

5 million more children who do not have it, and let's pay for it. Let's not pay for it by borrowed money.

For those who are trying to live by collecting child support enforcement, there are more resources for it. For those women who are pregnant or have small children and want to promote their well-being, there is more money for it. For Americans struggling to deal with getting by and paying the grocery bills on food stamps, there is more resources for this. Public health issues, whether it is the spread of disease or the prevention of disease, there is more resources for this, as well.

This budget proceeds on the powerful principle on which American families proceed. Don't try to survive on borrowed money forever. It puts us in position to make difficult and sometimes unpopular choices. It does not raise taxes on anyone in the fiscal year that is in front of us, and it makes investments in the strategy for economic growth that has worked in the past and we believe will work again.

I know that the gentlelady from Massachusetts (Ms. TSONGAS) who is new to the institution, but in no way new to serving her constituents, has a special concern about block grants. I would like to encourage her to engage in a colloquy at this time.

Ms. TSONGAS. I would like to thank the gentleman from New Jersey.

Like my colleagues, I was disappointed that the President's budget made such a poor investment in the health of our Nation's cities and communities at a time when strong action is necessary to stave off economic ruin for many hardworking Americans. Our cities are our Nation's economic engines, providing vital infrastructure, the foundation for an educated workforce, and for the health of our communities.

For any of us who represents a city of any size, we know what a challenge it is, and yet how important it is that the Federal Government be a strategic partner with them. When I asked leaders in the cities of my district how the Federal Government could best help, the answer was unhesitating and unequivocal: Community Development Block Grant funding. CDBG funding has improved the quality of life in the cities of the Merrimack Valley in my district and in thousands of other cities across the country by helping to improve parks, add green space, and create affordable housing.

In Lowell, CDBG funds were used to reclaim a contaminated site creating the potential to attract new companies to employ city residents. And they are not alone in putting these funds to such good use. Most recently, the City of Lawrence suffered a devastating fire which destroyed businesses and homes downtown. CDBG funding has been critical for razing and rebuilding these destroyed properties.

If CDBG funding is not adequately in place, communities like this, faced with disaster, would have few alter-

natives to help finance their recovery effort, not to mention the loss of support for vital housing and community and economic development activities that States and local governments have come to rely on.

I would like to confirm with the gentleman from New Jersey that the budget resolution before us today thankfully rejects the President's cuts to the grant programs that have proven so critical to helping our communities and provide additional funding for CDBG and other economic development and affordable housing priorities.

I would also like to confirm that the budget before us today rejects the President's proposal to eliminate the Social Services Block Grant. Cities in my district rely on social service and community service grants to carry out programs ranging from parenting classes and consumer and tax counseling to child enrichment and adult literacy classes. Without these funds, critical elements of our social safety net will be lost exactly when American families need them most.

I thank the gentleman for engaging in a colloquy and for presenting us with a budget that makes both a moral statement about our priorities and a reality-driven investment in the continued growth and vitality of our communities.

Mr. SPRATT. I can assure the gentlelady that the programs that are of concern to her from the Community Development Block Grant, the Social Services Block Grant and the Community Services Block Grant are all accommodated in this budget resolution, and we definitely oppose certainly the repeal of the Social Services Block Grant.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Ms. MOORE of Wisconsin) having assumed the chair, Mr. ALTMIRE, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 312) revising the congressional budget for the United States Government for fiscal year 2008, establishing the congressional budget for the United States Government for fiscal year 2009, and setting forth appropriate budgetary levels for fiscal years 2010 through 2013, had come to no resolution thereon.

#### REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF SENATE AMENDMENT TO H.R. 3773, FISA AMENDMENTS ACT OF 2008

Mr. WELCH of Vermont, from the Committee on Rules, submitted a privileged report (Rept. No. 110-549) on the resolution (H. Res. 1041) providing for the consideration of the Senate amendment to the bill (H.R. 3773) to amend

the Foreign Intelligence Surveillance Act of 1978 to establish a procedure for authorizing certain acquisitions of foreign intelligence, and for other purposes, which was referred to the House Calendar and ordered to be printed.

#### CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2009

The SPEAKER pro tempore. Pursuant to House Resolution 1036 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the further consideration of the concurrent resolution, H. Con. Res. 312.

□ 1822

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the concurrent resolution (H. Con. Res. 312) revising the congressional budget for the United States Government for fiscal year 2008, establishing the congressional budget for the United States Government for fiscal year 2009, and setting forth appropriate budgetary levels for fiscal years 2010 through 2013, with Mr. ALTMIRE (Acting Chairman) in the chair.

The Clerk read the title of the bill.

The Acting CHAIRMAN. When the Committee of the Whole rose earlier today, the gentleman from South Carolina (Mr. SPRATT) had 23 minutes remaining and the gentleman from Wisconsin (Mr. RYAN) had 32½ minutes remaining.

Mr. SPRATT. Could the Chair please inform us of the time allotted to the gentleman from New Jersey (Mr. ANDREWS), how much remains available.

The Acting CHAIRMAN. The gentleman from New Jersey has 4½ minutes remaining.

Mr. SPRATT. I yield to the gentleman the balance of his time.

Mr. ANDREWS. At this time I am pleased to yield to the gentlewoman who has been a leader on child support efforts for purpose of a colloquy, the gentlewoman from Wisconsin (Ms. MOORE).

Ms. MOORE of Wisconsin. I thank the gentleman from New Jersey.

The Democratic budget resolution is a lifeline to families during this economic downturn. One aspect of the chairman's mark before us calls on Congress to restore the harmful cuts made to the Child Support Enforcement program, and as a result of the only bipartisan amendment brought forth by the ranking member and me, it restores the ability of States to pass along every cent of child support collected to families rather than nickeling and diming them out of this child support to make repayments to government bureaucracies.

Since we have demanded that parents move off welfare and take financial responsibility for their families, child

support has become the premier safety net for children. Therefore, Congress should make every effort to ensure that child support is collected and that all of it goes to families.

The Child Support Enforcement program collected more than \$24 billion for 17 million children participating in the program in 2006. The Child Support Enforcement program doubled its collection rate in the past 10 years and is consistently among the Office of Management and Budget's top-rated government programs. Why? Because research has shown that it is a very cost-effective program, that for every \$1 spent on child support enforcement, \$6.50 of child support is collected.

With this budget resolution, which restores the Child Support Enforcement cuts, the Congressional Budget Office estimates that \$11 billion in child support payments would go uncollected over the next 10 years, even if States backfilled half of the lost Federal funds.

Additionally, Child Support Enforcement supports domestic violence services and initiatives to help fathers work, support their children and stay out of prison. Families need their child support payments to pay for their children's basic needs because children represent a disproportionate share of the poor in the United States. While they are only 25 percent of the population, they represent 35 percent of the poor. Loss of child support income could not come at a worse time for families. Their ability to make ends meet has already been battered by unemployment, rising gas and home energy costs and rising food costs.

Mr. RYAN of Wisconsin. If the gentleman would yield, I simply wanted to chime in and compliment the gentlelady as well, my friend from Wisconsin. She and I coauthored an amendment to this budget resolution on this issue.

It makes no sense for child support payments not to go to the children. That is unfortunately what is happening today. And I would very much like to work with the gentlelady and anybody who is interested in coming up with the offsets in the Ways and Means Committee, from which this jurisdiction derives, to find a way to fix this problem. I think this is an area that has wide bipartisan support. And this is one of those areas where I surely would like to think we can come up with the savings to fix this injustice.

I appreciate the gentleman yielding.

Mr. SPRATT. That was one amendment that was agreed to in the markup, and I think it would behoove us all, the gentlelady particularly, if we get together and see if we couldn't move the legislation. That would be great.

Mr. ANDREWS. I thank the gentlelady for her contribution.

Ms. MOORE of Wisconsin. And I thank the ranking member, the chairman and all of the members of the Budget Committee for looking at this very serious issue.

Mr. ANDREWS. At this time I would like to engage in colloquy the gentlelady from New Hampshire who has seen firsthand the ravages of neglect of people out in the community when you don't fund important programs, and I know she supports this budget because it does, Ms. SHEA-PORTER.

Ms. SHEA-PORTER. Thank you for the time, and I thank Chairman SPRATT and the Budget Committee for producing a fair and responsible budget, a moral document that is fiscally responsible.

Mr. Chairman, I have been deeply concerned about the President's proposed cuts to the Low-Income Home Energy Assistance Program known as LIHEAP. LIHEAP provides critical assistance to millions of families in America. Every winter, tens of thousands of families in New Hampshire rely on this program to heat their homes. Over 40,000 members each year for the past 2 years have applied to the fuel assistance program for help with heating bills. This winter, the average cost of heating a home with heating oil is expected to climb to over \$2,000 per family, more than three times the \$627 that it cost just 6 years ago. But LIHEAP has not failed to keep pace with the dramatic cost. It has actually dropped.

The Acting CHAIRMAN. The gentleman from New Jersey's time has expired.

The gentleman from South Carolina has 18½ minutes remaining.

Mr. SPRATT. Does the gentlewoman require further time?

Ms. SHEA-PORTER. Yes.

Mr. SPRATT. I yield to the gentlewoman 1 additional minute.

Ms. SHEA-PORTER. For fiscal year 2009, the President proposed just \$2 billion for LIHEAP, a \$570 million painful cut from what Congress provided for 2008. This irresponsible cut could force New Hampshire to lose over \$2.5 million in funding next year.

I applaud the committee for rejecting these proposed cuts and for increasing funding for LIHEAP and other programs that will help the middle-income and lower-income families in New Hampshire and across the country. And I thank you.

Mr. RYAN of Wisconsin. Mr. Chairman, may I inquire as to how much time remains between the two sides.

The Acting CHAIRMAN. The gentleman from South Carolina has 17½ minutes remaining. The gentleman from Wisconsin has 32½ minutes remaining.

Mr. RYAN of Wisconsin. At this time, Mr. Chairman, I would like to yield 6 minutes to the gentleman from Texas (Mr. HENSARLING), a senior member of the Budget Committee.

□ 1830

Mr. HENSARLING. I thank the ranking member for yielding, and I am sorry that my friend from New Jersey has apparently left the floor. No, I see

him there. We had the occasion to debate this budget earlier today. I believe that he just said every Republican voted against OBRA in 1993 and that is what unleashed economic growth, but if I did my homework correctly, I think the gentleman from New Jersey voted against it as well. I would be happy to yield to the gentleman if I was incorrect in my assertion.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. HENSARLING. I yield to the gentleman from New Jersey.

Mr. ANDREWS. I mostly certainly did, and I am about to say something that I think the chairman can confirm we very rarely hear around here. I was wrong. You see, I thought what you guys now think. I thought that an increase in the top marginal rates would, as the former Speaker at the time said, cause a recession in the country, and the evidence showed it didn't happen. And I am willing to admit that that is a vote I should have cast the other way, and I was wrong to do it, and so were all your guys.

Mr. RYAN of Wisconsin. If the gentleman would yield, it is also interesting that after that tax increase, from that tax bracket, the Federal Government actually brought in less money under those higher tax rates.

Mr. HENSARLING. Well, I thank the gentleman once again for yielding.

There is a big question again about tax increases, and I have heard many of my friends on the other side of the aisle argue that there is no tax increase included in their budget; yet, Mr. Chairman, they claim that they are going to balance the budget in 2012. Well, the only way they can do that is by capturing all these tax revenues.

Now, some of them use very clever Washington language. They say, well, we are not raising taxes on working men and women in America. We are just letting tax relief expire.

Well, that is a very fine distinction that is lost upon the working men and women of America. I mean, there is this odd quirk in Washington that somehow spending is forever and it grows exponentially at the expense of the family budget, and yet tax relief somehow is temporary.

The bottom line is that very soon, within two budget years, there is going to be a massive tax increase upon the American people. There will be, again, the largest single tax increase in American history. Now, we were just talking about the earlier record when the Democrats were in control of Congress of \$241 billion. The tax increase they are proposing now will dwarf that, \$683 billion, the largest tax increase in American history.

Again, they want to claim credit for balancing the budget, and I certainly salute their goal. The Republican budget, it balances the budget without tax increases. But if you look and actually read the numbers, and ultimately the numbers are the only thing you can count on in a budget, well, Mr. Chairman, this is their budget right here.

That is them taking in all of these tax increases. That is how they claim to balance the budget. So, again, there is going to be huge, massive tax increases, scheduled, automatic tax increases. The Republican budget prevents those tax increases from coming into fruition.

Now, I have heard our chairman, and I have the greatest amount of respect for the chairman, say on many occasions, well, you know, this is the way the law was written. But, Mr. Chairman, if I did my homework correctly, there have been at least 21 different occasions over the last 5 years to make sure that these automatic tax increases on hardworking American people didn't take place. And as I look at the voting record, the overwhelming majority of Democrats voted to make sure that these tax increases do take place, so I am sure they don't want to admit to the American people that they are raising taxes. But they are.

So, Mr. Chairman, what is going to happen? Well, let me tell you what is going to happen under this Democrat budget.

Number one, 116 million taxpayers will see an average tax increase of more than \$1,800 per year.

More than 6 million low-income individuals and couples who currently pay no taxes, no taxes, will no longer be exempt and will have to start paying income taxes.

A family of four earning \$50,000 will see their taxes increase by \$2,100.

Low-income families with one or two children will no longer be eligible for the refundable child tax credit in 2011.

Tax bills for an estimated 27 million small business owners will increase by more than \$4,000 each.

Mr. Chairman, I was a small businessman before I came to Congress, and let me tell you, excess taxation prevents small businesses from creating jobs. A job is the greatest housing program, nutritional program, and educational program in the history of mankind. It is a paycheck, not a welfare check. Yet the Democrat tax increase is a dagger aimed at the heart of small business throughout our Nation.

The capital gains tax is going to go up 33 percent, the capital of capitalism. If you want to be able to have job growth, you have to have capital. Taxes on dividends go up 164 percent under their plan.

Mr. Chairman, the death tax, that is a tax that is immoral. It ought to be illegal. It goes away, and under this Democrat budget, it comes back as high as 55 percent.

The child tax credit is cut in half. The lowest tax bracket is increased 50 percent.

These are just the tax increases that have been passed into law. How about the others that the Democrats attempted to pass? H.R. 6 attempted to increase taxes \$7.7 billion. H.R. 976 attempted to raise taxes \$1.4 billion; H.R. 3963 tried to raise taxes \$71.5 billion.

Now we have Chairman RANGEL of the Ways and Means Committee want-

ing to raise taxes trillions of dollars in the years to come for the AMT. We have a 50 cent increase in gasoline tax recommended by the Energy and Commerce chairman, Mr. DINGELL of Michigan, and an additional 5 cent increase per gallon gas hike proposed by Representative JAMES OBERSTAR, chairman of the Transportation and Infrastructure Committee.

