Number 3: Individual mandate tax, section 501, page 296, $33 billion. This also violates President Obama's pledge.

Number 4: Medical device tax, section 552, page 339, $20 billion. Again, it violates President Obama's pledge to avoid tax increases on Americans earning less than $250,000.

Number 5: $2,500 annual cap on FSAs, section 532, page 325, $13.3 billion. It violates President Obama's pledge.

Number 6: Prohibition on pretax purchases of over-the-counter drugs through HSAs, FSAs, and HRAs, section 531, page 324, $5 billion. This is another violation.

Number 7: Tax on health insurance policies to fund Comparative Effectiveness Research Trust Fund, section 1802, page 1162, $2 billion. It violates the pledge.

Number 8: 20 percent penalty on certain HSA distributions, section 533, page 326, $1.3 billion.

Number 9: Other tax hikes and increased compliance costs on U.S. job creators, $56.4 billion; IRS reporting on payments; delay implementation of worldwide interest allocation rules; override U.S. treaties on certain payments by insourcing businesses; codify economic substance doctrine and impose penalties.

All of these are referenced by the section number and the page number so the American people don't have to rely on what we're saying.

There is one other, which is revenue-raising provisions for $3 billion.

The total tax increases in the bill: $729.5 billion. This information came from the Joint Committee on Taxation, Congressional Budget Office.

Mr. Speaker, what we need is reform in our health care system. Republicans have offered commonsense reform. Those commonsense reform items are not being allowed to be heard. They were voted down in committee over and over and over again by the Democrat majority. This is not what the American people want. They want to see reform in health care, not increased taxes and a job-killing bill that will do very little to help with their challenges in dealing with health care reform.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Oklahoma (Ms. FALLIN) is recognized for 5 minutes.

(Ms. FALLIN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. GRANGER) is recognized for 5 minutes.

(Ms. GRANGER addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Kansas (Ms. JENKINS) is recognized for 5 minutes.

(Ms. JENKINS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington (Mrs. MCMORRIS RODGERS) is recognized for 5 minutes.

(Mrs. MCMORRIS RODGERS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Michigan (Mrs. MILLER) is recognized for 5 minutes.

(Mrs. MILLER of Michigan addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 5 minutes.

(Mrs. MYRICK addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Mrs. SCHMIDT) is recognized for 5 minutes.

(Mrs. SCHMIDT addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. GINGREY) is recognized for 5 minutes.

(Mr. GINGREY of Georgia addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

REPUBLICAN HEALTH CARE SOLUTIONS

The SPEAKER pro tempore (Mr. POLIS). Under the Speaker's announced policy of January 6, 2009, the gentlewoman from Wyoming (Mrs. LUMMIS) is recognized for 60 minutes as the designee of the minority leader.

Mrs. LUMMIS. Thank you, Mr. Speaker.

I am going to be joined this evening by Republican freshman colleagues of mine, and this session will be cochaired by my fellow freshman from the great State of Minnesota, ERIK PAULSEN.

ERIK, thank you for joining me this evening, and our other freshman colleagues will be joining us shortly.

We're going to be talking about health care from the perspective of freshmen. We're going to be talking about some Republican alternatives to the large bill that the Speaker introduced last week and unveiled and that we're discussing this week. We'll be doing some comparisons between bills that Republicans have to provide better solutions, to take incremental approaches, to address the most important concerns that the American people have about their health care system first, and about the need to take a very deliberate, careful approach to changing an American health care system that needs tweaking rather than throwing out and replacing.

I yield to my colleague from Minnesota, Mr. PAULSEN.

Mr. PAULSEN. Well, thank you. I thank the gentlelady for yielding and for organizing this little discussion tonight, and I know we're going to have some of our freshman colleagues joining us.

I think, first and foremost, it's important for me to outline—and I think you share this view. You know, no one is denying that our health care system is in need of reform. Certainly, as a freshman Member, I know that the Members of our class, actually both Republican and Democrat, know that there need to be changes in the status quo. I know the Republicans, in particular in the freshman class, have been very frustrated that the media may not center or focus on some of the proposals that we actually have offered because, as you indicated, there are some very incremental approaches and piecemeal approaches which actually could be done and could be done bipartisanly to show success and progress in helping lower premiums for families, for individuals, and for small businesses.

As most of the public is well aware now, I think, just as early as last week, we had dropped on our desks a 1,990-page bill, which is a huge, mammoth bill, and we can bring that up a little later for a prop. It is a big piece of legislation, and I know we're going to be voting on that later this week.

I think I've come to realize in my first few months in office, as probably you have, that Washington is a place where actions are often taken without properly weighing the consequences and the impact of those actions. I think the bill that has been laid before us is very misguided in that it's going to have a heavy tax load put on the small business community. It's going to tax medical device companies in particular and medical device products, which impacts my district very greatly and the jobs there. We'll talk a little bit more about that in a little bit.

Our goal also is to make sure we are providing adequate coverage and are lowering the costs of health care premiums for all Americans—for individuals, families, and small businesses—because it is a pocketbook issue; but I think the approach that the majority is taking is a very misguided approach, and we're going to have some discussion about that tonight and about some of our alternatives, which, I think, make absolute common sense.

I would like to yield back.

Mrs. LUMMIS. I look forward to having our colleagues join us so we can discuss some of those.

We have been maligned as a party for not having a health care solution to counter the Pelosi approach and the Obama approach to health care; but in fact, we have over 53 bills that you can read online which will address health care reform. We offer and challenge the Democrat leadership, who controls this Congress, to pick and choose from among the better ideas that Republicans have and to bring some of those bills through committees and to the floor so we can debate them openly in a transparent manner.

They were not crafted behind closed doors as was the Democratic bill. They were crafted in the traditional manner with the help of legislative draftsmen and -women to address specific components of our health care system in a way that they can be aggregated into a larger reform package or addressed individually if we prefer. So we can have a healthy debate on a variety of subjects.

Even the Chicago Tribune noted recently that Republicans have a number of great ideas. Here is an excerpt from a recent editorial in the Chicago Tribune:

GOP proposals contain smart ideas to increase choice and competition in the health insurance market. These excellent ideas could expand coverage for the uninsured without cratering the Federal budget or curbing the competition and innovation that drive the U.S. health care system.

