

States, and essentially his response to me was that once all the science is worked out on this where it can be done safely, they want to be able to do it. They want to be able to clone human beings. And this is the brave new world, no longer confined to fiction literature, but it has essentially arrived because the follow-ons to this will be genetic manipulation, genetic enhancements. Eugenetics is what it is called, an attempt to try to eliminate undesirable traits in our culture and our society. So people will begin to not only select the gender of their desired offspring, but they may actually want to manipulate the genetic code of their offspring so they can get a specific height or size or physical appearance or IQ. I would imagine athletic performance will be one of the things that they will go after.

And this is the Pandora's box of issues that we are opening up if we allow human cloning to occur in the United States. Therapeutic cloning, embryo cloning or reproductive cloning, it is the path we are going down. And I just want to underscore the importance of us banning all forms of human cloning, which is what we are able to do in the Human Cloning Prohibition Act of 2003, and I just want to again underscore that there are people who are going to try to put lipstick on the pig. They are going to try to say that this is not cloning; and they are going to call it somatic cell nuclear transfer, or they are going to try to call it nuclear transfer technologies; and we are going to hear this kind of language being used both in this body and the other body. It is cloning. It is creating human embryos through the process of cloning. And people need to remember that no matter what they call it, that is what it is.

I just want to underscore additionally that this is not purely a pro-life issue. Cloning of all types, therapeutic, embryonic, and reproductive cloning, has been made illegal in Germany by the leadership of the Green Party, which is pro-choice. Indeed, in the vote that we had passing my bill in the 107th Congress, I had seven or eight people voting for the legislation who had a 100 percent voting record with the National Abortion Rights Action League.

And so clearly this is not an abortion debate. It is different from that. There are a lot of people who are pro-life like myself who have a very strong moral and ethical objection to cloning on the basis of simply creating human life in the lab to be exploited and destroyed, a so-called utilitarian approach. But there are many people on the left who are strongly opposed to cloning because of their concern about eugenics, because of their concern about the impact this could have on the disability community, and very importantly there are a lot of people who are very concerned about the exploitation of women. If we are going to have in this country dozens of labs creating hun-

dreds of human embryos every year for the purpose of doing research, where are we going to get those eggs from? Who is going to donate their eggs? Who will submit themselves to this kind of research? I will say who I think it will be. It will probably be poor women. It will probably be predominantly women of color.

Indeed, I want to read this quote from Judy Norsigian. She is the co-author of "Our Bodies, Ourselves for the New Century," the Boston Women's Health Collective book, hardly a right wing group. What does she say? "Because embryo cloning will compromise women's health, turn their eggs and wombs into commodities, compromise their reproductive autonomy, and with virtual certainty lead to the production of experimental human beings, we are convinced that the line must be drawn here." And I was very encouraged by this latter part of her quote. She is not only concerned about women being exploited, but she has a concern about the dignity, the human dignity, and the indignity of this to be creating human beings for experimental research purposes and then to be discarded.

If research cloning is allowed to proceed in this country, or therapeutic cloning unfettered, in my opinion what ultimately will happen, because it will be so expensive to get these eggs from women in the United States because they will have to pay women thousands of dollars to undergo the procedure, because of the fairly high incidence of depression in women who take these superovulatory drugs, we may have women requiring hospitalization following the egg donation procedure or maybe even going so far as attempting suicide, what I think they will end up doing is they will end up going to third world countries. They will end up going to Central America, South America, away from the trial attorneys in the United States that can lead to lawsuits, away from the prying eyes of the American press and where they can pay women peanuts in order to get their eggs; and that I think is one of the concerns of people like Judy Norsigian. She knows that ultimately the potential exists for women to be exploited, and that is just shameful that it would happen when there is no evidence that this could even work in animals. Indeed, the evidence, there was just recently an article in the mouse model where they tried to do therapeutic cloning and it did not work.

The other thing I want to just share is this quote from Daniel Bryant, who is the Assistant Attorney General, Office of Legislative Affairs. He says "enforcing a modified cloning ban would be problematic and pose certain law enforcement challenges that would be lessened with an outright ban on human cloning. Anything short of an outright ban would present other difficulties to law enforcement. And what he is talking about here is if we take the approach advocated by the form of

the legislation being promoted by the gentleman from Pennsylvania (Mr. GREENWOOD) in the House and Senators HATCH and FEINSTEIN in the other body, just a reproductive ban, how will we enforce that? It will be impossible to enforce that. We will have all of these embryos in all of these labs. The Justice Department, police officers cannot monitor these labs regularly to make sure the embryos have been discarded rather than implanted in women. There will be no way to know whether or not reproductive cloning has occurred. So I feel very, very strongly that this is the best way for us to go.

I will also point out that the President has indicated that he wants a complete ban on all forms of human cloning, reproductive and so-called therapeutic cloning. So clearly, the time has arrived. It is critical that we as a Nation do the right thing. I believe the House of Representatives will do the right thing and ban human cloning in all of its forms, both embryonic cloning and so-called reproductive cloning, that all attempts at creating human embryos in the lab will be prohibited. This is an enforceable ban and a lasting ban. The advocates who say that we must allow embryo cloning in the lab because of its great potential to lead to cures of all these diseases, I again issue my challenge, show me the evidence.

Traditionally in this country we always have demonstrated that it works in animals before we attempt it in humans. Show us the evidence in the scientific literature that this works in animals. They cannot. They will not be able to. The reason they cannot is because it cannot be done. It has not been done in human models. Clearly this takes us down a very dangerous and precarious path, creating human life for the purpose of exploiting it and then destroying it. A very dangerous road for us to walk as a Nation. So I would encourage all of my colleagues to vote in support of the ban on human cloning that we will be debating in the House of Representatives.

THE PRESIDENT'S BUDGET

The SPEAKER pro tempore (Mr. BEAUPREZ). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, this evening I wanted to talk about the President's budget, but I also want to point out, using something very specific examples of how the President's rhetoric, if you will, with regard to what he wants to accomplish in this session of Congress, whether it be turn the economy around, create more jobs, reform Medicare, create a prescription drug benefit, the various things that he talked about in his State of the Union Address are not essentially backed up with the budget that he has presented

to Congress and that we first had unveiled here a few weeks ago.