There is no getting around it. This is the largest single tax increase on American history. It is going to cost American families an average of \$3,000 a year as they try to educate their children, as they try to keep a roof over their head, as they try to realize their American Dream.

Mr. RYAN of Wisconsin. Mr. Chairman, at this time I would like to yield 4 minutes to the gentleman from Michigan (Mr. McCOTTER), the chairman of the Republican Policy Committee.

Mr. McCOTTER. Mr. Chairman, I come from Michigan, a State that respects honesty, even when one is in error, so I must admit that I was pleasantly surprised by the integrity, if not the ultimate decision, that we heard from the gentleman from New Jersey.

We heard a lot about change over the course of a year or two, and I too must be honest. We have seen change in how Washington budgets. We have seen change. We have gone from bad to worse.

Now, as I recall sitting in Michigan, living there with my wife and children, I have seen a similar instance out of my State government which, in a one-State depression, faced the choice of allowing working families to keep their money and protect their budgets or raising taxes and protecting the State budget.

They started with the smokers. They went after them. They took their money. Nobody likes smokers. Who cares? Then they had a one-time-only property tax advance. They never did tell us when the property tax relief comes, but I am sure one day it will. It is only once. And then they raised our income taxes. They raised our income taxes because by then it was for the greater good. And whose family budget wants to stay in the way of the greater good? Certainly not somebody like me, somebody whose children are looking at college, somebody whose mother may be getting older and may need care, somebody who worries that their dreams of their future for their children might go up in ashes in a State that is mismanaged by a government that cares more about itself than it cares about the sovereign citizens who elected it.

And then I come out here to do their work as their servant and I see the same thing. I see the same thing. I hear the same talk. I see the change that was promised and delivered. The sad part is the promise was implied.

I remember hearing the government spent too much. Got to stop. The government spent too much. We are going

to change that. I didn't hear the part where you said the government spends too much. We are going to spend more.

I heard people talk about working families struggling, and we are only going to tax the rich. We are only going to tax the rich. Evidently we must not be doing too well. There is not enough rich to back up the promises. So what do we do? The largest tax increase in American history on everybody. Well, that is a change. I concede the point. It is a change.

But I was shocked again with both the honor and the erroneous conclusion of the gentleman from New Jersey. I never in my life expected to see a Member of Congress apologize for not raising taxes on the American people. That is a change. I grant you that.

The question is then, if the American people need to have their taxes raised to come into prosperity, surely you know what the ultimate number is. How high, how fast until we get to prosperity? How much more of my money has to go the Federal Government before I can dream for my family and feed them? Surely somebody must know that number.

Is this largest tax increase in American history going to be the last? Are we then going to reach the American Dream? Are we going to have our liberty and economics to pursue that dream through our own works, or will government have to do that for us? Are we going to get bureaucrats as life coaches? What is going to be necessary? Give me a number. I haven't heard that number. I haven't heard that percent.

I think the one thing that we do need to change immediately right now in rejecting this budget scheme to bloat, to soak your family budget, to bloat the Federal Government's budget, is I want to hear somebody admit that America's economic prosperity comes from our free people, not from the growth of government, for that is a truth to hear that would be a refreshing change of late.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 3½ minutes to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. I thank the gentleman for yielding.

Mr. Chairman, I rise today in opposition to the budget resolution. We have received repeated warnings about Medicare and Social Security, that they are on their way to insolvency. I think we all know that. In fact, CBO recently projected that Social Security will begin to pay out more than it takes in by the year 2020, and at the same time Medicare spending will likely double over the next 10 years.

But inexplicably, this budget does nothing. It contains no action over the next 5 years to change this course. Instead, it would allow the unfunded liabilities of both of these programs to grow from almost \$39 trillion today to about \$52 trillion by 2013. That is a 2 to \$3 trillion increase every year. This means that over the next 5 years alone,

every American household will be responsible for more than \$450,000 to keep these programs functioning as is.

We can't ignore this ever-increasing, this massive problem. I have seen reports, press reports, that Medicare and Social Security aren't the priorities anymore. I would submit that, if we don't start working on a real solution, the taxpayers will quickly see either drastic cuts to their benefits or a spike in their taxes, unless we change the trend that we have.

Mr. Chairman, I am disappointed that instead of confronting this issue, we are again burying our heads in the sand. It is not realistic. We can't continue to do this. It is a huge disservice to everyone in this country. I must oppose this budget.

Also let me say, it is not just the level of spending that is problematic; it is the type of spending. We have had a lot of arguments lately about earmarking. This budget, the Democratic budget, does nothing to change the practice. Last year we had some \$15 billion spent on earmarks, and a lot of those earmarks were never vetted on the House floor. In fact, the vast majority of them, 99 percent of them, were never given a thorough vetting on the House floor, and, in fact, about a billion dollars, just under a billion dollars was spent on earmarks that were air-dropped into the conference reports that never got any vetting at all, that was never subject to any House decision. That is nearly \$1 billion. But what do we have in this budget to prevent that? Nothing. Nothing. We are on track to do it again or perhaps even worse.

We have got to do better, both on the level of spending and the type of spending that we are doing. In Congress, we have had a process for centuries called authorization, appropriation, and oversight, and over the past several years we have gotten away from that. Instead, we do very little authorizing, a lot of appropriating, and very, very little oversight.

There is nothing in this budget to change that process. We are doing the same. And the Democrats will say, hey, over the past several years you Republicans have done wrong as well. And we have. That is the biggest reason we are here in the minority today. But at least you could say it took Republicans awhile to get to this point. In the meantime, there were balanced budgets. There was the reformation of welfare. There were some good things that happened. Then we got fiscally lazy and we started having budgets much like this, and the voters turned us out, as I would suggest they will do to the majority party, who got into this much more quickly than Republicans did.

I hope that they change. I would like nothing more than to support a good budget here, but this is not, and I would urge my colleagues to reject it.

□ 1845

Mr. RYAN of Wisconsin. Mr. Chairman, I would like to yield 3 minutes to

the gentleman from Texas (Mr. CULBERSON).

Mr. CULBERSON. Thank you, Mr. RYAN.

Mr. Chairman, the American people face the greatest financial challenge we have ever encountered in the history of the Nation. The free people of Great Britain overcame the greatest challenge they ever faced in their history during the early days of the Second World War because Winston Churchill told them the truth.

They won the Battle of Britain because they were told by their leaders the truth, and they could deal with the truth as Americans can deal with the truth, but we have got to be told the truth. Today at 5 o'clock, unfortunately, one of our great public servants retired, the Comptroller General of the United States, David Walker, when he left work today, has moved on to the private sector.

David Walker is a great public servant who has told the truth, and I want to reiterate it here on this House floor, how urgently important it is for the majority that now that controls this House to step up and accept responsibility for dealing with this great financial challenge that David Walker has laid out for us that we in the old Republican majority lost the majority because we did not deal with it.

That's why you saw conservatives like me and many of my colleagues here today vote against Medicare prescription drugs, vote against the farm bill, vote against all the expansions of the government that took place over the last 7 years because we saw this challenge.

Mr. Chairman, I have a letter from David Walker, Comptroller General of the United States, dated March 13, 2008, which I would enter into the RECORD.

U.S. GOVERNMENT  
ACCOUNTABILITY OFFICE,  
Washington, DC, March 13, 2008.

Hon. JOHN CULBERSON,  
House of Representatives.

DEAR MR. CULBERSON: Per our conversation, this letter discusses our nation's deteriorating financial condition and the need for timely action to turn things around.

Our real fiscal problem is not our current deficit and debt levels but where we are headed absent meaningful reforms. Given the retirement of the baby boomers and soaring health care costs, government outlays are set to rise dramatically. The federal government's liabilities and current unfunded commitments for future spending on Social Security and Medicare are now estimated at \$53 trillion and are growing by \$2 to \$3 trillion a year. This effectively translates into an IOU of around \$455,000 per American household. Clearly, our government has already made a range of promises that it is unlikely to be able to keep.

Because the personal savings rate in this country is so low, we have been turning to overseas investors to finance our nation's debt. Foreign investors, particularly foreign governments, have greatly increased their holdings of U.S. Treasury securities, and some of these government lenders may, either today or over time, have political and economic interests that diverge from our own. The risk is that some of them may eventually use their U.S. financial holdings as leverage against us.

If we continue as we have, policymakers will eventually have two options: slash government programs and services that the American people depend upon or raise taxes to levels that would seriously harm America's economic growth and competitiveness. In my view, we probably have at most a 5- to 10-year window of opportunity to act. Inaction comes with a steep price tag. Recent projections from Moody's and an analyst at Standard & Poor's suggest that, absent policy changes, our nation is heading toward "junk bond" status as early as 2020. By 2030, without reforms to entitlement programs and spending or tax policies, income tax rates would have to more than double to prevent a continued erosion of our financial position.

Fortunately, by facing facts and making meaningful changes to the budgetary process, entitlement programs, other spending, and tax policies, we can avoid this fiscal train wreck and ensure that America's future is better than its past. Our fiscal clock is ticking, however, and the time for action is now.

I appreciate the opportunity to express my thoughts on this important subject.

Sincerely yours,

DAVID M. WALKER,  
Comptroller General of the United States.

David Walker wrote me a letter explaining in a one-pager the financial challenge facing America. David Walker points out that America's real financial challenge is not our current deficit and debt levels, but where we are headed without meaningful reform.

Given the retirement of the baby boomers and soaring health care costs, David Walker has certified that the Federal Government's liabilities, the current financial obligations that all of us must pay, are so massive that we are now in a \$53-trillion hole, America. That means every household needs to write a check today to pay this off. Every household would have to write a \$455,000 check to pay off that financial obligation, \$175,000 a head.

Every American would have to write a check today for \$175,000 to pay off this liability. It's unsupportable, it's inexcusable. We have got to deal with it because David Walker also points out that we have about 5 to 10 years to deal with it.

Now that's critically important information. Everyone says this election is the most important in our lifetime. We can say that truly this year. We know we will need a conservative anchor in Congress here to restrain spending. We need to get these entitlement programs, Federal spending under control, which David Walker estimates is 5 to 10 years, a window of opportunity to act, or he points out that Moody's and Standard & Poor's have already warned the U.S. Treasury that by the year 2020, U.S. Treasury bonds will be rated as junk bonds.

Let me reiterate that, folks. If we don't get our financial house in order, the Comptroller of the United States has already pointed out that Moody's and Standard & Poor's have already warned us that our Nation is heading toward junk bond status for Treasury bills.

It's outrageous. It's unacceptable. We need to reject this budget. We need to

stop spending money and stop raising taxes on Americans by rejecting this irresponsible Democrat budget.

Mr. RYAN of Wisconsin. Mr. Chairman, let me inquire as to how much time is remaining for each side.

The Acting CHAIRMAN. The gentleman from Wisconsin has 16 minutes remaining. The gentleman from South Carolina has 17 minutes remaining.

Mr. SPRATT. Mr. Chairman, I have sat here all afternoon, and last week through the markup, listening to this mantra about tax increases, all of which is a fabricated argument, and could not and cannot avoid the conclusion that to some extent this is a red herring.

It's a way of distracting attention from the real problems at hand, a way of avoiding discussion of a \$236-billion surplus, which is where our economy and our budget stood in the year 2000, the year before Mr. Bush came to office, the \$4 trillion in debt added by the Bush administration over the last 7 years, over median family income which has fallen under the Bush administration, avoiding discussion about a debt-burdened economy, which is losing steam near a recession and a dollar, a mighty dollar, which is plummeting, avoiding all of that so that we can talk about something that is not going to happen.

First of all, we made it as clear as we possibly could that we have endorsed, embraced and pledged to see continued the middle-income tax cuts which are included in the 2001–2003 tax cuts. They add up for the renewal over a 5-year period of time to \$230 billion. If we follow our budget resolutions we have laid out, we will have a surplus in 2012 of \$178 billion.

By 2018 the cumulative surfaces will be at \$1.4 trillion. If we choose then, and we are not making the decision now, but if we choose then that will offset the extension of most of the taxes, most of the tax cuts that were adopted in 2001 and 2003.

We have put that in black and white, title V policy, policy on middle income tax relief, and we have laid out from item A through item H the different tax cuts that we support and are pledged or seeing renewed and extended. We can't make it any clearer than this.

Let me say something else for anybody listening wondering whether or not his taxes are about to shoot up and whether he should go cash in some stocks and bonds and get ready for this huge tax increase, it's not coming. Even if we adopted something that called for it to happen, it would have to go through Ways and Means. It would have to go through Senate Finance. It's a long way from ever being passed.

We simply say in our budget resolution, as we get ready for 2010, let's see if we can't have a conservative budget that will move us toward surplus so that some of that surplus, at least, can be used to offset some of these tax cuts. Let's see if we can't put some

money into program integrity with the Internal Revenue Service and shrink the tax gap so we can use some of the money there, raise tax revenues without raising tax rates, use some of the money thus gained to offset some of these tax cuts when they come up for renewal.

Go through the code as we did in 1986, give it a good closet cleaning. It needs a scrub down as an accretion of the deductions and credits and exemptions and preferences, all of these things. If we muster our efforts, if we marshal our efforts, we can do and lay the basis for the renewal of many of these tax cuts in 2010.

But we primarily delayed the decision about those tax cuts in 2010 on the basis that we need to know more. What will be the state of the economy? Will we still be in two different theaters, Afghanistan and Iraq, fighting a war that is costing \$12 billion a month? Will we still have an enormous deficit or will we be in surplus?

Better that we determine it than guess at it now. We are simply saying we would lay the basis. First of all, we would lay down the principle that we would protect these middle income tax cuts. Second, we will put the budget in place to begin generating surpluses so that they can afford the renewal of some of these tax cuts.

That can be done in this budget resolution. We are not pushing the biggest tax increase in American history. I don't know even where the numbers arrived from in the first place. I don't think it's supportable, but it is totally fantastic. It's an argument that is a complete red herring and a complete deviation from what we are all about today.

We should be talking about the savings rate in this country, about what deficits are doing to our economy, our country, and our standing in the world. There is plenty to talk about that is relevant. This subject is not because it's not about something that is about to happen.

Mr. Chairman, I now yield 3½ minutes to the gentleman from Vermont (Mr. WELCH).

Mr. WELCH of Vermont. Mr. Chairman, I believe you spoke for all of us on our side in putting in context the basis of this budget and the arguments of our friends on the other side.

I want to just add a few things about what this budget really is ultimately about. It's about real people, with real lives and real challenges, and the fundamental responsibilities of a governing body are to meet a budget and present a budget that meets the needs of its people. I want to tell a couple of stories about folks from Vermont.