My colleague Mr. PAULSEN is on the Financial Services Committee, and I am on the Budget Committee. Among the things that he and I have seen in our committee work in the last 10 months is that we are aggregating more debt than George Washington through George W. Bush combined and that, while our colleagues on the Democratic side of the aisle criticize Republicans for spending too much and criticize their inheriting a deficit, in fact, since we arrived in Washington—we freshmen along with the Pelosi Congress—they have increased the deficit, doubling it in 5 years and tripling it in 10. So it is not an excuse that they inherited a deficit.

Indeed, they did, and indeed, Republicans predating Mr. PAULSEN and I did overspend, but you don't solve an overspending problem by making it two times worse in 5 years and three times worse in 10 years. Our approaches to the health care bill are to advance solutions that will not add a dime to the deficit.

How many people believe that the $1 trillion-plus Democratic health care bill is not going to add a dime to the deficit? In fact, a poll recently showed that more people believe we'll discover life on other planets than the Democrats' health care bill will not add to the deficit.

The Republican bills, however, do not add a dime to the deficit. Here are three of them that I'd like to highlight this evening. As I said, there are 53 on a Web site that I'll provide to you later in this discussion.

One of them is H.R. 3400, Empowering Patients First Act. The prime sponsor is Representative TOM PRICE, a physician from Georgia. It is the product of the Republican Study Committee.

The bill uses a mix of new tax credits and deductions to make the purchase of health care feasible for all Americans. The bill expands the individual health insurance market, using association health plans and interstate health insurance shopping to give people more choices. The bill encourages the creation of State-based portals so people can compare plan prices and benefits. For those with preexisting conditions, the bill redirects unspent stimulus funds towards State-based high-risk pools. Importantly, this bill is fully offset through redirecting stimulus funds, stepping up efforts to root out waste, fraud and abuse in our entitlement programs, reducing defensive medicine through medical liability reform, and capping discretionary spending.

□ 1930

This bill scores in the favorable column.

Another bill, sponsored by Representative JOHN SHADEGG of Arizona, entitled Improving Health Care for All Americans Act, has many of the taxation provisions incorporated into it that were eventually added into H.R. 3400. Then the Patients' Choice Act, which is a fun one to highlight, because it takes a little bit different tack, is sponsored by Representative PAUL RYAN. The bill provisions include some reforms that are badly needed to Medicare and Medicaid without decreasing benefits.

I yield to the gentleman from Minnesota.

Mr. PAULSEN. Thank you for yielding.

Well, I think, as you just mentioned, there is no doubt that there have been other Republican plans that have been offered. There are a variety of bills, 50-some bills that have been out there. In fact, all of these, nearly all of these pieces of legislation have actually been introduced prior to this mammoth nearly 2,000-page bill that has been dropped on our desk just last week.

I want to go back to some of the comments you made earlier about the deficit, because as someone who came to Washington fully acknowledging and recognizing that Republicans were part of the problem on deficit spending many years ago, that is no reason to continue to do the same.

Seeing ourselves now face our very first trillion-dollar budget deficit is of great concern to me. I know it is of great concern to my constituents, for their children and their grandchildren, thinking the share of the national debt for each person now has gone up to about $38,000. Compared to when I was born, it was about $1,500 per person.

At some point we are going to have to pay back that debt, and that's a heavy burden that's going to fall, unfortunately, on our children and our grandchildren. The bill that is being proposed by the Speaker does not address health care costs.

You mentioned earlier there is not a good track record of government introducing legislation and having it be cost-effective or innovative. The reality is, if you look back at 1965, congressional forecasters predicted at that time that Medicare would cost about $12 billion in 1990.

Do you know what its actual cost came in at? The actual cost came in at $90 billion. Today, just like Social Security, it is now on a path to insolvency due to runaway costs. We have massive problems with existing entitlement programs. It doesn't seem to me to make a lot of sense to have a new entitlement program that the government doesn't have a good track record on.

Mrs. LUMMIS. The gentleman from Minnesota has four really cute little girls, and I carried one of their Scooby-Doo backpacks through the Minnesota airport while we were transferring planes trying to get back to Washington for votes. A lot of us have kids or grandchildren that will be affected by this legislation because they will be paying for it for years to come.

One of the things we all learned from our parents in this baby boom generation is the importance of handing a better America to your children, and that is something that I don't want to be responsible for being the first generation to renege on. That's why I am so much more supportive of these Republican bills than of the Speaker's bill.

Among the things that are in the Republican bills that are so important are meaningful tort reform. I say this with a caveat; I am one of those Republicans who would rather see tort reform done at the State level. I think we see more innovation and creativity. We see some States that want to have caps on noneconomic damages. We see some States that want health care panels, States that want to make sure that expert witnesses, within the certain specialty that is charged with malpractice, are the ones that are designated as witnesses. There are a whole variety of ways to address tort reform.

I prefer that it be handled at the State level, but I have signed on to several of these bills that have State tort reform provisions even at this Federal level because I think they take a much better approach to the overall subject of health care reform. In other words, the Republican plan has meaningful tort reform. Oddly, the Speaker's bill contains a provision that says they will give out grants for innovations in tort reform but not to States that have placed a cap on noneconomic damages.

If you talk to some of the former legislators, now Members of Congress, who are from States that enacted caps on noneconomic damages and medical malpractice cases, you will learn that their medical malpractice premiums

for their physicians dropped, thereby allowing their physicians to either charge their patients less or stay in practice in small communities where they don't have as many patients to spread out the costs of that extremely expensive malpractice insurance premium.

Then we have interstate health insurance shopping. This is really what I think is going to be one of the most exciting keys to reducing the costs of health insurance, because it's going to create more competition. Coming from the smallest population State in the Nation, Wyoming, and not being able to buy insurance across State lines for health care the way I can for automobile insurance, I don't have the options, because of our little small pool of citizens, to spread the costs.

It's going to be very important that we have the ability to shop for health insurance across State lines and that we do it in a transparent way. I see these ads on TV for car insurance. Well, there is a little sign that you look at that compares one company's premium to another, to another. You can go online and shop and compare and put in the kinds of factors that you want in your automobile insurance.

We should be able to do that for health insurance. We should be able to buy our health insurance premiums that way, and the Republicans' bills will allow that to happen.

