

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.

□ 2310

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

their budget several times. That kept us from having a balanced budget until finally they had to reach a compromise, and those balanced budgets flowed forward.

This economy grew, and it grew out beyond expectations. And the biggest reason, Madam Speaker, that it grew was because we had this economic phenomenon called the dot-com bubble. Well the dot-com bubble was that we had discovered in our research, in our technology and science and in information, that the microchip and the configuration of the microchip and the configurations of the software and our infrastructure that allowed us to put that all together, we found out in the middle 1990s that we could store and transfer information more quickly than ever before in all of history.

And when that happened, there were companies that looked around and said, voila, we have a microchip. We can find a way to do something with that. Let's start up a dot-com company and we will go public and we will sell shares on our ability to store and transfer information more efficiently than ever before, Madam Speaker.

And so those companies lit up and did that. And the stock market grew and grew and grew and grew. And there was a return on those investments, not because the companies were making money, but on the speculative value, Madam Speaker, on the ability to store and transfer information faster than ever before.

That went through the 1990s and into the year 2000. And in the year 2000, President Bush was elected. And about that time, sometime about the beginning actually of the year 2000, the market, the stock market began to understand that this dot-com bubble, which was this growth in the values of their shares on the New York Stock Exchange was really based upon the speculation that we could store and transfer information more quickly than ever before, and not based upon the economic value of the ability to be able to store and transfer information more quickly than ever before.

And so the adjustments began to be made in that stock market. And when they were made, it took it down to, what is this information worth? Just because we can store and transfer it more quickly does not mean it has more value, it has to add efficiency to the productivity of companies, or it has got to have a marketable value to people that will say pay a higher price for a higher speed Internet, not just for their business reasons, that is legitimate, but also for their recreational reasons.

Only two reasons this information age that had blossomed and grown, Madam Speaker, only had value because it added efficiency to the companies that we had and those that would be developed and grown, or that ability to store and transfer information could be marketed for recreational purposes.

Well, about the year 2000 the market began making those adjustments. And

the market decided there is too much capital invested in this. There is too much speculation invested in this. We really cannot turn out the kind of productivity that is necessary to justify the capital investment that had grown this dot-com bubble in our marketplace.

And so astute investors began to divest themselves of their investments within those dot-com companies, some of them not all of them. Those that had the highest promise, at least on the measure of the capital invested, the money stayed with them. Those that had the least promise the money left them.

As the market adjusted, we had this thing we called the bursting of the dot-com bubble. That took place in about the year 2000, 2000, 2001, as President Bush was being sworn in out here on the west portico of the Capitol for his first term in January of 2001, the bursting of the dot-com bubble was almost audible at that point.

Well, as that bubble slowly burst and flowed across the year 2001, Madam Speaker, it took us up to September 11 of 2001, when, as we know, the planes went crashing into the Twin Towers and into the Pentagon, into the field in Pennsylvania.

And the attack on our financial centers, and an attack on our strategic center over here at the Pentagon, of our military strategic center, was devastating. It was designed to take the financial center of the United States of America to its knees.

Well, that did shut down our financial center the rest of that week. We were open for business, might have actually been on the following Friday, but we were at least open for business the following Monday after September 11. But we got our stock market up and going again, our financial centers started going again. We patched things in. We rigged them up so that we could work and we could trade. As we began to trade, the markets began to adjust the impact on them.

That blow to our financial centers on September 11, on top of the bursting of the dot-com bubble where there were two devastating hits on our economy, yes we were cruising along, Madam Speaker, with anticipated balanced budgets as far as the eye could see. But those balanced budgets did not anticipate the bursting of the dot-com bubble, nor did they anticipate the attack on the Twin Towers in New York City.

And so we began to make our adjustments. And then following that, the obvious result was, that we had to spend hundreds of billions of dollars to protect us from the terrorists who were attacking the United States of America and western civilization itself.

That took money, Madam Speaker. And this Congress pulled together in bipartisan effort, Democrats over here, Republicans over here, came together and said we are one people. We are the United States of America and our number one most responsible Constitu-

tional position is to protect the American people.

And so we set forth here in this Congress to protect the American people. And some of the things that we did were to provide that our military could, number one, go over to Afghanistan and into the mountains in Pakistan and go take out those al-Qaeda centers where they had been strategizing and planning these terrorist attacks on the United States.

And in the process it was necessary to liberate Afghanistan and set up a government in Afghanistan that reflected the will of the people, a government of, by and for the people of Afghanistan. We did that within 2 to 2½ months of the September 11 attacks in 2001, at the cost of billions of dollars, Madam Speaker.

