen in our history. Why? Because we lowered tax rates, we gave people reasons to invest in our economy. Jobs were created, 5 million new jobs were created, more people were earning money, raising their families, paying their bills, and, guess what else they are doing? They are also paying more in taxes.

That is why revenues to the Federal Government over the last 3 years have increased at over 12 percent per year. They are likely to do the same again this year if we don’t impose upon this economy the largest tax increase in American history. It is coming. There is $200 billion worth of tax increases needed to fill this hole. There is this reserve fund, all these promises: If we can raise taxes somewhere, we will give you this extra spending. And so we are going to have another big increase in our Nation’s history once again.

I was listening to this debate earlier in my office and I began to ask myself, what is the essence of this? Let me go back to the 1970s. If I gave money to a household with 11 brothers and sisters; my dad owned a bar, and we were Democrats, all of us.

And I remember starting a new business in 1975; I remember paying taxes. I remember not owing many taxes because I was starting a new business. But in 1978, as my small business was beginning to grow, the top tax rate in our country was 70 percent. That means 70 cents out of every dollar over that minimum, which was about $75,000, 70 cents of every dollar I got to give to the Federal Government. That is when I began to realize that maybe I wasn’t a Democrat any longer.

Here I was trying to grow a small business; I was a subchapter S, so everything that my business made, I had to pay taxes on personally. That meant I could only leave 30 cents of every dollar in my business to help make it grow. And even under those tax rates that were suffocating, I was able to succeed.

But let’s think about the last 25 years. When Ronald Reagan got elected in 1980, in 1981 in a bipartisan way we started a process of lowering tax rates. Over the last 25 years, by and large we have lowered tax rates dozens of times, only a couple of bumps, a couple increases along the way. The result of all of that over the last 25 years has been a growing economy. Better jobs in America, more jobs in America, and more revenue to the Federal Government.

It is a prescription that has worked.

Look again at the 2003 and the 2001 tax cuts. We reduced tax rates, and the result was more investment, more jobs, and more revenue to the Federal Government.

Now, at some point there is a point of diminishing returns, but I will suggest to all of you that we are nowhere close to it yet.

Ladies and gentlemen, I became a Republican and I came to Congress because I thought that we paid too much in taxes and that government was too big. The heart and core of who I am and why I am here is to fight for a smaller, less costly, more accountable government here in Washington, D.C. This budget represents every reason that I decided to become a Republican, and every reason I decided to come to Washington and to do something about it.

The big difference is simple right here. My friends across the aisle believe that government knows best what to do with the American people’s money. More of my colleagues on my side believe that the money that the American people earn is theirs, and that they can make better decisions on behalf of themselves and their family and their future if we allow them to keep more of the hard-earned money that they won’t.

I can’t just sit back and be quiet about higher taxes and higher spending. This is the largest tax increase in American history. This will in fact disinvest money from our economy, make people out of work, and put us on a path to higher deficits.

And if the largest tax increase in American history isn’t the saddest part of this bill, I will tell you what it is: No entitlement reform.

There is an economic tsunami coming at us; it is Social Security, it is Medicare, and it is Medicaid. And while Republicans over the last years have made several attempts and made some changes, and I would argue not nearly enough, let me tell you what the essence of this bill is: No entitlement reform. This will in fact disinvest money from our economy, make people out of work, and put us on a path to higher deficits.

There is not a Member in this Chamber that doesn’t understand that if we don’t deal with entitlement our kids and our grandkids can never afford the benefits that we have promised ourselves. We can look the other way, we can act like it doesn’t exist, but we have made promises to ourselves as baby boomers that our kids and grandkids can’t afford. And yet, we see the tsunami coming at us, we can measure it; we can measure the speed and the size of it, and yet we do nothing about it.

My colleagues, this is not the direction that I believe we should go in. I ask all my colleagues to stand up and do the right thing and to say “no” to this budget resolution.

Mr. SPRATT. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this is a good budget. I would be the first to say it is not a perfect budget, but I would be the first to argue that it is worthy of our support.

Indeed, I think it requires our support if we don’t want to see the budget process fall abjectly once again, as it did last year under control when no concurrent budget resolution was ever enacted, passed, and only two of 11 appropriation bills were passed.

The bottom line, this budget moves us to balance over the next 5 years. Along the way, it posts smaller deficits than the President proposes, it adheres to the pay-as-you-go principle, which is the rule of this House, contains no new mandatory spending that is not paid for, and it funds five program integrity initiatives to root out wasteful spending and fraud and tax evasion.