Then, further, association health plans, the Republican plans have it; the Democrat plan does not have it. Association health plans, once again, would allow groups with some common interest to pool, to create a larger pool, whether it's your church denomination, your Rotary Club, your alumni association or any other group that wanted to form an insurance pool for purposes of providing health insurance to their member participants.

This I call kind of an equivalent to what's available in the banking community. You have commercial Main Street banks, and then you have some credit unions. I kind of associated this kind of association health care plan with the notion of a credit union.

These are things that we have that would increase and stimulate competition in the private sector, and these are in the Republican plans. They are not in our colleagues', who are members of the Democratic Party, plans.

Now I would like to call on one of our colleagues who is from the State of Colorado. MIKE COFFMAN is here this evening from my neighboring State of Colorado.

I yield to you and thank you for attending this evening's discussion.

Mr. COFFMAN of Colorado. Thank you, Representative LUMMIS.

What I think is of concern to those of us from Colorado, and I think many people across the country, is what is the impact upon jobs and employers. There is a concern about small business in particular.

There is a provision in the Pelosi bill, the Pelosi health care reform bill, that has a surcharge on small businesses and employers. Now, granted, it has moved up to where it was in the first version, H.R. 3200, where it was if somebody had the average annual payroll between $250,000, and then it started as a surcharge at 2 percent up to $400,000 on an average annual payroll, with an 8 percent surcharge, that number has been moved up a little bit; but I think it's still going to be devastating to the economy. With $750,000 and above it's an 8 percent surcharge, and then it's graduated a little bit down below that.

To put a surcharge on employers, a payroll tax, if you will, on employers that are just trying to keep their doors open, to keep making, to be able to make the payroll that they have, I think, is going to be a devastating job killer to this economy. I think we ought to focus on job creation and not job killers.

Mrs. LUMMIS. The gentleman is correct. In fact, we have found that studies determined that 5.5 million more jobs will be lost as a result of the taxes placed on small businesses under the Democrat version of the bill. Furthermore, there is a double whammy for small business. For businesses under 500,000 in payroll, there is not a big hit. But, of course, a lot of businesses in my State of Wyoming, there are 1,400 in my State of Wyoming that will be hit because they pay these taxes at the individual tax return, but they are small businesses that pay payrolls of more than $500,000. That means 1,400 businesses in Wyoming are going to be slapped with that tax.

I yield to the gentleman from Minnesota.

Mr. PAULSEN. Thank you. Maybe I will ask the gentleman from Colorado a question, because he makes a really good point about this bill, that the proposed 1,990-page bill by the Speaker is bad for small business. Why would the Congress in a tough economy want to further penalize small businesses when they are struggling to get by and a third of all small businesses are going to be impacted by this surtax that you had mentioned?

We want to help small businesses grow, knowing that they are the engine of economic growth for this country, and we are making it tougher and tougher on them. Why would Congress even consider that?

Mr. COFFMAN of Colorado. The majority of small businesses, they are the job creators. They are the engine for job creation in this country, these really small businesses. Whether we like it or not, the reality is that oftentimes start-ups don't have the cash flow to support health insurance. I started a small business in Colorado and for the first 7 years was not in a position to offer health insurance. When I could, it was at a 50/50 split with the employee.

What this legislation says is that's not even good enough, that you have to be able to pay 72.5 percent of a federally approved plan through the insurance exchange or, for a full-time employee, 65 percent of the family. Anything less than that, you are going to be hit by a surcharge.

You know, the reality is that oftentimes small businesses just—I mean, if you are struggling just to keep your doors open, and you get hit with a payroll tax, it's not like an income tax, that if you make a profit, you pay the tax.

This is, you are going to pay this whether you are losing money or not. This is whether or not you are going to have to lay off employees or not. It's a very bad direction to go, and it's certainly not in the Republican version. It's, unfortunately, in the Democrat version that we will be voting on later this week.

Mr. PAULSEN. Just to mention, I mean, it sounds like it just defies common sense. With unemployment at near 10 percent—I know there are going to be some new job figures that will be released in the very near future—but it defies common sense of why we would really hit the small business community even harder and make it tougher for them to raise jobs.

As the gentlewoman mentioned earlier, the Republicans have a proposal to allow small business to pool together through these associated health care plans to actually help small businesses provide health insurance for their employees.

Mrs. LUMMIS. That will do wonders in my State of Wyoming where a lot of people are small business people, in fact, mom and pop sole proprietors, ranchers, that are just the mom and the dad in the family, and they have individual insurance policies that they purchased as an individual because they are it, they are the business. Under the Democrats' bill, those are the very people who are going to be completely foreclosed from being able to purchase individual health insurance plans after 2013.

We have been joined by our colleague from the State of Pennsylvania. GLENN THOMPSON has with him a very large stack of paper. Representative THOMPSON, what is that?

Mr. THOMPSON of Pennsylvania. This is a health risk, a serious health risk, for those of us who are carrying it around and, frankly, for the country. This is the Nancy Pelosi health care bill, 1,990 pages, and that's just part one.

Part two, I am sure we will see within the next 24 to 48 hours; that will be the manager's amendment. That will be all the buyouts, the bribes, the deals that are being made right now by the Speaker and my Democratic colleagues to buy their votes to support this.

I don't know what to expect. I don't know if my colleagues have a guess. We do a guess here in terms of the number of pages, this manager's amendment, which, frankly, will be all of the deals that are made. How many pages do you think the manager's amendment might be when we see this in the next 24, 48 hours?

Mr. COFFMAN of Colorado. I think it's about a couple of inches thick, would be my guess. The manager's amendment to the cap-and-trade, I think, was several hundred pages. I am speculating, but this is double the size of cap-and-trade. So let's go for 600 pages.

Mr. THOMPSON of Pennsylvania. Six hundred. Do I have another bid?

□ 1945

Mrs. LUMMIS. The rumor I heard was 800.

Mr. THOMPSON of Pennsylvania. The gentlewoman from Wyoming says 800 pages. How about my good friend from Minnesota?

Mr. PAULSEN. Well, I am going to just gander a guess. It is going to be several inches thick, which is too thick for us to read in a short period of time, unfortunately, and probably for the public to have that right to know.

Mr. THOMPSON of Pennsylvania. Now, that was a rather safe guess; a rather safe guess.