Now here we are, the bursting of the dot-com bubble, the attacks on the Twin Towers, our financial centers, and the Pentagon and in Pennsylvania, and the necessity to engage in military conflict clear across the globe over in Afghanistan and Pakistan, which our glorious United States military did so successfully, and took out the Taliban and liberated the Afghan people. The Afghan people went to the polls there in that country for the first time in the history of the world. A magnanimous thing, all at great cost for a great cause.

These three things that I have talked about, Madam Speaker, the bursting of the dot-com bubble, which brought our stock market down, the attacks on our financial centers at the Twin Towers took it down further, and the cost of supporting and maintaining and equipping our military to liberate the Afghan people all three things hit this budget hard.

Now, I do not think there was anyone on that side of the aisle that made the argument then that we should have only done these things within the confines of a balanced budget. I did not hear them say that. I did not hear anybody say that. I did not even read an editorial that said, well, you know, it is a pretty responsible thing that we have to do here, we have to recover from the bursting of the dot-com bubble, we have got to recover from the attack on the Twin Towers, and we have to spend tens of billions, in fact more than a hundred billion dollars going into Afghanistan to take out the Taliban and al-Qaeda and free the Afghan people, but we should only do so within the confines of a balanced budget.

No, nobody said that, Madam Speaker. Nobody on that side said that. Nobody on this side said that. We were unanimous in our judgment that we needed to protect the American people at whatever cost. And so our military went forth, under the command and order of our commander in chief and carried out their duty and liberated the Afghan people and took out the Taliban and took out al-Qaeda in the mountains in Afghanistan and in Pakistan.

□ 2320

They did their job. We all knew that we would be deficit spending here in this Congress to protect the American people because the decision of balancing the budget in a time of great national peril was not a hard decision. When you are in great national peril you go into debt.

Can anyone imagine fighting World War II when we spent 38 percent of our gross domestic product on our military, fighting that war without going into debt? We sold war bonds over and over and over again. We ginned up Hollywood. Hollywood started running movies to raise the morale of the American people and to keep us together as one people. And strategy after strategy was designed here out of Washington and from Franklin Delano Roosevelt to pull us together as a people, to not be divisive, to unify in our efforts against the Nazis to our east and the imperialist Japanese to our west. That was the strategy of the United States, and we pulled together as one people, Madam Speaker. And we spent 38 percent of our gross domestic product in those years of World War II.

And the zero unemployment that we have today at about 4.6 percent during World War II went to 1.3. That is closer to a full employment economy. It is still not a full employment economy, but that is a lot closer.

And we sit here today, and I am hearing the argument that somehow we should have walked through this whole thing with a balanced budget. You know, if we had done that, there is something my friends on the other side of the aisle that know to be fact and, in fact, I think they are whistling through the graveyard crossing their fingers behind their back saying I wish that that had been the case. They know that if we had done so and balanced the budget then we would have gone into a tailspin recession, if not a hard core depression.

But what happened throughout that, the bursting of the dot-com bubble, the attacks on the twin towers, the liberation of Afghanistan and subsequently the liberation of the Iraqi people, what happened, was our Commander in Chief, who also is the President of the United States, George W. Bush, came to this Congress with two financial proposals, two tax cut proposals, one in 2001 and one in 2003. And the vision was this, if we don't reduce taxes and stimulate this economy, the burden of this bursting of the dot-com bubble and the attack on the twin towers and the necessity to liberate Afghanistan and Iraq, the burden of all of that will fall on this economy, and the United States of America would certainly, and I don't mean, Madam Speaker, almost certainly, I mean the burden certainly would have fallen on this economy and it certainly would have put us in a recession, and perhaps a severe depression.

Now, Madam Speaker, I would submit that if we were to consider what

this country would have been like if we had not cut taxes, if we had not reduced capital gains, if we had not reduced dividend taxes, if we hadn't let people keep more of the money that they earn and allow them to reinvest it and get a return on that investment, if we hadn't made those changes in the 2001 and 2003 Bush tax cuts, this economy would have slowed to a crawl. It would have tail spun into a recession, perhaps a depression.

But the President knew, and this Congress knew, and the Republican majority knew, and I thank you all of my colleagues for being part of that, knew that if we could cut taxes we could stimulate economic growth. If we can stimulate economic growth, we can grow our way out of this deficit spending that is necessary at this time of great national peril. And that is what we did. We did follow the leadership of the White House and President Bush. We did cut taxes in 2001. We did cut taxes in 2003. And the economy responded in kind. And there is no logical argument that the cutting of taxes did not stimulate the economy.