Within this framework, it does more for veterans health care, far more, more for children’s health care, far
the right course. The Democratic budget will finally put us on course.

Member of this House, Democrat and Republican budgets, the vote on the days. After years of rising deficits and drain on our country, we will need to give our servicemen and veterans the best possible health care. The budget provides sufficient funds to treat traumatic injuries and improve health care facilities for veterans, as well as to treat the more than twenty-six thousand service members who have been wounded in Iraq and Afghanistan.

In this concurrent resolution, we go about is taking a big battleship and putting in place the payroll deductions that are being added to the budget. We have inherited the basics of this budget. Much of the spending that we are carrying forward was dictated over the last 6 years. The same for the revenue flow of the budget we are undertaking. It is going to take time to turn this big battleship around. But as we do, the best we can do is, number one, have a concurrent budget resolution with the binding effect of budget law for the first time in a long time; and, secondly, this concurrent resolution which will put us back on the path to a balanced budget.

For those for whom a balanced budget is something of a moral imperative because of the debt we are leaving our children, the right vote today, the only vote to count in the house for this budget resolution, and I commend it to every Member of this House, Democrat and Republican, and urge their support.

Mr. CONVEYER, Mr. Speaker, today is a historic day. After years of rising deficits and draconian Republican budgets, the vote on the Budget Conference Report finally puts us on the right course. The Democratic budget will take America in a new direction by funding national priorities such as health care services, educational programs, and veterans services while providing middle class tax assistance.

The Democratic budget rejects the Administration’s attempts to cut funding to many social programs that support American children and families such as State Children’s Health Insurance Program (SCHIP), Medicaid, Medicare, and Medicaid. This forward looking budget will help all Americans progress towards social and economic security.

The Democratic budget will also provide tax relief for middle-income workers and will extend Bush-era tax cuts when they expire. In addition, we will provide middle-income workers with a 10% credit, marriage penalty relief, and more deductions for state and local sales taxes.

After our troops have defended our great country, we need to give our servicemen and veterans the best possible health care. The budget provides sufficient funds to treat traumatic injuries and improve health care facilities for veterans, as well as to treat the more than twenty-six thousand service members who have been wounded in Iraq and Afghanistan. Funding measures to veterans healthcare is the baseline level necessary expense providing $3.6 billion above the President’s proposal.

Mr. Speaker, many Americans have economic concerns, and are seeking leadership from our leaders. The United States has an essential role in supporting the American people, even those who are hard working tax paying citizens that deserve some well justified and reasonable expense. This legislation is clearly the people’s budget.

Mr. HOLT. Mr. Speaker, a budget that demonstrates our values and priorities, the Democratic budget resolution seeks to provide services and support that are essential to the well-being of the American people; millions who are hard working tax paying citizens that deserve some well justified and reasonable expense. This legislation is clearly the people’s budget.

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path to doubling funding for the National Science Foundation, and bolstering investments in research and development throughout the budget.

America’s dependence on oil endangers our environment, our national security, and our economic well-being. Investment in research and development is crucial to creating cutting-edge technologies that allow us to develop clean, sustainable energy alternatives and capitalize on America’s vast renewable natural resources. The budget provides increased funding for basic and applied energy research.

For the first time in 6 years, the Budget Resolution reflects a real commitment to protecting our most valuable natural resources by providing needed funding for our National Parks, the Land and Water Conservation Fund, and the national wildlife refuge system. H. Con. Res. 99 provides a total of $31.4 billion for environmental programs, which is $2.6 billion more than the President’s request. I have been an advocate for the Land and Water Conservation Fund since I came to Congress eight years ago and I am pleased that we have now reached a place where the budget includes adequate funding for both the state-side grant program and the federal program. LWCF and the Forest Legacy program have done tremendous work in states across the country, including New Jersey, to protect open space, and conserve lands. In the face of mounting evidence on the perilous state of our environment, it continues to amaze me why President Bush continues to turn a blind eye to our growing needs in this area. Finally, we have a budget that realizes how important investment is to preserving our natural resources and promoting conservation.

This budget achieves all of these objectives and investments without an increase in taxes. The budget would accommodate immediate relief for the tens of millions of middle income households who would otherwise be subject to the Alternative Minimum Tax (AMT), while supporting the efforts of the Committee on Ways and Means to achieve permanent, revenue-neutral AMT reform. Unless the AMT is reformed, an additional 18 million households will have to pay higher taxes in 2007. The budget would also accommodate extension of other middle-income tax relief provisions, consistent with the Pay-As-You-Go principle that include: the child tax credit, marriage penalty relief, the 10 percent bracket, and the deduction for state and local sales taxes.