Yes, that manager's amendment is coming. And there are lots of just flawed approaches to health care here. Speaking as someone who worked in that field for almost 30 years as a manager in rural hospitals and a skilled nursing facility and many different settings, I want to talk just briefly about some of those, because it has to do with one of the charts you had up there about the promise to not add a dime to the debt, not a dime to the deficit.

This bill was based on the premise of Medicare growth being held at 4 percent. Now, why is that important? Well, Medicare is a significant amount of money, so 4 percent of Medicare is a lot of money. But let's talk about reality here, and that is what this bill lacks is a good dose of reality.

Medicare growth rates have been steady at 7 to 8 percent a year. That is just the reality of it. If you think about it, those in the baby boomer generation who are now retiring, becoming qualified beneficiaries under Medicare, that is a significant number of people adding to the Medicare rolls from this point forward. So, 7 to 8 percent.

If we just look back a year to 2008, the Medicare growth last calendar year alone was 9 percent, 9 percent, and yet this bill was based on holding Medicare at 4 percent. I think that is pretty flawed math. That is not even fuzzy math. That is just wrong.

We know that this is built on half a trillion dollars in new taxes, and you talked about some of those. Small businesses. Taxes on individuals who choose not to buy in, to buy insurance, are penalized. Medical devices will be taxed as an excise tax.

The other part of the funding mechanism is a half a trillion dollars in Medicare cuts. We have talked about that during other forums here, when already Medicare systematically has been underfunded from almost the day it was created. Medicare only pays today about 80 to 90 cents on every dollar of health care costs that a hospital or doctor has. And to do another half a trillion dollars in Medicare cuts, that is just wrong. The people that are going to suffer from that are the providers and older adults. This will bankrupt hospitals.

Mrs. LUMMIS. Reclaiming my time, I would echo some of your concerns in saying that in rural areas Medicare is not reimbursed at the same rates as it is in urban areas. So hospitals and physicians in rural areas receive less compensation for Medicare patients than they do in urban areas; so much less that in Casper, Wyoming, a town in central Wyoming, only about one-third of their actual out-of-pocket expenses are reimbursed from the Federal Government when they treat a Medicare patient.

Well, the hospital, because it is a quasi-public hospital, is going to keep taking those patients. But private physicians don't have to keep taking those patients, and when they are undercompensated, some of them choose to no longer take Medicare patients. And in a State that has a dearth of physicians anyway because we have such a small pool of patients, we are losing more and more access to doctors, even today.

My concern under the Democrats' bill is that we will be worse off as a State in terms of the number of physicians who will take Medicare patients and the hospitals that will take Medicare patients because of the poor reimbursement levels and decisions that are being made by the majority party in Congress to make further cuts in Medicare.

I yield to the gentleman from Colorado.

Mr. COFFMAN of Colorado. Thank you, Congresswoman LUMMIS.

One of the things that concerns me is how seniors are treated in this bill, and I think you certainly mentioned some of the things. But half of the bill is paid for by cuts to Medicare, roughly half, and that is stripping hundreds of billions of dollars out of the Medicare system. So a couple of things concern me.

There are going to be cuts certainly to Medicare Advantage. Many of the 10 million seniors that we know that are on the Medicare Advantage program will lose their coverage.

But what concerns me is the solvency of the system. If in fact there are savings in the Medicare system through looking at waste, fraud and abuse, as the proponents mention, that money really needs to stay in the Medicare system for seniors, because the actuaries or the trustees of the Medicare system are projecting that Medicare will run out of funding in 2013. So what we ought to be concentrating on, and there seems to be no discussion, is what is going to happen to the seniors in Medicare. Will they simply move into the public option? And then the public option, we defer to bureaucrats in the bill to define what are essentially the procedures, the treatments that are authorized.

So they are going to be making that decision, and on what basis are they going to be making that decision? Is it going to be on the quality-of-life issues in terms of maybe end-of-life care isn't important? We don't know these things. But I think the seniors ought to be real concerned about what is going to happen to their Medicare system, their Medicare plans under this particular proposal.

Mrs. LUMMIS. Before I yield to the gentleman from Minnesota, I wanted to remark on something I learned today. The Republicans had a little reading room where we could go and read the bill and share ideas, and especially learn from ranking members of the various committees who have been studying these concepts at least, even though they haven't seen it in bill form, for not only months, but years.

One of the things that I learned today in that session is that the enforcer in the Democratic bill is actually the IRS. One would think that with 111 new government agencies that the enforcement mechanism for providing health care, what is supposed to be a very positive notion, would not be the IRS.

What thinks the gentleman from Minnesota?

Mr. PAULSEN. Well, I thank you for yielding. I just want to go reference back to the comment that the gentleman, my good friend from Pennsylvania, had made on the tax on medical devices.

I have the privilege of being the co-Chair of the House Medical Technology Caucus. So just about 2½ to 3 weeks ago I conducted a field hearing in Minnesota in my district and we heard directly from those that would be impacted by this very onerous tax, because the Senate originally proposed a $40 billion tax on medical devices, and now the House, Speaker PELOSI's bill, the 1,990-page version has a $20 billion tax.

I want to tell you what we heard directly from people. One, we heard directly from small companies. I have a medical alley in my district that employs about 20,000 people in this sector, this economy, and these are folks that are producing these new lifesaving technologies that really give families and individuals the peace of mind that they are going to be taken care of in their elder years, or for their children, for instance.

Some of these companies, one in particular that just turned profitable, was very direct in saying, You know what? If we get hit with this tax, unfortunately, we are going to have to take that reduction in payroll. That is where the tax is going to hit us is in payroll and in layoffs and out of research and development.

So we are actually stifling innovation. It is an innovation tax.

Then we heard from a venture capitalist who is involved in new startups to try and get these little companies going again, some that have five employees, some that have nine. They are

hoping to come up with the ''next best thing.''

We are putting another nail in the coffin for them, as it was explained. We are making it that much tougher, because it is kind of a lottery right now. It is so difficult for a company like this to get the venture capital and then bring a product to market.

Finally, we heard from patients. We heard from patients that would be directly impacted. In particular, there was one individual that has an artificial limb, a prosthetic, that now as a patient we are making health care more expensive for him by having a tax on his products. And the tax that we have now as part of the Pelosi bill is going to put a tax on wheelchairs, on hearing aids, on the bandages that hospitals purchase. So it is absolutely a move in the wrong direction. It is going to make health care more expensive.