Scott West, a veteran, of the National Guard, he lives in the town of Albany, in the Northeast Kingdom of Vermont. He used to drive a truck for a living before he went to Iraq. While he was deployed over in Kuwait in support of Operation Iraqi Freedom he suffered very serious injuries to his shoulder, back and wrist.

In May the pain from his injuries got so bad he was no longer able to do his job as a truck driver. Nearly 9 months ago, Mr. West filed a claim for increased disability compensation from the VA. As of today, he has yet to have a hearing.

Now, the budget that we presented last year and passed, because you had foresight, has finally put in place new people to adjust these claims. We have got 1,800 new claims processors who are now going to help ensure that veterans like Scott will receive the support that they deserve in a timely manner.

I thank you for your leadership. That's the meaning of this budget to a man from Albany, and it's going to make a real difference to his family.

Peter and Irma McShane, they live in the southern Vermont town of Pownal. They are senior citizens. They live on \$1,452 a month, so you can imagine how hard it is for them to make ends meet. Now it turns out that's \$22 more than would be available if they were going to be eligible for food stamps.

So they have to scrimp and save every way they can. They get hit with this huge fuel bill. We have had a cold winter in Vermont. The budget presented by the administration cut low-income heating assistance. The budget that the committee is presenting tries to protect that, and it is absolutely indispensable to families like Peter and Irma McShane that they have the ability to heat their homes and not have to make a choice between medication and heat, between food and heat. This budget recognizes that.

I want to also share a letter I received from a couple from Fletcher, Vermont, in northern Vermont. Margaret Kinne and her husband. They are talking about the rising cost of health care.

They have worked in a woodworking business for 13 years, often 6 or 7 days a week. They don't complain about that. They like to work hard. But their insurance has gotten increasingly expensive and now their deductibles have gone from \$5,000 to \$10,000 to \$25,000. What they wrote to me is this, this translates to me to no insurance. The administration budget would cause over a half a trillion dollars in cuts to Medicare and Medicaid that would increase the cost shift and make that unaffordable insurance even more out of reach of this family.

I thank you, Mr. Chairman, for the tremendous work that you have done in putting together a very good budget in very tough times.

Mr. SPRATT. Mr. Chairman, I yield 2 minutes to the gentleman from Washington, Dr. McDERMOTT.

(Mr. McDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Chairman, the President's proposed budget can mean only one thing, the lights are on down at the White House but nobody's home. He has the House Republicans carrying the water, but their budget is his will,

make no mistake about it. If the President gets his way, lights will go off across America and people will suffer because of the President's complete disregard of the state of the economy, the plight of the American middle class and the domestic casualty from his irresponsible war in Iraq, that is, meeting the critical, unmet social needs of this country.

For instance, the President proposes slashing the Social Services Block Grant Program by \$500 million this year and eliminating it altogether next year. In my home State of Washington, these funds are critical for providing child care for vulnerable families, Meals On Wheels and services to prevent child abuse.

But the President is more interested in helping the rich get richer and leaving the rest of America down and out. The President is willing to feed their greed by starving the U.S. economy and hurting the American people.

The American people deserve a budget that recognizes reality, and that's what the Democrats have offered. We provide tax relief to the middle class by demanding tax fairness for everyone. We include extended unemployment benefits, but I proposed a separate legislation this year because the American people expect their government to respond when an economic downturn hits and hurts them. They don't want any more New Orleans experiences.

We provide a budget based on reality, meeting the defense needs of the Nation, and meeting the unmet social needs of the American people.

In other words, the lights are on here, and the Democrats are home working for the American people.

The President has offered a budget that shouts it's all about funding a hopeless Iraq war while the Democrats have offered a budget that says it's about the economy and hope and help for the American people.

Vote for the American people and vote for the Democratic budget.

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Mr. SPRATT. Mr. Chairman, I yield 3½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman from South Carolina, and I particularly thank him for his work and for the work of the Budget Committee and I look forward to a bipartisan, cooperative effort towards the agenda that all of us are committed to, and that is a budget that responds to the needs of the American people.

And so I think it is important to at least address what I think as a member of the Homeland Security Committee and the committees dealing with our judiciary issues in this Nation and foreign affairs to be able to at least assess what I think the Budget Committee attempted to do, and that is to cure the ills here in America.

One of the ills is to highlight where we are today with this number one

issue that I hear about in my district in Houston and all over America which is the loss of jobs. And 63,000 jobs were lost last month. When we look at the analysis, we can see that, unfortunately, the present administration is number two in the infusion into the job market. And that is the testimony that Americans will make about when they think the economy is churning. This administration falls as number two in the lack of job creation. So this budget attempts to be a job creator, and I think it does it very well. How does it do that? It does it by giving relief to the middle class, so even as they are struggling with loss of jobs, we are recognizing there is a value to giving tax relief.

So someone got up on the floor and talked about we are, in essence, spending dollars. I must say that I hope we can find a way to bring our troops home. That is \$120 billion. But this budget is the kind of tax cut that I want to endorse. It is, of course, AMT relief. Let me find out my friends on the other side of the aisle that want to get rid of the alternative minimum tax relief that is given and don't want to give it to those middle class, hard-working Americans.

An extension of the child tax credit which benefits, again, working Americans. The marriage penalty relief, 10 percent bracket, estate tax relief, research and experimentation tax credit. I believe that today Bill Gates was indicating how many jobs are generated as we promote R&D research.

Deduction for State and local sales tax. States like the State of Texas, how many of you want to reject that kind of relief for hardworking Texans and others who have State and local sales tax and cannot get deductions? This is what the Democratic budget stands for.

Small business expensing. I consider small businesses the backbone of America. They create jobs. They created jobs in Houston. They created jobs in Jackson, Mississippi. They created jobs in Utah and South Carolina and New York and California. That is the crux of what this budget stands for.

At the same time, of course, let me suggest to my colleagues that it does not ignore the relief that we need in education and infrastructure. It invests in highways, water, and other infrastructure. It protects concerns that I have like NASA and the Children's Health Insurance Program and like the relief for education and many of the programs that provide relief for poor and minority children.

Let me conclude by saying this is the kind of budget that I want to affirm, a working America budget, a middle class budget. This is a good budget. I know we can do this in a bipartisan way. Support this budget and support America.

Mr. Chairman, I rise today in support of H. Con. Res. 312, the Concurrent Resolution on the Budget for FY 2009, introduced by my distinguished colleague from South Carolina, Chairman SPRATT.

I wish to thank our great Speaker, Ms. PELOSI, for never letting us forget that we are here for one reason only, and that is to address the real needs and priorities of Americans.

Finally, let me thank the remarkable leadership team which has worked long, hard, and tirelessly to keep us informed, cooperative, and united in our resolve to do the necessary work to make America better.

Our Republican colleagues ask if we can afford the Democratic budget . . . and I ask—How we can afford to continue to cheat the American people? What we can not afford is to continue with the Bush Administration's fiscal irresponsibility which has led us to almost \$9.6 trillion dollar deficit. What we can not afford is to hear rhetoric from the other side of the aisle about balancing the debt and curbing taxes while the administration they support continues to dig deeper and deeper into the deficit. Let's not ask how we can afford to support the Democratic budget, let's ask how we can not afford to support it.

#### EDUCATION

A quality education continues to be the best pathway to social and economic mobility in this country. As a Member and Senior Whip of the Congressional Black Caucus, I have consistently advocated for the maintenance of Historically Black Colleges and Universities. This budget provides greater funding to our nation's schools and colleges. The increased spending can and should be used for several purposes, including Head Start, Title I Compensatory Education program, and job training and national service programs. It could also be used to increase the Federal share of the cost for educating handicapped children, and to help improve access to colleges, and broadening access to Hispanic Serving and Historically Black Colleges and Universities.

#### SCHIP

We must not only be economically healthy, but assist in the physical health of our citizens. This budget will properly fund SCHIP, to help one of our most vulnerable populations—children. Our President proclaims his support for securing our nation's current and future economic success. However, it is our children that will bring forth a successful future. We need to invest in tomorrow by investing in them today. This starts with their physical well-being. Children, who cannot see the doctor when they are sick, will not be in anyone's classroom.

#### AFRICAN-AMERICANS—HEALTH AND EDUCATION IN TEXAS

For African Americans, health and education concerns spill beyond budgetary issues into the criminal justice consequences. In Texas, over 87,000 African-Americans are incarcerated compared to approximately 48,000 African-Americans attending college or university.

The disparity between the percentages of our youth in prison versus the number of young people in college, particularly in the African-American community, is disturbing to say the least. Higher education continues to be one of the main pathways to social and economic mobility, particularly in the African-American and Hispanic communities.

#### REPUBLICAN BUDGET ALTERNATIVE

Under the Republican Budget the national debt continues to explode. The gross federal debt reached \$9.0 trillion at the end of 2007. The CBO projects that the debt will rise by a total of \$3.9 trillion at the end of 2008. This unprecedented rise in debt puts our President

in the history books. During the seven years of the current Administration, the government has posted the highest deficits in this nation's history. The President's 2009 Budget continues the failed policies that brought us to this point.

Our colleagues on the other side of the aisle continue to claim that the budget resolution being considered on the floor this week raises taxes. In fact, the budget resolution does not raise taxes by one penny. The budget resolution accommodates tax cuts and indeed prioritizes tax cuts that would benefit middle-income families, while ensuring that the burden of paying for the tax cuts will not fall undeservedly on our future generations.

#### FOREIGN DEBT

The amount of foreign debt has doubled since 2001, with most of this increased debt purchased by foreign lenders. Since 2001, the increases in foreign holdings of Treasury securities account for over 80 percent of the newly accumulated public debt—a trend that has more than doubled foreign holding of Treasury securities.

This high level of indebtedness to foreign investors heightens the economy's exposure to potential instability with additional burdens on our children and grandchildren.

#### SECTION 501—STATISTICS

Section 501 of the budget resolution specifically calls for additional middle-income tax relief subject to the pay-as-you-go rule, including but not limited to: AMT relief (both immediate/temporary, and more permanent reform measures); Extension of "middle-class" elements of 2001 tax cuts: child tax credit, marriage penalty relief, and 10 percent bracket; Eliminating the estate tax on all but a minute fraction of estates; Extension of the research and experimentation tax credit; Extension of the deduction for State and local taxes; Extension of small business expensing; Enactment of a tax credit for school construction bonds; and tax incentives for energy efficiency and renewable energy which are accommodated in a separate deficit-neutral reserve fund.

The budget resolution honors PAYGO and the new House rules on using reconciliation in a fiscally responsible way. By abiding by the pay as you go principle, we immediately begin digging our way out of the mountains of debt that has accumulated as a result of the Bush Administration's fiscal policies.

#### REPUBLICANS AND TAXES

The President's budget and the Republican alternatives violate pay-go and the fiscal responsibility that reconciliation is intended to achieve, by proposing tax cuts that are not off-set.

The sunsets for the 2001 and 2003 tax cuts were part of the tax legislation which Republicans voted for and passed. The expiration of the tax cuts is their policy. The Democratic budget actually calls for the extension of many of these tax cuts, but responsibly requires that tax cut extensions, like other policies, must be fiscally sound, and not make the deficit worse.

#### SUPPORT FOR THE DEMOCRATIC BUDGET BASED ON THE AMERICAN VALUES

This important piece of legislation gives us a budget that is balanced fiscally and morally. It does not sacrifice the many programs and services that this nation needs for a War that the President seems never to end.

Mr. Chairman, this budget better reflects the priorities and values of the American people.

After all, a budget is much more than a balance sheet, an income statement, a financial scorecard. Rather, it the expression in fiscal terms of who we are and what we believe. In short, a budget is a financial reflection of our national character. And as it is by a person's character that you know her, so too it is with a nation.

Look at a nation's budget and you will see how it treats its children in the dawn of life; its elderly in the twilight of life; its poor and disabled and helpless in the shadows of life; and the earth, the sustainer of life. Look closely at the choices it makes regarding the neediest and most vulnerable of its people, and you will know the true character of a nation.

Mr. Chairman, America and the world can be proud of the choices we make in this budget resolution. Unlike the budgets of the last seven years, the budget brought to the floor by the new House majority reflects the best angels of our nature. This budget expands health care for our children. It provides our soldiers and veterans with the care worthy of their sacrifice; it is faithful to President Lincoln's injunction "to care for him who has borne the battle and for his widow and his orphan."

This budget resolution supports education for a 21st century workforce and a growing economy. It invests in renewable energy for an energy independent America that faces up to the challenge of global warming.

Equally important, Mr. Chairman, the majority's budget resolution represents a return to fiscal responsibility and budgetary accountability. I am proud to support a budget that reflects the care and fidelity of a wise steward of the taxpayers' hard-earned money. The American people can be assured that the new majority in Congress will not be profligate with the public treasury.

Mr. Chairman, this budget resolution correctly assumes that substantial savings can be realized from more vigorous efforts by Defense Department (with increased Congressional oversight) to root out fraud, abuse, and wasteful spending. It is totally unacceptable that unlike the typical taxpayer, small business, or large corporation, the Defense Department still cannot pass a standard audit. The Pentagon cannot adequately track what it owns or spends. We just know that it's a lot.

Mr. Chairman, the new House majority pledged that we would work together to restore our economic health, reclaim our leadership position in the world, advance our national security, and invest in the future. We promised to restore fiscal responsibility and began by instituting tough pay-as-you-go rules. And we have been delivering.

For example, in the first 100 hours of the 110th Congress, we passed with bipartisan support procedures imposing discipline and transparency in congressional spending. With bipartisan support, we also passed legislation to implement recommendations of the 9/11 Commission, increased the minimum wage, paved the way for lower prescription drug costs, cut student loan costs, and redirected oil subsidies towards investments in renewable energy. We did all of this while maintaining our commitment to fiscal discipline.

The 2009 budget resolution advances these priorities. It begins to reverse seven years of disinvestment in education, infrastructure, and innovation. The budget resolution is the crucial next step to realizing the initiatives we have

developed to move the country forward and to set us on a course to build the future we want for our children and grandchildren.

Mr. Chairman, we reject the President's proposed cuts to education programs, including rejection of his proposals to eliminate many education programs. We also reject the president's proposed steep cuts in job training and social service programs, including the Community Services Block Grant and the Social Services Block Grant.

#### COMMUNITY AND REGIONAL DEVELOPMENT

The community and regional development function includes programs that provide Federal funding for economic and community development in both urban and rural areas, including Community Development Block Grants, CDBG, and the non-power-related activities of the Tennessee Valley Authority, TVA.

#### INTERNATIONAL AFFAIRS

The international affairs function includes international development and humanitarian assistance, international security assistance, the conduct of foreign affairs, foreign information and exchange activities, and international financial programs.

