

leading with this vision of economic development. And he saw two things to do that were very critical. He has developed and empowered a new arts district, where we have artists and artisans who are coming literally from around the Nation to bring their businesses, their galleries and outlets into Covington, Kentucky. The city fathers, 50 years ago it would not have looked anything like it is starting to look right now in development. It is an awesome thing to see happen.

But the second thing, and to me the even more exciting thing, is the broad public-private partnership that he has forged, working with the chamber of commerce, working with the State, working with other elected officials and working with the business community and working with the educational community.

Getting the proper incentives and then joining with northern Kentucky University and Gateway Technical Community College, he worked to create a project called the Madison E-Zone, an enterprise zone for high technology businesses where there were going to be special opportunities to work together, to network together. And right there, in the urban heart of Covington, they laid this in.

The vision is very simple. We want to get the synergy of high technology education. Northern Kentucky University started a School for Informatics. Instead of simply bringing an academic in, though there are many, many competent academics out there, when we deal with high technology, when we deal with information technology, electrical engineering, it is good to have somebody coming from industry, and they brought a man named Bob Farrell, a tremendously successful information technology entrepreneur, to come in and begin running that School for Informatics. They have a School for Entrepreneurship that is also tied into the same venue.

Finally, these incentives, working with the local businesses, have created a new knowledge base. That is how Silicon Valley got started in the community around Stanford University. We may not have Stanford University here. We are starting in a new way with a new vision. But like my colleague to my south, HAL ROGERS, likes to say, we are going to have "Silicone Holler" in Kentucky, because we are going to create those technology jobs, and we are not going to see our young people have to leave the State, because now new businesses are not only coming, but they are small businesses, and what is so exciting is they are new businesses that are starting by Kentuckians who have grown up in Kentucky who are educated here and they are creating a future here.

One of those companies is Tier 1 Software. It started out when two of the partners, Kevin Moore and Norm Desmarais, reached out. They took that chance. They took that big step to start their business. They began seek-

ing opportunity to do software development, implement the applications that they developed, begin to build that business, beginning to create additional jobs, working alongside the School for Informatics. They began doing work with the Department of Defense. Again, what they are working on is knowledge preservation.

My point in bringing this up, it all started note just 2 years ago or 4 years ago, it began with that long-term vision, with an application of policy from the Federal Government to make a difference in development. Here is the challenge. Even these businessmen are inheritors of Ronald Reagan's legacy.

When these tax increase Goss into effect in 1,426 days, businesses like Tier 1, companies with startup potential to create jobs in my State for my citizens and my constituents so they don't have to leave are going to go away because of the burdens that will be restored. A regressive burden will be restored with payroll taxes, with income taxes. And also the inability to depreciate or write off investments for hardware, as Congressman SHUSTER mentioned earlier, are going to go away, and it is going to put a tremendous burden on the economy and our region.

I want to see it flourish. I want to see us continue to grow and change and transform and create more taxpayers in the future. That is why progressive tax policy reduces the rates, allows people to keep more of what they earn, and, in the end of the day, we don't burden them unnecessarily. We empower them and free them to build a future for their children.

IMPACT OF THE PRESIDENT'S BUDGET ON AMERICA

The SPEAKER pro tempore (Mr. ELLSWORTH). Under the Speaker's announced policy of January 18, 2007, the gentleman from Pennsylvania (Mr. ALTMIRE) is recognized for half the remaining time until midnight.

Mr. ALTMIRE. Thank you, Mr. Speaker. We are going to initiate the 30-something Special Order, as we have done so many times in the past. I am filling in for our colleague Mr. MEEK from Florida, who usually is in this spot leading the way. But he attended the Super Bowl, which was in his district yesterday, and made it back today and had some things to take care of. So we are going to do ably in his absence tonight. But I appreciate the Speaker's generosity to give us the hour tonight.

We are going to talk tonight about the President's budget and the impact that is going to have not only on the Nation and on the Congress and what we are going to need to do, but I am going to talk specifically about what this budget does to my home State of Pennsylvania. I have some statistics on health care and veterans and Social Security recipients, and we will go right down the line and talk about my home State, but also what this budget is

going to do for the country and what we are going to have to deal with as a Congress.

I brought down a copy of the budget so the folks at home can see what was dropped in our lap today. Each office got a copy of this budget. This is what we are talking about tonight. It is the President's fiscal year 2008 budget which we are going to talk about.

Now, as he has done in the past, 6 years in a row, now seven including this budget, the President's fiscal year 2008 budget continues with more of the same, the wrong priorities from the past 6 years and the same fiscal irresponsibility and misguided priorities that have been taking our country in the wrong direction. The President's budget is fiscally reckless and adds \$3.2 trillion to the deficit over the next 10 years when we use honest accounting.