If anybody over on this side has a disagreement, I would be happy to yield some time. But it did stimulate the economy, and this economy grew. And quarter after quarter after quarter, we saw the longest period of economic growth in the history of the United States of America flow forth through this economy, quarter after quarter. And most of those quarters were over 3 percent growth. And I would quote it all back to you but it has been so good that I have lost track the last two or three quarters, so I can't tell you exactly what those numbers are. But I know there have many, many quarters that this economy has grown and grown significantly, perhaps grown dramatically. But this is a stable, long term growth just the kind you want if you draw it up on the chart.

And so here we are. After a political campaign, November 7 election, after I have heard over here this economy is bad and it is not providing jobs for people, well, when has it been better? If anybody on that side of the aisle has an answer to that, I would be happy to yield to you. Just stand up. I would be happy to yield to you. When has the economy been better than it is now? When has it grown more consistently? When has it provided more jobs? When has the private sector had more stimulation than it has now? Not in my lifetime, Madam Speaker. This is the best economy that we have ever seen.

And here we are, it is stimulated by the Bush tax cuts of 2001 and 2003, and we are faced with, now, a Democrat majority that wants to increase taxes. So I have a few charts here to help people out, Madam Speaker. And this chart says, having called the tax cuts beyond irresponsible, the chairman of the Ways and Means Committee said, he cannot think of one of George Bush's first term tax cuts that merit renewal.

Well, those first term tax cuts include all of the Bush tax cuts, as my recollection is. So if he can't think of one that merits renewal, Madam Speaker, I would point out, I can't think of one that does not merit renewal, that this economic growth and this economic recovery has been almost a historical miracle.

But for the chairman of the Ways and Means Committee to not acknowledge an economic fact, Madam Speaker, is an astonishing thing. And as I listen to the debate here on the floor tonight, and as I listen to my colleagues here deliver their view and their opinion, which they are entirely welcome to, and I respect that, it occurs to me that their probably isn't one shred of empirical data that would pry them off of their political position.

But I will say that we have the ability over here on this side of the aisle to deductively reason, and we know that there are incentives for people, and when there is profit involved, people produce more. When there is less profit involved they will produce less. And if there is no profit involved, even if they want to produce, they won't last long. Their business will go under and they will go broke.

So in a free market economy, you have to have people that can make a little bit of money. And if they can make a little money, they are going to like it and they will make a little more money. And when you have a tax and a regulatory structure that allows for people to have some profit, they will continue to produce. And our gross domestic product goes up and the number of jobs go up and the wages that they can afford to pay go up and the benefits that they pay go up, which means the families are better off, that is more money, Madam Speaker, in the pockets of the families of the American people. And then we become a better place to live.

And these Bush tax cuts have not reduced the revenue stream into this country. They have increased it by every measure imaginable. And it might be possible to do a static kind of a calculation that says, well, yes, if we just increase taxes 50 percent we will get 50 percent more revenue. Madam Speaker, I won't disagree with that. You can do that static calculation, and you may actually even get 50 percent more revenue the very first quarter that you increase taxes by 50 percent.

But human nature has got to play into that equation too, and human nature says, well, taxes were too high. I don't think I really want to work those extra overtime hours. I don't want to do 60 hours a week. I am going to be happy with 40 because Uncle Sam takes too big of a cut. The taxes are too high. I am not going to sit there and make those extra sales phone calls at night. I am going to go home and see my family. I am going to settle for less income. Or the business owner that says well, the taxes are too high. I was going to add an extra line on to my

manufacturing plant here and hire an extra hundred people, but, no, taxes are too high. The regulations are too high. I am going to be just satisfied with what I have. Or maybe shrink it down a little bit and maximize my profits and just stay here, hold the status quo.

□ 2330

That is what goes on in the minds of the people who are creating the jobs in America, especially America's small business people. For when they hear over here, Madam Speaker, that they want to increase taxes and punish the producers in America, the producers aren't stupid. They are going to decide I can take so much punishment but I can't take that much punishment; so I am going to back up a little bit and I am going to back off. I am going to quit creating jobs and probably lay a few people off. I am going to consolidate my business, and maybe I will just coast out the rest of my life. And you have lost that business owner for the rest of their life. And you have got to then rely on some young entrepreneur to come in and light this thing up. But why will they if you take away, in your perverse way, taxing the incentives of the entrepreneurs of America, which is a life blood of who we are as a people?

So the chairman of the Ways and Means Committee, having called the tax cuts beyond irresponsible, the chairman said he cannot think of one of George Bush's first-term tax cuts that merits renewal. Astonishing. Would you really want to back up and give up on the longest period of growth in history, and I have to be careful of that, at least in my history? And I know of no time in the history of the United States of America where we had more growth.