#### CONCLUSION

Mr. Chairman, correcting the fiscal course of the country cannot be achieved overnight. The fiscal outlook we are confronting has deteriorated dramatically over the past seven years. In 2001, the Administration inherited a projected ten-year, 2002–2011, budget surplus of \$5.6 trillion. Within two years, that surplus was gone and the United States began accumulating a mountain of national debt. Most of this debt has been purchased by foreign investors, making the U.S. economy more susceptible to economic and political pressure from abroad.

Mr. Chairman, we have a responsibility to clean up the fiscal mess that we have inherited. The choice to live beyond our means comes at the expense of future generations, who will bear the weight of the fiscal irresponsibility of our current administration.

Large deficits also hurt economic growth by depressing national saving, generating less capital for investment for the future. This leads to lower productivity and wages.

The President's budget continues the fiscal approach that has brought us large deficits and growing debt. In comparison, our budget resolution takes the necessary steps toward eliminating our long-term budget deficit by adhering to the pay-as-you-go principle.

But a balanced budget must be accompanied by balanced priorities. While regaining control over our economic future is critical, we must do so within the context of honoring our obligations. This budget is a critical first step toward fulfilling our commitments to the American people. We will balance the budget. We will be fiscally responsible. We will defend our country. We will put children and families first. We will grow the economy. We will cherish and protect our environment. We will conduct the Nation's affairs in an accountable and efficient manner.

Mr. Chairman, the people have asked for change. They have asked for greater accountability, they have asked for a balance of defense and sustaining programs. The American people entrusted us with the responsibility of leading our country in a new direction. The part we have charted in this budget resolution will lead to a brighter future for children and

better America for generations to come. It reflects very well on our national character. For all these reasons, I stand in strong support of H. Con. Res. 312. I urge all members to support the resolution.

Mr. SPRATT. Mr. Chairman, I reserve the balance of my time to close.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. HENSARLING), a senior member of the Budget Committee.

Mr. HENSARLING. Mr. Chairman, I thank the ranking member for yielding to me. I have listened with great interest as my friends from the other side of the aisle, the Democrats, attempted to do everything they could to distance themselves from their single largest tax increase in American history contained in their budget.

Again, Mr. Chairman, here are \$683 billion worth of tax increases. This is what we call the CBO baseline, the Congressional Budget Office, which assumes that, as current law says, we are going to have huge automatic tax increases, most of which kick in in 2011. That is this red line.

Well, our friends on the other side of the aisle claim they are balancing the budget in 2012, but they can only do it through these huge, automatic tax increases. And this isn't my baseline. They appointed the Director of the Congressional Budget Office, so if they have some problem with this particular revenue curve, they need to take it up with him. You can't have it both ways. You can't claim you are not increasing taxes and at the same time claim, claim that you are balancing the budget in 2012.

Now, I listened very carefully when my distinguished chairman said that he wants to prevent these tax increases. I know he wants to prevent it. And I listened to the gentlelady from Texas saying that she endorses middle income tax relief. But they just don't seem willing to vote that way, Mr. Chairman.

If I did the math correctly, there have been at least 21 occasions over the last 6 years when Democrats could have voted to prevent these huge, automatic tax increases, which will amount to an average tax increase on the American family of \$3,000 a year. So the rhetoric is nice. The language is comforting. But when will somebody on that side of the aisle put their vote where their rhetoric is? I don't see it, Mr. Chairman. It reminds me of the old adage that your actions are so loud I can hardly hear your words.

Now I hear a lot of talk on the other side of the aisle about how compassionate their budget is and somehow our budget is not compassionate. I'm not sure what is really compassionate about raising taxes on hardworking American families because, Mr. Chairman, every time you plus-up the Federal budget, guess what, it comes out of some family budget. And I hear from those families. I hear from the families in the Fifth Congressional District of

Texas that I have the honor of representing.

I heard from the White family of Mesquite, Texas: "Regarding the news that the average Texas family may soon be burdened with extra taxes, it is not good news to a family with \$24,000 a year in income and two expensive stroke-prevention medications, among other critical medications to maintain." Their \$3,000 a year tax increase, the largest tax increase in American history, is going to decimate the family health care budget.

Now, I heard from the Sessions family in Quitman, Texas, also in my district: "Any increase in income taxes would cut into my Social Security money so much, to such an extent I would not be able to purchase my medications." Again, their single largest tax increase in American history is going to decimate the family health care budget.

Mr. Chairman, I heard from the Swanson family from Wills Point, Texas: "A tax increase of that size will prevent me from receiving the medications necessary to prolong my life."

Once again, the single largest tax increase in American history are decimating, will decimate families, not just in the Fifth Congressional District of Texas, but all over America. I wish that my friends on the other side of the aisle would just take a moment and think about who has to pay all of these taxes while Americans are struggling to pay for their health care bills and to make sure that they keep a roof over their head, to send their children to college, to fill up their cars and pickup trucks, to try to start small businesses. How are they going to be able to afford the single largest tax increase in history? Where is the compassion in taking money away from these hardworking families?

What does it do to their housing? Well, I heard from the Stevens family in Mesquite, Texas: "I wanted to let you know that I am a single mom that does not receive any type of child support, and an increase of this amount would break me. I would be at risk of losing my home with this type of increase."

The single largest tax increase in American history, an average of \$3,000 per American family, most of it due to hit right there, 2011, coming very soon to a neighborhood near you. It is going to decimate the housing budget. It is going to decimate the health care budget. It is going to decimate the education budget of hardworking American families all across the Nation.

Where is the compassion there? There is no compassion there.

Mr. RYAN of Wisconsin. Mr. Chairman, I yield myself the balance of my time to close.

Mr. Chairman, I first want to start off by congratulating the chairman of the Budget Committee, a good man, a man I have a lot of respect for who has a hardworking staff and a diligent staff. I want to compliment them.

These budget resolutions are not easy to write.

He has a tough job because he has to defend this budget. This is a budget I wouldn't want to come to the floor to defend. I just have to bring one point to bear, and I do so respectfully. You cannot say that you are balancing the budget and not raising taxes. It is illogical and axiomatically impossible. Let me explain why.

This red line is the baseline that the Democrats are using for their budget. It is what we also refer to as the CBO baseline. This green line is the baseline minus the tax increases. They are using the red line, not the green line. This means in order for them to achieve a balanced budget, what must happen, what is required to happen, what has to happen, all of these taxes have to be raised, specifically by \$683 billion over the next 5 years.

Now, my friend from New Jersey, another very conscientious, skillful Member, said that was a tax vote he regretted not taking. And the Senator from New York at that time, Senator Moynihan, said that was the largest tax increase in American history. That was \$240 billion. This one is \$683 billion. This is the largest tax increase in American history.

The point is this: You cannot claim you are balancing the budget and not raising taxes because you are relying on these very tax increases to balance the budget. That is what this budget does. Now, no amount of reserve funds, no amount of senses of Congress, no amounts of "we have delayed the decision on the tax cuts for now" gets them out of this bind. They can't. It is impossible. You have to have it one way or the other. Either you are not balancing the budget or you are not raising these taxes because, Mr. Chairman, they are not saving any money. There is no savings in this budget.

The piece of paper I have in my hand is more valuable than the amount of savings they have in this budget. This paper, may it cost 1, 2 pennies. That is more money than they are saving in this budget over the next 5 years. In fact, they are expanding spending. They are increasing discretionary spending by \$280 billion. What is worse is they are going to add, in just two programs, an unfunded liability of \$14 trillion, to just two programs, Medicare and Social Security.

Let's look at the Medicare program. Today, the Medicare unfunded liability, according to David Walker, our GAO Comptroller General, is at \$34 trillion. That is an average per household bill of \$300,050. Every household in America right now, if we want to make Medicare whole for my children when they need it, 300 grand.

Under this budget, because they do nothing, they are adding \$11 trillion to that liability. That is \$395,650, almost \$400,000 for one household to cover Medicare so my children can maybe get it. That's for our kids. That is wrong.

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We have got to address these issues.

Now, Mr. Chairman, surely, there's waste in government. Surely, there's efficiencies we can get. But this budget concludes that there is not. This budget is basically saying, Washington's not wasting any money. All of these earmarks, the 11,000 we passed last year, are perfect, they're justified; we should do 11,000 more. And there's no waste, fraud or abuse anywhere in the Federal Government. In fact, they're doing such a good job in Washington spending our tax dollars, let's give them \$280 billion more to spend. And on top of it, given the fact that our entitlements are going bankrupt, given the fact that we have an unsustainable course, let's just add more to the debt; and we're going to raise taxes while we do it. But we won't tell people. We'll pass this kind of cute reserve fund, sense of the Congress that says we really don't want to raise those taxes, but we're balancing the budget. That means you're raising taxes if you're going to balance the budget.

But let's look at the brass tacks. And this is what I want to ask the American people. Can you afford this budget?

People are struggling right now. People are losing jobs. We just finished 52 consecutive months of positive job growth, very impressive growth. Finished, I said. The last couple of months they've been bad months.

Also, prices; the cost of living is going up to America, the cost of health insurance, the cost of food, the cost of filling your gas tank when you take your kids to school, the cost of sending your kids to college. The cost of living is higher and higher, and people's pay checks are not getting as far along as they used to.

And so what does this budget do? It raises their taxes. It says you're going to have to send, on average, three more grand per person to Washington because we don't think Washington has enough of your money. We think Washington's great. There's no waste, there's no inefficiency, no fraud. We, in fact, need more of your taxpayer dollars, you, American men and women of America.

So I'd like to know, is that what America wants? Tell us. Call us, e-mail us. Call your Congressman. Because here's what this bill will do specifically. 116 million taxpayers will see their taxes on average go up \$1,800; 84 million women will sustain, on average, a tax increase of \$2,121; 48 million married couples will incur an average tax increase of over \$3,000. Taxes will increase by an average of \$2,323 for 43 million families with children. Some 12 million single women with children will see their taxes increase on average by \$1,091. For 18 million elderly individuals taxes will increase by an average of \$2,181. Tax bills for 27 million small business owners will rise on average by more than \$4,000. And more than 6 million taxpayers who previously owed no taxes at all will become subject to the individual income tax as consequence of these tax increases.

Mr. Chairman, we had an opportunity here. We had an opportunity to do something that I felt would be good and bipartisan. I've heard my colleagues on the other side talk about the need to do this.

We had all these witnesses come to the Budget Committee, saying we've got to get our fiscal house in order, that we owe the next generation a debt-free Nation, that we owe them the mission of health and retirement being fulfilled, which means reforming our entitlement programs.

This budget says for the next 5 years, let's not do any of it. Let's make sure that we're on the glide path so that our kids will pay literally twice what we pay today in taxes, just for our Federal Government today to be there for them when they're our age.

This is a lost opportunity. Under this budget, the unfunded obligation that are Medicare and Social Security themselves go up 37 percent, \$14 trillion. I'm upset at the debt that was racked up lately, but it pales in comparison to the debt that this budget proposes to rack up.

So what we really ought to be doing, Mr. Chairman, is we ought to be fixing this budget process, having real budget discipline, real spending caps. We ought to be making reform decisions. And the last thing we ought to be doing in this time of high prices, a tough standard of living to maintain, in this time of economic downturn which quite possibly could come into recession, the last thing we ought to be doing is raising taxes. That is what this budget does.

We will propose a different alternative tomorrow. We will propose a budget that balances the budget without raising taxes by controlling spending. And even in doing that, spending will still go up one year after the other. Instead of spending \$15.8 trillion over the next 5 years, we're going to propose to spend \$15.3 trillion. And by simply doing that, by simply exerting a little bit of discipline, we're going to make sure that we're not raising these taxes, and we're going to repeal the alternative minimum tax.

One more thing, Mr. Chairman. This earmark problem is getting out of control. Earmarks are an abuse. Some are worthy, some are right, but a lot of them aren't. We've got to control this. We are proposing a real earmark moratorium.

More importantly, we are saying let's take a timeout from earmarks and let's save that money. Our proposal tomorrow will not only have an earmark moratorium, it will save the money from an earmark moratorium. And if Congress just says no to earmarks for 1 year, you know what we can do? We can make permanent the child tax credit and the repeal of the marriage tax penalty. We can say, pass up your earmarks for a year in Congress and don't tax people for getting married. Pass up your earmarks for a year in Congress and don't cut the child tax credit in half.

These are the choices we are being confronted with. These are the choices that we must make. These are the values that we believe. We believe we owe our children a growing economy, a future of a higher prosperity, of a higher standard of living, and one in which the promise of health and retirement security is actually sustainable, is actually made good upon.

That's not what this budget does. There's no way you can split these hairs with the reserve funds, senses of Congress, flowery Washington rhetoric. This budget contains the largest tax increase in American history, not just on wealthy people, on all people. That's wrong. It's not right. We shouldn't do it because Washington doesn't have a tax revenue problem, Washington has a spending problem. Unfortunately, the Democrat budget makes it worse by spending even more money.

There is waste in Washington. There is waste in earmarks. There are entitlements that are out of control. We should confront those, instead of just throwing more money at Washington, because you know where that money comes from? It comes from the hard working men and women of America. It comes from families, it comes from entrepreneurs, it comes from small businesses, it comes from the individual of this country. That's wrong. They should be able to keep more of their own money and we should be able to clean up government.

I urge a "no" vote on this budget.

Mr. Chairman, I yield back the balance of my time.

Mr. SPRATT. Mr. Chairman, I can return all the compliments that Mr. RYAN paid to me. He's a pleasure to work with, and I have great respect for him.

But there's one thing he didn't mention at all in his presentation all afternoon and that is his budget substitute. And I think one of the reasons he didn't do it is that it won't bear scrutiny.

If you look at the Ryan substitute, the Republican minority substitute, you'll find, if you look very closely and know where to look, something called function 920. Now, function 920 is the catch-all. When you can't assign some expenditure or revenue raiser somewhere else, you put it in function 920. It means really we haven't yet completed the job.

When you look at 920 in this case, the minority has assigned \$817 billion in undefined savings or at least \$405 billion in discretionary spending cuts which are undistributed. They haven't been assigned to the Veterans Administration or to the Defense Department or to the Transportation Department. They are undistributed cuts, \$405 billion. I've never seen in all my years in the Budget Committee, anything that has a function 920, this catch-all in cuts of \$405 billion.

But in addition to that, it calls for \$412 billion in mandatory savings. Now, we don't know for sure where mandatory savings are coming from, which

programs are in jeopardy. But when Ways and Means is directed to reconcile \$253 billion over 5 years, the Energy and Commerce Committee is directed to reconcile \$116 billion over 5 years, we know the resolution has Medicare and Medicaid in its bore sights and the likely cuts are substantial. \$368 billion. We've never done anything that approaches that magnitude at Medicaid and Medicare cost reduction. Indeed, during the Gingrich era, Republicans were pushing something of that size. It never got off the ground, and it wouldn't here either, let me tell you. So that's unrealistic. And the 405 is unrealistic because the work hasn't been done.