The past 6 years of fiscal irresponsibility have caused America’s national debt to increase by 50 percent, an amount of nearly $9 trillion, or $29,000 for every American. Our ability to invest in the Nation’s shared priorities is constrained by the cost of the debt run up over the last 6 years, when the administration and its partners in previous Congresses turned the largest surplus in American history into a record debt. About 75 percent of America’s new debt has been borrowed from foreign creditors such as China, making our fiscal integrity a matter of national security. Over the last 6 years, President Bush has borrowed more money from foreign nations than the previous 42 U.S. Presidents combined.

Mr. Speaker, this budget reflects values that we can all be proud of. It meets the basic needs of Americans, invests in priorities important to our future while putting us on the path to fiscal responsibility. I ask my colleagues to vote for the Budget Conference Report.

Mr. UDALL of Colorado. Mr. Speaker, I support this conference report because it will begin the process of changing our budgetary course. While it is not identical to the version the House enacted this year, I am pleased that resolution it is clearly preferable to budgets adopted by the House in previous years.

For the 6 years before the convening of this 110th Congress, the administration and the Republican leadership insisted on speeding down a fiscal and economic policy highway. Ignoring clear warning lights, they plowed ahead, taking us from projections of surpluses to the reality budgets deep in deficit and heaping higher the mountain of debt that our children will have to repay.

Many of us said it was urgent to stop persisting in that error and voted for alternatives, including those proposed by the Blue Dog Caucus.

But year after year our Republican colleagues insisted on taking their marching orders from the White House, moving in lock-step with the administration’s insistence that its economic and fiscal policies must continue without change.

I admired their discipline, but I could not support their insistence on driving us deeper into the swamp of fiscal irresponsibility that has left a debt burden of more than $30,000 for a typical middle-income family of four in Colorado.

But that was then—and now, in this new Congress under new management, by passing this conference report we can begin to undo the damage of the past. The conference report is better in its fiscal responsibility and in its priorities.

It follows the tough “pay as you go” budget rules to begin to reverse the budget deficits and to put us onto the path to a balanced budget. And under this plan, by 2012, domestic discretionary funding would fall to the lowest level, as a share of the economy, in at least a half century while spending as a percentage of GDP will be lower in 2012 than it has been in any budget adopted under President Bush. It will be this year and lower than it has been in any year since 2001.

Despite assertion by its critics, the conference report does not include any tax increases. To the contrary, it supports tax relief that would benefit the middle class—including extension of the child tax credit, 10 percent bracket, and marriage penalty relief—and provides for estate tax reform.

And it provides for immediate Alternative Minimum Tax relief, preventing more than 2 million middle-class taxpayers from being hit by the tax. This is important because while in 2004 only 32,000 Colorado families were subject to the AMT, if nothing is done, this year that number will rise to 234,000 families in Colorado and hundreds of thousands more in other States.

At the same time, it takes steps to crack down on wasteful or fraudulent spending in Social Security, Medicare, and Unemployment Insurance programs and it supports actions to collect unpaid taxes as well as providing additional resources to reduce claims backlogs in the Veterans Administration, Social Security Administration, and other agencies.

Further, it directs House committees to identify wasteful and lower priority spending that can be cut. As a member of the Armed Services Committee, I am particularly glad to note that the conference report is also realistic and responsible about the need to maintain our national defense and honor our promises to our troops and veterans.

In addition to meeting the needs of the active-duty force, it allows for increasing funding for veterans’ health care and services by $6.7 billion above the 2007 enacted level, and $3.6 billion above the President’s budget.

This is a priority for this conference report because it will help ensure that the 427,957 veterans in Colorado receive care worthy of their sacrifice. It is also critical for the 17,419 Coloradans, who have served their country in Afghanistan and Iraq since September 2001, many of whom will need VA health care services.

It also provides more funding for urgent homeland security needs and to implement the 9/11 Commission recommendations. In doing so, it rejects cuts to vital first responder and terrorism prevention programs that would have adopted the President’s budget for fiscal 2008.

Like the House-passed version, it recognizes the importance of research, development, and education in keeping our economy strong and our country secure. As a member of the Science and Technology Committee and chairman of its Subcommittee on Space and Aeronautics, I am particularly supportive of it for that reason—and as one of the Chairs of the Renewable Energy and Energy Efficiency Caucus, I welcome its support for research and development of renewable and alternative energy technologies.