And it is disturbing to me because I think it creates what many have called a credibility gap between what the President promises versus what he delivers. He creates the illusion that he will create new jobs, reverse our Nation's current economic woes, ensure all Americans have access to healthcare, and provide seniors a prescription drug benefit; but then when we look at his budget for the year 2004, for the next fiscal year, we see that essentially what it does is mire the Nation's future in record deficits, undermine the future of the social security and the Medicare system at the time that they should be strengthened in anticipation of the baby boom generation which will at some point in the near future become 65 years of age, and we only have to look at the promises the President made in the State of the Union Address that he gave a year ago to see how ineffective he is at following up on his rhetoric once he leaves the Capitol.

Last year, the President assured the Nation that "our budget will run a deficit that will be small and short lived." But 1 year later, according to President's budget message, annual deficits will run close to \$300 billion a year for the next 2 years. Even more troubling under the President's watch, the red ink does not appear to go dry any time in the near future, with deficits reaching over a trillion dollars by 2007.

Just last week during the President's Week recess, there was an article in the New York Times that said that the Federal debt was near a ceiling for a second time in 9 months, and I would just read the first couple paragraphs of that article, which was dated February 20, last Thursday, Mr. Speaker. It says "With budget deficits climbing rapidly, the Bush administration acknowledged today that the government had reached its legal limit on borrowing and would run short of cash by early April unless Congress once again raised the debt ceiling.

"Because Congress inevitably does raise the ceiling after intense jousting, the announcement will have little, if any, effect on operations. But it highlights the new era of red ink that the government faces even before President Bush's latest proposals for more than \$1 trillion in tax cuts over 10 years . . . the White House now projects a deficit of more than \$300 billion this year and next, as well as deficits at least for the next decade."

□ 2045

If you talk about the deficit, Mr. Speaker, if you think about what the President has been saying versus reality, he really has no credibility.

When he took office in 2001, the Federal budget had a surplus of \$5.6 billion. Not only has he reversed those fortunes, but on this President's watch the red ink does not appear to go dry anytime in the near future, with defi-

cits reaching \$2.1 trillion over the next 10 years. There again, I just use that as one example. There are so many examples of it.

I guess one of the things that is so obvious in this regard is what the President says about the tax cuts. He implemented some tax cuts about a year ago. He now proposes additional tax cuts and is talking about maybe a third set of tax cuts in another 6 months or so.

There was an article in today's New York Times that, once again, talks about the President's credibility gap in the context of the tax cuts. I just wanted to go to some of those statistics, because I think they are so important in terms of what the President says these tax cuts are going to do, who is going to benefit from them, how they are going to impact the economy, versus what the reality is. This was an article in today's New York Times, and it is entitled "The President's Tax Cut and its Unspoken Numbers."

It starts out by saying, "The statistics that President Bush and his allies use to promote his tax cut plan are accurate, but many of them present only part of the picture. For instance, in a speech in Georgia last week, the President asserted that under his proposal, 92 million Americans would receive an average tax reduction of \$1,083 and that the economy would improve so much that 1.4 million new jobs would be created by the end of 2004."

Now, no one disputes the size of the average tax reduction. But what the President did not say is that half of all income taxpayers would have their taxes cut by less than \$100, 78 percent would receive reductions of less than \$1,000, and the firm that the White House relied on to predict the initial job growth also forecast the plan could hurt the economy over the long run.

You say, how does the President talk about an average tax reduction of \$1,083 and then you find out that most Americans do not benefit in a significant way? The reason is because only a few rich taxpayers, in a sense, get the largest reduction. So if you take the number of taxpayers and you put it into the total reduction, you get an average of \$1,083, but most of the money is going to a very few wealthy taxpayers at the high end of the spectrum.

The cut for those with incomes of \$40,000 to \$50,000, according to calculations by the Brookings Institution and the Urban Institute, would typically be \$380. For those with incomes of \$50,000 to \$75,000 it would be \$553. But if you are someone at the high end, then you are getting tens of thousands of dollars back in tax cuts.

The President primarily when he talks about this tax reduction package talks about the stock dividends and how that is going to help not only turn the economy around, but help the average person, because there are so many people, particularly seniors, he claims, that are going to benefit from eliminating the tax on stock dividends.

But this article in the New York Times today addresses that and basically explains again the President has a credibility gap in how he is spinning it, because among the points that he makes is that more than half of all taxable dividends are paid to people 65 and older and that their average saving from eliminating the tax on dividends would be \$936, and that 60 percent of people receiving dividends have incomes of \$75,000 and less, and he goes on.

But what we find is only slightly more than one-quarter of Americans 65 and older receive dividends and that two-thirds of the dividends the elderly receive are paid to the 9 percent of all elderly who have incomes of over \$100,000.

Essentially what you are having, again, is that most of the money, even with the stock dividend elimination, the tax on that, is going to very few senior citizens who have incomes over \$100,000. The average senior citizen is not benefiting from it in any significant way.

I mention this because, again, I think it is important that we all understand that the President says something, and he spins it and makes it sound like it is going to benefit everyone and turn the economy around, but then the reality is that it is not. It does not accomplish that goal at all.

Let me just give you some information, if I can, about job creation. Last month during his State of the Union address, the President said we must have an economy that grows fast enough to employ every man and woman who seeks a job.

Of course, obviously, I agree with that statement. Who would not? But, unfortunately, a huge gap again exists between his rhetoric of employing all Americans and the economic stimulus plan that even the White House says is only going to create about 190,000 jobs this year.

He says everyone should have a job. He talks about an economic stimulus plan that will theoretically create 190,000 jobs. But you have 8.6 million Americans now actively looking for a job. He does not have any credibility because—

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RENZI). The Chair would like to remind the gentleman from New Jersey that it is out of order to question the credibility of the President.

Mr. PALLONE. Mr. Speaker, I accept your ruling. I did not realize you could not talk about the credibility, but I certainly will not use that term again.

I just want to point out that when the President took office in January 2001, unemployment had reached a 40-year low. Two years later, 1.7 million jobs have been lost. That gives President Bush the dubious distinction of having the worst job creation record of any administration in the last 58 years.