Despite the President's claim, his budget does not achieve balance, Mr. Speaker, in the year 2012. The President leaves out many programs and uses accounting gimmicks to reach what he claims is a balance. But an honest assessment of what this budget does shows an increase in the deficit of \$3.2 trillion over the next 10 years.

Now, that is on top of what has already happened over the past 6 years, which has been to increase the Federal deficit, the Federal debt, by \$3 trillion. I would remind my colleagues that when this President took office, we had just had four consecutive years of budget surpluses and those surpluses were forecast to continue as far as the eye could see. In fact, the 10 year budget projection was a surplus of over \$5 trillion.

Well, now we are 7 years down the road, and let's take a look at what has happened since then. As I said, instead of having a surplus of \$5 trillion, this President has added \$3 trillion to the national debt, and from this point forward, using honest accounting, this budget which the President has submitted here today is going to add \$3.2 trillion more to the national debt. This is fiscally irresponsible, but the cuts that the President makes in programs are morally irresponsible, and this is what I am going to focus my remarks on tonight.

He cuts health care. He cuts Social Security through his privatization scheme which he continues to try to push, even though the public clearly opposes it. He cuts \$300 billion from Medicare and Medicaid programs. He cuts terrorism funding. He cuts the COPS Program.

Mr. Speaker, this is just incredible, that the President came here for the State of the Union and talked about what his budget priorities were and what his goals were, and this budget doesn't represent any of the rhetoric that we heard in the State of the Union. Unfortunately, the reality of this budget doesn't match the rhetoric that we heard.

Now, we have been joined once again by our 30-something colleague from

Connecticut, Mr. MURPHY, and I would yield to him to discuss his views on this budget.

Mr. MURPHY of Connecticut. Thank you very much, Mr. ALTMIRE. It is a pleasure to be with my new 30-Something colleague on the floor here to discuss what I think you set out before us very accurately is a fiscally reckless and irresponsible budget, but also a morally irresponsible budget.

You outlined what the problem here is. The problem here, Mr. Speaker, is that we have got a budget that doesn't paint the whole picture for this Congress, doesn't tell the whole story for this country. We have got a budget which claims to be in balance.

Mr. ALTMIRE, I remember being here for my first State of the Union speech, I did not sit too far away from you, and we listened to the President stand up at the podium there at the second level and say we could work together on a balanced budget, that we could do the right thing for the American people, do the things that Mr. MEEK and Mr. RYAN and Ms. WASSERMAN SCHULTZ have been talking about for 2 years in the 30-Something Working Group, and that is making sure that we don't pass on the cost of government to our children and our grandchildren by these massive deficits that we are racking up.

Instead, the President handed us a budget today, a pretty big stack of papers there, that claims to balance the budget, but does so by omitting some of the biggest costs within the budget.

At the top of the list is the cost of the wars in Iraq and Afghanistan. They are not in that budget. Those are emergency expenditures, emergency appropriations, and so the President hasn't seen fit to incorporate those in the budget.

He also doesn't include the cost of fixing what is called the Alternative Minimum Tax, which is a tax that, if not repealed, it was supposed to be for the wealthiest taxpayers, but because we haven't made any adjustments over the years, this Alternative Minimum Tax is all of a sudden not going to be much of an alternative, because millions of middle class families throughout this country are going to have to pay it. So that is not in there either.

By the way, it also assumes that we are going to take in billions of dollars in revenue beyond what most reasonable economists will tell you we are going to bring in in the next 5 to 10 years.

So, Mr. Speaker, what we have is a budget that doesn't tell the whole story. I can balance my budget pretty easily at home if I just, for instance, don't include the cost of my mortgage. I could spend everything. I could buy five flat screen TVs for my house, I could get a caretaker to mow my lawn and cut my shrubs, so long as my budget didn't include my mortgage. But, do you know what? My family and your family and everybody else's family in this country has to make their budget meet, their revenues and expenditures

meet, by incorporating all of their costs. The budget that you held up there doesn't do that. It only encapsulates parts of our costs.

Mr. ALTMIRE. Reclaiming my time on that point, what the President has done does not coincide with what the Congressional Budget Office says the cost of these programs is. Just because in his budget he estimates costs and ignores issues like the Alternative Minimum Tax, which needs to be fixed, doesn't mean those things aren't going to happen.

He can ignore some of the costs of the Iraq war and the actions in Afghanistan and pretend like we are not going to spend as much money as it is going to take to carry on activities there. That doesn't mean those dollars don't add up. And the Congressional Budget Office and any reasonable economist who has taken a fair look at this budget shows that he is hundreds of billions of dollars below in his estimations what it is going to cost to carry out those.

Mr. MURPHY of Connecticut. We are talking here about adding \$3.2 trillion to the deficit over the next 2 years, \$3.2 trillion to a deficit that is already exploding beyond any numbers of previous Congresses. Remember, this Congress inherited when the Republicans took control in 1994 a surplus. They had money to spend and they have turned it into record deficits, and now the President is going to add on to it.