And then finally Mr. RYAN calls for, in his resolution, \$1.2 trillion in tax cuts over the next 5 years. If you extend these tax cuts out, and you consider what he's doing, he wants to extend all the expiring tax cuts and, on top of that, also repeal the alternative minimum tax, just repeal it. The likely impact on revenues is about \$2.5 trillion over 10 years, which blows a big hole in the bottom of the budget. And I don't think that's realistic either. It certainly isn't realistic if we're in earnest about seeking a budget that will balance. And so here, buried in the budget resolution, which he's not mentioned all afternoon, are three major problems with his budget resolution. He hasn't done his work. He hasn't distributed the cuts. And I'll tell you what that does. When you have \$405 billion in function 920 undistributed, you can say to the veterans who come to you, we've got \$1 billion covered for you. You can say to others, with plausible deniability, oh, you won't be cut, you won't be cut. But in truth, \$405 billion is 20 percent of nondefense discretionary spending. That's where the cuts are going to fall every year at 20 percent. I don't believe it's going to happen. I don't think therefore that what he's presented is a valid, reasonable, defensible alternative to the budget resolution, and it strikes me as passing strange that we haven't discussed it all afternoon.

Now one final shot across the bow, one final statement about the mantra we've heard all afternoon. We do not propose to implement, in this budget resolution, any tax cuts whatsoever. We're laying down the policy as clearly as we know how in title V on middle-income tax relief, and specifying very clearly and pledging ourselves very, very committedly to the enactment, preservation and extension of these tax cuts. That's the policy of this budget resolution. Everyone should bear it in mind.

The Acting CHAIRMAN (Mr. WALZ of Minnesota). The gentlewoman from New York (Mrs. MALONEY) and the gentleman from Texas (Mr. BRADY) each will control 30 minutes on the subject of economic goals and policies.

The Chair recognizes the gentlewoman from New York.

Mrs. MALONEY of New York. Mr. Chairman, as Vice Chair of the Joint

Economic Committee, I am pleased to speak in the time reserved by the Budget Act for a discussion of economic goals.

America has the strongest and wealthiest economy in the world. When government makes the right choices, economic growth helps all Americans live a better life today and provides a good future for our children tomorrow. Unfortunately, the Bush administration has not been making responsible choices over the past 7 years. We must chart a more sensible course for economic policy than has been pursued by this administration. Our Democratic majority has made important progress, but there is still much more to do.

President Bush was once fond of saying that his policies were working to make the economy strong. But the economy is now teetering on the brink of what may be the second recession of the Bush Presidency.

It is now clear that even the relatively weak economic growth experienced earlier in this administration was built on an unstable foundation.

The soaring housing prices that helped fuel our economic recovery now appear to have been a classic asset bubble. The collapse of that bubble is spreading throughout our entire financial and credit system.

American families are optimistic, by nature, but they are understandably worried about the future. Most American families have struggled just to hold their economic ground.

Under President Bush's management, our economy has set record after record, but they have been the wrong kinds of records, historically, poor levels of job growth, the greatest gap between the haves and the have not since the 1920s, record numbers of uninsured Americans. Over 47 million Americans lack health insurance.

□ 1930

A record \$9 trillion Federal debt, the largest in our history, and the largest single-year deficit in U.S. history. Record oil prices, record declines in the value of the dollar, record trade deficits that are the largest in history, record declines in housing prices and home equity that are leaving families owing more than their homes are worth.

Bush's job growth record is among the worst of any President since Hoover. As this chart shows, since the Great Depression, only his father has presided over a slower rate of job growth. As you see, the rate of job growth under President Clinton was four times higher than President Bush or Bush's father.

Wage growth has been even slower. Wages are up less than 4 percent in real terms since President Bush came into office. This chart shows the contrast between sluggish wage growth and soaring prices for such basic needs as education, health care, and gasoline. These basic costs of living have grown over 10 times faster than wages.

Look at this chart. The average wages are up 3.8 percent; public university tuition, 40 percent. Family health insurance premiums are up 46 percent, and a gallon of gas is up 87 percent. Middle class workers are being left behind because their hard work has not translated into bigger paychecks.

This chart shows the divergence between strong productivity growth, shown on the top blue line, and much weaker growth in real compensation for ordinary workers, shown in the bottom red line.

Workers' productivity and their compensation used to grow together, but now they grow apart, as this chart shows. This was still true as recently as the late 1990s, but it is not true today. So here you see that for decades the productivity per hour and real compensation per hour basically grew together at the same time, at the same rate. But now look at the great difference between the productivity per hour, the output per an average worker, and the real compensation that the average worker takes home.

If our increased wealth has not gone to ordinary workers, then where has it gone? One answer is that it has gone to a very few at the top of our economy. The divide between the haves and the have-nots is reaching yet another record, a poor record level. We have the largest gap between the haves and the have-nots in many a long time. This chart shows that the share of income held by the top 1 percent of taxpayers is not at the highest level, 19.4 percent, since the Roaring 20s.

The compensation growth that the middle class has received came much more from benefits than from wages. Benefit costs have been increasing because health insurance costs are increasing, are rising up 47 percent in inflation-adjusted terms since 2007.

As this chart shows, rising health costs have driven the number and percentage of uninsured Americans to record levels; 47 million Americans are uninsured today, up 8.6 million since President Bush took office. Yet again another unfortunate record from this administration.

Slow job growth and stagnant wages during much of the Bush administration have depressed families' real incomes. The typical American family is earning almost \$1,000 less than they did when the President took office and after taking inflation into account. As families struggle to make ends meet, they borrowed more and more from their major source of wealth and savings: the equity in their homes.

Under the Bush administration, families' equities stake in their homes has declined to the lowest level ever recorded. As housing prices drop, families will no longer be able to draw on this source of income to make up for slow wage and job growth. Yet, the President and his supporters react to these disturbing trends by pressing tax cuts that largely benefit our most fortunate families.

This chart shows the distribution of the benefits received from the tax cuts. The tall bar on the right shows that households earning \$1 million or more in 2007 income received over 100 times more money in these tax cuts than middle income families did. Incredibly, one-fifth of tax benefits went to these few families who make up just three-tenths of 1 percent of taxpayers.

The Bush administration claimed that these tax cuts would drive investment creating growth in wages and employment, but these claims have proven to be false.

To make matters worse, the tax cuts have been funded using borrowed money. According to the Brookings Institution, the Federal Government has already borrowed some \$1.6 trillion to fund the tax cuts.

When President Bush came into office in 2001, he inherited a projected 10-year budget surplus of \$5.6 trillion. He inherited a government in good financial shape prepared to deal with the budget challenges posed by the retirement of the baby boomer generation and prepared to invest in improving the future standard of living of all of our children and our grandchildren. But this administration has presided over a stunning reversal of fortune.

This year our gross Federal debt will top \$9.6 trillion, the largest in history, or more. That means that every American owes \$30,000 per person to pay off this staggering debt. As a share of our economy, that's the highest level since 1955 when we were paying off debts from World War II. This is the financial mess that we have to clean up.

Thanks to the President's policies, we are now a nation of debtors relying on the rest of the world to finance our budget deficits and the cost of the war in Iraq. As former Secretary of the Treasury Larry Summers has said: There is something very odd about the world's greatest power being the world's greatest debtor.

Our current account deficit, which is the broadest measure of our trade deficit with the rest of the world, rose to yet another record, a record smashing \$857 billion in 2006. And last year was likely even worse. The amount of Federal debt owned by foreigners has more than doubled under Bush's watch, rising to nearly \$2.4 trillion, with Japan and China alone holding more than \$1 trillion of our debt.

How does the administration address our financial problems? They turn to cuts and benefits from middle and working-class families. The President's proposed some \$30 billion in cuts to the Medicaid program. That's a program that provides health care for some 27 percent of our Nation's children. These cuts couldn't come at a worse time. A recent study by the staff of the Joint Economic Committee estimated that should the economy enter into even a mild recession, some 1 million additional children per year would require Medicaid benefits. So these cuts are especially cruel.

Even while proposing these cuts and benefits, the administration wishes to continue massive levels of spending on the misguided priorities that landed us in this fiscal mess. The President's budget calls for all of the 2001 and 2006 tax cuts to be made permanent. But Democrats are not about to mortgage anymore of our children's future for all of these irresponsible tax breaks.

What is more, we have heard no plans for lessening the enormous fiscal and economic drain created by the mismanaged war in Iraq. This chart shows the steady upward march in the administration's requested spending for the war. That's over \$600 billion just so far, with no end in sight. In fact, in this year's 2009 budget, the administration even refuses to tell us what the full-year cost for the war might be. Future costs will be truly massive if the Nation does not change course.

The Joint Economic Committee has submitted that over the next decade, a continued presence in Iraq will cost us a total of \$1.9 trillion in Federal spending and \$2.8 trillion in total impacts on the economy. You can find this report on my Web site.

But the good news is that we have a choice. We don't have to continue spending on the misguided priorities of the last 7 years. If we make responsible choices, our government can once again help middle class families improve their quality of life while saving and investing to improve the lives of future generations.

Our Democratic Congress has made important progress on this agenda. We have worked with the President to increase the minimum wage, expand Head Start, assist struggling homeowners, and increase opportunities in higher education. We've expanded investments in energy independence, green technology, and America's future competitiveness in science and technology.

What is more, we have paid for it all in a fiscally responsible manner. We've also worked with the President to pass an economic stimulus package that was truly targeted to middle class families who needed the assistance most.

Unfortunately, the President has blocked progress on many other initiatives. He has vetoed health insurance for America's uninsured kids, a change of course in Iraq he vetoed, and dozens of other bills. We must turn away from the failed policies of the past which has given us record levels of debt, trade deficit, and deficits of the highest records in history and an order to fully deliver on what the economy can do for all Americans.

Mr. Chairman, I reserve my time.

Mr. BRADY of Texas. Mr. Chairman, as a member of the Joint Economic Committee on behalf of our senior ranking Republican, the Honorable JIM SEXTON, I rise today to oppose the Democrats' irresponsible budget resolution that will only pave the way for major tax increases and hurt the economy.

You may recall that 15 months ago, Democrats took over the control of the House and the Senate vowing a new direction for America, and in truth, we've experienced that. Since Democrats took control of both Chambers, food prices are up, college tuition is up, health care costs are up, fuel prices are way up, unemployment is up, the deficit is up.

They vowed that they would do three things: They would pay every dime of this war, not mortgage the future. How much have they paid? Zero. They vowed they would not raise the debt limit. In fact, they called it immoral when we did it. So they did it very quietly without a vote in the first 60 days they were in control. And they vowed that they would pay as you go, that they would not allow any tax increases or relief to go forward without paying for them, and, of course, they failed at that as well.

And now we are at a time when the economy is on the brink of a severe downturn. The last thing we should be doing is telling Americans to expect to pay billions more in taxes in just 2 short years; \$683 billion worth, the largest single tax increase in American history. That averages out to almost \$3,000 per family every year. And I know \$3,000 doesn't sound like a lot in Washington, DC, where we squander billions, but for families back in Texas, and I think most middle class families, that is far too much to bear, especially with prices being what they are.

I guess the question we always have, those of us who believe we ought to have lower taxes and less spending, is why does the Democrat budget insist that families tighten their belt but they don't do anything to tighten the belt up here in Washington?

Our public wants us to spend more wisely, not more. And they believe tax is too high. This budget is just the opposite.

□ 1945

I don't know of any economist that thinks tax increases are good for an economy in an economic slowdown, and the timing now is particularly bad. Our economy has suffered some serious shocks: Skyrocketing oil prices, the housing meltdown and mortgage crisis. We certainly don't need another one from here in the Halls of Congress.

And I have to tell you, too, I enjoy hearing about all the class warfare issues. So, we just asked an independent source, the Congressional Budget Office, are the rich getting richer under President Bush? They say the facts are just the opposite. Quoting from them, the period between 2000 and 2005 has not been a time of surging income inequality. Instead, the income gains of the top wealthy 1 percent actually slowed during this period. In contrast, between 1992 and 2000, President Clinton's years, the average income of the top 1 percent skyrocketed by 84 percent. So the king of inequality is President Clinton. They just want to try to hang it on President Bush.

And if you look at the charts, again by the independent Congressional Budget Office, it shows that for middle-class America, after-tax household income actually increased, the highest level since they've been recording these values.

And if you take a look at the total effective tax rate, what we've seen as well is that the tax rates and the cost for middle-class Americans has gone down to a historic rate as well. So, they are earning a record amount of income. They are paying a record fewer amount of taxes. And so middle-class families in America are trying to battle these high prices that this new Democratic Congress is bringing us by trying to keep just a little more of what they earn.

A major tax increase now, when Americans are planning for the future, will only add fuel to the fire and threaten to throw us deep into a recession. You only have to take out a history book to remember the tax increases imposed during the 1930s worked to worsen economic conditions during that time. And the economic growth in the 1990s came about because of spending restraint, and then what turned out to be an artificial economy. But Democrats, as I've said, would like the American public to believe that these tax hikes will only affect the wealthy. Let me tell you, it's going to affect middle-class America. They are dead wrong.

These tax increases the Democrats propose, the largest tax increase in American history, will affect real working families. Any individual that gets married, that has children, that receives maybe a nest egg from their small business or the family farm, maybe makes a good investment, saves for retirement, all of them, all of you will pay more in taxes. Is this what the American people want or deserve? And the answer is no.

Today, while we have Democrats say they are shooting at the wealthy 1 percent, what they are really hitting is middle class America because, as I said before, the rate of taxes paid for by the wealthy 1 percent is actually growing. What we need to do is keep taxes low for middle-class America. Those tax hikes will hurt workers and small businesses, the very people we need investing and growing, by taxing them an average of 12 percent more than we do now. That's 12 percent less money that they can keep to grow their business or invest in their company or maybe create another new job here in America. And unfortunately, raising those taxes is a big incentive for companies to move investments overseas instead of here at home. It's bad enough this Congress has tried to outsource U.S. energy jobs, now we're trying to outsource the rest of America's jobs as well.

And this Democrat budget, I can tell you, does not provide funding to keep the State and local sales tax deduction in place. They don't have any money

for the research and development tax credit. They don't even have any money for the college tuition tax credit. What they say is, we endorse this tax relief. We endorse it. That's like having your son come to you and ask for allowance and you tell him, I don't have any money, but I endorse your idea of an allowance.