So when we talk about job creation and how his economic package is somehow going to create more jobs, it may

create a few more, but it is not doing anything significant in terms of job creation as opposed to the amount of jobs that we have seen lost in this economic downturn.

Now I want to talk a little bit in the same vein about some of the health care initiatives that the President has put forward, because the bottom line is that over the next few weeks we are probably going to hear more specifics about what he wants to do with Medicare, with Medicaid, with access to health insurance, and also with some of the money that is going back to the States, other than through Medicare and Medicaid, to pay for some health care programs.

Again, if you listen to what the President said during his State of the Union address, basically he said that he wanted to not only strengthen Medicaid and Medicare, but also provide a prescription drug benefit in the context of Medicare for senior citizens.

Again, I would like to point out the fact that most of what has been proposed with regard to Medicare and Medicaid, in my opinion, will not only not strengthen the programs but weaken the programs, and that when he talks about providing a prescription drug benefit under Medicare, it is not a prescription drug benefit that most seniors will be able to avail themselves of.

In fact, again, in yesterday's New York Times, Monday, February 24, there was an article on the front page entitled "Bush Proposes Major Changes in Health Plans. Critics See Less Security and Fewer Benefits."

I would stress that critics see less security and fewer benefits because, the gist of this article says, essentially what the President is proposing with regard to not only Medicare and Medicaid, but also with regard to Social Security, are radical changes in the programs and the way these programs are essentially set up.

What I would like to do, if I could, is just highlight some of the major changes in the programs that I call radical or fundamental changes that are being proposed in these three very important programs that are relating to the health care of not only seniors, but poor people of all ages.

I start out by highlighting the first paragraph of this article in the New York Times. It says, "President Bush has begun one of the most ambitious efforts to reinvent Medicare and Medicaid since the programs were created 38 years ago. Combined with his earlier plan for Social Security, the proposals offer a fundamentally different vision of social welfare policy, many experts say."

"Several architects of those programs, the people that put the Medicare, the Medicaid and the Social Security programs together years ago, argue that the Bush administration is retreating from the goals of the Great Society and the New Deal and the promises that government made across the generations.

"The Bush plans," they say, "are essentially an effort to limit the Federal Government's financial responsibilities and to cap what is now an open-ended guarantee of specific benefits, in an effort to move from a defined benefit to a defined contribution."

Essentially what the critics are saying, and this is brought out in this New York Times article, is that these were programs, you talk about Medicare, you talk about Social Security, these were retirement security programs, in the case of Medicare for health care for seniors, in the case of Social Security retirement benefits for seniors, that were basically guaranteed. You paid into this system and you worked over the years, and then when you reached the age of 65, you knew that you had certain benefits that were defined and guaranteed.

What the President is proposing now and the reason it is so radical is because he is basically saying they are not going to be defined or guaranteed anymore. He is saying in the case of Medicare that essentially what you will get is a voucher. You will get a certain amount of money, and you can go out in the private sector and see if you can buy health insurance with that voucher, if you will. But you may or may not be able to find it, and you do not know exactly what it is going to provide you with in terms of the benefit package.

With regard to Social Security, of course, he is talking about privatizing, and your being able to take the money out and invest it in the stock market or other types of things, so that there is a certain amount of risk, if you will, that the money will not be there because of those kinds of decisions that you made when you took the money away.

Let me just get a little more into some of the specifics, because I think it is interesting to see how the New York Times has analyzed this, and also talk a little bit about what the Democrats would like to do differently with regard to the Medicare prescription drug proposal and how the Democratic proposal is consistent with the guarantees and the tradition and the history of the Medicare program, as opposed to the President's proposal, which is not.

What it says in this New York Times article, again from Monday, is that Mr. Bush's Medicare proposal, being revised after an earlier draft drew fire on Capitol Hill, would encourage many beneficiaries to leave traditional Medicare and get their benefits through private health insurance associated with the program.

Now, some of the Congressional Republicans, some of my colleagues on the Republican side of the aisle, have specifically been opposed or have expressed reservations about the President's Medicare proposal, because what he seems to be saying is if you want the benefit of a prescription drug plan, that you have to go outside of Medicare. In other words, you have to

choose a private plan, an HMO or something like an HMO, in order to get the benefits of a prescription drug plan.

It says in the New York Times, "Criticism has come from even influential Congressional Republicans, alarmed at the possibility that the administration might be overreaching. They have been particularly scathing about the possibility that the Bush plan would require the elderly to leave traditional Medicare and join a private plan to get drug benefits discussed in the earlier draft."

Now, the problem with this, again, is a fundamental change in the way we operate the Medicare program, because those who are in Medicare now know it is a guaranteed plan, it is a defined benefit; if you stay in the traditional plan, you can go to any doctor or any hospital and you get your health care covered. But what the New York Times says is that the architects of Medicare said the program was created with some fundamental precepts that the Bush proposal would undermine; that all working Americans pay into the same Medicare system, that the healthy and the sick, the rich and poor, end up in the same program and all have the same core benefits when they retire.

The idea that the elderly would be better served by a private nonprofit insurance market is anathema to those veterans of the Great Society. They say before Medicare, the private health insurance market was a failure for the elderly, nearly half of whom have no hospital coverage, and they fear that private health plans would be attempted to recruit the healthiest of the elderly, leaving sick or more costly patients in the original fee-for-service Medicare program.

So basically the problem with what the President is proposing for Medicare is not only a practical problem, in the sense that we are not really sure and we really have no reason to believe based on past performance that the elderly would be able to take this voucher and buy a good health insurance program, but the real danger is it undermines the traditional fee-for-service Medicare program for those who stay behind, because they are going to be the sicker and the more expensive people to take care of. So the problems, if you will, and the costs of Medicare, are aggravated by the fact that now the Federal Government is paying for an older population, if you will.

□ 2100

So it is almost a prescription, if you will, to destroy the traditional Medicare program.

Now, what does the President do or propose with regard to Medicaid? Medicare, as we know, is the program for seniors, those over 65, primarily. Medicaid is a health insurance program for poor people who fall below a certain income.

Well, again, I am going back to the New York Times article from yesterday: "The issues raised in the Medicaid

debate revolve largely around the role of the Federal Government. The administration proposal would offer States advanced new power to reduce, eliminate, or expand health benefits for low-income people, including many who are elderly or disabled. In return for the flexibility and a temporary increase in Federal assistance, States would eventually have to accept a limit on the Federal contribution to the program."