□ 2230

Now, here is the other part, Mr. ALTMIRE, that creates the problem. This budget that was presented to us today not only doesn't include the cost of the war, doesn't include fixing this middle class tax increase, also paints a real rosy picture in term of revenues, but it also has some tax breaks in it, but they are tax breaks for the very, very wealthy. We have got another \$2 trillion in tax breaks over the next 10 years in this budget, and as we know because we have all seen the charts in the 30-something Working Group, because I have watched them on TV talk about it for the last 2 years. Those tax breaks, Mr. ALTMIRE, are going to end up going to the richest 1, 2, 3 percent of Americans, and the hard working middle class families in and around the Pittsburgh area where you are and in and around northwestern Connecticut aren't going to get the benefit of those tax breaks.

So what throws this thing so out of balance is not just that we are not counting some massive expenditures in the war in Iraq, and hopefully the Congress is going to do something about that, but it also includes in it these big tax breaks that just aren't going to go to families like yours or families throughout Philadelphia, throughout Connecticut, in fact throughout this whole country.

So Mr. Speaker and Members, we have got some work to do on this budget. And I am frankly upset by the budg-

et that the President put before us, but I am glad that we have a party in control and a leadership in control of this House that is going to take that budget, it is going to take that budget and twist it and turn it so that middle class families end up coming out in the lead at the end of this process. Because what has happened in the past is the President puts forth one of these backwards budget, the Republicans sort of tinker with it here and there to make sure that it ends up favoring the special interests of the lobbyists that are currently in favor in Congress, and in the end people that we care about don't get helped at all.

So, Mr. ALTMIRE, I am just looking forward to a budget process here which takes I think what is a very flawed document and turns it around and makes it work for regular middle class, working class families throughout this country.

Mr. ALTMIRE. I appreciate Mr. MURPHY's remarks. And for the folks here listening, I just wanted to let them know how we are going to approach this tonight for the remaining time that we have. I am going to give a broad overview of the cuts that have been made in some of these programs at the national level included in this budget that we received today; then I am going to yield time to Mr. RYAN, who has joined us and can ably respond to his side of things and how he views this budget. Then, Mr. MURPHY, you can go again. And then I am going to focus my remaining time on Pennsylvania specific programs and how this is going to affect my home State of Pennsylvania.

But for the national overview, I mentioned that this budget cuts Medicare.

Mr. RYAN of Ohio. Would the gentleman yield briefly? I didn't see where I fit.

Mr. ALTMIRE. That is because you weren't listening. I did mention your name. I am going to give a broad overview, and then I am going to give you as much time as you need.

Mr. MURPHY of Connecticut. You get 2 minutes, Mr. RYAN.

Mr. ALTMIRE. To complete whatever it is that you want to say.

So the Medicare and Medicaid cuts of \$300 billion, that is outrageous, that at a time when the number of Medicare beneficiaries is growing every year, the baby boomers are starting to qualify for Medicare in fiscal year 2008, which is where this budget takes us, and they are going to start retiring en masse in 2011 which is during the 5-year budget, that they would reduce spending for Medicare beneficiaries at a time when the number of beneficiaries is going up exponentially.

Now, these Medicare cuts include premium increases for millions of beneficiaries totaling \$10 billion over the next 10 years. Let me repeat that. Medicare beneficiaries at home, many of them, are going to see their premiums increase to the point where it is going to add up to \$10 billion in premium increases over the next 10 years.

But, at the same time that this budget slashes Medicare funding, of course it protects special interests, it leaves untouched massive overpayments by Medicare to the HMOs in the Republican's Medicare Modernization Act of 2003.

Now, many of the Federal Medicaid cuts simply increase cost to the State. These aren't costs that are going away, they are just passing the buck along to the States. So instead of assisting State efforts to reduce the number of uninsured, this budget actually impedes progress on States being able to insure children and others.

Mr. MURPHY of Connecticut. Will the gentleman yield for a moment on that point? Just very quickly, I want to hammer that home. Because when people out there in the public, and I did this too when I was watching Congress for years, sees some of these cuts to programs here that people up here in Washington talk about, you know, the government tightening their belts and doing the right thing for curbing the growth of spending programs; what they don't understand is that just passes on the buck, as you said, to the states. Now, the States sometimes pick up the tab and pass it along in increases in the sales tax or the income tax. But in Connecticut what often happens is that the cuts to these programs just get passed down again. In Connecticut, they get passed down to the local towns, counties, and other States. And in Connecticut, the property taxes just go up. So all of this supposed belt tightening that happens here to programs that need to get taken care of, whether they be education programs or health care programs, just get passed down and somebody else pays for them. That really in the end, Mr. ALTMIRE, to me is one of the worst cases of fiscal irresponsibility, because you are pretending that you are taking care of a problem when really you are just handing it down for somebody else to take care of. And we will take some hits up here if we need to in order to get taken care of what needs to be taken care of here rather than just making somebody else be responsible.