The Republican budget actually budgets for that tax relief to make sure that families aren't punished, middle-class families aren't hurt by \$3,000 more every year of new taxes. And what we say is Washington ought to tighten its belt before we ask American families to tighten theirs.

And I'll tell you, too, not only does the Democrat budget raise the deficit, but this budget fails greatly and does not address serious entitlement reform, which is critically needed if we are to sustain Medicare and Social Security for future generations.

It ignores the inevitable and punts the problem down the road. Instead of making the tough choices today, which is what the American public wants, their budget is long on words, but short on action. They call on experts to develop "options" and saying that action is "needed." More words, no action, and the problem gets bigger.

In just 7 short years, entitlement spending on Medicare, Medicaid and Social Security will consume nearly two-thirds of our entire Federal budget, and then it gets worse. These programs will grow to such a size that they will be equal to the cost of the entire Federal Government today, and Americans will have to pay twice the taxes just to keep it in place.

Our economic growth is at risk in this Democrat budget. It makes it more unfair for middle class America; it ignores Social Security and Medicare, which we need to make solvent and preserve once and for all; it raises the deficit; and it basically turns a blind eye to American families who are struggling to make ends meet with rising costs the way they are.

And they all say, well, we endorse the tax relief you have today. Well, Republicans don't endorse it, we embrace it. We include it. We pay for it. And we do balance the budget. And you know what we do? We make a huge sacrifice. We ask Washington to just slow spending by 3 percent. That's all we do. We're not asking to cut major programs. We're not asking for major sacrifices. We're saying, before you force our families to pay \$3,000 more a year, why don't you just tighten your belt just a little, just 3 percent over the next 5 years. That's all we do to balance this budget. That's the smart way to balance the budget. That's the fair way, especially for middle class families. And for our economy, it's the smart way to revive jobs, to create a strong economy, and keep jobs growing in America.

And with that, Mr. Chairman, I reserve the balance of my time.

Mrs. MALONEY of New York. I thank the gentleman for his testimony,

but I want to point out that you have to remember that the Republican Congress and President Bush have been in charge of this economy for 7 years. And when President Bush came into office in 2001, he inherited a projected 10-year budget surplus of \$5.6 trillion. And he inherited a government in good financial shape, prepared to deal with the budget challenges that the country confronts. And yet under his tenure, under his leadership and a Republican Congress, they turned this surplus into an \$8.8 trillion hole, the biggest reversal in history.

And we have to remember that President Bush gave us a series of records, but they're the wrong kinds of records. This country now has the largest debt in the history of our country, \$9.6 trillion. Each American owes \$30,000 of this debt. And we have the largest trade deficit. They have dug us into an \$8.8 trillion reversal, and this was given to us by the Bush administration and the Republican Congress.

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

Mr. BRADY of Texas. Mr. Chairman, I yield 6 minutes to the gentleman from Texas (Mr. PAUL).

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. Mr. Chairman, I am pleased to address the House tonight about the budget because there has been a lot of concern expressed here today on both sides of the aisle about the kind of financial trouble we're in. And there's no doubt about that. But sometimes I think we go back and forth spending more time blaming each other rather than dealing with the real problem.

One of the contentions I've had about the budget is that we look at it as an accounting problem rather than a philosophy problem because the spending occurs because of what we accept as the proper role of government. And right now, it's assumed by the country as well as the Congress that the proper role of government is to run our lives, run the economy, run the welfare state, and police the world. And all of a sudden, it puts a lot of pressure on the budget.

Today, the national debt is going up almost \$600 billion. And the economy is getting weaker, there's no doubt about it. We're in a recession, it's going to get much worse, which means that the deficit is going to get a lot worse. And I'm predicting within a couple of years, it will not surprise me one bit to see the national debt, the national obligation for future generations to rise in 1 year three-quarters of \$1 trillion. And that is a very possible number.

And like it has been expressed so often today, we need to do something about it. The question is, what are we going to do about it? One side, it seems like, well, if we just raise taxes, we're going to solve the problem. The other side says, well, all we have to do is get rid of the earmarks. Well, that argument, I think, falls short, too, because

you can vote to cut all the earmarks, but it doesn't cut any spending, it just delivers the authority to spend the money to the executive branch. I think the job of the Congress is to earmark the money. It's our obligation to tell people how the money is spent.

And those who think that we can solve this problem by just getting rid of earmarks, they never talk about the earmarks overseas, the hundreds of millions, if not billions, of dollars we spend overseas. We earmark them to certain countries, into building military buildings overseas. What about the earmark for the embassy in Iraq? It has cost \$1 billion. That's an earmark. But the side that said that we can solve this problem by cutting earmarks never talks about these earmarks.

Just think of the earmarks in the military budget. I mean, billions. And what do we do? We finally elect a different Congress to deal with some of these supplementals and emergency spending that we don't have the guts to put on the budget, so we elect a new Congress. And what do we do? We have the continuation, in all the budgets presented today, we're still going to finance the war as an off-budget emergency item. We're not being honest with ourselves. And we pretend that the problem is there, and that if you talk about it, it's going to go away.

The way I see it is there's only one way that we're going to attack this, and that is, decide what our government ought to be doing. And the Constitution is very clear, the government ought to preserve our liberties and give us a strong national defense. It shouldn't run our lives, it shouldn't run the economy, it shouldn't police the world. We're not supposed to be the policemen of the world. But everybody talks about it.

And both sides of the aisle have no hesitation to spend every cent the executive branch asked for to run a war that was never declared. We now spend \$1 trillion a year going up, this year it's going to go over \$1 trillion to run the operations overseas. That means all the foreign aid and all the military, \$1 trillion to do things we shouldn't be doing.

They interviewed 3,400 military personnel just recently, military leaders, and 82 percent of them said our military is weaker today than it was 5 years ago. So, all of this money spent and all this policing in the world, and all this deficit.

And financially we're coming down. I mean, just today the dollar went down 1.2 percent in one day, after this steady erosion. It comes from the fact of deficits. And why does that hurt the dollar? Because we don't have enough money. We don't tax enough. We can't tax anymore. People are overtaxed. We can't borrow anymore because interest rates will go up. So, we print the money. And the more money you print, the further the dollar goes down, and then everything goes up in price. So it's a cycle that's coming to an end.

The value of the dollar is really telling the whole story. We've overextended ourselves because we do not challenge the whole notion of what we ought to be doing here and what our government ought to be all about because we have drifted so far from the original intent of the Constitution. There is no hesitation, there are debates that go on here endlessly. One side of the aisle says, well, we need more and more money for the military; we can't cut one single cent on overseas expenditure. And the other side says, oh, no, we can't cut the entitlements. And then there's an agreement, we raise both.

My idea is to have a strong national defense and to get this budget under control. Reject the notion that we need to run an empire; we can't afford it, it's going to come down, it always comes down. It has come down all throughout history because eventually the currency is destroyed.

□ 2000

We're in 130 countries. We have 700 bases. Our military now is in worse shape than it was 5 years ago, according to our military. So it's time we look at the strategic, the philosophic problems. And I will say, unless we do this, this will end badly. It's going to end with a major economic crisis. It's going to be worldwide, and we here at home will suffer, not only economically but inevitably. Under these conditions the people lose their liberty, and our liberties are being eroded every single day that we're here.

So, yes, we take an oath to obey and uphold the Constitution against foreign and domestic. But we're domestic, and we should protect our rights and our budget and the greatness of this country.

Mr. BRADY of Texas. Mr. Chairman, I would yield 4 minutes to the gentleman from Michigan (Mr. KNOLLENBERG), one of our leaders in this conference and one of our most distinguished leaders.

Mr. KNOLLENBERG. Mr. BRADY, thank you very kindly for yielding. I appreciate that very much.

Mr. Chairman, I rise tonight on behalf of the hardworking men and women of Michigan and particularly of my Ninth District.

It will come as no surprise to most to hear me say that Michigan has been struggling mightily of late. For the past 6 years, we have suffered from incomparable job losses throughout Michigan. In fact, Michigan was the only State in the Union to have lost jobs in each and every year of that time frame. Our unemployment rate has been the Nation's highest, or close to it, for longer than anyone can remember. Home foreclosures are up. Wages are down. Costs seem to be rising at every turn. To put it lightly, the people of Michigan are facing some tough times.

Not too long ago, the Governor of Michigan proposed an income tax in-

crease. The citizens were on the verge of revolt. The State government actually shut down for a bit. As Michigan families struggled, the last thing they thought they deserved from their government was a bigger tax bill. But, sadly, they got one anyway.

Now the leadership of this body wants to send the good people of Michigan and the people across the country another tax increase. In fact, they want to send, as has been said before, the biggest tax increase in American history.

Well, I'm here to say, and to say strongly, enough is enough. Enough with higher taxes. Enough with wasteful spending. Enough.

Analysts have calculated that the average family in my district would see their taxes go up by more than \$4,100 if this budget were to be enacted. That's \$4,100 that families in Oakland County simply cannot afford. Worse yet, we know that a tax increase this big would do serious harm to the economy, costing even more jobs and putting more people out of work.

The other problem is, and some have told me that my district alone would lose some 2,000 jobs in the wake of this scale of tax increase. I do not want to let that happen.

Many are concerned that the national economy is showing signs of weakness. I submit to my colleagues the weakness you may be seeing is just a common cold compared to the prolonged pneumonia Michigan has suffered from during its single-State recession.

I'm going to fight and fight hard to protect Michigan's families, as every Member here I know would protect the people from their own States, protect them from higher taxes. Taking more of their hard-earned money from their pockets will only lead to more problems, more job losses, and more hardships.

So I repeat: Enough with higher taxes. Enough with wasteful spending. Simply, enough.

If you're thinking of voting for a tax increase this big, I'd invite you to come to see me in Michigan. There you can see firsthand what higher taxes do to an economy. Higher taxes shutter factory doors. They close small businesses, and they hurt families right to the core. This budget, and the \$4,000 increase that comes with it for Oakland County's families, is simply unacceptable.

Instead of raising taxes, we should be focused on solutions that will strengthen the economy, create jobs, encourage investment, and foster innovation. Raising taxes would do the exact polar opposite.

So I strongly urge my colleagues, Mr. Chairman, to reject this massive tax increase on average Americans. I know firsthand how much harm it would do to Michigan's families, and I have every reason to believe it would do the same to families across America.

Mrs. MALONEY of New York. May I inquire of the Chair how much time remains on the Democratic side and how much remains on the Republican side.

The Acting CHAIRMAN. The gentleman from New York has 13½ minutes. The gentleman from Texas (Mr. BRADY) has 10½ minutes.

Mrs. MALONEY of New York. Mr. Chairman, I yield myself such time as I may consume.

To respond to some of the points made by the gentleman from Texas on the high cost of the war, the gentleman from Texas has pointed out that the war is not paid for, that it's off budget, and I support his recommendation that it should not be in a supplemental emergency spending bill.

This chart here shows the Federal spending on the Iraq war versus other priorities in the 2008 budget authorization. The Iraq war is costing, the request, twice as much as is in the Federal budget for transportation for the entire country, and it is five times more than what is in the budget now for the National Institutes of Health. It is seven times more than the college tuition assistance. So this is really costing Americans a great deal of money that could be spent on other priorities.

This chart here shows that the administration wants to spend \$435 million on Iraq every day. And each year that money could be used to enroll for an entire year 57,000 children in Head Start, fund an additional 150,000 Pell Grants for low-income students for an entire year, save 290,000 families from losing their homes. It could hire for an entire year an additional 10,000 Border Patrol agents. It could hire more than 9,000 police officers for a year, and provide health insurance for 330,000 low-income children through the SCHIP program. So, for \$435 million that they are requesting for Iraq every day, you could provide for an entire year health insurance for over 330,000 low-income children.

So I really want to join my colleague from Texas in his comments on the spending on the war.

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

Mr. BRADY of Texas. Mr. Chairman, I yield myself 20 seconds.

I would make the point that this new Democrat leadership promised to pay for this war. They vowed riding into office that's what they would do. They had three opportunities last year and this year to fund that war. The budget of last year, the emergency spending, and the budget again for this year. Guess how much is paid for? Zero. Zero money.

It's one thing to make promises to be fiscally responsible. It's another thing not to be fiscally responsible.

Mr. Chairman, with that, I would yield 5 minutes to one of our conservative leaders in Congress, a woman who has fought very hard for middle class families in Tennessee and this country, the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. I thank the gentleman from Texas for yielding.

And, Mr. Chairman, I am so pleased to come to the floor and participate in this debate. I think it's one of the most important debates that we have every single year.

And listening to all the comments that are taking place here this evening, Mr. Chairman, it is not lost on me. Budgets are supposed to be about priorities. Budgets should reflect the priorities of a nation, and they should lay out the funding for what we think is important, where we should spend the taxpayers' money.

And I think we have to stop there and pause just a moment because, Mr. Chairman, when I listen to some of our colleagues make comments, as my dear friend from New York just made, talking about all the good things that could be done with money, this is not our money. I do admit that the Federal Government has first right of refusal on the taxpayers' paycheck. I recognize they do that. I don't agree with that. But I think what we have to do is say having first right of refusal isn't right, but the taxpayer turns that money over willingly, and they have the right to know how we spend their money. They have the right to know what those priorities are going to be. So all the functions of the budget are supposed to lay those priorities out.

Now, Mr. Chairman, when I have talked with my constituents about this budget, the number one thing that they have said is this: With the way the taxes are going up, with the way the spending is going up in Washington, I am having too much money left over at the end of my money. And they think the priority reflected in this budget ought not to be the Federal Government's having first right of refusal on that paycheck. The first priority ought to be leaving that paycheck with the person that earned it. Well, what a novel idea. What a novel idea.

Well, let's just look at what we see in the Democrat leadership's budget. Well, the largest tax increase in American history. Here it is. And you can see previously we had \$241 billion in 1993. That was President Clinton's tax increase. But now look at the number over there: \$683 billion in tax increases over a 5-year period of time to pay for the spending that this House wants to participate in.

Well, we know this is going to be costly. So when you look at a chart of what it's going to cost every State, \$2,611 is what it will cost the average Tennessean. In my district in Tennessee, that number is \$2,668.

Well, taxes seem to be a priority, enough of a priority that this Democrat leadership wants to increase taxes on my constituents in the Seventh District of Tennessee \$2,668. But, Mr. Chairman, they had the opportunity to extend sales tax deductibility, which those of us in Tennessee have enjoyed because we don't have a State income

tax. And every Democrat on the Budget Committee voted against giving that tax relief to my constituents in Tennessee because they wanted higher taxes.

Well, the question is, what are they going to do with this tax money once they get it? And here is a chart that shows their discretionary increases. Well, we see \$23 billion above the request in fiscal 2009. And, whoops, look at what's going to happen over there: \$280 billion. And what does that discretionary spending buy the taxpayer? Well, Mr. Chairman, there are \$280 billion worth of earmarks. We're going to have another \$280 billion, not hundred, not thousand, not million, but billion with a "b," \$280 billion worth of earmarks that we are going to see over a 5-year period of time.