Well, it is one thing, Madam Speaker, to take the position that the chairman of the Ways and Means Committee cannot think of one that merits renewal, but here is a statement that comes from the chairman of the Ways and Means Committee, and that is September 26 of 2006, where he vowed to put all of President Bush's 2001 and 2003 tax cuts on the chopping block.

Why? Why in the world, Madam Speaker, would you take something that has proven success, this long period of growth that has run 3 percent and more for most of the last dozen quarters or more, dozen and a half quarters at least, and put them all on the chopping block and chop them off and let them go? Why? Why would that be the case? Aren't we looking forward to a chairman of the Ways and Means Committee that maybe is an economist or at least a well-versed, well-read amateur economist, and wouldn't an economist who is the chairman of the Ways and Means Committee want to have reasonable growth, maybe even dynamic growth, here in the United States of America? What would be the merit in trying to kill the economy of the country that you have sworn to defend and that you love, and, in fact, in

his case, has stood up and put his life on the line and defended, to his credit?

It can only be one thing. I do not think he really wants to destroy the economy of the United States of America, but I think there is a political agenda, Madam Speaker. And this will be devastating to the economy of the United States if these tax cuts from 2001 and 2003 are put on the chopping block. And it isn't that they have to be put on the block and voted down. These tax cuts sunset. They will need action in the House and the Senate to be renewed. And they need to be renewed because we know what kind of growth they have stimulated.

In fact, last September, and I believe the date was September 15, under these Bush tax cuts, the Federal Government collected more money on that day than any other day in the history of the United States of America. September 15, 2006. That would be the last time that happened under the Rangel plan.

So, Madam Speaker, I would submit that these tax cuts do have a sunset and that sunset for them, the date that they expire, is 1,426 days from now; 1,426 from now, Madam Speaker, and if this Congress does nothing, they expire.

Now, I would ask why would it be that the chairman of the Ways and Means Committee, Speaker PELOSI, and the leadership on the Democrat side of the aisle would want to see the Bush tax cuts expire. Well, it is because if that does not happen, they cannot balance their budget. They can't balance their budget without an increase in taxes. And this brings about, when those dates expire, a real increase in taxes. Regardless of how it is voted, regardless of how the bill is brought forward, regardless of what might be amended, in the end if these tax cuts are not extended, the result is a tax increase. A tax increase will temporarily fund their spending increases, and they will be able to claim that they have a balanced budget for a little while.

But that won't last long, Madam Speaker. But the temporary timing of this comes together in such a way that the expiration of the Bush tax cuts in 1,426 days is nice and handy because they can use that to claim that they are complying with PAYGO, the pay-as-you-go plan, the not-going-to-spend-any-more-money-than-you-have-coming-in plan, the plan that says if we want to spend more money, we will just increase taxes on the backs of the American people, the hardworking American people. And I believe the government takes enough out of their paychecks, Madam Speaker.

I believe we have hardworking Americans who are still working hard and struggling to make ends meet. They have to have a budget. The American people have to meet that budget. When they look at what they need to do in order to live within their means, they make those decisions, Madam Speaker. And they don't have the option to de-

cide in 1,426 days I am going to raise taxes. I am going to kick that up to the point where now I can raise spending.

No. The American people have to be responsible. They have to look at the paycheck they have coming in and make decisions on what they can afford, what standard of living they can afford to have. And so they will decide if they can have that cabin at the lake or that new SUV or that boat or whether they are going to plastic their windows and try to keep their heat bill down so that they can live within their means. We all have to make those kinds of decisions to live within our means, and when a decision is made to take money out of the pockets of the American people, those people that are out there putting plastic over their windows in one of the coldest winters that we have had in a long, long time, Madam Speaker, and we are taxing them, raising their taxes so that this government can spend more money to buy more votes and influence more people across this country, it is a travesty of justice.

I have been with some of the Democrats, Madam Speaker, and some of them said they want to balance the budget. And when they say that, you can't get them to admit that they want to increase taxes to balance the budget. Some of the Blue Dogs will say they want to balance the budget in a responsible way. I can't get them to say they would do so without increasing taxes. In fact, whenever they have offered a balanced budget here on the floor, it always has had an increase in taxes as part of their balanced budget.

So I have taken a look at our budget, Madam Speaker, and decided what needs to happen. If we are going to balance the budget, the American people ought to know what it takes to balance the budget here in the United States of America. About \$2.8 trillion is our budget, and we have a lot of revenue coming in, and the revenue increase has been double digits the last 2 to 3 years because this economy has been so strong and the unemployment has been so low and the new jobs created have been so dynamic. All of this seems to be a secret to the American people, but that is all fact, Madam Speaker. But still we have this growth in entitlements. The entitlements of Medicare, Medicaid, Social Security, and you add to that the cost of interest that is going up, and as interest goes up, of course, the more national debt that we have. No one in this Congress aside from myself, Madam Speaker, is talking about how do you balance the budget, how do you balance the budget without increasing taxes.