Mrs. LUMMIS. And, in fact, we also learned today that the bill runs counter to the President's promise that this was not going to tax people who make less than $250,000 a year. Because of the taxes that the gentleman from Minnesota just described, 90 cents out of every dollar that applies in this bill in additional costs will fall on people that fall in exactly that category, the $250,000 and less income earners.

I yield to the gentleman from Pennsylvania.

Mr. THOMPSON of Pennsylvania. Well, I thank the gentlelady from Wyoming.

I think innovation is one of the things that our health care system fosters in this country. When you look at the advancements that we have had, whether it be in medical devices or lifesaving technology, diagnostic, invasive, noninvasive, lifesaving interventions, that comes out of the type of health care system that we have today. It is the way it has been designed and the way it works. It provides those encouragements.

I have a number of similar small businesses that started very small, I don't know if they started in somebody's garage, but started as small operations, and they developed tremendous innovations, innovations in terms of prostheses for individuals who have lost limbs.

Actually, one of them is an incredible small company developing a limb that is not just a powered limb, which is the cutting edge for a prosthesis, an artificial leg, but this one actually selfcharges. In the use of it, that friction builds up the power.

The application of it is just tremendous, starting with our wounded warriors who rehabilitate and return to the field. This is an artificial limb and you don't have to plug it in at the end of the day. It recharges while you use it. We wouldn't get that innovation.

Any time we tax something, we repress it. We hold it back. We destroy it. This tax on medical devices is just, well, I agree, it would be a nail in the coffin of innovation for health care in this country.

Mr. PAULSEN. If the gentleman would yield, he raises a good point, because having visited Pennsylvania and knowing there are some technology sectors right in your district in particular, and there are many States, and maybe that is because some States don't have these medical device technologies growing, they are not being incubated. It is Massachusetts, it is California, it is Tennessee and Minnesota, which surprises me, because the Speaker being from California is proposing this tax. It is actually going to hurt many of these devices.

Again, we talked about the nature of the economy, almost 10 percent unemployment. We are going to be making it tougher to have very well, high-paying jobs, tougher for those companies to keep those jobs. It just doesn't make any sense to me.

Mrs. LUMMIS. One of the math items in this bill that just doesn't add up is the fact that they are going to be paying for 6 years of benefits under this bill with 10 years of revenue collections. And yet when we get, then, to that magical 11th year where we need to be able to pay for it as we go, obviously we won't be able to just stop providing benefits and have the taxes run for 4 years where we don't tap into them before we involve ourselves in the benefit component of the program again.

So that is a one-time in the first 10 years type of financial balancing act or financial gimmick that is being used in this bill to make it sound like it is in some way financially balanced. It is not, and it will suck more out of this economy in the second and ensuing 10 years and in decades when once again our children are going to be paying for it.

So, this bill really does defer to our children and grandchildren huge financial obligations that the people in this room feel is not only unnecessary, but highly inappropriate.

Mr. THOMPSON of Pennsylvania. If the gentlelady will yield, you are going down a tremendously important road here in terms of what this legacy of costs that we are passing along to our children and our grandchildren and great-grandchildren at this point is, on top of all the other deficits that have been accumulated by this Democrat-led Congress since January.

I had the opportunity to spend some time this morning with a former Congressional Budget Office director. And going back to the point of the flawed math here, of saying that growth in Medicare will be held at 4 percent, when we know that it is an average of 7 to 8, 9 percent last year, his estimates are this cost will actually be at somewhere around $1.8 trillion in terms of math.

To give us some idea, I just want to point to a project that actually is literally under our noses. It was a project that did not occur on our watch. This was years past, and it is a beautiful place to visit and we take our constituents there, the Capitol Visitor Center.

□ 2000

I certainly encourage people to come to Washington to visit that, but there is a prime example of estimates that were made, and in the end it was 300 percent more expensive than what the original cost estimates were. So even if we're at a trillion or $1.2 trillion or $1.8 trillion, and we know that we cannot afford that, where could these costs go once this legislation passes? Just based on the example of a project that we should have pretty good oversight on because it was being constructed right under our noses.

Mrs. LUMMIS. I yield to the gentleman from Minnesota to introduce our colleague from Tennessee.

Mr. PAULSEN. I will yield to the gentleman, but in particular, my colleague from Tennessee, whom I have learned a great deal from, one of the things that I appreciate about you is you're a former mayor and you know how to get things done, and certainly I think Members of Congress could take some lessons from you. Coming from this great State of Tennessee, you've got some of those medical technology companies in your great State. And we should hear from you as a physician as well. You've got a very unique perspective, and you can offer a lot to this Congress.

I yield to the gentleman.

Mr. ROE of Tennessee. I appreciate the gentleman yielding.

I would like to start out by saying that I don't think there's a conflict at all either from the Republican side or the Democrat side that we have a need to reform health care in this country, because costs are not sustainable on the current path. I don't think anyone disagrees with that. And, secondly, it's a noble goal and an attainable goal, I believe, to cover our citizens with health care. I believe we can do that in this country. I don't think this bill is the one that does it, and I go back to an experience that I've had in Tennessee.

The gentleman from Pennsylvania was talking about the cost of the Visitors Center. Let's go over the costs of health care in this country and estimates by government people, by the CBO and others. Let's go back to 1965, and I do believe that this is the single biggest debate on a social issue since the civil rights movement in the 1960s and Medicare in 1965. In 1965 the estimate was Medicare would cost $3 billion to $4 billion a year, and that's what it cost. The estimate in 1990, 20 years later, it was going to be a $15 billion program. What was the actual cost? Over $90 billion. And today our Medicare program is over $400 billion.

Let's also dial back to Medicaid. The Medicaid program, the government insurance for low-income people and infants and children, has gone up 37 times since its inception.

In TennCare we had the argument that I hear and, again, I dealt with it as a physician and also as a mayor. In the early 1990s we had a lot of people in Tennessee who were uncovered. So we wanted to cover as many of our people as we could. So we got a waiver from Washington to experiment with a managed care plan called TennCare. And HHS, the Health and Human Services here in Washington, exempted us from the current Medicaid plan.