Now, critics assert it would replace the poor's entitlement to health care with a block grant to the States just when the number of uninsured is rising. Again, Medicaid a program for poor people, is partially funded by the States, partially by the Federal Government. What the President is saying is, we will give you, the States, the flexibility to determine what kind of benefits and who is covered, if you will, by Medicaid. In return for that, though, in the long run, we are going to give you less money. So it is really a cost-saving device. But what it does is undermine the guarantee that if you are poor and you are below a certain income that you are going to have your health benefits.

It is the same thing in a different way that the President is proposing with Medicare in the sense that a program that is provided with a guarantee, an entitlement, now ceases to be and the person is not sure whether they were going to get their health care or how they are going to get their health care or what kind of benefits they are going to receive.

Now, the last thing that is mentioned in The New York Times article yesterday is: "Mr. Bush's proposal for Social Security, first offered in the 2000 campaign, would also break sharply with the past by allowing workers to divert some of their payroll taxes to individual accounts that would be invested in stocks. While its political prospects have been dampened by the declining stock market, Mr. Bush reiterated his support for the idea last month in his State of the Union address. Both sides agree that the coming debate over these proposals," that is all of them, Medicare, Medicaid, Social Security, "will be a fundamental clash of political philosophies over the obligations of government, the rights of the individual, and the role of the private sector."

Again, I am not an ideologue, Mr. Speaker, and I am not talking about this in the context of the ideology, whether it is a conservative or a liberal ideology or whatever; I am just very concerned, and I think we all need to be, about the practical implications of what the President has proposed. When we have programs like Medicare and Social Security that are so fundamental to so many people in this country and we talk about radical restructuring of those programs in a way that may save the Federal Government money, but also risks the types of guarantees that are provided traditionally to seniors, I think it is something

that we better watch very closely. I fear, Mr. Speaker, that with so many other things going on, that it may be possible somehow to pass significant changes here without us focusing sufficiently on what they really mean and what the impact is going to be.

Now, before I finish, I did want to say that in all of this argument, if you will, about health care, I think that there are two things that are crucial. One is that the number of uninsured in the country not continue to go up, which it has in the last couple of years; and, secondly, that we do, in fact, find some way to provide a prescription drug benefit for seniors. Because when I am home, when I am in the district, I hear primarily those two concerns when it comes to health care, which is: I was working, I lost my job, I do not have health insurance anymore. Or, I have my job, but the employer decided to drop health insurance. Or, my employer still offers health insurance, but now he is providing a package that costs me so much out-of-pocket that I cannot afford to buy it anymore or to take that option.

The other thing I hear, of course, very frequently is from seniors who complain about the fact that Medicare does not provide a prescription drug benefit and that they have tried maybe, in some cases in New Jersey, to join an HMO that would give them a prescription drug benefit; but they signed up for it, and then later they were dropped because the HMO decided it really was not profitable to provide a drug benefit to seniors, or now the copay, what it costs them out-of-pocket to pay for the prescription drug coverage, again is so high that it does not make sense for them to continue to stay in the HMO because the benefit is so limited and the cost out-of-pocket is so high.

So I think we have to understand that for Democrats, we feel that these two issues must be addressed: the fact that more and more people have no health insurance and the fact that we need a prescription drug benefit for seniors. But I would venture to say that with regard to that prescription drug benefit, to go the way the President is proposing, which is to say that one has to go out into the private sector and join an HMO or a PPO or something like that to get one's drug coverage, is not the answer.

In fact, the week before the recess, I actually participated in a press conference with Public Citizen; and they did a report on Medicare privatization. Basically, the report showed dramatically that HMOs and private insurance for seniors does not work; that the experience that we have had in the last few years where seniors tried to opt for HMOs in many parts of the country were not available, and where they were available, maybe they lasted for a few years and then they either dropped the seniors or it became unaffordable.

In my own State of New Jersey, in the last 2 years alone, nearly 80,000 sen-

iors who had contracted with private HMOs lost their health coverage. In other words, the HMOs simply dropped them. So I just do not think, if we look at this Public Citizen report, we can come to any conclusion other than the fact that saying to seniors that in order to get your drug benefits you have to go into an HMO or something like that, some kind of private insurance is the answer. It is not. We know it is not. It does not work; it has not worked.

So what the Democrats have proposed and what makes the most sense is simply expanding our traditional Medicare fee-for-service program to include a prescription drug benefit that would be guaranteed for anyone who wanted it. We use the example of part B. As many people know, Medicare part A is hospitalization and Medicare part B pays for doctor bills, and under Medicare part B, you pay a certain amount of premium per month and the Federal Government pays for a certain percentage of the doctor bills. We have come up with a plan that would essentially do the same thing with a drug benefit. You would pay a premium of \$25 a month, a \$100 deductible, so that would be out-of-pocket and then after that, 80 percent of the prescription drugs would be paid for by the Federal Government and you would have a copay of 20 percent. Because of high bills, if one ends up spending as much as \$2,000 out-of-pocket, then the Federal Government would pay 100 percent of your costs.

The last thing and the most important thing, I think, in many respects of what the Democrats propose is that we have a clause in our proposal that was introduced and voted on last session that says that the Secretary of Health and Human Services who administers the Medicare program has to negotiate for lower prices for drugs, because now he has 40 million seniors and he can negotiate for lower prices.

So basically, what the Democrats are saying is, yes, we want to expand Medicare to include prescription drugs; but we want to do it in the traditional way, so everyone has it, no one has to go to a private insurance or opt for an HMO to get it, you just get it; and the system is very similar to what we do with part B under Medicare now for doctor bills.

Mr. Speaker, I see one of my colleagues and I yield to him.

Mr. RODRIGUEZ. Mr. Speaker, I thank the gentleman, first of all, for coming out here tonight and talking a little bit about some of those issues that concern us. I know that as the gentleman talks about health, one of the things that really bothers me is now, the President's proposal, as it deals with the issue of health, one of the things that he has done is that he has begun to look at Medicaid, which is the monies that go to the most indigent of this country, and he has also looked at what we call the disproportionate share. That is the money that goes to those hospitals out there that

are providing that indigent care that have no reimbursement except what we provide them. So these are two areas of serious concern because it deals with the most indigent, the most needy in our country.