I want this dynamic economy. I want to see double-digit increase in our revenue stream. I don't want to kill the goose that lays the golden egg. The people on this side of the aisle, Madam Speaker, have a belief that there is something evil about that goose that lays the golden egg, and they want to

kill that goose by increasing taxes. But as for me, I will submit that I am willing to cut some spending. Let us take this on down to the point where we can balance this budget and then balance the budget without increasing taxes, Madam Speaker.

And I have done a little calculation on this, and this is nothing but a little napkin calculation with a calculator off of my belt, and the final numbers will be coming in in the next couple of days, and if all goes well, I will be able to introduce a bill and we can have a debate on this floor on a real balanced budget, Madam Speaker.

□ 2340

But if we were to hold defense spending harmless, let defense spending grow the way it needs to, because we have to protect the American people, set that part aside, and then put into it non-defense discretionary spending, that is the spending that is not including the entitlements, being Social Security, Medicare, Medicaid, also the necessity to pay for the interest on the national debt, those things all tied together, plus non-defense discretionary, all of that together, if we would look at the 2007 fiscal year budget and make adjustments in that for 2008, it would be necessary for us to cut about 8 percent across-the-board in all of those categories if we were going to balance the budget.

So when the American people clamor for a balanced budget, they need to understand what they are talking about. They need to understand the impact on their own budget, what happens to their Social Security benefits, their Medicaid and Medicaid benefits, and, of course, we have to pay the interest bill, and then how we have to shrink down some of the discretionary spending in this Federal budget.

All of that can happen with the support of the American people. An 8 percent cut seems to me to be a bit Draconian. But if we had frozen our Federal spending when I came to this Congress in 2003, we would have a balanced budget today, Madam Speaker, with a minimal amount of pain, and we would be able to have a debate for the American people that would be focused on what is the future of this country going to be?

We can't make these adjustments to Social Security if we are not willing to make those changes that were called for by President Bush with personal retirement accounts. If we can't give people a percentage of their Social Security that they are contributing into their own control so that they can have some investment in their own destiny, while we guarantee those benefits to our seniors, if we can't make those changes, the inevitable result is, Madam Speaker, we will have to cut the benefits to our seniors.

I want to keep that pledge to our seniors. Because of that, I want to configure a kind of Social Security reform that will allow for a measure of that to go into personal retirement accounts

so that we can get people with their own accounts down the road a ways that can be independent and stand up and take care of their own retirement. That an essential component of this.

If we don't do that, we are going to have to look the American people in the eye and say we didn't have the will to do the right thing. Now we are going to have to do the necessary thing. The necessary thing then would be to reduce benefits or increase contributions. In either case, increasing contributions at a time when we have fewer people working and more people collecting, as the baby-boomers come on line, and I am one, Madam Speaker, it is no time to put more burden on the workers in America. That will be the inevitable result if we are not able to bring reform to the Social Security plan.

So, 8 percent across-the-board, holding defense spending harmless, that will get us pretty close to a balanced budget. That is 8 percent plus or minus about half a percent. Closer numbers are coming in in the next few days.

Now, the question is, over here as I listen to the people on the other side of the aisle, they don't seem to trust the free markets. In fact, I don't know that they understand the free markets. But the question for the American people, Madam Speaker, is do you trust government or do you trust free markets? Do you trust them when it comes to who is going to do the best job of managing and controlling your money?

I will submit that the people that earn the money ought to have control of the money, and they will spend it better than government spends it almost every time. When it comes to health care, they need control of their own health care. They have to be able to control their own destiny, to have the freedom of choice to decide where they want to invest their health care dollars.

I appreciate the President coming here to this floor and speaking from the location where you are, Madam Speaker, about the need to provide for full deductibility for health insurance premiums, at least for those with under \$15,000 in health insurance premiums.

We have had a pretty good and healthy history with employer-based health care plans, but it is not enough. We have too many American people that are not insured for health care. If we can give them full deductibility of their health care benefits so they can make that deduction and make the calculation on their bottom line and determine it is better for them to be insured than not be insured, we will have, instead of having 47 million people uninsured, we will have far less uninsured, and this country is better off and people will be making more decisions individually between them and their doctor.