Mr. ALTMIRE. I appreciate Mr. MURPHY's comments. When the President gave his State of the Union Address, he talked about energy independence and he always talks about energy independence and our addiction to foreign oil, which he likes to talk about. But here again, the rhetoric did not match the reality.

President Bush promised in his State of the Union speech that he was committed to reducing our dependence on foreign oil, but this budget fails to fulfill this promise. For example, and this is just a few examples, total energy efficiency and renewable energy funding is essentially at the level from when President Bush first took office. That doesn't make any sense for someone who claims to want to reduce our dependence on foreign oil.

In addition, the President's budget severely cuts weatherization assistance and low income home energy assistance.

Now, this budget also cuts most egregiously renewable energy grants programs. How can we expect to reduce our dependence on foreign oil if we are actually cutting the amount of money that we are putting into research and development for alternative fuels? It just doesn't add up.

Most alarming, under homeland security: Now, if there is any issue where we should be able to achieve bipartisan support on funding levels, it should be homeland security and keeping us safe at home. But particularly disappointing is this President's request for programs that support first responders. Under the President's budget, State preparedness grants and training are reduced 33 percent. They are cut by a full third. Fire fighter grants amazingly are reduced by 55 percent. State and local law enforcement grants through the Department of Justice also have deep cuts, thereby depriving our communities of the critical support they need to operate in this post 9/11 world. It just doesn't make any sense.

On jobs and the economy, the folks who came before us on the other side bragged about the economy and the job situation, but 3 million manufacturing jobs have been lost over the past 6 years. Families continue to struggle to pay the bills. I know that is the case in my district in western Pennsylvania. But this budget slashes funding for the manufacturing extension partnership which helps small U.S. manufacturers, everything from plant modernization to employee training, it cuts them by 60 percent.

Funding for the advanced technology program which sponsors research to solve manufacturing programs is also slashed.

Mr. RYAN of Ohio. Would the gentleman yield?

Mr. ALTMIRE. I would. And I would say that that concludes my overview, so the gentleman has as much time as he needs to continue the discussion.

Mr. RYAN of Ohio. I thank the gentleman. And part of what you were saying, some of those initiatives, the manufacturing extension program and some of these initiatives that we have had in this country that have really been able to help small businesses kind of retool themselves, where this budget is cutting them we have had to fight over the last few years to get the levels up. These are budgets we need to not only not be cutting, but we need to be probably doubling the size of the budget because of the kind of value that they yield and the kind of businesses that they help.

When you look at what has happened over the past 5 years, we have had economic growth, but wages are down 3.2 percent. We are not arguing that the economy is not growing. We all know it is. We all see the same statistics. What we are saying is that it is not bene-

fitting everybody. And what does our response need to be from the President, from the Congress as to how do we close that gap between the rich and the poor? And some of the initiatives that are being cut are going to further harm and aggravate and exacerbate the problems that we have now that we are trying to fix.

So a couple points that I want to make here, and I want to thank you guys for being down here, that the President just doesn't even address. Here they are: Updated by Tom Manatos, one of the go to guys in the Speaker's office. Here we have the new charts for the budget, 2008 budget authority.

Interest payments on the debt. That in the red is the interest payments. We are talking about \$230-some billion of what we are going to spend. That is what this country will spend just on interest on the debt; not paying the debt down, just paying the interest payments from the people we are borrowing the money from.

This is what we are going to pay in education or spend on education, and green what we are going to spend on veterans. This is what we are going to spend on homeland security. So the American people, Mr. Speaker, know quite clearly that we are spending too much of our money on paying down the interest.

Now, it is an important point to be made that this President, Ms. WASSERMAN SCHULTZ, and the previous Republican Congress borrowed more money from foreign interests in the last 5 years than every President in Congress previous to them combined.

So I find it very interesting that we hear our friends talk about how when they owned a small business they had to balance the budget. We know that. But when you got into this institution, this is what you did. So please spare us the lectures on fiscal responsibility.

Mr. ALTMIRE. If the gentleman would yield on that point. That is a tax on everyday Americans. When you increase the national debt to that extent, and we are talking trillions of dollars, not even billions of dollars, that adds to the cost of every American's mortgage, for example. Interest rates go up. If you have a house that is \$200,000, you are going to be paying between \$1,500 and \$3,000 more every single year as a result of the interest rates going up because we have to pay for that debt. When we have \$400 billion of this budget that is dedicated to reducing the national debt or paying the interest on the national debt, that reduces all of our ability to meet our needs at home, because that increases interest rates and we all have to pay for that.