In addition, he has also looked at what we call the CHIP program. The CHIP program for Americans out there is the program that addresses the needs of those youngsters, of those parents that are hard-working, they are working, they are making \$20,000, \$30,000, \$40,000; but they do not qualify for Medicaid because they are not poor enough and they are hard-working. When they go to the hospitals, they do not get reimbursed on the disproportionate share. So here we have three programs: the Medicaid for the most indigent, the disproportionate share for those hospitals to help them out, for providing that care, and the CHIP program that addresses the needs of those youngsters of those parents.

He is proposing to lump them all up. Here is a program that is a direct attack on the most needy of this country, the ones that are hurting the most in health care; and instead of responding and providing the needed resources that are needed out there, he is looking at providing a block grant and, at the same time, providing those resources to the States. But as the gentleman well knows, those States are in need right now. Those States are hurting when it comes to health care. These are programs that have worked and have somewhat been responsive to some of those needs. What is he doing? He is attacking the most needy of our population. So that really concerns me. It really bothers me. I wanted to share that, because I know the gentleman has talked about health care and the importance of health care, and I know the gentleman has also been touching on the budget.

What also bothers me is that as he looks at the budget, he is also doing the same thing when it comes to the most needy of our children. Under the Department of Health, we have a program that is called Head Start, one of the most beautiful programs that we have had for a long time. It has been very good. Statistics indicate, it has been shown that it has been the program that has responded and has been real good for those kids that are out there and has been meeting the needs of our youngsters. Yet we know it only represents 40 percent of the kids that qualify for Head Start that we are funding at the present time, and it only has 2 percent of the early childhood, those kids that are 2 and 3 years old.

Yet the President is choosing to destroy this program because his proposal is to block grant those monies and give it to the States, when right now those programs are being run locally, they are locally controlled, and he is going to create, by moving that money from the Department of Health to the Department of Education, it is a

very serious move because right now the Department of Health also with Head Start, they work with our parents, they work with our kids; and they provide not only cognitive skills and educational skills, but also reach out to them in terms of services and needs. So what he is choosing to do is he sees these dollars out there, and he is choosing to put them in a block grant and throw them at the States.

Well, I can attest to my colleagues, if they come to Texas where I am from, Texas has had a history of not funding full-day kindergarten. We only fund half; the rest of the day is funded only by the taxpayer through local school districts. So if that occurs, I can attest that we will have a real problem, and they are going to destroy a program that has been there providing for those needs. By doing this, they are going to use that money to supplant because of the fact that they do not have the resources to provide the existing services that they have throughout this country. So I am real disappointed, after what has happened in his efforts that when it comes to education, he has not been there.

I also want to share, and I do not mean to take too much of the gentleman's time, but I want to share a couple of other things, because there is a pattern here. He decided to attack Head Start and try to put it into a block grant; he has attacked the most needy of this country with Medicaid, CHIP, and disproportionate share in terms of health; and he is also now attacking our veterans. These are the individuals that have fought for this country. At a time that we have declared war, he is asking Priority 7 and Priority 8 veterans, those veterans that are making just about \$30,000 or so, for them to begin to pay more than what they already do for the services. And at the same time, not only is he attacking the resources for our veterans, but he is also attacking their kids. Not the kids of the veterans, but kids of the servicemen who now we are asking, or who are out there in Afghanistan, we are asking them to go to the Middle East, we are asking them to go to the Philippines, we are asking them to be in Colombia.

□ 2115

So those are the same soldiers of those kids that now we are saying we do not plan to help fund their education through the assistance. So those are the types of proposals that we have before us. At the same time, he brings to us a tax cut when we do not have sufficient resources.

If we do have a war, if we do have one, who is going to pay for that war? At some point in time every war, and I asked for a CRS study from the Congressional Research Office, I have found that for every single war we have had, with very few exceptions, we have always had a tax to pay for that war. In this case, we do not. It is being paid out of the deficit, which means we are

asking our soldiers to go out and fight, and then we are asking them and their kids in the future to pay for it because of the debt.

So, Mr. Speaker, I am hoping that as we move forward we will have an opportunity to talk about these issues and concerns that confront us.

I want to touch base just a minute on education, because here we have a bill that is basically the President's bill. It is the Leave No Child Behind Act. Well, for 2003 we are already going to leave some children behind, because he has cut \$7 billion from that. As the proposal comes out for 2004, it is a \$9 billion cut.

So when we talk about a promise, and then we come back on that promise of leave no child behind and we cut \$9 billion from the 2004 proposal, and this is at the same time that our States are having a rough time, I have difficulty comprehending what the rationale is. I have difficulty understanding, when he has verbalized his concerns for education, but at the same time he does not display that through the form of a good budget.

The budget basically determines everything. If he cuts taxes and we do not have the resources, I do not care what we say about anything else, it is not going to be there. So it becomes really important that we are forthright about that.

Now we hear that he is willing to come up with about \$50 billion on foreign aid to try to pull off this war, not to mention that the war might cost us from \$100 billion to \$200 billion additional. These are issues that we really need to go and talk about before the American people.

I want to thank the gentleman for coming up tonight and allowing us an opportunity to talk a little about the budget and the issues that concern us. I know that the gentleman has been a constant worker, especially in the area of health care. I want to personally thank the gentleman, and I know we have another colleague that might want to say a few words.

Mr. PALLONE. Mr. Speaker, I appreciate the gentleman's coming down. I know he has been a leader on the health care issue as well. Let me just make a couple of comments about the things that he said. I think we have about 20 minutes or so left.

The thing the gentleman mentioned when he talked about education, that is so important. I do not want to talk about credibility gaps, I will not use that word again; but the idea that one makes a promise with no child left behind, which means very obviously that no child is going to be left behind, when we know that in many parts of this country in the public school system children are being left behind either because they do not have the money or because they cannot locally get the teachers, or whatever the reason.

So the President gets up with much fanfare a couple of years ago and says

no child is going to be left behind. But when we get a budget with a \$9.7 billion shortfall from what would be necessary to authorize and carry forth that act, that no-child-left-behind program, it is essentially hypocritical to continue to talk about no child left behind. So I think this is a perfect example of the kinds of things that I have been trying to point out tonight.