When we started this plan, we started with eight different companies that would go after your business on a competitive basis, and this was going to hold costs down. We would compete among these plans.

So what actually happened in Tennessee was this: in 1993 the State spent $2.6 billion on our TennCare program. Between there and 2004, 10, 11 budget years later, that had risen to almost $8.5 billion. It had over-tripled in price, where we thought the costs would be less than that. We thought it would hold costs down.

What actually happened with the public option? Well, what happened with the public option was this: 45 percent of the people who got on TennCare had private health insurance, and they made a perfectly logical decision. It was cheaper, it had first-dollar coverage, it was a very generous plan. So they dropped their own private health insurance coverage and got on TennCare.

Now, I just got the numbers this afternoon, and they are what I thought they were. In our State our TennCare plan pays about 58 percent of the cost of actually providing the care. Medicare pays 91 percent in Tennessee of the cost of providing the care, and the uninsured pay somewhere in between. And what happened in our State was those costs got shifted to private insurers.

Well, the State was then left with—almost every new budget dollar that came to the State of Tennessee was used for health care, not for K–12, not for roads, not for other things, colleges and so forth. So what did the Governor, who is a Democrat, and the legislature, which is now Republican, what did they do? Well, they rationed care. And how did they ration care? They cut the rolls. And every year that we had a raise, it was almost double digit. The year that broke the bank was a 19 percent increase in costs in 1 year.

So we have seen the public option. We have seen the competition. And the problem with any public plan is it doesn't pay the cost of the care. And when you do that, three things happen for somebody: one is you decrease access because you don't have someone who will take those patients on that don't pay the cost of the care. Number two, when you decrease access, you decrease quality of care because the patients can't get to a physician other than through an emergency room. And, three, somebody else, that's the private insurers in our State, pay more money. So we had decreased access, decreased quality, and increased costs. So that's what I'm fearful of here that will happen with this.

There is a better way. I mean, I can sit down with the expertise in this room right now and we can write a plan with our Democratic colleagues in 30 minutes. A quick example of that is the current Baucus plan calls for increasing access to 91 percent of our population. Now 85 percent of our population is covered. You can do two things that will get you to 91 percent on one page, and that is, number one, allow young people, like I've had children in my own home that have had to do this, that don't have health insurance when they graduate from high school or college, to stay on their parents' plan until they're 26 years old. This current bill, the Democrats have had that in there, and I agree with that 100 percent. And, number two, simply sign up the people who already qualify for Medicaid or SCHIP, and you will get to 91 percent. So it's a fairly simple thing to do without a lot of government bureaucracy, new plans, czars, commissioners, and so on that's so complicated right now. I'm sure some of you have tried to wade through this bill, and some of it's almost incomprehensible.

I thank you for yielding.

Mrs. LUMMIS. We are all freshmen who have been talking here. Many of us served in some capacity either in our State legislature, in your case as a mayor, a couple of State treasurers; so we know how State government works. And what we see, as States could not print money, we had to live within our means. So when the Federal Government places an unfunded mandate, meaning they require States to provide a service and then don't provide the money for the State to provide the service, the State has to come up with the bucks. And this has been called the ''mother of all unfunded mandates'' by the Democrat Governor of your home State of Tennessee.

And those of us who are here—I know that you were leader in your Minnesota legislature—tried to find good legislation that was sitting around and had been introduced by Members of either party. And in honesty, in my legislature, if a Democrat had a great idea, and we were Republican legislators, we'd go steal their ideas and put Republican names on it and sponsor it. It was the best form of flattery. The ideas were coming up.

And you know who did that maybe better than anybody I have ever seen on a national scale was Bill Clinton. He took what was cultivated in the States and nurtured in the States a plan to reform welfare, and he slapped his name on it and he made it his. And he worked with Republican Members of this Congress to reform welfare.

We could do that today. We have 53 bills out there that our Democratic colleagues could say, hey, this is a good idea or I like the idea of letting young people stay on their parents' insurance until they're 26 years old. That helps them out, especially in these tough economic times when it's hard to find a job. There are ideas out there that would solve these problems.

Yet we are faced with a bill that is almost 2,000 pages long that we're expecting a big additional amendment to, that was drafted behind closed doors, that has some nonsensical language in it that people can't understand that we only get 72 hours to read. It all seems like a bad dream. But it's the American Congress. And there are so many better options out there. I just am so frustrated with the majority party that they won't look through our 53 bills that they could read online and say that's a good idea, let's put a Democrat's name on it and make it our idea. We'd be delighted.

I yield to the gentleman from Tennessee.

Mr. ROE of Tennessee. I thank the gentlewoman from Wyoming for yielding.

Just to make your point, something that I promised I would do when I came here as a local mayor, I had dealt with unfunded mandates until I had had them up to here on the local level. The State has to deal with these. And I made a decision I'm not going to vote for an unfunded mandate that the Federal Government puts on local government or State government.

And our Governor right here that you mentioned, Governor Bredesen, who is a Democrat, by the way, and is very knowledgeable in health care, I have great respect for him and the knowledge that he has. He's had to make some tough decisions. He has looked at this current plan and evaluated it from the viewpoint of the State of Tennessee. I think it's September of next year, 2010, the money that the States get from stimulus is gone. It's over with. So he's looking at this unfunded mandate to us.

And let me just tell you how critical it is in our State right now because of jobs. We are losing jobs in the State. The unemployment rate is above 10 percent, and we're a sales tax-based State. We don't have a State income tax. And he has estimated that this particular plan, H.R. 3200, now 3962, that's out there will conservatively cost our State $735 million in the first 5 years. And if it has the same benefit package, which remember the commissioner will decide what an adequate benefit package is, it will cost the State as much as $3 billion to $4 billion.

Let me tell you the dire straits we're in. The SCHIP program right now, the State Children's Health Insurance Plan, known in Tennessee as CoverKids, we can't enroll any other kids in there because we can't afford the current plan. So if we come down with another unfunded mandate, we don't know what we're going to do in the State.

Mrs. LUMMIS. We are now down to the speed round, which means we have

2 minutes left for each Member of this discussion to summarize.

And I would like to start with the gentleman from Pennsylvania.

Mr. THOMPSON of Pennsylvania. I thank the gentlewoman for yielding.