Mr. RYAN of Ohio. So not only is the government not making the investments to keep tuition costs down, not making sure that we try to invest our money to reduce the cost of health care and Medicare and Medicaid, SCHIP, and some of these fundamental programs that we all believe in. We are

not only not making those, but here is the critical components because, as you said, you get the additional burden of the interest rates going up for credit cards and everything else that ripples throughout your own than personal life.

Here is the kicker. Of that red graph there, that red bar of net interest that we are paying interest on the debt, where are we getting the money? That is the question that we ask. Where do we get the money to close the budget deficit? Here it is, ladies and gentlemen: Foreign debt held doubled under the Bush administration to over \$2 trillion.

So we are not only spending money we don't have, we are not only giving millionaires tax cuts. But in order to close the gap, we are borrowing the money from the Chinese, OPEC countries, the Japanese in order to close this gap. So our kids are going to be paying the Bank of China and the Bank of Japan and the countries from OPEC, which is totally, totally ridiculous as to what our priorities need to be. So we need to get this budget balanced.

I want to make one final point before I kick it back to you guys. We are going to ask people who make millions of dollars a year to pay more in taxes, because they have benefited from this system. Here is our option: We either go back to the Chinese and we borrow more money from them, or we ask people who have made millions and hundreds of millions if not billions of dollars to help us close this budget gap.

□ 2245

Now what would you do if you were in our position? Do you ask a millionaire to pay a little bit more in taxes or do you go borrow more from the Chinese and ask middle class kids and lower middle class kids to foot the bill?

There is not a decision to be made. We have got to ask the wealthiest in our country to be responsible citizens of the United States of America. You benefit from our military. You benefit from the stability of our markets. You benefit from our public education. You benefit from our public infrastructure. You benefit from the water lines and sewer lines, clean air and clean water. All we are saying is we have to ask you to contribute so that we do not have to borrow money from the Chinese in order to fund it.

We cannot be afraid. We do not want to stymie small business. We do not want to take away tax incentives from small business people to reinvest back into the economy. We want to keep things like that intact, but we do need to ask the wealthiest in the country to pay their fair share.

Ms. WASSERMAN SCHULTZ. Thank you so much to my good friend from Ohio. What is more baffling is that it is bad enough that the President is, in this proposed budget, asking for more tax cuts for the wealthiest few, but what is more disheartening, deflating, insulting is that he is doing it on the

backs of Medicaid recipients and Medicare beneficiaries.

There is a \$252 billion Medicare cut, a net \$28 billion Medicaid cut in this budget. Yet still there are billions of dollars in tax cuts for the wealthy. I mean, how do you stand behind a podium at a press conference, how do you hold up this big, thick, hulking document and say that this is a representation of your values, of our country's values?

Tax cuts for the wealthy and slashing health care for those who need it most and who can least afford it. I just honestly wonder every single day who raised these people. What were they talking about around their dinner table? It was obviously a different conversation than what was discussed around my dinner table.

I come from not a poor background, not a wealthy background, but you know, I ate every night, we woke up and ate breakfast every day. Because I was comfortable in that regard and because my family was able to provide for us, we were taught around that dinner table that you took care of and gave back. In the Jewish religion, it is called Tikkun Olam. You give back to the community and help people who can least afford it, and this budget is the antithesis of that. This is give to the people who can best afford it and do it and take from the people who can afford it the least.

I guess that is another example of why Democrats were successful across this country. Why both of my colleagues were successful in defeating Republican incumbents because the message was clear and they wanted a new direction.

Mr. RYAN of Ohio. You know what is interesting, and it just hit me, that if we were not here, if NANCY PELOSI was not Speaker of the House, that budget would get implemented. That budget would become law in the United States of America. The only thing standing between that budget and the American people is NANCY PELOSI and HARRY REID, or that stack of paper would become law, and the wealthiest in the country would continue to get tax cuts. We would continue down this road, borrow more money from Japan and China and OPEC countries. There would not be an investment in S-CHIP. There would not be all the stuff that Mr. ALTMIRE listed. It is interesting to just say, hey, the American people did make a point to put us between that budget and their everyday lives.

Ms. WASSERMAN SCHULTZ. Speaking of S-CHIP, the children's health insurance program, there is actually a proposal in this budget document that narrows who would be eligible for the children's health insurance program.

Right now, I think the eligibility is twice that of the poverty level, and Secretary Leavitt just signed off on a formula that would narrow those children who could potentially be eligible for children's health insurance, I mean, at a time in our country when people

are struggling to afford health care, when we have more and more people, especially children join the ranks of the uninsured, which means when you are sick, they cannot afford to go to the doctor and they use our emergency rooms as primary health care. Like I said, where are their values coming from?