As for education, the conference report allows for substantially more funding for helping Colorado’s public elementary, middle and high schools educate the 765,000 children now enrolled, with more resources to implement the No Child Left Behind Act, special education and Head Start. By contrast, if we followed the President’s budget, 31,296 Colorado children would not receive promised help in reading and math and the Head Start program—which serves 9,820 Colorado children—would be cut by 1.5 percent below the 2007 level.

These investments to a growing economy for America’s families are needed because, according to the Colorado Bureau of Economic Analysis, Colorado’s gross domestic product since 2000 has grown by $4.041 billion since 2000, while health care and energy prices are climbing. But still more is needed.

So, I am glad that the conference report provides for increasing funding for State Children’s Health Insurance Program (SCHIP)—to help cover the 176,230 of Colorado’s children who do not have health insurance. And because it is so important for Colorado’s ranchers, farmers, and rural communities, I strongly support the part of the conference report that supports policies to strengthen the farm bill’s economic benefits.

Mr. Speaker, I can understand why the Bush Administration does not like this conference report. After all, it rejects the Administration’s misguided priorities. But it’s disingenuous to portray the Republican colleagues are still are so willing to unquestioningly follow the President’s lead. And, while I suppose it’s to be expected, it’s particularly unfortunate that they have decided to attack this conference report by resorting to recycling the old, tired and false claim that it is “the largest tax increase in history.”

But the facts are otherwise. The conference report does not affect the top-heavy tax cuts
the Bush administration and the Republican leadership pushed through since 2001— they remain in place as they stand, which means they will not expire for 4 years.

I did not vote for all of those tax cuts, but I did support some that are most important for middle-income Coloradans. So, I am glad that the conference report provides for extensions of those in 2011, including an extension of the child tax credit, marriage penalty relief, and the ten percent individual income tax bracket. And when the rest of the tax cuts come up for reconsideration, Congress can and should consider whether to extend them, as they are now or in modified form.

I support that approach, which is quite different from the alternative approach that would have insisted on locking in all of those in 2011, including an extension of the middle-income Coloradans. So, I am glad that I did support some that are most important for them will not expire for 4 years.

Regarding one of those alternatives, in reviewing the formal record of rollcall 209, the vote on the Kilpatrick substitute, I found I am recorded as having voted “yea.” However, I had intended to vote “no,” and my recollection is that I did vote “no.”

Unlike those alternatives, and like the resolution passed by the House, this conference report is well balanced in its combination of fiscal responsibility and refocusing priorities. I will support it and I urge its approval by the House.

Mr. FOSSELLA, Mr. Speaker, I rise today in opposition to this budget, which significantly raises taxes on the American people. The Conference Report represents an enormous tax increase on hard-working American families—families that cannot afford to send more of their money for politicians and bureaucrats to spend.

My staff analyzed the original House budget resolution and determined that it would cost an average family on Staten Island or Brooklyn nearly $4,000 more a year in Federal taxes. My friends across the aisle hail this resolution because they say it raises taxes less than the Bush Administration’s budget resolution, which is certainly does not do.

Mr. Speaker, I hope we have a surplus large enough to avoid raising taxes when this Resolution does nothing to reign in spending—and also includes hundreds of billions of dollars in new spending without proper offsets. That is not the outcome that we want.

The side effects of supporting a “Pay As You Go” system when, in reality, this budget Resolution amounts to “Buy Now, Pay $400 Billion More in Taxes Later.”

I urge my colleagues to vote against what is one of the largest tax increases—in American history. The SPEAKER pro tempore. All time yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 214, nays 209, not voting 10, as follows:

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[Roll No. 377]

YEAS—214

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EXPRESSING APPRECIATION TO COMMITTEE ON THE BUDGET STAFF

(Mr. SPRATT asked and was given permission to address the House for 1 minute.)

Mr. SPRATT. Mr. Speaker, I speak for myself, as the chairman of the Budget Committee, and for Mr. RYAN, as the ranking member, expressing our appreciation to our staff, who have done a marvelous job on both sides of the aisle in working together on this budget resolution that ultimately prevailed today.

I place into the RECORD the names of the staffers who have been key participants in the effort on our side of the aisle.