I want the American people to negotiate with their doctor, every individual American to have that personal relationship and be able to control that

account and have an insurance policy that they know and understand and one that is fully deductible and one that is portable; one that even though the employer may contribute to the premium, they can take it with them when they go from job to job, which there is more job moving now than in the history of this country.

I want the American people to have a Health Savings Account, Madam Speaker, that they can invest money in; that goes in tax-free, and then as the money rolls out that is spent back into premiums, in major medical health care and having regular annual tests to monitor their health situation, so that we have a healthy America with all the right incentives that are set up, rather than the perverse incentives being set up.

Then one day, having those Americans that are young today, they could put a little over \$5,000 into their Health Savings Account annually and manage their health care and get the tests done, watch their weight, exercise, abstain from tobacco, minimize their alcohol use and have a healthy lifestyle, those Americans will arrive at retirement with six figures times something in their Health Savings Account.

Madam Speaker, it is my view and my vision that that day will come when there are hundreds of thousands of dollars wrapped up in individual Health Savings Accounts that haven't been used because they have a healthy lifestyle, and they have been insured for catastrophic insurance and had enough money to take care of the deductible in order to do that, and saved hundreds and thousands of dollars in their health insurance premiums. When they arrive at 65 and qualify for Medicare, we can look at them and say, well, Joe and Sally, you have done pretty well. You have taken care of your health and you have got this nice nest egg in your Health Savings Account. And let's just say it is half a million dollars, just to put a big number up there on the board, and let's just say at age 65 they can negotiate for a paid up health insurance plan, Madam Speaker, for the balance of their life that would substitute for Medicare.

Let's just say the Federal Government can step in there and say, you know what we are going to help subsidize that? We would like to buy you down on that. We can get together on that. Out of your \$500,000 and our Federal Treasury, we will put together some money so that we can provide a paid health insurance plan, and that paid up health insurance plan would substitute for Medicare, and the rest of your life you would be covered under that, kind of like an annuity that takes care of your health care.

Then, let's just say that that takes \$250,000 out of the \$500,000 that happens to be in the Health Savings Account by the time Joe and Sally, who are now at the young age, arrive at 65 and qualify for Medicare, now they have a quarter of a million dollars left over. What we

would they do that? My answer would be whatever you so choose. You have managed your lives well. You have been fortunate. You have a strong Health Savings Account. You provided a paid up health insurance plan for the rest of your life, you and our Medicare funding has supplemented to create that. Now we want to reward you and let you take the money out of your Health Savings Account, travel the world, will it to your kids, do whatever you would like to do.

Madam Speaker, who could be opposed to such a thing? I would submit there will be many on this side of the aisle that will be opposed to such a thing because they don't want independence for the American people. They don't have confidence in the judgment of the American people. They want dependence for the American people. They want the American people to be dependent so they can come back to Congress and say I need you. Set me up a health care plan and tax my neighbor, tax that rich person, punish them for their productivity. Give me some of the benefits of that. They set up this class warfare which empowers them politically. That is the side of the aisle, the psychology that comes there.

Then, Madam Speaker, as I watch this clock tick down, there are a few other pieces of subject matter that need to be addressed. One of them was brought up by our group here in the previous hour, and that was the issue of energy.

I know that we have disagreed consistently on what we should do to develop American energy sources. My view is we need to develop our American energy sources. Every place where we can legitimately do so in an environmentally friendly fashion, we should open up American energy.

□ 2350

We have at least 406 trillion cubic feet of natural gas offshore, and most of that is offshore around Florida and some in the gulf that is not Florida. 406 trillion cubic feet of natural gas; and yet we sit here, and last fall, last minute in our lame duck session we opened up a tiny little sliver of offshore drilling.

We have mineral rights out to 200 miles, and yet the idea is if we would put a gas well down at 199 miles out, somebody that was planning on going to Florida to sit on the beach would hear about that and decide, well, I know I can't see 199 miles out offshore, but somehow I would know that was out there so I don't want to sit on a beach that has somebody drawing natural gas off a platform that is invisible to me and environmentally friendly.

And, by the way, there has been no gas well that has ever polluted anything anytime. If there has ever been a gas well eruption, it went off into the atmosphere. And so it is not an environmental issue; and because they are out so far from the shoreline it is not a scenery issue, which is no excuse

anyway, Madam Speaker. It is a political issue.

Here in this country we have people who are environmentalists who jump on the environmental band wagon and then they oppose anything that they decide could have an argument that would be against the environment, and they do so so they can raise political money and they can support political candidates, and they do so in defiance of rationale and they do so in defiance of logic.