Going back to the health care issue again, the other thing that I think is so important is that this week the National Governors Conference is taking place. I think it is here in Washington. I am not exactly sure. What the President has been trying to do is to sell this Medicaid proposal to the Governors by saying, look, we are going to give you a lot more flexibility with this program, but you may get less money. We may cap the amount of money that you get.

The Governors have already been coming back on a bipartisan basis, some of them, saying this is not such a great idea because we do not have the resources. We know that, as the gentleman mentioned, in the States because of the economic downturn, most of the States do not have the money to continue to pay for these health care programs for poor people; or even for those who are working, like in the CHIP program, we call it kid care in New Jersey, providing health insurance for kids.

So what we are seeing is with what the President is proposing and the fewer dollars that he is giving out, with the number of uninsured, the number of kids that are going to be covered by CHIP are going to be reduced. The problem is if we implement this Medicaid program, the States are going to have the ability to basically cut back on that as well, so we will see more and more people that have no health insurance.

I am not talking pie in the sky here to my colleague. It has already happened in my home State of New Jersey. Some States have already expanded the CHIP program to cover the parents of the kids, or single adults who are working but do not get health care on the job. In New Jersey, the Governor has already announced that he has to get rid of those. There is even a question now about whether all the kids are going to be covered. So this is not something that is abstract.

The President would have to make sure that he provided significantly more resources to programs like S-CHIP or to Medicaid in order to guarantee that the programs continue to exist at the current levels, or to take in the people now that, because of the economic downturn, are not covered by health insurance.

What the Democrats propose, the gentleman remembers, in our economic stimulus package is that we would give more money to the States for Medicaid. We would up it by another 2 percent so they would not have to put out as much State dollars, which they do

not have to cover everyone eligible for Medicaid.

We are saying in these hard economic times the Federal Government should do more to guarantee that working people that cannot get health insurance are covered. The President is doing the opposite at the very time when there are more and more people who have the need. It really is a wrong thing to do.

Let me just indicate, the gentleman from Texas (Mr. RODRIGUEZ) said it, we have a problem in health care out there. We would think that as a way of responding with the stimulus package, that we would not only answer a problem that exists out there such as health care, but we could also address the problems that our States are having.

One of the biggest problems and one of the biggest budget problems they have is health. So not only do we help the States in addressing the problem of the issue of health care and the deficits, but we would also be stimulating the economy by doing just that, and solving a problem and doing a good deed in terms of making sure that people have access to good quality health care.

So Mr. Speaker, if I can, I have seen the President in terms of his pattern. In Texas, he did exactly the same thing. He reached out to the Democratic side, and he was very open about reaching out and trying to help in education; but he also did a tax cut.

In Texas right now they have about a \$12 billion deficit also. Now, yes, they have a great education bill, but they have no money to fund it, very similar to what he did over here. He came out here and reached out to Senator KENNEDY and the liberals and the Democrats and talked about education, did his tax cut and did the education. Now we do not have the resources, or we do not have the priority of the resources, to fund that same education bill that he has authored, and that same bill that he ought to be proud enough to put in the \$9 billion that he agreed to when he cut that agreement. So we are hoping that he does not go back on his word, and that he fulfills that promise of leaving no child behind.

Mr. PALLONE. Mr. Speaker, I appreciate the comments of the gentleman. I thank him for coming down.

I yield to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, it is interesting to have two Members of the House from the State of Texas. It is a pleasure to join my distinguished colleague, the gentleman from New Jersey (Mr. PALLONE), because he has been a leader on focusing us on the choices that have to be made.

Certainly, my good friend, the gentleman from Texas (Mr. RODRIGUEZ), chairman of the Hispanic Caucus, in his prior life was such an advocate for health care issues in our own State. I know that the State legislature misses him and his leadership. He spoke eloquently of so many important issues.

It concerns me to bring Texas to the forefront again, but as we do so, we use it as somewhat of a model. It is symbolic, if you will, of the plight of States around the Nation, which is one of the reasons why I support the Democratic economic stimulus package and our approach to the budget, which is to make the choices but make the choices as it relates to the domestic agenda, if you will, and, as well, be very cognizant that we cannot have it all.

Whatever side of the war question we happen to be on, and many of us have expressed our opposition, but whatever side Members are on, we have to realize that this war, if we enter into it, is going to cost at least \$9 billion to \$13 billion a month. That means that we will have to make choices as to how we design the budget; whether or not we take the leadership of our colleague, the gentleman from South Carolina, who has raised a very important question of making sure that we respect or show concern for the deficit and make choices for helping people climb out of poverty and climb out of a state of economic, if you will, deterioration.

But, unfortunately, I come to the floor to share the laundry list of concerns that I have that are not being considered by the present administration, that are now the fallout because of the proposed tax cut of the present stimulus package, but really the impact of the tax cut of just the last fiscal year that is now trickling down to the States.

I left Houston under the very terrible shadow of my community coming together to reach out, with community leaders pleading to prevent cuts in mental health services. We are at a point now where we are actually closing down services, closing offices that serve outpatients in our community for mental health, mental illness, because we do not have the funding.

We have policemen, firefighters, counselors, academicians, city council persons, mayors, coming together to plead with our State legislature. Let me say that the State legislators are certainly struggling with the \$10 billion to \$12 billion deficit in the State itself, trying to be responsive; but frankly, the counties and cities are feeling the brunt. We are literally closing facilities in Houston as we speak. We are literally not responding to the needs of our constituents for services dealing with mental illnesses.

Just yesterday I spoke to a constituent who had a family member living with them who truly needed to have outpatient services, truly was suffering; one who was in denial and needed services for the mental illness that they had but could not get it.

This is part of the laundry list. If we do not look at a budget that is able to be grounded not in a huge \$600 billion-plus tax cut to the top 1 percent of the Nation, leaving those in the working middle class economic level without any remedy whatsoever, this is the real

face of the huge deficit that this administration is building, people who are now being closed out of services.