HOUSE BUDGET COMMITTEE STAFF

Tom Kahn
Sarah Abernathy
Ellen Ballis
Arthur Burris
Linda Bywaters
Barbara Chow
Marsha Douglas
Stephen Elmore
Chuck Fant
Joe Guilen
Jennifer Hanson-Kilbride
Chris Long
Shella McDowell
Richard Magee
Diana Meredith
Mark Middaugh
Gail Millar
Morna Miller
Namrata Mujumdar
Ifoma Okwuje
Kimberly Overbeek
Kitty Richards
Diane Rogers
Scott Russell
Nicoie Silver
Naomi Stem
Meaghan Strickland
Lisa Venus
Greg Waring
Andrew Weathers
Jason Weller

LEADERSHIP STAFF

Ed Lorenzen
Wendell Primus

PERMISSION TO REDUCE TIME FOR ELECTRONIC VOTING DURING CONSIDERATION OF H.R. 1427, FEDERAL HOUSING FINANCE REFORM ACT OF 2007

Mr. SPRATT. Mr. Speaker, I ask unanimous consent that, during consideration of H.R. 1427, pursuant to House Resolution 404, the Chair may reduce to 2 minutes the minimum time for electronic voting under clause 6 of rule XVIII and clauses 8 and 9 of rule XX.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

GENERAL LEAVE

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1427 and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FEDERAL HOUSING FINANCE REFORM ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 404 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 1427.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 1427) to reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes, with Mr. Ross in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. MACHU), each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to begin by again asking the indulgence of the House for my less than usual sartorial splendor, but the cast on my left arm would misstate my jacket, and I wouldn’t want to wear a suit unless I could do it full justice. So I am wearing a sweater that Mr. ROGERS no longer needs.

The bill before us today is a version of a bill that came before this House in October of 2005 after a lot of work by the former chairman, the gentleman from Ohio (Mr. OXLEY), and many of us now on the committee. That bill passed the House by a vote of 331–90. Many of those who voted in opposition, myself included, were motivated to it by a specific provision regarding the affordable housing fund that is no longer in the bill.

Mr. Chairman, the bill has two major components. First, it significantly increases the strength of the regulator of the two major Federal housing government-sponsored enterprises, Fannie Mae and Freddie Mac. It also deals with the Federal Home Loan System. That was seen as less in need of drastic change. There is, in fact, less change there. There will be an amendment regarding that offered by the gentleman from Pennsylvania (Mr. KANJORSKI), which I strongly support, to increase public participation in that system. But that is fundamental about Fannie Mae and Freddie Mac.

There is general agreement among a wide range of parties that this bill, building on the bill that Mr. OXLEY brought to the floor, does do what needs to be done in creating a strong regulator. There are some controversial elements here, but very few deal with the powers of the regulator that we have set up. And I am pleased that the Treasury Department, Under Secretary Paulson and Under Secretary Steel, has agreed. In fact, this is a bill which, with regard to regulation and the regulator, is a little bit stronger than the one we passed a few years ago.

We had some negotiations. They were useful, and we have a fully empowered regulator here, independently funded and empowered to do whatever needs to be done with any safety and soundness issues that arise from Fannie Mae and Freddie Mac.

The most controversial areas of the bill involve a provision that was also in the bill when it last passed, and that is an affordable housing fund. A number of people have argued over the years that Fannie Mae and Freddie Mac receive from the Federal Government advantages which help them borrow money cheaply in the market, and that is true. There is a connection between Fannie Mae and Freddie Mac and the Federal Government. Those who borrow that money thinking that the Federal Government guarantees it are wrong. There is no Federal guarantee implicit, explicit, or any other way. But it is the case that the market does treat these entities very favorably, lending them money at a somewhat lower rate than other entities can borrow. The reason for its having been set up that way was to try to help housing, especially home ownership because these entities buy the mortgages and help bring down the cost of mortgages, but they have also been given for years goals by the law where they are particularly to help lower income housing.

Now, a number of people have argued over the years that Fannie Mae and Freddie Mac’s shareholders, and in the past some of their executives, received too large a share of those benefits. The argument was, with some accuracy, that Fannie Mae and Freddie Mac benefited very much and not enough of that reached the public.

There are two ways you could deal with that. You could reduce the benefits that Fannie Mae and Freddie Mac get. Some people have advocated that. Alternatively, you could do what this bill does: leave the existing situation which provides some benefits to them but increase the share of those benefits that go for public purposes. We do that in two ways in this bill: First of all, and this does not appear to be terribly controversial, Fannie Mae and Freddie Mac have statutorily imposed goals. Some people have said these are private corporations and you shouldn’t tell them what to do. Well, we have been doing that for a very long time. They are told that they must, in purchasing mortgages in the secondary market, make certain purchases that...