Again, they have set aside this Western Civilization tenet of the age of reason, deductive reasoning. Deductive reasoning says, well, if you have a lot of natural gas offshore in Florida and if you can only see about 12 miles offshore, and even if you could see those rigs out there, it doesn't matter to me, I could sit on the beach with a rig out there, it is something to look at. But it is beyond where they could see.

Would you not in a deductively reasoning way, Madam Speaker, go in there and explore for that oil and the gas and open that up and bring that natural gas into the United States and produce all the things we do, plastics and fertilizer? I mean, the cost of our fertilizer is the cost of our food. The nitrogen fertilizer that goes in, 90 percent of the input comes from natural gas. So you can't grow anything without nitrogen. And our corn that produces our ethanol is founded in a nitrogen base.

So if we are going to be able to reduce our dependency on foreign oil, we have got to have more natural gas to produce the fertilizer. And we can go out there and explore for that and have American energy coming up out of the bottom of the ocean and pumping it into the United States and turning it into fertilizer and heating our homes and our factories and using it to produce all kinds of a myriad of products. But somehow the environmentalists have blocked that all down, not because it is rational, not because they can deductively reason that it makes sense, but simply because there is some visceral instinct that says we think we can raise some campaign dollars and we can get some people to oppose that.

And, by the way, if we are emotional about it, they won't even stop and think. Which is the truth, Madam Speaker. They didn't stop and think about ANWR, either. And I did. And I thought, well, if this is perhaps today's largest energy reserve that the United States of America has, and if I am seeing commercials that show the Sierra Club and they put out this commercial that shows this pristine alpine forest and they say don't go up there and explore in ANWR because you will be destroying this pristine alpine forest, and I looked at that and I thought some of that doesn't add up so good for me, Madam Speaker.

So I went up there to ANWR, the Arctic National Wildlife Refuge, ANWR, traveled all over it, flew over it, down low, looked for everything,

looked for wildlife, hours in the air at the lowest altitude they let us fly looking out the windows trying to find massive caribou herd or maybe reindeer herd or a lot of polar bears or maybe some seals swimming around out there. And in all of that flight back and forth and looking down and all of us looking out the windows, Madam Speaker, we saw two white birds and four musk oxen. And those four musk oxen were standing there with their heads down doing nothing, of course it was cold, and they weren't disturbed by anything going on.

Madam Speaker, I would submit that some of the environmentalists on the other side of the aisle, and one comes to mind would perhaps be my friend DENNIS KUCINICH from Ohio, go up there with me sometime and let's look out the window of the plane and fly along and see if you can point out the oil fields that are there in the North Slope, the North Slope that went through all the court action back in the early 1970s, the beginning of the Alaska pipeline, and point out there on the North Slope where are these oil wells; where is this desecration to our environment; where is the desecration to the scenery. Show it to me.

I will fly you over the whole thing, Madam Speaker, and look down. And I can point them out now because I have been there and I have been to school, and I will tell you there is not a single derrick sticking out of the air like you imagine, no Texas oil rig from the 1930s. There is not a single pump jack sitting there cranking out the oil out of the ground and leaking a little oil back into the ground. It doesn't exist. The only thing you will see, and now I will tip you off if you want to go, you might be able to see it as I tell you what you are going to be looking for, and that is a rock workover pad maybe 50 feet wide by 100 feet long, maybe a little longer, that sits up about 3 feet above the arctic tundra, white stone like limestone, probably is, a pad that you can bring a workover rig on if you need to work the well in the winter-time.

And as they come in to work those wells, they will come in on ice roads, ice roads that will melt in the summer-time that don't damage the tundra, and they will set the rig up. And the pumps are all submersible. You can't see the well, you can't see the casing, you can't see the pump, and you can't see the collection tubes.

That is all out of the sights and minds of the people that are up there because this is an environmentally friendly development of the North Slope.

Madam Speaker, we can do better in the development, even better in the development of the Arctic National Wildlife Refuge. We have technology to do directional drilling, and that will reduce our footprint considerably.

So why would we, the American people, insist upon going over to the Middle East and buying oil from, some are

friends, many are enemies, enriching them, making us more dependent on Middle Eastern oil while we have these massive supplies of energy within our own country? Why would we not, Madam Speaker, develop American energy supplies. Why would we not go down into the Gulf of Mexico and open up the Chevron fields down there that have been found that might increase the supply of our energy by 50 percent, just what is found offshore in the gulf south and west of New Orleans, the Chevron fields. Why would we not do that?