Let me mention something that only gets mentioned, I guess, when we go to town hall meetings. I think we frankly, and this is to the Speaker, need to address this, and this is what we call the notch babies, or the question of making fair that unequal pension program where teachers are not able to access the Social Security system because of a certain pension system that they are in in particular States. That hits Texas a lot and several other States. Those are some of our senior citizens who are in a program that now cannot be funded, or they cannot move out of that program to access Social Security, and they are barely making ends meet.

The gentleman has been a leader on the guaranteed prescription drug benefit through Medicare. One of the issues that Democrats, I believe, to a person, have made a commitment to see through, and frankly I believe we have made a very strong and valiant commitment to see it through in this session; but that, of course, is a choice that would have to be made in a budget designed to make choices for social needs and needs of individuals' domestic agendas as opposed to the agenda that may lead us into war.

That is a concern that I have: Are we going to be able to tell those seniors who are today making choices of rent, making choices of utilities, and making choices of cutting their drug prescriptions in half? Of course, what they do is, they do that themselves. Therefore, they cause detriment to their health because of the fact that we are not able to build into our budget or be able to fund a guaranteed Medicare prescription drug benefit.

I just came from a reception honoring a group that deals with world hunger. I was told at this meeting that we are not able, or that we have some of the highest percentages of malnutrition in the United States, that our children are malnourished.

I will say to the gentleman that Texas is again at the top of the list for malnourished children and children living in poverty. The key is that many people complain about the school breakfast and lunch program. We are being told that some children in America are not even able to match the 40 percent amount that they need to be able to pay for lunch and pay for breakfast.

□ 2130

I have heard a lot of complaints. I remember 2 years, 4 terms ago, I am trying to remember, 1995, I guess, when we had a valiant fight to preserve school lunches or to make sure that people knew, this Congress knew, in fact, some of our colleagues knew that school lunches or the cuts in school lunches were just unacceptable. I think we prevailed upon that. But here we are now, full circle, where the funding for school lunches, where the States

are suffering, and the children of families cannot afford the matching amount. This is a question of making choices, of living in poverty or accepting the fact that our children live in poverty and are malnourished.

I heard my good friend from Texas talking about Medicaid, but I hope it was mentioned that we have a trickle-down effect from that because we have HHS regulations loosening the, if you will, the sort of guidelines that the State may utilize. What is the reason? Not to make it easy on the State to be able to serve its constituency but to make it easy on the State to cut people off of Medicaid.

I think in this day and time, some of those very families on Medicaid have young men and women now facing harm's way in the United States military. Some of those very same families are families that are in need of Medicaid. And now because of loosening guidelines, the State may pick and choose who will be able to access health care in our community. We just passed a welfare bill, and you heard the debate on the floor of the House. We had a bill that would provide a safety net for those who are trying to move themselves out of welfare who may be coming to a point of reaching sort of a cap on Medicaid and child care. And now we have passed a bill that did not provide a safety net in child care. In fact, there were not enough dollars for those mothers who want to be able to move or those parents, single parents, whoever it might be, to step out of welfare and have children that need child care. Here is a safety net that is going by the wayside.

So I believe the budget approach that we want to take is reasonably adjusting to and addressing a domestic agenda that this Nation can be proud of; a domestic agenda that would include a guaranteed Medicare prescription drug benefit, that would include recognizing the needs of the individuals suffering from mental illness. We have always had a problem with that. We have yet to pass in this Congress the issue of parity. And I say that I always have to bring up my dear friend and all of our friend, Senator Paul Wellstone, who was a vocal fighter for parity in mental illness. We have not reached that. And the reason why we could not complete that deal, if you will, was on the question of the budget and finances and choices. Why should we, this Congress, year after year and session after session deny people who rightly deserve the consideration of the people's house and their representatives in Washington to be able to provide funding or at least matching funds to their State governments?

Frankly, I believe that it is a shame on us, shame on our House and shame on all of us that we are not able to address these questions. We will not be able to do this if we do not sit down in a reasonable manner and put forward a budget that does not spend all of its time carving out the needs of others

just in order to respond to a \$600 billion permanent tax cut or more. And I want to put the word in there "permanent," and I think my good friend who is on the floor said in times of need we always made sacrifice.

I am not a supporter of the war but if, for example, that occurred, that is time for sacrifice. A sacrifice does not entail a \$600 billion-plus permanent tax cut to individuals at the 1 percent tax bracket. But let me add this as I close. Not only the 1 percent tax bracket but the, I believe, nonsensical explanation of giving relief on dividend income suggesting that it has been taxed twice. It has not been taxed twice. It is taxed as income to the corporation. They then give the dividend to the recipients of the dividend. It is income and the income of the individuals. So you are taxing the dividend. The dividend should not have a life of its own. It is taxing the individuals who, I believe, would be willing to sacrifice while we are in a state or a condition that requires sacrifice of all individuals. That is ridiculous.

And let me close on a personal note, because it is very near and dear to us in my community and that is NASA. And, of course, there is a great debate and will be a great debate on the human space shuttle, but I am very gratified that over the years we have gained friends in this House realizing that the human space shuttle generates research in HIV/AIDS and stroke, heart disease and cancer. And all of us have offered our deepest sympathies to the *Columbia 7* families and to the NASA family, people who are committed to expanding our horizons. Well, that is something that we considered a part of America's culture and achievement.

Now, I hear discussions of budget cuts that may be looking at cutting human space flight before we even find the answers of the *Columbia* tragedy and not looking at it for what it has done for Americans and America and the world, giving us the opportunity to push the intellectual research, scientific and medical envelope to provide new discoveries that would help create better lives not only for Americans, for people around the world.

We have to make those kinds of choices if we continue along these lines of deficit building, huge tax cuts and a budget that does not focus itself on the needs of people in this Nation, and of course the pending winds of war that may cause us to spend enormous amounts of money, and not only at this time but in the rebuilding of the nations that may be impacted as we are already doing in Afghanistan.

So I want to thank the distinguished gentleman for coming to the floor and bringing these very vital issues up. It pains me to have to be able to say to constituents over and over that we are trying to work on your issues and we are seeking relief when they are suffering on a daily basis. I think we need to get to work and focus on a budget

that focuses on a domestic agenda that makes sense to Americans, but most importantly addresses the pain that many Americans are suffering right now today.