I just want to build quickly on affordability. And our Democratic colleagues have recognized this with this bill, and I just call attention to page 25, section 101, which is the national high-risk pool. These are the folks we should be doing something for. They're high risk, preexisting conditions. They have a difficult time accessing health insurance. And the language that's built into this, our Democratic colleagues recognize this isn't going to be sustainable. We're not going to be able to fund this. Within the legislative language it says, given once the money is spent and goes beyond the premiums checked, it allows the Secretary of Health and Human Services, if all are exhausted, to do three things: cut benefits, increase premiums, and create waiting lists. Page 25, section 101.

I think that's a general acknowledgment early in this bill. And if we can do that type of rationing for folks who are most at risk, who we should be doing health insurance reform for, what does it mean for the rest of us?

I thank the gentlewoman for coordinating tonight.

Mrs. LUMMIS. You are well under your time. Thank you for participating.

I yield to the gentleman from Colorado.

Mr. COFFMAN of Colorado. I thank the gentlewoman from Wyoming for yielding.

One concern certainly that I have is that we are, I think, not focused on all that we have in terms of a safety net. For instance, in my home State of Colorado, there is a high-risk insurance pool called Cover Colorado. We have a premium tax on all insurance products, whether it's health care or it's property and casualty, some of which goes into the general fund, some of which goes into a subsidized health insurance plan for people with preexisting conditions that can't otherwise reasonably get insurance but don't qualify for a public plan because of their income or their assets. So they are covered under this program where they are charged a flat 140 percent of what the average premium cost is in Colorado.

□ 2015

We have 183 community health clinics in Colorado. If you look at the community health provider network Web site for Colorado, they saw over 400,000 patients—not patient visits but patients in the State of Colorado—where they got preventive care, primary care, dental services and mental health services, mostly at taxpayers' expense, all for the uninsured and underinsured. We have Medicaid for the poor and disabled. We have Medicare for the elderly. So there is a tremendous safety net right now. To include emergency room care for those that don't have any form of insurance or are not on a plan and walk in, they're required by law to receive all appropriate screening and subsequent treatment. So I think we need to be aware of what the safety net is right now.

Mrs. LUMMIS. I thank the gentleman from Colorado for participating this evening, and I yield now to the gentleman from Tennessee.

Mr. ROE of Tennessee. I thank the gentlelady from Wyoming. Just a couple of brief things that we hadn't touched on maybe as much. Certainly I am one of the few people in this Congress who have had to go down to the emergency room at 3 or 4 o'clock in the morning and see someone who doesn't have health insurance coverage or has a malignancy that needs care. I have seen it and have dealt with it. Certainly what we would like to do is make sure that we can find a way to help those folks that don't have coverage right now. We have got 85 percent of the people in this Nation who have coverage, and what are they worried about? The cost. I will tell you now that we will never get the costs under control in this country without liability reform. Unless you have medical malpractice reform in some reasonable way—and one of the problems that we have in malpractice reform is that we don't have a way to adequately compensate someone who's been injured.

Right now in this system, in Tennessee, the system that we had doesn't do that. Since the inception of our malpractice company, owned by the physicians in Tennessee, since 1975, over half the dollars that have been paid out have been paid to attorneys and not to the injured party. Less than 40 cents of every dollar that we pay has been paid to someone who's been injured. There is something wrong with that. So we have to look into this as a Nation and decide how we're going to proceed. Certainly people are injured and do need compensation for their injuries. But the system we have now is broken. It needs to be fixed. This particular bill does nothing for that.

I will yield back the remainder of my time so that others can speak. I appreciate you having me on with you tonight.

Mrs. LUMMIS. We are blessed to have three physicians in our Republican freshman caucus who have been gracious in educating us about the medical practice in their parts of the country. It's a great privilege to serve with them in Congress and also the gentleman from Pennsylvania who spoke earlier, who has managed health care in his State. We are deeply grateful for his participation.

I thank the gentlemen from the Republican freshmen for participating in this evening's effort. I can tell you that the women in the Republican Conference have been discussing health care as it relates to women this week, and we'll be doing so again tomorrow. I will look forward to pursuing that discussion again tomorrow. But to wrap things up this evening for the remainder of our time, I would like to turn it over to my colleague and cohost for this evening's Special Order by the Republican freshmen, the gentleman from Minnesota (Mr. PAULSEN).

Mr. PAULSEN. I thank the gentlelady for helping coordinate the opportunity for all of us tonight as freshmen to express some of our concerns and certainly opposition and reservations to the bill that has been put now before us that we will likely be voting on later this week. We talked about why this bill is bad for the American public. I just want to recap. Number one, we talked about why this bill is bad for small business. It raises their taxes. It's going to cost jobs. We've talked about why this bill is bad for individuals. It mandates that they will have to buy coverage or else they're going to have to pay a penalty. We've talked about—not at great length but why the bill is, indeed, bad for seniors. That is no doubt. I talk to a lot of seniors in my district that are under Medicare Advantage right now, and they are very concerned about having to give up the health care plan that they're under right now. These Medicare Advantage plans, they offer a lot of what the President himself in this very Chamber talked about, good services that benefit a lot of these seniors, going for regular checkups without having to pay an additional copay, having vision care, having dental care. That is what Medicare Advantage plans offer. And to cut Medicare by $500 billion, to me, makes absolutely no sense.

If you really think about it—and my good friend from Tennessee, the doctor, mentioned earlier—some of the good provisions we should be supporting, like allowing young adults to be put on their parents' policies—I mean, that's common sense, and we support that initiative. We just wish that we could hit the reset button and not have a 1,990-page bill where we would have just a provision where we could do that, as well as allowing the small businesses to pool together. We can absolutely cover preexisting conditions. That is something we absolutely should do and we support doing. So there are some good things that we should focus on. Unfortunately, those aren't the priorities of this bill, unfortunately. And ultimately, the American want people want to have the peace of mind that they can get the coverage that they need when they need it, and they want to ensure that they—not the government, not special interests, not Members of Congress—are not going to stand between a patient and their doctor.