The American people have said enough is enough. They want that discretionary spending to come down. They want the earmark spending to come down.

Well, let's take a look at one more thing, and that is entitlements. And we don't even have enough time, obviously, to address that. This House has chosen not to address it. This leadership has chosen not to address it. And look at this chart. By the time we get to 2030, it is going to take every tax dollar coming in to pay for the entitlements of Medicare, Medicaid, and Social Security.

□ 2015

We know there is a crisis coming with entitlements. We know that we are going to see earmarks increase. And my constituents are telling me they've had enough of it. They've got too much money left over at the end of that money, and they want to keep more of that money in their pocket.

Mr. BRADY of Texas. At this time, I would reserve the balance of my time.

Mrs. MALONEY of New York. Mr. Chairman, how much time is left on the Democratic and Republican sides?

The Acting CHAIRMAN (Mr. WILSON of Ohio). The gentlewoman from New York has 11 minutes remaining. The gentleman from Texas has 5¼ minutes remaining.

Mrs. MALONEY of New York. Mr. Chairman, I would like to comment on the statement that my good friend and colleague from the State of Tennessee claims that this is the largest tax increase in history. But all we are doing as Democrats is applying the basic rules of fiscal responsibility to expiring tax provisions.

Tax cuts should not be financed with borrowing. Tax cuts are not true tax cuts if they are not paid for. We have committed to preserve middle-class tax cuts if they can be properly paid for in 2010.

And if I could, Mr. Chairman, I will quote from nonpartisan budget groups that agree that the House budget resolution does not raise taxes. These are nonpartisan groups, The Hamilton Project of the Brookings Institute,

"The House Budget Committee's budget resolution would not raise taxes." The Center on Budget and Policy Priorities, "Neither of the plans that the House and the Senate recommended this week by the Budget Committees include a tax increase." The Concord Coalition, "Applying PAYGO, pay-as-you-go, rules to expiring tax cuts does not constitute a tax increase. It constitutes a policy decision requiring a balancing of priorities. That is what budgeting is all about."

I reserve the balance of my time. I yield to my colleague, Congressman BRADY. And we have no other speakers on my side. So after you close, I then will close for my side.

Mr. BRADY of Texas. I thank the gentlelady.

I yield myself such time as I may consume to close.

I don't know where those fairy tales come from, I don't mean from the gentlelady, but some of these special interest groups. But I'm looking at the budget, page 37, I look at this title III called "reserve funds." It doesn't have any money in it, but it is called "reserve funds." It is empty. It says they have all these reserve funds for tax relief, middle-income tax relief, alternative minimum tax relief, higher education, and sales tax deduction.

Here is the problem: I then turn to the page where the line item is for these reserve funds, and it is zero. It is zero in the budget. All these tax cuts that are so important for families and small businesses will go away. In fact, if you ask the question, will those taxes increase in order to balance the Democrat budget? The answer is absolutely yes. Absolutely yes.

And the reason you know this is that every independent organization from government who has examined this budget knows and states, we will see the largest tax increase in American history.

Let us get down to this point, though. We do have common ground, the Republicans and the Democrats, on balancing the budget. There is no question about it. We believe it needs to be done. Here is the difference between the two parties. Republicans believe that we should not raise taxes on families and small businesses, that we should have spending restraint, just a small amount, 3 percent, Washington tighten its budget belt before families do, we tackle Social Security and Medicare in a meaningful way to preserve it, and we enact a 1-year moratorium on frivolous earmarks so we can stop using those hippie museums and the bridges to nowhere and those just embarrassments of spending, that we can go back and come up with a commonsense way of do it in moderation.

The Democrat budget has a different approach. You may like it. They raise taxes about \$3,000 on every family every year in America. They have higher spending, the largest spending budgets in American history. There is no action to preserve Social Security or

Medicare, and earmarks continue unabated. And we have already seen the results of this in the past year. When Republicans held control of Congress, we spent too much. We spent too much, and the deficit got as high as \$412 billion in 2004. It was wrong. Every year we have whittled it down, until the last Republican budget was \$162 billion deficit. That is better than half, but that is not good enough. And in the 1-year budget Democrats have had, they have more than doubled, \$357 billion deficit projection according to the Congressional Budget Office, and this year's deficit may be larger than that. The compass is going in the wrong direction. America doesn't need to have their taxes raised. Washington needs to tighten its belt, especially before we ask our families to tighten their belt. We need to tackle Social Security and Medicare. We need to call a time-out on these frivolous earmarks. And we need some spending restraint that the American people believe that we can do.

This is a bad budget for the values and the future of America. It harms our families and small businesses and resorts to budget gimmicks. It will never be a balanced budget. The Republican alternative is a sensible one that will do that the right way. The right choice is the Republican budget.

With that, I yield back my time.

Mrs. MALONEY of New York. I thank the gentleman for his participation tonight.

And I just would like to respond that the Republican budget proposal claims to pay for tax cuts with enormous, but unspecified, cuts in government spending. But when my Republican colleagues were in charge of Congress, along with the President, they did not cut spending. Instead, spending and earmarks grew massively. And so did the Federal debt.

My Republican colleagues and the President gave this country a series of records, but they were the wrong kinds of records. They gave us record debt, \$9.6 trillion, the largest in the history of this country. So when they talk about financial responsibility, this is what they gave this country when they inherited a surplus. They gave us the largest debt in history. Every American owes \$30,000 to this debt. They also gave us the largest trade deficit in history. And they also gave us the largest deficit in history.

So what we have before us, Mr. Chairman, is a responsible budget put forward by the Democratic leadership. And, Mr. Chairman, the challenge for this Congress is to return to the fiscal discipline that has been squandered by the President and his party over the past 7 years giving us the largest debt in history.

Today, Democrats in Congress present a realistic budget plan that adheres to PAYGO principles. We eliminate President Bush's deficits by 2012 and make the investments necessary to strengthen our economy and make Americans safer.

I want to remind my colleagues that under the Clinton administration, every year the deficits got smaller. But under the Bush administration, every year they have gotten larger. Our budget, the Democratic budget, provides health care for millions of additional uninsured children. We make critical investments in defense and our veterans health care. We also restore crucial funding for Medicare and Medicaid, as well as State and local law enforcement programs.

In order to spur innovation that will keep America number one, we provide increased funding for math and science education and research. We also expand renewable energy and energy efficiency programs to reduce global warming and our dependence on foreign oil. And we provide new training opportunities to prepare workers for green collar jobs. Our budget makes important investments in infrastructure to begin to rebuild our crumbling bridges and levees.

Democrats target tax relief to families struggling to make ends meet in the face of an economic downturn. Our plan extends middle-income tax breaks, including the child tax credit and marriage penalty relief, and we protect 20 million middle-income American families from being snagged by the alternative minimum tax.

Mr. Chairman, this budget resolution is an important step towards putting our financial fiscal house back in order and creating greater economic opportunities and prosperity for all American families.

Mr. SMITH of Nebraska. Mr. Chairman, when I'm back in Nebraska, I take the opportunity to listen to my constituents about the challenges they face in their day-to-day life.

The high cost of fuel, rising energy prices, and the overall strength of the American economy are all concerns for Nebraskans and all Americans.

Now is the time for Congress to step up to the plate and act with common-sense and fiscal responsibility.

The budget resolution we are debating, however, lets the American people down on those two fronts.

Instead of supporting common-sense budget process controls and responsible spending levels, this budget systematically guts a range of budget process tools, from the Majority's own PAYGO rule to abandoning any criteria for emergency spending.

In other words, the policies which make it easiest to tax-and-spend.

This budget hikes discretionary spending by \$204 billion over 5-years on top of the Administration's proposed increase, the Majority loaded up their resolution with over 20 so-called spending "reserve funds," and increased reliance on budget gimmicks, such as advance appropriations.

Unfortunately, this budget increases spending, raises taxes to historic levels, refuses to fix the AMT—which will hit millions of middle-class taxpayers if nothing is done.

It does nothing to rescue Social Security, Medicare or Medicaid despite the fact the Budget Committee has heard time and time again that something must be done about entitlement spending.

Regrettably, the budget we will consider today appears to simply underscore this Majority's insistence on reckless spending, chased by record tax hikes on American workers and businesses, and massive debt burdens for future generations.

Nebraskans—and all Americans—have called for Congress to live up to its fiscal responsibilities.

Today, however, we are debating a bill which badly misses the mark.

I urge my colleagues to take a stand against this budget—which proposes hundreds of billions of dollars in new government spending paid for with the largest tax hike in American history.

Mr. WOLF. Mr. Chairman, I am deeply disappointed that the FY 2009 budget resolution we are considering today continues business as usual in the House. This resolution is another missed opportunity to come to grips with the financial crisis looming on the horizon for our Nation. We face enormous fiscal challenges and addressing them will take bipartisan commitment. The budget resolution—and all of the substitutes—fail to address the long-term spending crisis staring us right in the face.

JIM COOPER and I have been working together with almost 70 cosponsors from both sides of the aisle in offering a solution—the Cooper-Wolf SAFE Commission Act—to respond to what outgoing U.S. Comptroller David Walker characterizes as a “tsunami of spending and debt levels that could swamp our ship of state.”

At the Government Accountability Office, Mr. Walker has coordinated the country-wide “Fiscal Wake Up Tour” and has done a tremendous job of working to educate the American people on the grave condition of our country's fiscal health. I salute David Walker for the yeoman work he has done in bringing this issue to the front burner. He is leaving GAO this week, but he is not abandoning the cause in which he believes and into which he has poured his heart and soul over the past few years. He was quoted as saying, “I love my job. I love GAO. But I love my country more.”

Republicans and Democrats must take to heart David Walker's words—for the love of country—and come together to avert the financial tsunami coming closer and closer to our Nation's shores. It doesn't take an expert to understand that this nation is teetering on the edge of a financial crisis like no other time in our history.

We had the opportunity in this year's budget process to take the initial steps to get our financial house in order. But again this budget cycle, the House is choosing to look the other way and continue business as usual.

If we don't get our country's financial house in order and make the sacrifices necessary today, the future for our children and grandchildren will be bleak. Our economic growth will come to a grinding halt, our standard of living and even our national security will be at risk if we don't start actively working to change our current course. We cannot continue to keep borrowing and mortgaging our future to countries like China and Saudi Arabia that carry obscene amounts of our debt.

This issue is an economic and moral issue that hangs like an ominous cloud over everything we do as public servants, yet many ignore it. I understand we won't be able to fix our financial woes overnight, but we must

come together across the aisle if there is ever to be any hope of ensuring that our Nation's future is strong.

That's why Representative JIM COOPER and I joined efforts and have been calling for a national bipartisan commission that will put everything—entitlement spending, other Federal program spending and tax policy—on the table and come up with recommendations to halt the mounting debt.

Nothing would be off limits for discussion by the commission members.

A critical component of the commission's work will be to engage the American people in a national dialogue about the scope of the country's financial conditions and solutions to the problem. After spending 6 months conducting townhall-style meetings around the country, the commission will present a report to Congress describing the long-term fiscal problems, public suggestions and views, and policy options available to get us back on the right track.

Modeled after the Federal base-closing process, Congress would be required to vote up or down on the plan in its entirety. Mandating congressional action is what makes the SAFE Commission unique. If other viable bipartisan solutions are presented, I think we should look at those, too.

The Cooper-Wolf SAFE Commission legislation has been endorsed by groups across a wide political spectrum—groups who usually disagree more than they agree on policy issues—the Brookings Institution, the Heritage Foundation, the Concord Coalition, and the Committee for a Responsible Federal Budget. The Business Roundtable and National Federation of Independent Business are also on board. National columnists David Brooks, David Broder, and Robert Samuelson all have written about the entitlement crisis facing our country and the SAFE Commission as a potential way forward. Senators CONRAD and GREGG have introduced similar legislation in the Senate.

The financial tsunami is moving closer to our shores and the longer we wait to act, the harder it will be to stop the tidal wave of red ink. If our children and grandchildren were on the beach with an actual tsunami off the coast, we would do everything we could to help them. We must move beyond politics and come to grips with the fact that the financial future of our country is an American issue and it's on our watch to fix.

How can this Congress sit by knowing full well that our financial woes will haunt generations to come?

I could easily use all the time for general debate today providing the evidence to support the critical need to address the nation's financial future. This should be the number one budget priority for this Congress. Let me give an example. In January, Moody's Investors Service released its annual report which concluded that the United States triple-A bond rating is at risk. The United States could lose its triple-A bond rating as early as 2012. What does that mean?

That means that respected credit-rating agencies are projecting that the United States will be on par with Greece and Estonia by 2015, Poland and Mexico by 2020, and below investment grade—junk debt—by 2025.

Here's more evidence: the retirement of the baby boomers started this year and presents a demographic challenge that is unprece-

ented. In 2006, Medicare, Medicaid, and Social Security consumed 40 percent of the budget. That percentage is expected to jump to 51 percent in less than 10 years. It may be out of sight, out of mind for now, but it's simple math. As the number of Americans aged 65 and up rises, and the working population shrinks, more Americans will draw on promised benefits. The rubber will meet the road, and we will have done nothing to cushion the blow.

We cannot continue to avoid our responsibility to future generations of Americans by passing on a broken system in the form of unfunded Social Security and Medicare obligations and unsustainable spending.

Simply put, the budget resolution set forth this year represents a missed opportunity. We need to follow the example of David Walker and for the love of our country, and for our children and grandchildren, do what it will take to protect our Nation's future. The SAFE Commission is the bipartisan way forward. Mr. Speaker, I would like to insert for the RECORD a letter I received from U.S. Comptroller General David Walker, a recent Financial Times article about our Nation's triple-A bond rating, and a Robert Samuelson op-ed from The Washington Post.

[From the Washington Post, October 3, 2007]

#### ESCAPING THE BUDGET IMPASSE

(By Robert J. Samuelson)

Almost everyone knows that the next president will have to wrestle with the immense costs of retiring baby boomers. Comes now a small band of Democrats and Republicans who want to do the new president a giant favor. They want to force the new administration to face the problem in early 2009. Why is this a favor? Because dealing with this issue is so politically unsavory that resolving it quickly would be a godsend. Otherwise, it could haunt the White House for four years.

Let's review the problem (again). From 2000 to 2030, the 65-and-over population will roughly double, from 35 million to 72 million, or from about 12 percent of the population to nearly 20 percent. Spending on Social Security, Medicare, and Medicaid—three big programs that serve the elderly—already represents more than 40 percent of the federal budget. In 2006, these three programs cost \$1.1 trillion, more than twice defense spending. Left on automatic pilot, these programs are plausibly projected to grow to about 75 percent of the present budget by 2030.