Why would this Congress, Madam Speaker, pass legislation that would change the deal that these companies have with the United States of America and say to our best friend oil companies who are developing this energy: we are going to have to renegotiate your leases. We thought it was a good deal when we made it, but now we know something that we didn't know then. So we want to scrap and tear up the leases that you had, the ones that gave you enough profit that you put some incentive into research and development and the exploration, and we want that money, we want that profit. We as a Federal Government want to tax your income more. And then if you don't do that, then we are not going to let you ever sign another lease with the Federal Government or the United States.

What are you going to do, Madam Speaker, if you are Chevron or if you are Exxon or if you are Shell or any other company that is one of those great oil companies here in the United States if you get that kind of message from this Congress? I will submit, Madam Speaker, that what you would do is you would take your investments over to foreign countries. You would go offshore in Australia, you would go somewhere else, you would go up in the North Sea, you would go somewhere offshore in West Africa and put your investments there where they are safer. They might be nationalized by some tyrannical government, but they are probably not going to come in and change the deal. They are probably not going to come in and confiscate your investment like this legislation that passed off the floor of this Congress last week or the week before. When the United States of America makes a deal, Madam Speaker, they have got to keep the deal.

We saw oil prices go up, we saw barrel price go up to \$75 a barrel. We watched it now drop down to the low \$50 a barrel. The reason for that is because the supply has gotten greater on the marketplace. The biggest reasons for that is because there was profit in it, that companies that were making money were reinvesting that profit in research and development and producing more oil and putting more of it on the market. We need to thank those companies that have provided this supply for the United States, not punish them for the extra taxes, because these

American companies have made us less dependent on Middle Eastern oil, not more dependent. And the actions of this Congress in this past month have made the United States of America more dependent on Middle Eastern oil, not less dependent on Middle Eastern oil. And that is the difference.

What we have passed has hurt America's economy, and what we need to do is allow the companies that invest in research and development to make some profit so they will do more of the same. And if there is more energy on the market, then energy will be cheaper.

So I will submit, Madam Speaker, that we need more BTUs in the marketplace; we need to grow the size of the energy pie. The more energy there is in the marketplace, the cheaper it all will be. And we have to have incentives for business to step in and do the right thing. That is the natural part that we should understand when we understand free enterprise capitalism.

If anybody has a little difficulty handling that, they should pick up a copy of "Wealth of Nations" written by Adam Smith published in 1776. He was an economist at the University of Glasgow in Scotland, and he laid out the principles of free enterprise capitalism, free market economics, and he understood human nature. And all of those things have to be tied together to make these work. We can't defy human nature, Madam Speaker. We must respect and honor human nature.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GENE GREEN of Texas (at the request of Mr. HOYER) for today on account of official business.

Mr. ORTIZ (at the request of Mr. HOYER) for today on account of official business in the district.

Mr. BUYER (at the request of Mr. BOEHNER) for today and February 6 on account of medical reasons.

Mr. HASTERT (at the request of Mr. BOEHNER) for today and the balance of the week.

Mr. ROYCE (at the request of Mr. BOEHNER) for today on account of illness.

SPECIAL ORDERS GRANTED

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

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

Ms. PELOSI, for 5 minutes, today.

Mrs. CAPPS, for 5 minutes, today.

Mr. GEORGE MILLER of California, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. JOHNSON of Georgia, for 5 minutes, today.

Mr. SNYDER, for 5 minutes, today.

Mr. ALLEN, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. GENE GREEN of Texas, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mrs. MALONEY of New York, for 5 minutes, today.

Ms. SOLIS, for 5 minutes, today.

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

Mr. PAUL, for 5 minutes, February 6, 7, and 8.

Mr. BURTON of Indiana, for 5 minutes, today and February 6, 7, and 8.

Mr. WALDEN of Oregon, for 5 minutes, February 6.

Ms. FOXX, for 5 minutes, today.

Mr. DREIER, for 5 minutes, today and February 6, 7, and 8.

Mr. DENT, for 5 minutes, today.

Mr. POE, for 5 minutes, today and February 6, 7, and 8.

Mr. ENGLISH of Pennsylvania, for 5 minutes, February 7.

Ms. GINNY BROWN-WAITE of Florida, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. AL GREEN of Texas, for 5 minutes, today.

ADJOURNMENT

Mr. KING of Iowa. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at midnight), under its previous order, the House adjourned until tomorrow, Tuesday, February 6, 2007, at 10:30 a.m., for morning hour debate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

491. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report pursuant to Section 3 of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

492. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report pursuant to Section 25(a)(1) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

493. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report pursuant to Section 3(c) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

494. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report pursuant to Paragraph (5)(D) of the Senate's May 1997 resolution of advice and consent to the ratification of the Conventional Armed Forces in Europe Treaty Flank Document of May 31, 1996; to the Committee on Foreign Affairs.

495. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a Memorandum of Justification