In short, I think we all agree that the bill before us is the wrong approach. It's a very dismissive wave of the hand by Congress to those who have raised the voice on this most personal issue in their lives. There's no other issue that affects families more personally than

health care, whether it is taking care of your children, thinking about how you're going to care for your parents or grandparents down the road. There is a better way, as you mentioned. There is a better way, and the gentlelady from Wyoming had gone through a great detail of other proposals that are out there that, quite honestly, there's bipartisan support for. The truth is, with the right reforms, we can absolutely control health care costs and lower premiums. This bill does not lower health care premiums. It will be a massive intrusion from the Federal Government on our individual and personal economic freedoms, though.

I yield back for our closing.

Mrs. LUMMIS. I thank the gentlemen from Minnesota, from Tennessee, from Pennsylvania and from Colorado for joining me this evening. People from all over the United States will be paying a house call on Speaker PELOSI on Thursday at noon this week on the Capitol steps. We will be there to greet them and hopefully discuss with them our concerns about the Democratic approach and to offer better solutions.

I thank the Speaker this evening for his kind attention and tolerance of his fellow freshmen Republicans' efforts this evening.

THE ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Ohio (Mr. DRIEHAUS) is recognized for 60 minutes as the designee of the majority leader.

Mr. DRIEHAUS. Thank you very much, Mr. Speaker.

I appreciate very much listening to my Republican colleagues. I, too, came in in the freshman class, along with my Republican colleagues, and I came to the floor tonight, Mr. Speaker, to talk about the economy and to talk about regulatory reform and what we're doing to address the foreclosure crisis here in the United States. But I can't allow some of the comments that I just heard go without challenge.

I heard it said that we've only been given 72 hours to read the bill. Now I think, Mr. Speaker, you probably remember back at the end of July, there was a push to try to vote on the health care plan. I, along with you, I believe, and many others suggested that the American people have time, that they have time to read the health care bill, that we have time to digest this. We went home. We held town meetings. I don't know about the other Members of Congress. I know I had more than 100 meetings on health care during that time period. So we have had far more than 72 hours.

But then they said, We need 72 hours for this particular bill. So the bill, itself, which is simply a modification of bills that we have been discussing, that we've been hearing in committee, bills that we have been meeting on for months was introduced on Friday. I put it on my Web site. Many people put it on their Web site. There has been plenty of time. If you want to oppose health care, then obviously that is up to you to oppose health care. But let's not hide behind this thing about 72 hours. We have had months to discuss this. We will have far more than 72 hours to look and review the bill at hand.

I also want to talk about small businesses, because I know, Mr. Speaker, you and I have worked very closely on this in protecting small businesses in the health care reform bill. As you recall, the bill as originally introduced had a threshold of $250,000 for payroll. That is, any small business that had more than $250,000 in payroll would be subject to a surcharge, a surcharge where they pay their fair share. That has been increased in this bill to $500,000, a significant increase for small businesses. I don't know what businesses my colleagues from the Republican side are visiting, but I can tell you when I go out to small businesses, be they Democrat or Republican, they're talking about their premium increases. They're talking about their premium increases of 20 percent, of 30 percent. The fact of the matter is, Mr. Speaker, this is all about small businesses. This is about protecting small businesses. Because right now in the State of Ohio, the State I hail from, less than 50 percent of small businesses are able to provide health care to their employees; less than 50 percent. It's because of those rising costs. So while they say it does nothing for individuals, well, they're absolutely wrong. If you're an individual working for a small business and the employer cannot afford health care, this bill helps you; it helps you, and it helps your family. If you're an individual with a preexisting condition, you happen to be ill and you need to get health insurance, you can't do it right now. Does this bill help those individuals? Absolutely. If you're an individual that has health insurance and you happen to get sick, and you need to draw upon that health insurance, right now you can be cut off. This bill says, No. You can't do that any longer. The insurance company can't stop covering you for your illness. So this bill is all about helping small businesses and helping individuals.

I would encourage my colleagues to read the bill. Yes, it's long. But we're beyond chapter books at this point. We are able to read long bills. It's long because this is a comprehensive piece of legislation, and I think it deserves debate. It deserves far more than rhetoric. But rhetoric is what you tend to hear when you come down to the House floor. Rhetoric is what you tend to hear when Republicans line up and give 1-minute speech after 1-minute speech after 1-minute speech, be it about energy or health care or the economy. The other side of the aisle is big on rhetoric, but they're not big on solutions, nor are they big on taking responsibility. They act as if they weren't here. They act as if they weren't in charge since 1994, that they weren't elected in the Newt Gingrich majority, that they didn't have power until 2006. But the fact of the matter is that they were the party in party. They were the party in control. They were the party as this housing crisis spiraled out of control. They were the party as the rising costs of health care kept mounting and mounting and mounting and harming our small businesses and harming our economy.

THE U.S. ECONOMY

For the 8 years prior to being elected to Congress, Mr. Speaker, I was a State representative in Ohio. I come from a working-class neighborhood in Cincinnati, and I saw house after house being foreclosed on. Now I didn't know what was happening in 2001. I didn't know what was happening in 2002. So we put together a housing task force, and we started asking questions. We started looking into some of these loans that were being floated to my neighbors, to folks in my neighborhood to figure out why these houses were going into foreclosure. And it was interesting. We found that people who never should have qualified for loans were suddenly qualified. People that couldn't even document that they had the income to purchase a home were qualifying for home loans. Then, of course, they couldn't afford to pay the mortgages, and those were the houses being foreclosed on. We call these subprime loans. When people who can't afford to pay their bills, people who have poor credit scores are able to get a loan, those are subprime loans, as opposed to people who do pay their bills and they do have high credit scores. Those are prime loans.

So we looked at this, and we looked at some of the practices of the financial institutions, and we just scratched our heads and said, Well, how is it that a financial institution can float a loan to somebody that can't prove their income, can float a loan to somebody that has a poor credit history, yet they're purchasing an $80,000 home, they're purchasing a $120,000 home? How is this happening?

Well, the answer is, Mr. Speaker, it was all about what was going on on Wall Street. It was all about what was going on on Wall Street because what was going on on Wall Street was that people were making a lot of money, and they were making a lot of money off of these products that are called derivatives or mortgage-backed securities or credit default swaps.

□ 2030

The world had changed in the area of mortgage finance in the early 2000s. The world had changed dramatically. What had happened was this. Where in the past if you wanted to buy a home, you wanted to achieve the American Dream, you would go down to your bank, you would go down to the savings and loan, and you would talk to