Stalemate results because all the ways of dealing with these pressures are controversial. There are only four: (a) massive tax increases—on the order of 30 to 50 percent by 2030; (b) draconian cuts in other government programs (note that the projected increases in Social Security and Medicare, as a share of national income, are more than all of today's domestic discretionary programs); (c) cuts in Social Security, Medicare and Medicaid—higher eligibility ages or lower benefits for wealthier retirees; or (d) undesirably large budget deficits.

The proposed escape seems at first so drearily familiar and demonstrably ineffective that it's hardly worth discussing: a bipartisan commission. But what would distinguish this commission from its many predecessors is that Congress would have to vote on its recommendations. The political theory is that, presented with a bipartisan package that cannot be amended, most politicians would do what they believe (privately) ought to be done rather than allow pressure groups, including retirees, to paralyze the process.

There is precedent for this approach. Since 1988, Congress has allowed more than 600 military bases and facilities to be closed or streamlined using a similar arrangement. An independent Base Realignment and Closure Commission evaluates the Pentagon's proposed closings and listens to objections. With the president's approval, it then submits its own list, which goes into effect unless vetoed by both houses of Congress. This process provides members of Congress bipartisan "cover" and prevents amendments from weakening the package.

Two prominent proposals would adapt this approach to the budget. The first, offered by Sens. Kent Conrad (D-N.D.) and Judd Gregg (R-N.H.), the chairman and ranking minority member of the Budget Committee, would create a 16-member commission, evenly divided between Democrats and Republicans. All eight Democrats would be from Congress, as would six Republicans. The administration would have two members, including the secretary of the Treasury.

Conrad's notion is that the impasse is political and that only practicing politicians—people with "skin in the game"—can craft a compromise that can be sold to their peers. The commission would report in December 2008. Twelve of its 16 members would have to support the plan, with congressional passage needing 60 percent approval (60 senators, 261 representatives). These requirements, Conrad and Gregg argue, would ensure bipartisan support.

The other proposal comes from Reps. Jim Cooper (D-Tenn.) and Frank Wolf (R-VA.) It would also create a 16-member commission, with two major differences. First, only four of its members would be from Congress. Second, though Congress would have to vote on the commission's proposal, there would be some leeway for others—including the president—to present alternatives as long as they had the same long-term budget impact. Any proposal, however, would have to be voted on as a package without amendments.

A combination of these plans might work best. A 20-member group would be manageable and should include four outsiders to provide different perspectives and, possibly, to build public support. Perhaps the head of AARP should be included. And it would be a mistake to present the next president with a take-it-or-leave-it package. The Cooper-Wolf plan would allow a new administration to make changes—and get credit—without being able to start from scratch.

This commission approach has potential pitfalls: It might create a face-saving package that does little. But everything else has failed. The main political beneficiary would be the next president. It would be revealing if some of the hopefuls—Democrats and Republicans—would show that they grasp this by providing their endorsements. Otherwise, the odds that Congress will even create the commission are slim.

U.S. GOVERNMENT  
ACCOUNTABILITY OFFICE,  
Washington, DC, January 22, 2008.

Hon. FRANK R. WOLF,  
House of Representatives.

DEAR MR. WOLF: As we discussed by phone this morning, while it is understandable that many in Congress are rightfully concerned about our current economic slowdown and recent market declines, it is important that the Congress not forget about our much larger structural challenge. Specifically, we must not forget our large and growing fiscal gap which now totals approximately \$53 trillion (\$53,000,000,000,000) and it is growing by \$2 to \$3 trillion a year absent any meaningful reforms.

Approximately three years ago Standard and Poor's issued a publication stating that,

absent policy changes, the U.S. Government's debt to GDP ratio was on track to mirror ratios associated with speculative-grade sovereigns. Within the last month, Moody's Investors Service issued its annual report on the United States. In that report they noted their concern that, absent Medicare and Social Security reforms, the long-term fiscal health of the United States and our current Aaa bond rating were at risk. These not too veiled comments serve to note the significant longer-term interest rate risk that we face absent meaningful action of our longer range challenge as well. Higher longer-term interest costs would only serve to complicate our fiscal, economic and other challenges in future years.

I believe that it is critically important that this Congress not just address our short-term economic challenge but also our longer-range fiscal gap. The consequences of failing to do so will over time be much more dire than the current economic and market disruptions we are experiencing.

As you may know, while our annual deficits have declined for three straight years, our total fiscal imbalance has continued to grow. Absent meaningful budget, entitlement, spending and tax reforms, this imbalance, which is driven primarily by rising health care costs and known demographic trends, will result in a tsunami of spending and debt levels that could swamp our ship of state.

[From the Financial Times, Jan. 11, 2008]

UNITED STATES' TRIPLE-A CREDIT RATING  
'UNDER THREAT'

(By Francesco Guerrera, Aline van Duyn and Daniel Pimlott)

The U.S. is at risk of losing its top-notch triple-A credit rating within a decade unless it takes radical action to curb soaring healthcare and social security spending, Moody's, the credit rating agency, said yesterday.

The warning over the future of the triple-A rating—granted to U.S. government debt since it was first assessed in 1917—reflects growing concerns over the country's ability to retain its financial and economic supremacy.

It could also put further pressure on candidates from both the Republican and Democratic parties to sharpen their focus on healthcare and pensions in the run-up to November's presidential election.

Most analysts expect future administrations to deal with the costs of healthcare and social security and there is no reflection of any long-term concern about the U.S.'s financial health in the value of its debt.

But Moody's warning comes at a time when U.S. confidence in its economic prowess has been challenged by the rising threat of a recession, a weak dollar and the credit crunch.

In its annual report on the U.S., Moody's signalled increased concern that rapid rises in Medicare and Medicaid—the government-funded healthcare programmes for the old and the poor—would "cause major fiscal pressures" in years to come.

Unlike Moody's previous assessment of U.S. government debt in 2005, yesterday's report specifically links rises in healthcare and social security spending to the credit rating.

"The combination of the medical programmes and social security is the most important threat to the triple-A rating over the long term," it said.

Steven Hess, Moody's lead analyst for the U.S., told the Financial Times that in order to protect the country's top rating, future administrations would have to rein in healthcare and social security costs.

"If no policy changes are made, in 10 years from now we would have to look very seri-

ously at whether the U.S. is still a triple-A credit," he said.

Mr. Hess said any downgrade in the U.S. rating would have serious consequences for the global economy. "The U.S. rating is the anchor of the world's financial system. If you have a downgrade, you have a problem," he said.

Moody's did once threaten to cut the rating of some of the U.S. Treasury's debt when Congress refused to pass the president's budget in the mid-1990s. Other large economies, notably Japan in the 1990s, have had to suffer the symbolic blow of losing their top-notch credit rating.

Last year, David Walker, comptroller general of the U.S., caused controversy when he compared America's current situation with the dying days of the Roman empire and warned the country was on "a burning platform" of unsustainable policies.

Medicare and Medicaid spending, which has risen sharply over the past few decades and now accounts for about 45 percent of total Federal spending, up from about 25 percent in 1975, has long been a source of concern.

Mr. BOUSTANY. Mr. Chairman, I rise today to argue against this proposed Democratic budget that would raise taxes on Louisiana taxpayers by an average of \$2,642 and contains egregious wasteful spending.

Extra money for tax hikes might be in the family budget for people in San Francisco, but families in southwest Louisiana do not have extra room in their budgets. Wasteful spending and tax hikes are irresponsible. The Democratic House leadership must understand that American families are facing higher costs at the pump, higher costs for healthcare and education, and more money to pay Federal taxes simply isn't there.

The Democratic budget proposal includes a massive \$683 billion tax increase spread over five years in order to finance wasteful Washington spending according to the Congressional Budget Office. Taxpayers in Louisiana face average tax increases of \$2,642. While failing to address growing entitlement programs, House Democrats are proposing tens of billions more in new Federal spending facilitated by the tax increase.

In addition, the Democratic budget contains the following: Cuts to the child tax credit, from \$1,000 to \$500 per child; Decreases to the adoption tax credit; Decreases in tax-free 401(k) and IRA contributions; Tax increases for small businesses averaging more than \$4,000 per business.

Mr. Chairman, I cannot in good conscience support a budget that is as irresponsible as this one. It is a hamper to American entrepreneurs, small businesses and economic growth. Additionally, it hurts American families who struggle to pay higher energy prices, healthcare costs, housing costs and education costs.

Our budget is a statement of priorities. Lowering taxes, growing our economy and providing for families are my priorities. This Democratic budget falls well short.

Mrs. MALONEY of New York. Mr. Chairman, I yield back the balance of my time, and I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PETERSON of Minnesota) having assumed

the chair, Mr. WILSON of Ohio, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 312) revising the congressional budget for the United States Government for fiscal year 2008, establishing the congressional budget for the United States Government for fiscal year 2009, and setting forth appropriate budgetary levels for fiscal years 2010 through 2013, had come to no resolution thereon.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WILSON of Ohio). Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

#### SHORT-TERM FARM BILL EXTENSION

Mr. PETERSON of Minnesota. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2745) to extend agricultural programs beyond March 15, 2008, to suspend permanent price support authorities beyond that date, and for other purposes.

The Clerk read the title of the Senate bill.

The text of the Senate bill is as follows:

S. 2745

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. EXTENSION OF AGRICULTURAL PROGRAMS.

(a) EXTENSION.—Except as otherwise provided in this section and notwithstanding any other provision of law, the authorities provided under the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 7 U.S.C. 7901 et seq.) and each amendment made by that Act (and for mandatory programs at such funding levels), as in effect on September 30, 2007, shall continue, and the Secretary of Agriculture shall carry out the authorities, until April 18, 2008.

(b) CONSERVATION PROGRAMS.—

(1) FARMLAND PROTECTION PROGRAM.—Notwithstanding any other provision of law, the Secretary of Agriculture (referred to in this subsection as the “Secretary”) shall continue the farmland protection program established under subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) at a funding level of \$97,000,000 per year.

(2) GROUND AND SURFACE WATER CONSERVATION.—Notwithstanding any other provision of law, the Secretary shall continue the ground and surface water conservation program established under section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa-9) at a funding level of \$60,000,000 per year.

(3) WILDLIFE HABITAT INCENTIVES PROGRAM.—Notwithstanding any other provision of law, the Secretary shall continue the wildlife habitat incentive program established

under section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb-1) at a funding level of \$85,000,000 per year.

(c) EXCEPTIONS.—This section does not apply with respect to the following provisions of law:

(1) Section 1307(a)(6) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7957(a)(6)).

(2) Section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)).

(3) Section 25 of the Food Stamp Act of 1977 (7 U.S.C. 2034).

(4) Section 601(j)(1) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(j)(1)).

(5) Section 231(b)(4) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621note; Public Law 106-224).

(6) Section 9002(k)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102(k)(2)).

(7) Section 9004(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8104(d)).

(8) Section 9006(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106(f)).

(9) Subtitles A through C of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911 et seq.), with respect to the 2008 crops (other than the 2008 crop of a loan commodity described in paragraph (11), (12), (13), or (14) of section 1202(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7932(b))).

(d) SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITIES.—The provisions of law specified in subsections (a) through (c) of section 1602 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7992) shall be suspended through April 18, 2008.

(e) RELATION TO CONSOLIDATED APPROPRIATIONS ACT, 2008.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section does not apply to the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2008 (division A of Public Law 110-161; 121 Stat. 1846).

(2) REPEAL OF SUPERSEDED EXTENSION.—Section 751 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2008 (division A of Public Law 110-161; 121 Stat. 1883) is repealed.

(f) EFFECTIVE DATE.—This section and the amendment made by this section shall take effect on March 15, 2008.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota (Mr. PETERSON) and the gentleman from Virginia (Mr. GOODLATTE) each will control 20 minutes.

The Chair recognizes the gentleman from Minnesota.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of S. 2745, a bill to extend current farm programs until April 18, 2008. Mr. Speaker, our farm policies ensure that all Americans have access to safe, secure and abundant food supply while providing a safety net for American farmers and ranchers. It also authorizes important nutrition programs for our country's neediest citizens, encourages vital conservation programs and supports the development of agriculturally based renewable energy.

Mr. Speaker, all of us on the Agriculture Committee would rather have a new farm bill signed into law rather

than be here today asking for an extension.

After hearing about the popularity of the 2002 farm bill from farmers and ranchers nationwide in a series of field hearings our committee held in 2006, we set out last year to build on a strong farm safety net while making new investments in rural America and for our Nation's neediest citizens who depend on Federal food programs for a square meal.

The new farm bill that this House passed last July makes those investments in nutrition, fruits and vegetable production and farm-based renewable energy. It reforms our farm programs and reinforces the strong farm safety net. It includes an agreement between industry and consumer groups on mandatory country-of-origin labeling for meat. All that progress will be lost if we do not get this bill finished and signed into law.

Nevertheless, Mr. Speaker, we are taking steps toward a bipartisan, bicameral bill that Members can support. And I believe we have made enough progress in that endeavor to support a 1-month extension.

So, in closing, I would like to thank my friend and the ranking member, Mr. GOODLATTE from Virginia, for his work over the last few months and for standing alongside me in working with the Senate and the administration in order to get this farm bill to a conclusion.

Mr. Speaker, I urge passage of this bill.

Mr. Speaker, I rise today in support of S. 2745, a bill to extend current farm programs until April 18, 2008.

Mr. Speaker, our farm policies ensure that all Americans have access to a safe, secure and abundant food supply while providing a safety net for America's farmers and ranchers. Farm bills also authorize important nutrition programs for our country's neediest citizens, encourage vital conservation programs, and increasingly support the development of agriculturally based renewable energy, which will help reduce our dependence on foreign oil.

Mr. Speaker, all of us on the Agriculture Committee would rather have a new Farm Bill signed into law rather than to be here today to ask for an extension. When the House Agriculture Committee kicked off the Farm Bill process in 2006 with Farm Bill field hearings all across America, we hoped a new Farm Bill for American agriculture would have been signed into law by now. Even though the farmers and ranchers we heard from in those hearings were strongly supportive of the farm safety net of the 2002 law, we knew passing a new Farm Bill would not be easy in this kind of budget environment.

Mr. Speaker, the Farm Bill has been a victim of its own success. The 2002 law saved taxpayers billions but resulted in a 60 percent cut in budget authority for traditional farm programs when budget baselines were released a year ago.

Nevertheless, the Agriculture Committee wrote a Farm Bill from the ground up; a new Farm Bill that makes historic investments in fruit and vegetable production, conservation, nutrition, and renewable energy while reinforcing the strong safety net for America's