Mr. MURPHY of Connecticut. To me, this budget does not spare anybody in who it offends. This budget has something to offend poor people, middle class folks, and it has a lot to offend rich people in this country.

My district is good enough that it has a little bit of everything, and part of the reason that some of us got sent here after having the other party represent our districts for a very long time was that the fiscal policies of this President, which are symbolized by this document he sent here, are offensive to people of every income bracket. For the folks at the bottom of the scale who need those public schools, who need those health care programs, well it takes money out of their pocket. From middle class families, who are trying to get their kids through college, who are trying to fill up their tank and go to work, it does not do anything for them either. It cuts alternative energy programs.

For people at the top end of the income scale who admittedly are giving a decent percentage of their income to the Federal Government, they are looking at the charts that Mr. RYAN is throwing up here and saying how on earth can I justify giving a big chunk of my income to the Federal Government and the Federal Government sending more and more control of our money overseas to Chinese and OPEC Nations.

One last thing on that point. We also do not give people at the upper end income brackets enough credit. They see what is happening to the poor families, to the senior citizens struggling to decide whether they pay their property tax bill or whether they pay their prescription drugs. Those same people who have enjoyed these massive tax breaks, a lot of them will say to me, you know what, I cannot understand the government who has the choice to put \$40,000 in my pocket or help the guy around the corner from me pay for his prescription drugs for another month and he chooses to give me \$40,000.

There are people of every income in this country who will find something offensive in this budget, and Mr. RYAN is exactly right. For the last 6 years, as you guys said over and over again, all this House was was a big rubber stamp on that budget when it showed up here and no longer.

We now have to stand up for all the people who have found something to object to in that budget.

Ms. WASSERMAN SCHULTZ. Just actually if you are momentarily at a loss, I have the privilege of sitting on the House Appropriations Committee, as does Mr. RYAN, and we will have a

chance to take this document apart pretty carefully, one of the things that I was reviewing as we received this today was just the continuous example that this administration provides in representing a policy in one way and doing something completely different.

I mean, we have to be careful about the words we choose when we are on the House floor referring to the President, but I will point you to the section of the proposed budget that talks about how we finally are including at least some portion of the war budget inside the budget, instead of doing it all as emergency supplemental funding. So we have to give the President credit for at least including a portion of that in the budget.

However, he actually does not have any funding for the war, assumes no funding for the war past the end of 2008. There is no funding in his proposed budget for 2009. I think probably everyone in this country would like nothing more than for us to be completely finished in this war in Iraq by that point, but that is not the track that we are on and it is not the track that the President has suggested that we are going to be on.

So, there is a certain lack of clarity in terms of the distinction between what his budget represents and his rhetoric. They are not matching each other, and I think people see through that. We are fortunately now running this institution. So, through our accountability process, we can show the disparity between what the budget represents and what the actual policy implementation is.

Mr. RYAN of Ohio. I think what is important, too, is we are not sitting here saying, and I do not want anyone, Madam Speaker, to misconstrue what we are saying. We are not just saying we are going to write bigger checks and all these problems are going to disappear.

Included in our analysis of that document are going to be hearing upon hearing upon hearing. I have seen the schedule. We are going to get into the nuts and bolts of that to figure out how we can make these programs run better, how we can make S-CHIP with the same amount of money or more money cover more people, how does it get executed, the same with what we need to do with FEMA. Obviously, we saw that in Katrina.

Mr. MURTHA's having hearings and Mr. SKELTON in the Armed Services Committee about the war, and how do we make that mess go away and make it work better, the execution of war and what we are trying to do, how do we make this thing work better.

So this is not just about writing bigger checks. This is about making this whole system run better and more efficiently and more effectively and serve more people.

Mr. ALTMIRE. I thank Mr. RYAN from Ohio. I did want to take a moment or two and just point out the impact specifically that these cuts are

going to have on my home State of Pennsylvania because we have talked a lot about what the budget does for the Nation and the impact those cuts are going to have. I wanted to bring it closer to home for some of my constituents, and this is what they can expect out of this budget in Pennsylvania.

We talked about Social Security and the fact that the President inexplicably once again moves toward his privatization scheme. Well, in Pennsylvania we have 1.7 million Social Security beneficiaries, many of whom could see retirement savings cut if we moved in that privatization direction.

More egregiously, the Medicare program, as we have talked about sees dramatic cuts, \$300 billion of cuts to Medicare and Medicaid.

In the State of Pennsylvania, I want to talk about what this does. Pennsylvania's Medicare beneficiaries would have to pay higher premiums for coverage of prescription drugs and doctors' services.

Reimbursement cuts are going to take effect to home health agencies, to hospitals and to nursing homes. That is what the President's budget does not only around the Nation but in Pennsylvania.

This administration's budget, which we talked about assumes, an eight percentage point cut in reimbursement for Medicare physicians. I do not think anybody thinks the cost of health care is going to go down over the next several years. It is certainly not going to go down 8 percent. It usually rises in double digits each year.