Mr. PALLONE. Mr. Speaker, I think we have just a few more minutes, but I am really pleased that the gentlewoman raised the issue, first of all, of the cost of war and some of the aid packages like to Turkey that has been in the paper the last few days and also to NASA. Again, my point this evening when we started this Special Order was to discuss the President's rhetoric versus what he is actually doing with the budget and all of promises, if you will, that are made about turning the economy around, creating more jobs, providing health care, providing prescription drugs, not raising the deficit. And then what we find is that these tax cuts do not really help the average guy, do not do anything really to stimulate the economy and are creating these huge deficits.

But what the gentlewoman is pointing out is that in addition to that is we do not have a true budget at all because we are not including the cost of the war which, as the gentlewoman said, is estimated at something like \$100 to \$200 billion. And that does not include the AID package. Of course, I point to Turkey because that has been in the paper. I do not know how many other countries will be asking for money. I think that was in the tens of billions, what is being discussed.

None of this is in the budget. And so the reality is we may wind up with a situation that by the time this budget is adopted in the appropriation bills by the end of the fiscal year where there have to be even more cuts if you are going to implement, more cuts in health care, more cuts in the things that we were discussing, education, if you are still going to have these tax cuts and pay for the cost of the war or perhaps bigger deficits.

Again, it is just a very sad situation because I think that the President has to be forthright with what he is really doing and not say that we are going to be able to turn the economy around and do all of these things and give tax cuts and fight a war and not increase the deficit. It does not add up. It just does not add up. And it is really incumbent upon us over the next few weeks as we move forward and adopt some sort of budget to make the points that the two of you have been making tonight because we are not, I do not think we are being honest with what is really going on around here and we are trying to be honest. And we have to call the President and the Republican leadership to task about what they are really going to be able to accomplish. So I want to thank my colleagues.

Ms. JACKSON-LEE of Texas. Mr. Speaker, just for a moment, I want to make sure the gentleman emphasizes that they are promises made, but they are promises not kept.

The one point I want to make on a prescription drug benefit, while we

have such a disagreement, if you will, is because the one that has been promised that has not yet been consummated, if you will, still requires seniors to take money out of their pocket, still is sort of a managed-care-type proposal. And my only fear, as I mentioned by starting out by saying that I have doors closed on those suffering from mental illness, is that I have experienced 2 or 3 years ago HMOs just closed up shop on my seniors and left. So I just do not want to see that happen again, and that is why I think this is an important challenge.

Mr. PALLONE. Mr. Speaker, the notion that we will be able to rely on the HMOs in the private sector to provide the drug coverage or any kind of coverage is totally belied by the reality of what has happened in the last few years. In New Jersey alone in the last 2 years 80,000 seniors taken off, HMOs dropped them.

If we do not provide across-the-board prescription drug plans the way the Democrats have devised, we have no guarantee that the seniors will get their drug coverage. I cannot believe after the experience we have had the last few years that has dramatically shown that HMOs will not provide the seniors with the drug coverage, that anyone, including the President, could suggest that somehow that is not the answer. It is, again, the suggestion or the promise that you will do something. The reality will be very different because they will not be able to find that kind of coverage. It will not exist.

NO SUPPORT FOR MIGUEL ESTRADA NOMINATION

The SPEAKER pro tempore (Mr. BEAUPREZ). Under the Speaker's announced policy of January 7, 2003, the gentleman from Texas (Mr. RODRIGUEZ) is recognized for 60 minutes.

Mr. RODRIGUEZ. Mr. Speaker, I thank the Speaker for allowing us the opportunity to be here tonight.

I wanted to come out tonight to talk a little bit about the issue that the Senate is having to deal with and that is the issue of the nomination of Miguel Estrada. And I want to personally, first of all, thank the Senators that are choosing not to support the nomination. And I want to personally thank them because I know that as a caucus we had appointed the gentleman from Texas (Mr. GONZALEZ) and the gentleman from California (Mr. BECERRA) and the gentleman from New Jersey (Mr. MENENDEZ) and several others to look at the nomination process. And we have had a process where we have asked Members to come forward, and my understanding is that we have always, every single Hispanic that has ever come before us we have approved. This is the first nominee that we have chosen not to approve.

And the reason we have done this, and it was not an easy decision, it was a hard decision because of the fact that, after all, he is a Hispanic and we

recognize that it would be very difficult for us to go against him. But the reality was and what we were all unanimously in agreement that we could not endorse this nominee and, in fact, that he did not deserve our nomination, our recommendation. And the reason we came to those conclusions was after we had had the opportunity to interview him, after we had an opportunity to look at the documentation, and, first of all, we found that Mr. Estrada has no judicial experience. And when we have looked at the fact that we are going to be nominating this person for life to a court that will be the second most powerful court next to the Supreme Court, we really need to take note that he has to be a little bit more responsive about answering the questions that come before him. He has to be a little more truthful about coming forward because either he is naive about some of the questions or the fact is that he chooses not to respond on the questions that were asked of him. And that really disturbed us.

One might ask, well, let us give him a shot. Well, the reality is that that might be the case for elected officials, individuals that might be here who get elected. But here is a person that we are going to be appointing for life. Here is a person that we recognize that we do not, if we do not ask those questions will be there for rest of his life.

It is not a typical appointment of someone like ourselves that we run for office that you might say, well, let us give this candidate an opportunity to serve. If he does not make it, then we will not vote for him the next time. That is not the case when it comes to Federal appointments. They are in there for life. So it becomes really important that the Senate have the opportunity to have the documentation that is needed, to have the documentation that is asked of them, and it is something that is fair.

□ 2145

As elected officials, one of the things that we are told from the very beginning, at least the advice I was given some time back, was that be very careful as an elected official about writing letters of endorsements, and so I take that very seriously. I never write letters of endorsement unless I know the person, and even then, in certain cases, if I know the family, but we have to be very cautious because we do not know.

In this case, the Senate has an obligation, a constitutional obligation, a responsibility, to make sure that if they nominate someone, that they have had a chance, because it is kind of giving a letter of recommendation, and this is a letter of recommendation as a form of a nominee and accepting the nominee for life. So they have to make sure that, if nothing else, the person is able to respond to some of the questions that are up there and to be able to respond in a way that allows an opportunity for us to learn a little bit about the candidate.