The number of Medicare beneficiaries, as we have talked about, is going to go up exponentially over the next several years. Yet, this budget cuts physician reimbursement for Medicare by 8 percent. There is no excuse for that.

The State Children's Health Insurance Program, which is a program that was enacted during a period of bipartisan government, one of the ways that this Congress and the White House worked together back in the 1990s when the situation was reversed, they put together the children's health insurance program. Well, this budget submitted by the President gives \$10 billion less than is needed just to maintain the current level of coverage in services.

Mr. RYAN of Ohio. I suggest you just let the other Members know exactly who this S-CHIP is supposed to cover, what it is.

Mr. ALTMIRE. It is covering children that are uninsured. In Pennsylvania alone, there is 281,000 uninsured children. We are talking about children in this country that lack health insurance, and this program in States all across this country has gone above and beyond and covered these children. But again, the President's budget gives \$10 billion less than is needed just to maintain the current level of service, not even moving in the direction of extending the program.

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Mr. RYAN of Ohio. We often hear in these debates how, you know, a certain party wants to spend money and waste money on this or that, and we are not saying that there is not waste in government, and we certainly want to address that. Our friends, our Republican friends, have done absolutely nothing to try to improve that. In fact, they borrowed more money from China to help fund the inefficiencies.

But what we are saying here is here is a program that covers poor kids. It gives health care coverage to poor kids. So they don't go to school and cough on your kid and get your kid sick, not to mention the humanity of trying to make sure that they have the proper amount of health care.

Ms. WASSERMAN SCHULTZ. Mr. RYAN, naturally we should cut it.

Mr. RYAN of Ohio. Yes, so this is what the President is offering to cut in his budget. And, as we said before, would pass if it was not for Speaker PELOSI.

Mr. ALTMIRE. Now, I wanted to talk about education funding. The President is going to talk about how he proposes an increase in Pell Grant funding for the first time in many years. But what he doesn't tell you is in this budget, it again cuts or freezes funds for key college programs like work study programs, which many of us benefited from, and there are millions of students around the country that benefit from that today, and it zeroes out, completely eliminates, supplemental education opportunity grants.

Now, that doesn't add up. If you are going to claim you are helping education by increasing Pell Grants on one side, and you are going to cut, and in many cases, completely eliminate other programs for higher education, those two things don't balance. As tuition and fees at schools like Penn State University and my home State increase year after year, the administration's cuts in student aid will put college further out of reach for many Pennsylvania students and students all around this country.

I wanted to close my Pennsylvania portion by talking about something I mentioned earlier, which is perhaps the most egregious part of this whole budget, and that is the fact that funding for Pennsylvania's terrorism prevention and disaster response is slashed under this budget. The President's budget guts programs that help Pennsylvania's local governments, prevent and respond to acts of terrorism and other major disasters.

The State Homeland Security Grant Program is cut. The Bush administration also cuts law enforcement, terrorist prevention programs which have helped prevent terrorist attacks. They cut the intelligence gathering, and they cut interoperability. Now, if everyone remembers back to 9/11, the biggest issue that was exposed, the biggest flaw in our response, our disaster response, was interoperability.

The police and the fire units could not coordinate and communicate with each other, and that was what we wanted to fix. What we saw in 2005 with Katrina, 4 years later, the problem had not been addressed at all.

Now, a year and a half, going on 2 years later, not only has the problem not been addressed, but the President, with this budget, does not even take it seriously, because they are cutting interoperability to find solutions to those problems.

Lastly, with regard to Pennsylvania, this budget again proposes elimination for two local crime-fighting tools that are used extensively in Pennsylvania, the Community Oriented Policing Service programs, the COPS program, COPS, and the justice assistance grants. Now, the COPS program helps Pennsylvania's law enforcement agencies hire police officers, enhance crime fighting technology, and supports crime prevention initiatives, while the justice assistance grants support State and local task forces, community crime prevention, and prosecution initiatives.

What sense does it make to reduce funding for these programs, especially at a time when we are trying to remain safe in our homeland security while we have actions taking place overseas. So I just don't see the point of what the President has tried to accomplish with this budget. We will hold it up again one more time before I yield, just so everybody can take a look at what we are talking about. This is what was dropped on all of our desks today. It does not represent the values of the American people. It slashes key funding priorities.

I would yield at this point to Mr. MURPHY.

Mr. MURPHY of Connecticut. I think every Member in this House, Republican or Democrat, can tell the same story about what this does for their district, and it is particularly acute in Pennsylvania. But let us hammer home what we are talking about. Mr. RYAN said it very eloquently, we are not just talking about writing a check. You are, Mr. RYAN.

We are talking about making choices, we are not talking about solving these problems by putting money into health care, putting more money in education. We are talking about where to make choices on the budget, on who to help and who to take from, who to help and who to take.

Let's start with the health care budget for a moment. Let's start with the premise that we need to rein in the health care budget. It is spiraling at a cost well above inflation, it is one of the biggest cost drivers in our budgets, in State budgets, families' budgets and small businesses' budgets. But here is the choice that you have. You can either raise the costs for beneficiaries for seniors and for people within the children with within that SCHIP program.

You can cut people out of the system, you can take kids off the rolls or sen-

iors off the rolls, or, you can choose to ratchet down some of the profits that you are handing to the drug companies, or you can choose to roll back some of the massive overpayments that we have given to the HMOs, the health maintenance organizations, in the 2003 Medicare Modernization Act.

Common sense tells you that as you are looking at massive record profits being wrapped up by the latter groups, that maybe, maybe, if you have that choice, you should take a look at wiping away that little slush fund that you gave to the HMOs, or allowing the Federal Government to negotiate using their bulk purchasing power to just trim a little bit off of those billion dollar profits being made by the drug companies. Instead, this budget makes a different choice. It cuts people off of the rolls and it raises the fees for people on there. So this is not just about writing a bigger check.

Ms. WASSERMAN SCHULTZ. That brings me back to my, you know, sort of private thoughts, when reviewing the budget proposal, and the changes in the SCHIP program formula, where are their values, where are their priorities? If you lay out the choices they had, they choose covering the formula and covering fewer kids.

Perhaps it is that President Bush's daughters are grown now, or that they have always had health care coverage or that he grew up in a family that maybe didn't understand need. But there is something desperately wrong with the priorities and the values of this administration in terms of the direction they are moving in this country.

That is why, at least fortunately now, Mr. RYAN, Mr. ALTMIRE, Mr. MURPHY, we have some balance. We have the ability to exert Congress' role as a check and balance. We have the 30-something Working Group that can come to the floor each night and talk about those issues, talk about what is important to the American people, and the way we want to continue to move this country in the new direction that our constituents have asked for.

Mr. RYAN of Ohio. I find this an appropriate time, as we are wrapping up. I think, we only have a couple of minutes left, to remember what happened here in the first 100 hours that is in contrast to that document there. Of all the things we talked about in the last 55 minutes or so, 45 minutes, we should make note of that in the first 100 hours the Democratic Congress raised the minimum wage to \$7.25 an hour. We cut student loan interest rates in half that will save the average family \$4,400, so you get a pay raise. If you have a kid in school that is taking out loans, we will save you \$4,400.

We allowed the Secretary of Health and Human Services to negotiate down drug prices so our seniors will have less cost to bear for their drug prices, and then we repealed the corporate welfare and invested that money in alternative energy and passed a stem cell research

bill to open up two new sectors of the economy for job growth. Compare the first 100 hours and who we helped, and you take that document there that cuts health care for poor kids. That is the difference between what the American people did in the last election, and what we had to deal with within the last, between 6 and 14 years, depending on how you are counting.

Now I get to do this again, show you guys how to do this. If you want to e-mail us, any of the Members, 30SomethingDems@mail.house.gov or you can get on the Web site at www.speaker.gov/30Something and send us your comments. All of these charts that we have here are available on the Web site for other members.

Mr. ALTMIRE. Madam Speaker, at this time we yield back our time.

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DOT-COM BUBBLE BURST

The SPEAKER pro tempore (Ms. GIFFORDS). Under the Speaker's announced policy of January 18, 2007, the gentleman from Iowa (Mr. KING) is recognized for the remainder of the time until midnight.

Mr. KING of Iowa. Madam Speaker, I want to thank the presenters of the previous hour that have come down here, especially my friend, Mr. RYAN from Ohio. They have been persistent and they have been relentless.

At some point I think it would be very engaging for us to be able to actually share an hour and do that kind of point, counterpoint that can bring these issues to the top for the American people. And I want to say again, my highest compliment is for persistence. I am going to make some comments here on accuracy and on perspective.

I think we need to take us back. Since we have gone back to the future in this last hour, Madam Speaker, I would take us back to where we were here in the United States of America on the date, and I will call it September 10, 2001.

That was the date on which we were in the middle of the bursting of the dot-com bubble, the day before the September 11 attacks on our financial centers, the Pentagon and in the fields of Pennsylvania, which may have been the White House or this Capitol building itself, Madam Speaker.

On that day, the American people were just beginning to understand what had happened to our economy. We had this growing economy that has been credited over here many, many times over to President Clinton. I want to tell you that the Republican Congress balanced the budget through the 1990s. And they might have done so because they did not approve of the Clinton policies. There might have been a measure of spite. But they balanced the budget.

And the reason I will give that credit to the Republican majority in this Congress is because Bill Clinton vetoed